

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

AUDIT REPORT

OF

ATTICA CONSOLIDATED SCHOOL CORPORATION

FOUNTAIN COUNTY, INDIANA

July 1, 2005 to June 30, 2007



**FILED**

03/31/2008



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards .....	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards .....	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis .....	7-8
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds .....	9-10
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds .....	11-12
Notes to Financial Statements .....	13-23
Required Supplementary Information:	
Schedule of Funding Progress .....	24
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds .....	25-39
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds .....	40-41
Schedule of Long-Term Debt .....	42
Audit Results and Comments:	
Condition of Records .....	43-44
Errors on Claims .....	44
Receipt Issuance .....	44-45
Deposits – Timeliness .....	45
Deposits – Classification of Funds .....	45
Overdrawn Fund Balances .....	45-46
Federal and State Agencies – Compliance Requirements .....	46
Average Daily Membership (ADM) – Lack of Records .....	46-47
Transfer Tuition – Children of Teachers .....	47
Appropriations .....	47
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133 .....	50-51
Schedule of Expenditures of Federal Awards .....	52-53
Notes to Schedule of Expenditures of Federal Awards .....	54
Schedule of Findings and Questioned Costs .....	55-56
Auditee Prepared Schedules:	
Summary Schedule of Prior Audit Findings .....	57
Corrective Action Plan .....	58
Exit Conference .....	59

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Carrie R. Brier	07-01-05 to 06-30-08
Superintendent of Schools	Dr. Judith A. Bush	07-01-05 to 06-30-08
President of the School Board	Laury Luth Vacant Jim McKee Tony Crane	07-01-05 to 11-28-05 11-29-05 to 12-18-05 12-19-05 to 06-30-07 07-01-07 to 06-30-08



**STATE OF INDIANA**  
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**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Attica Consolidated School Corporation (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2006 and 2007, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated February 28, 2008, 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 and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the School Corporation taken as a whole. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Corporation has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Long-Term Debt has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

February 28, 2008



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Attica Consolidated School Corporation (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated February 28, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in item 2007-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(Continued)

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

We noted other matters involving the internal control over financial reporting that we have discussed with the management of the School Corporation on February 28, 2008. These immaterial instances of noncompliance were subsequently communicated to management in a separate letter.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

This report is intended solely for the information and use of the School Corporation's management, School Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 28, 2008

ATTICA CONSOLIDATED SCHOOL CORPORATION  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2006

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				Net (Disbursement) Receipts and Changes in Net Assets
Instruction	\$ 3,340,069	\$ -	\$ 92,424	\$ (3,247,645)
Support services	3,965,960	249,742	151,231	(3,564,987)
Community services	147,258	-	-	(147,258)
Nonprogrammed charges	402,901	-	-	(402,901)
Debt service	<u>2,266,555</u>	<u>-</u>	<u>-</u>	<u>(2,266,555)</u>
Total governmental activities	<u>\$ 10,122,743</u>	<u>\$ 249,742</u>	<u>\$ 243,655</u>	<u>(9,629,346)</u>
General receipts:				
Property taxes				3,162,337
Other local sources				959,017
State aid				4,160,284
Bonds and loans				572,463
Grants and contributions not restricted to specific programs				406,431
Sale of property, adjustments, and refunds				22,515
Investment earnings				<u>30,766</u>
Total general receipts				<u>9,313,813</u>
Change in net assets				(315,533)
Net assets - beginning				<u>1,621,731</u>
Net assets - ending				<u>\$ 1,306,198</u>
<u>Assets</u>				
Cash and investments				\$ 773,275
Restricted assets:				
Cash and investments				<u>532,923</u>
Total assets				<u>\$ 1,306,198</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 532,923
Unrestricted				<u>773,275</u>
Total net assets				<u>\$ 1,306,198</u>

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

ATTICA CONSOLIDATED SCHOOL CORPORATION  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 3,402,778	\$ -	\$ 74,362	\$ (3,328,416)
Support services	4,061,735	255,813	178,705	(3,627,217)
Community services	128,335	-	-	(128,335)
Nonprogrammed charges	319,393	-	-	(319,393)
Debt service	<u>1,818,429</u>	<u>-</u>	<u>-</u>	<u>(1,818,429)</u>
Total governmental activities	<u>\$ 9,730,670</u>	<u>\$ 255,813</u>	<u>\$ 253,067</u>	<u>(9,221,790)</u>
General receipts:				
Property taxes				3,441,432
Other local sources				1,003,259
State aid				4,063,992
Bonds and loans				1,041,983
Grants and contributions not restricted to specific programs				533,766
Sale of property, adjustments, and refunds				39,647
Investment earnings				<u>38,891</u>
Total general receipts				<u>10,162,970</u>
Change in net assets				941,180
Net assets - beginning				<u>1,306,198</u>
Net assets - ending				<u>\$ 2,247,378</u>
<u>Assets</u>				
Cash and investments				\$ 1,573,217
Restricted assets:				
Cash and investments				<u>674,161</u>
Total assets				<u>\$ 2,247,378</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 674,161
Unrestricted				<u>1,573,217</u>
Total net assets				<u>\$ 2,247,378</u>

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

ATTICA CONSOLIDATED SCHOOL CORPORATION  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2006

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 1,511,115	\$ 224,646	\$ 1,257,101	\$ 519,653	\$ 16,816	\$ 872,129	\$ 4,401,460
Intermediate sources	396	-	-	-	-	-	396
State sources	4,239,752	-	-	-	-	91,764	4,331,516
Federal sources	3,267	-	-	-	-	475,586	478,853
Bonds and loans	185,884	77,103	213,415	96,061	-	-	572,463
Sale of property, adjustments and refunds	5,712	4,790	-	-	-	12,020	22,522
<b>Total receipts</b>	<b>5,946,126</b>	<b>306,539</b>	<b>1,470,516</b>	<b>615,714</b>	<b>16,816</b>	<b>1,451,499</b>	<b>9,807,210</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	2,677,446	-	-	-	-	662,623	3,340,069
Support services	2,456,314	229,085	-	494,925	36,956	748,680	3,965,960
Community services	147,258	-	-	-	-	-	147,258
Nonprogrammed charges	390,000	-	-	-	-	12,901	402,901
Debt services	598,437	50,282	1,527,475	85,740	-	4,621	2,266,555
<b>Total disbursements</b>	<b>6,269,455</b>	<b>279,367</b>	<b>1,527,475</b>	<b>580,665</b>	<b>36,956</b>	<b>1,428,825</b>	<b>10,122,743</b>
Excess (deficiency) of receipts over disbursements	(323,329)	27,172	(56,959)	35,049	(20,140)	22,674	(315,533)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	66,542	66,542
Transfers out	-	-	-	-	-	(66,542)	(66,542)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(323,329)	27,172	(56,959)	35,049	(20,140)	22,674	(315,533)
Cash and investments - beginning	627,852	79,743	529,908	215,373	42,633	126,222	1,621,731
Cash and investments - ending	<u>\$ 304,523</u>	<u>\$ 106,915</u>	<u>\$ 472,949</u>	<u>\$ 250,422</u>	<u>\$ 22,493</u>	<u>\$ 148,896</u>	<u>\$ 1,306,198</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 304,523	\$ 106,915	\$ -	\$ 250,422	\$ 22,493	\$ 88,922	\$ 773,275
Restricted assets:							
Cash and investments	-	-	472,949	-	-	59,974	532,923
<b>Total cash and investment assets - ending</b>	<b><u>\$ 304,523</u></b>	<b><u>\$ 106,915</u></b>	<b><u>\$ 472,949</u></b>	<b><u>\$ 250,422</u></b>	<b><u>\$ 22,493</u></b>	<b><u>\$ 148,896</u></b>	<b><u>\$ 1,306,198</u></b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ 472,949	\$ -	\$ -	\$ 59,974	\$ 532,923
Unrestricted	<u>304,523</u>	<u>106,915</u>	<u>-</u>	<u>250,422</u>	<u>22,493</u>	<u>88,922</u>	<u>773,275</u>
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 304,523</u></b>	<b><u>\$ 106,915</u></b>	<b><u>\$ 472,949</u></b>	<b><u>\$ 250,422</u></b>	<b><u>\$ 22,493</u></b>	<b><u>\$ 148,896</u></b>	<b><u>\$ 1,306,198</u></b>

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

ATTICA CONSOLIDATED SCHOOL CORPORATION  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2007

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 1,668,915	\$ 255,465	\$ 1,317,795	\$ 603,126	\$ 35,006	\$ 858,691	\$ 4,738,998
Intermediate sources	396	-	-	-	-	-	396
State sources	4,123,145	-	-	-	-	175,997	4,299,142
Federal sources	8,986	-	-	-	-	542,697	551,683
Bonds and loans	491,500	90,665	161,300	298,518	-	-	1,041,983
Sale of property, adjustments and refunds	11,208	20,681	-	7,239	-	520	39,648
<b>Total receipts</b>	<b>6,304,150</b>	<b>366,811</b>	<b>1,479,095</b>	<b>908,883</b>	<b>35,006</b>	<b>1,577,905</b>	<b>10,671,850</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	2,770,875	-	-	-	-	631,903	3,402,778
Support services	2,447,698	259,473	-	648,309	7,783	698,472	4,061,735
Community services	127,801	-	-	-	-	534	128,335
Nonprogrammed charges	313,447	-	-	-	-	5,946	319,393
Debt services	185,884	77,103	1,328,802	96,061	-	130,579	1,818,429
<b>Total disbursements</b>	<b>5,845,705</b>	<b>336,576</b>	<b>1,328,802</b>	<b>744,370</b>	<b>7,783</b>	<b>1,467,434</b>	<b>9,730,670</b>
Excess (deficiency) of receipts over disbursements	458,445	30,235	150,293	164,513	27,223	110,471	941,180
<b>Other financing sources (uses):</b>							
Transfers in	3,256	-	-	-	-	79,373	82,629
Transfers out	(12,378)	(1,024)	(15,642)	(2,256)	(133)	(51,196)	(82,629)
<b>Total other financing sources (uses)</b>	<b>(9,122)</b>	<b>(1,024)</b>	<b>(15,642)</b>	<b>(2,256)</b>	<b>(133)</b>	<b>28,177</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	449,323	29,211	134,651	162,257	27,090	138,648	941,180
Cash and investments - beginning	304,523	106,915	472,949	250,422	22,493	148,896	1,306,198
Cash and investments - ending	\$ 753,846	\$ 136,126	\$ 607,600	\$ 412,679	\$ 49,583	\$ 287,544	\$ 2,247,378
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 753,846	\$ 136,126	\$ -	\$ 412,679	\$ 49,583	\$ 220,983	\$ 1,573,217
Restricted assets:							
Cash and investments	-	-	607,600	-	-	66,561	674,161
<b>Total cash and investment assets - ending</b>	<b>\$ 753,846</b>	<b>\$ 136,126</b>	<b>\$ 607,600</b>	<b>\$ 412,679</b>	<b>\$ 49,583</b>	<b>\$ 287,544</b>	<b>\$ 2,247,378</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ 607,600	\$ -	\$ -	\$ 66,561	\$ 674,161
Unrestricted	753,846	136,126	-	412,679	49,583	220,983	1,573,217
<b>Total cash and investment fund balance - ending</b>	<b>\$ 753,846</b>	<b>\$ 136,126</b>	<b>\$ 607,600</b>	<b>\$ 412,679</b>	<b>\$ 49,583</b>	<b>\$ 287,544</b>	<b>\$ 2,247,378</b>

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

ATTICA CONSOLIDATED SCHOOL CORPORATION  
STATEMENT OF ADDITIONS, DEDUCTIONS,  
AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2006

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Other	\$ -	\$ 1,300	
Deductions:			
Benefits	103,459	-	
Administrative and general	<u>-</u>	<u>92,141</u>	
Total deductions	<u>103,459</u>	<u>92,141</u>	
Excess (deficiency) of total additions over total deductions	(103,459)	(90,841)	
Cash and investment fund balance - beginning	<u>141,256</u>	<u>101,843</u>	
Cash and investment fund balance - ending	<u>\$ 37,797</u>	<u>\$ 11,002</u>	
Net assets:			
Cash and investments	\$ 37,797	\$ 11,002	\$ 27,951
Total net assets - cash and investment basis held in trust	<u>\$ 37,797</u>	<u>\$ 11,002</u>	<u>\$ 27,951</u>

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

ATTICA CONSOLIDATED SCHOOL CORPORATION  
STATEMENT OF ADDITIONS, DEDUCTIONS,  
AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2007

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Employer	\$ -	\$ 97,478	
Deductions:			
Benefits	37,797	-	
Administrative and general	<u>-</u>	<u>29,030</u>	
Total deductions	<u>37,797</u>	<u>29,030</u>	
Excess (deficiency) of total additions over total deductions	(37,797)	68,448	
Cash and investment fund balance - beginning	<u>37,797</u>	<u>11,002</u>	
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 79,450</u>	
Net assets:			
Cash and investments	\$ -	\$ 79,450	\$ 28,797
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 79,450</u>	<u>\$ 28,797</u>

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

ATTICA CONSOLIDATED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS

I. 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 School Corporation's financial reporting entity is composed of the following:

Primary Government: Attica Consolidated School Corporation

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Venture

The School Corporation is a participant with seven other school corporations in a joint venture to operate West Central Indiana Career and Technical Education Cooperative which was created to provide programs and services for high school students in career and technical education. Member corporations are charged for services based upon the number of participating students. Complete financial statements for the West Central Indiana Career and Technical Education Cooperative can be obtained from Crawfordsville Community School Corporation, P.O. Box 272, 1000 Fairview Avenue, Crawfordsville, Indiana, 47933.

The School Corporation is a participant with eight other school corporations in a joint venture to operate West Central Indiana Special Services Cooperative which was created to provide programs and services for children with disabilities. Member corporations are charged for services based upon the number of participating students. Complete financial statements for the West Central Indiana Special Services Cooperative can be obtained from Crawfordsville Community School Corporation, P.O. Box 272, 1000 Fairview Avenue, Crawfordsville, Indiana, 47933.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statements of Activities and Net Assets – Cash and Investment Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

ATTICA CONSOLIDATED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The debt service fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

The transportation operating fund accounts for financial resources for the transportation of school children to and from school.

The school bus replacement fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for the activities of the Retirement/Severance Bonds, which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the drama productions, leadership training and building improvements.

Agency funds account for assets held by the School Corporation as a clearing account for payroll withholdings.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment 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. Investment transactions are not presented on the financial statements.

ATTICA CONSOLIDATED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any enterprise funds or internal service funds.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. 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% 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 become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to December 31 of the year collected.

3. Compensated Absences

a. Sick Leave

Employees earn sick leave at rates from 5 days to 12 days per year based upon the number of years of service. Unused sick leave may be accumulated to a maximum of 182 days. Accumulated sick leave is not paid to employees upon termination, but is paid to certified employees through cash payments upon retirement based on the collective bargaining rate.

ATTICA CONSOLIDATED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

b. Vacation Leave

Nonteaching or administrative and noncertified School Corporation employees earn vacation leave at rates from 5 days to 20 days per year based upon the number of years of service. Vacation leave does not accumulate from year to year.

c. Personal Leave

School Corporation employees earn personal leave at rates of 1 day to 4 days per year, based upon the number of years of service. Unused personal leave may be accumulated to a maximum of 4 days. Accumulated personal leave is paid to employees through cash payments upon termination.

4. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

5. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

6. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

ATTICA CONSOLIDATED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

E. Receipts and Disbursements

Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are reported as reimbursements.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing

ATTICA CONSOLIDATED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Disbursements in Excess of Appropriations

For the year ended December 31, 2006, disbursements exceeded budgeted appropriations in the following funds by the amounts below:

Fund	2006
Transportation	\$ 10,423
Special Education Preschool	17,173
Capital Projects	46,098
 Total	 \$ 73,694

C. Cash and Investment Balance Deficits

At June 30, 2006 and 2007, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2005-2006	2006-2007
Textbook Rental	\$ 6,049	\$ 10,830
Elementary MOMH 2005-2006	38,880	-
Machine Trades	50	-
CAD 2005-2006	947	-
CISCO Academy	300	-
Safe School Haven Grant	5,068	-
Gifted/Talented 2005-2006	532	-
Title I 2005-2006	4,579	-
Title I	256	-
Title V, Part A	5,700	2,483
LD 2005-2006	11,998	-
LD	-	29,396
Special Education Preschool	-	12,561
Machine Trades	-	9,087
CAD	-	13,538

ATTICA CONSOLIDATED SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. Balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2006 and 2007, were as follows:

Transfer From	Transfer To	2005	2006
General Fund	Other governmental funds	\$ -	\$ 12,378
Debt Service Fund	Other governmental funds	-	15,642
Transportation Fund	Other governmental funds	-	1,024
Capital Projects Fund	Other governmental funds	-	2,256
School Bus Replacements Fund	Other governmental funds	-	133
Other governmental funds	General Fund	-	3,256
Other governmental funds	Other governmental funds	66,542	47,940
Totals		<u>\$ 66,542</u>	<u>\$ 82,629</u>

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions.

IV. Other Information

A. Risk Management

The School Corporation is 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; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

ATTICA CONSOLIDATED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

B. Holding Corporations

The School Corporation has entered into a capital lease with Attica 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 year totaled \$1,492,959.

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 year totaled \$822,000.

C. Subsequent Events

On February 1, 2008, the School Corporation received \$564,641 in tax anticipation warrants from the Indiana Bond Bank.

On January 28, 2008, the School Corporation entered into a capital lease for Fast Forward software in the amount of \$252,600.

D. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides post-employment health insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 55 with at least 10 years of service. Currently, 26 retirees meet these eligibility requirements, but only 1 is participating. The retirees provide 100% of these postemployment benefits.

E. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), 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 the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF 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 member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

ATTICA CONSOLIDATED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

PERF 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. The report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Information to segregate the assets/liabilities and the actuarial study figures between the School Corporation and the Utilities is not available.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 38,107
Interest on net pension obligation	(2,274)
Adjustment to annual required contribution	2,591
Annual pension cost	38,424
Contributions made	32,976
Increase in net pension obligation	5,448
Net pension obligation, beginning of year	(31,362)
Net pension obligation, end of year	\$ (25,914)
Contribution rates:	
School Corporation	4.25%
Plan members	3%
Actuarial valuation date	07-01-06
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

ATTICA CONSOLIDATED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Assumptions	PERF
Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 26,592	106%	\$ (32,575)
	06-30-05	33,643	96%	(31,362)
	06-30-06	38,424	86%	(25,914)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' Retirement Fund (TRF), 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 TRF 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 member's contributions, set by state statute at 3% 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.

TRF 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:

Teachers' Retirement Fund  
150 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 232-3860

ATTICA CONSOLIDATED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Funding Policy and Annual Pension Costs

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.

Plan members are required to contribute 3% of their salary and the School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2007, 2006, and 2005, were \$88,346, \$75,697, and \$169,445, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

ATTICA CONSOLIDATED SCHOOL CORPORATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 809,938	\$ 708,176	\$ 101,762	114%	\$ 831,574	12%
07-01-05	835,363	806,309	29,054	104%	772,936	4%
07-01-06	987,927	873,895	114,032	113%	898,845	13%

ATTICA CONSOLIDATED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006

	Special Education Preschool	School Lunch	Textbook Rental	Elementary MOMH	Elementary MOMH 2005-2006
<b>Receipts:</b>					
Local sources	\$ 4,920	\$ 175,692	\$ 74,050	\$ 45,196	\$ 76,897
State sources	41,262	4,769	20,994	-	-
Federal sources	-	125,467	-	-	-
Sale of property, adjustments and refunds	-	-	11,765	-	-
<b>Total receipts</b>	<u>46,182</u>	<u>305,928</u>	<u>106,809</u>	<u>45,196</u>	<u>76,897</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	-	-	-	6,702	88,139
Support services	20,277	320,560	129,049	15,564	27,638
Nonprogrammed charges	12,901	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<u>33,178</u>	<u>320,560</u>	<u>129,049</u>	<u>22,266</u>	<u>115,777</u>
Excess (deficiency) of receipts over disbursements	<u>13,004</u>	<u>(14,632)</u>	<u>(22,240)</u>	<u>22,930</u>	<u>(38,880)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	13,004	(14,632)	(22,240)	22,930	(38,880)
Cash and investments - beginning	<u>13,328</u>	<u>69,468</u>	<u>16,191</u>	<u>(22,930)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 26,332</u>	<u>\$ 54,836</u>	<u>\$ (6,049)</u>	<u>\$ -</u>	<u>\$ (38,880)</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ 26,332	\$ 54,836	\$ (6,049)	\$ -	\$ (38,880)
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 26,332</u>	<u>\$ 54,836</u>	<u>\$ (6,049)</u>	<u>\$ -</u>	<u>\$ (38,880)</u>
<b>Cash and Investment Fund Balance - Ending</b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>26,332</u>	<u>54,836</u>	<u>(6,049)</u>	<u>-</u>	<u>(38,880)</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 26,332</u>	<u>\$ 54,836</u>	<u>\$ (6,049)</u>	<u>\$ -</u>	<u>\$ (38,880)</u>

ATTICA CONSOLIDATED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Special Education Preschool	Special Education Preschool 2005-2006	Machine Trades	Machine Trades 2005-2006	CAD
<b>Receipts:</b>					
Local sources	\$ 38,408	\$ 89,229	\$ 5,775	\$ 48,190	\$ 20,098
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-
<b>Total receipts</b>	<u>38,408</u>	<u>89,229</u>	<u>5,775</u>	<u>48,190</u>	<u>20,098</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	7,199	64,493	7,757	32,136	8,074
Support services	6,034	16,356	2,076	7,899	4,385
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<u>13,233</u>	<u>80,849</u>	<u>9,833</u>	<u>40,035</u>	<u>12,459</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>25,175</u>	<u>8,380</u>	<u>(4,058)</u>	<u>8,155</u>	<u>7,639</u>
<b>Other financing sources (uses):</b>					
Transfers in	1,150	-	-	-	-
Transfers out	-	(1,150)	-	-	-
<b>Total other financing sources (uses)</b>	<u>1,150</u>	<u>(1,150)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>26,325</u>	<u>7,230</u>	<u>(4,058)</u>	<u>8,155</u>	<u>7,639</u>
<b>Cash and investments - beginning</b>	<u>(26,325)</u>	<u>-</u>	<u>4,008</u>	<u>-</u>	<u>(7,639)</u>
<b>Cash and investments - ending</b>	<u>\$ -</u>	<u>\$ 7,230</u>	<u>\$ (50)</u>	<u>\$ 8,155</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ -	\$ 7,230	\$ (50)	\$ 8,155	\$ -
<b>Restricted assets:</b>					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ 7,230</u>	<u>\$ (50)</u>	<u>\$ 8,155</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>					
<b>Restricted for:</b>					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	7,230	(50)	8,155	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ 7,230</u>	<u>\$ (50)</u>	<u>\$ 8,155</u>	<u>\$ -</u>

ATTICA CONSOLIDATED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	CAD 2005-2006	CISCO Academy	CISCO Academy 2005-2006	Health Careers 2005-2006	Health Careers
<b>Receipts:</b>					
Local sources	\$ 63,216	\$ 20,152	\$ 43,596	\$ 32,978	\$ 6,785
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-
	<u>63,216</u>	<u>20,152</u>	<u>43,596</u>	<u>32,978</u>	<u>6,785</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	50,756	4,250	21,898	23,634	3,911
Support services	13,407	2,026	9,701	7,772	3,004
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
	<u>64,163</u>	<u>6,276</u>	<u>31,599</u>	<u>31,406</u>	<u>6,915</u>
Excess (deficiency) of receipts over disbursements	<u>(947)</u>	<u>13,876</u>	<u>11,997</u>	<u>1,572</u>	<u>(130)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	50	-	-	-
Transfers out	-	-	(50)	-	-
	<u>-</u>	<u>50</u>	<u>(50)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(947)</u>	<u>13,926</u>	<u>11,947</u>	<u>1,572</u>	<u>(130)</u>
Cash and investments - beginning	<u>-</u>	<u>(14,226)</u>	<u>-</u>	<u>-</u>	<u>130</u>
Cash and investments - ending	<u><u>\$ (947)</u></u>	<u><u>\$ (300)</u></u>	<u><u>\$ 11,947</u></u>	<u><u>\$ 1,572</u></u>	<u><u>\$ -</u></u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ (947)	\$ (300)	\$ 11,947	\$ 1,572	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u><u>\$ (947)</u></u>	<u><u>\$ (300)</u></u>	<u><u>\$ 11,947</u></u>	<u><u>\$ 1,572</u></u>	<u><u>\$ -</u></u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>(947)</u>	<u>(300)</u>	<u>11,947</u>	<u>1,572</u>	<u>-</u>
Total cash and investment fund balance - ending	<u><u>\$ (947)</u></u>	<u><u>\$ (300)</u></u>	<u><u>\$ 11,947</u></u>	<u><u>\$ 1,572</u></u>	<u><u>\$ -</u></u>

ATTICA CONSOLIDATED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Alternative Education	Library Printed Material Grant	Safe School Haven Grant	Early Intervention Grant	Intervention/ Career Counseling
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	5,339	-	-	-	7,500
Federal sources	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-
<b>Total receipts</b>	<u>5,339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,500</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	-	-	11,051	10,505	-
Support services	-	-	1,154	-	-
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<u>-</u>	<u>-</u>	<u>12,205</u>	<u>10,505</u>	<u>-</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>5,339</u>	<u>-</u>	<u>(12,205)</u>	<u>(10,505)</u>	<u>7,500</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	7,500	-
Transfers out	-	-	-	-	(7,500)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,500</u>	<u>(7,500)</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>5,339</u>	<u>-</u>	<u>(12,205)</u>	<u>(3,005)</u>	<u>-</u>
<b>Cash and investments - beginning</b>	<u>-</u>	<u>88</u>	<u>7,137</u>	<u>4,482</u>	<u>-</u>
<b>Cash and investments - ending</b>	<u>\$ 5,339</u>	<u>\$ 88</u>	<u>\$ (5,068)</u>	<u>\$ 1,477</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ 5,339	\$ 88	\$ (5,068)	\$ 1,477	\$ -
<b>Restricted assets:</b>					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 5,339</u>	<u>\$ 88</u>	<u>\$ (5,068)</u>	<u>\$ 1,477</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>					
<b>Restricted for:</b>					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	5,339	88	(5,068)	1,477	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ 5,339</u>	<u>\$ 88</u>	<u>\$ (5,068)</u>	<u>\$ 1,477</u>	<u>\$ -</u>

ATTICA CONSOLIDATED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Jimmy Durante Grant	Cultural Arts Fund	Medicaid Reimbursement	Non-English Speaking Grant	Title I 2005-2006
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	11,856	-	44	-
Federal sources	-	-	-	-	99,422
Sale of property, adjustments and refunds	-	255	-	-	-
<b>Total receipts</b>	<u>-</u>	<u>12,111</u>	<u>-</u>	<u>44</u>	<u>99,422</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	1,260	9,612	-	350	75,048
Support services	96	1,675	6,461	-	41,315
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<u>1,356</u>	<u>11,287</u>	<u>6,461</u>	<u>350</u>	<u>116,363</u>
Excess (deficiency) of receipts over disbursements	<u>(1,356)</u>	<u>824</u>	<u>(6,461)</u>	<u>(306)</u>	<u>(16,941)</u>
<b>Other financing sources (uses):</b>					
Transfers in	1,356	-	8,463	-	12,500
Transfers out	-	(1,356)	(8,463)	-	(138)
<b>Total other financing sources (uses)</b>	<u>1,356</u>	<u>(1,356)</u>	<u>-</u>	<u>-</u>	<u>12,362</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(532)	(6,461)	(306)	(4,579)
Cash and investments - beginning	-	-	23,358	306	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ (532)</u>	<u>\$ 16,897</u>	<u>\$ -</u>	<u>\$ (4,579)</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ -	\$ (532)	\$ 16,897	\$ -	\$ (4,579)
<b>Restricted assets:</b>					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ (532)</u>	<u>\$ 16,897</u>	<u>\$ -</u>	<u>\$ (4,579)</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
<b>Restricted for:</b>					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	(532)	16,897	-	(4,579)
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ (532)</u>	<u>\$ 16,897</u>	<u>\$ -</u>	<u>\$ (4,579)</u>

ATTICA CONSOLIDATED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Title I	Title V	Title V, Part A	LD	LD 2005-2006
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	9,000	-	-	-	209,844
Sale of property, adjustments and refunds	-	-	-	-	-
<b>Total receipts</b>	<b>9,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>209,844</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	7,844	1,427	-	17,021	174,709
Support services	3,564	3,290	10,444	5,357	82,586
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<b>11,408</b>	<b>4,717</b>	<b>10,444</b>	<b>22,378</b>	<b>257,295</b>
Excess (deficiency) of receipts over disbursements	(2,408)	(4,717)	(10,444)	(22,378)	(47,451)
<b>Other financing sources (uses):</b>					
Transfers in	-	70	-	-	35,453
Transfers out	(12,362)	-	(70)	(35,453)	-
<b>Total other financing sources (uses)</b>	<b>(12,362)</b>	<b>70</b>	<b>(70)</b>	<b>(35,453)</b>	<b>35,453</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(14,770)	(4,647)	(10,514)	(57,831)	(11,998)
Cash and investments - beginning	14,514	4,647	4,814	57,831	-
Cash and investments - ending	<u>(256)</u>	<u>-</u>	<u>(5,700)</u>	<u>-</u>	<u>(11,998)</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ (256)	\$ -	\$ (5,700)	\$ -	\$ (11,998)
<b>Restricted assets:</b>					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>(256)</u></b>	<b><u>-</u></b>	<b><u>(5,700)</u></b>	<b><u>-</u></b>	<b><u>(11,998)</u></b>
<b>Cash and Investment Fund Balance - Ending</b>					
<b>Restricted for:</b>					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(256)	-	(5,700)	-	(11,998)
<b>Total cash and investment fund balance - ending</b>	<b><u>(256)</u></b>	<b><u>-</u></b>	<b><u>(5,700)</u></b>	<b><u>-</u></b>	<b><u>(11,998)</u></b>

ATTICA CONSOLIDATED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Drug Abuse Grant	Title II, Part A	Title II, Part D	Retirement Bond/Debt	Totals
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ -	\$ 126,947	\$ 872,129
State sources	-	-	-	-	91,764
Federal sources	-	29,735	2,118	-	475,586
Sale of property, adjustments and refunds	-	-	-	-	12,020
<b>Total receipts</b>	<u>-</u>	<u>29,735</u>	<u>2,118</u>	<u>126,947</u>	<u>1,451,499</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	2,292	29,250	3,305	-	662,623
Support services	-	5,150	1,840	-	748,680
Nonprogrammed charges	-	-	-	-	12,901
Debt services	-	-	-	4,621	4,621
<b>Total disbursements</b>	<u>2,292</u>	<u>34,400</u>	<u>5,145</u>	<u>4,621</u>	<u>1,428,825</u>
Excess (deficiency) of receipts over disbursements	<u>(2,292)</u>	<u>(4,665)</u>	<u>(3,027)</u>	<u>122,326</u>	<u>22,674</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	66,542
Transfers out	-	-	-	-	(66,542)
<b>Total other financing sources (uses)</b>	<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>(2,292)</u>	<u>(4,665)</u>	<u>(3,027)</u>	<u>122,326</u>	<u>22,674</u>
Cash and investments - beginning	<u>2,292</u>	<u>32,816</u>	<u>4,284</u>	<u>(62,352)</u>	<u>126,222</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 28,151</u>	<u>\$ 1,257</u>	<u>\$ 59,974</u>	<u>\$ 148,896</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ -	\$ 28,151	\$ 1,257	\$ -	\$ 88,922
Restricted assets:					
Cash and investments	-	-	-	59,974	59,974
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ 28,151</u>	<u>\$ 1,257</u>	<u>\$ 59,974</u>	<u>\$ 148,896</u>
<b>Cash and Investment Fund Balance - Ending</b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ 59,974	\$ 59,974
Unrestricted	-	28,151	1,257	-	88,922
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ 28,151</u>	<u>\$ 1,257</u>	<u>\$ 59,974</u>	<u>\$ 148,896</u>

ATTICA CONSOLIDATED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007

	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Elementary MOMH
<b>Receipts:</b>					
Local sources	\$ 5,025	\$ 190,817	\$ 64,996	\$ -	\$ 138,348
State sources	37,918	4,583	19,812	-	-
Federal sources	-	134,010	-	-	-
Sale of property, adjustments and refunds	-	-	504	-	-
<b>Total receipts</b>	<u>42,943</u>	<u>329,410</u>	<u>85,312</u>	<u>-</u>	<u>138,348</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	14	-	-	-	82,669
Support services	30,363	342,615	99,938	-	21,164
Community services	-	-	-	-	-
Nonprogrammed charges	5,946	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<u>36,323</u>	<u>342,615</u>	<u>99,938</u>	<u>-</u>	<u>103,833</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>6,620</u>	<u>(13,205)</u>	<u>(14,626)</u>	<u>-</u>	<u>34,515</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	9,845	16,250	24,035
Transfers out	(3,277)	-	-	-	(1)
<b>Total other financing sources (uses)</b>	<u>(3,277)</u>	<u>-</u>	<u>9,845</u>	<u>16,250</u>	<u>24,034</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>3,343</u>	<u>(13,205)</u>	<u>(4,781)</u>	<u>16,250</u>	<u>58,549</u>
<b>Cash and investments - beginning</b>	<u>26,332</u>	<u>54,836</u>	<u>(6,049)</u>	<u>-</u>	<u>-</u>
<b>Cash and investments - ending</b>	<u>\$ 29,675</u>	<u>\$ 41,631</u>	<u>\$ (10,830)</u>	<u>\$ 16,250</u>	<u>\$ 58,549</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ 29,675	\$ 41,631	\$ (10,830)	\$ 16,250	\$ 58,549
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 29,675</u>	<u>\$ 41,631</u>	<u>\$ (10,830)</u>	<u>\$ 16,250</u>	<u>\$ 58,549</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	29,675	41,631	(10,830)	16,250	58,549
<b>Total cash and investment fund balance - ending</b>	<u>\$ 29,675</u>	<u>\$ 41,631</u>	<u>\$ (10,830)</u>	<u>\$ 16,250</u>	<u>\$ 58,549</u>

ATTICA CONSOLIDATED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Elementary MOMH	Special Education Preschool	Special Education Preschool 2005-2006	Machine Trades	Machine Trades 2005-2006
<b>Receipts:</b>					
Local sources	\$ 75,160	\$ 65,278	\$ 9,411	\$ 42,170	\$ 4,504
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-
<b>Total receipts</b>	<u>75,160</u>	<u>65,278</u>	<u>9,411</u>	<u>42,170</u>	<u>4,504</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	7,340	61,538	6,566	43,208	4,987
Support services	4,906	16,301	10,075	7,999	7,672
Community services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<u>12,246</u>	<u>77,839</u>	<u>16,641</u>	<u>51,207</u>	<u>12,659</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>62,914</u>	<u>(12,561)</u>	<u>(7,230)</u>	<u>(9,037)</u>	<u>(8,155)</u>
<b>Other financing sources (uses):</b>					
Transfers in	1	-	-	-	-
Transfers out	(24,035)	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(24,034)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>38,880</u>	<u>(12,561)</u>	<u>(7,230)</u>	<u>(9,037)</u>	<u>(8,155)</u>
<b>Cash and investments - beginning</b>	<u>(38,880)</u>	<u>-</u>	<u>7,230</u>	<u>(50)</u>	<u>8,155</u>
<b>Cash and investments - ending</b>	<u>\$ -</u>	<u>\$ (12,561)</u>	<u>\$ -</u>	<u>\$ (9,087)</u>	<u>\$ -</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ -	\$ (12,561)	\$ -	\$ (9,087)	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ (12,561)</u>	<u>\$ -</u>	<u>\$ (9,087)</u>	<u>\$ -</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	(12,561)	-	(9,087)	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ (12,561)</u>	<u>\$ -</u>	<u>\$ (9,087)</u>	<u>\$ -</u>

ATTICA CONSOLIDATED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	CAD	CAD	CISCO Academy	CISCO Academy 2005-2006	Health Careers 2005-2006
Receipts:					
Local sources	\$ 50,174	\$ 12,674	\$ 23,809	\$ -	\$ 5,969
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-
<b>Total receipts</b>	<b>50,174</b>	<b>12,674</b>	<b>23,809</b>	<b>-</b>	<b>5,969</b>
Disbursements:					
Current:					
Instruction	49,415	8,095	14,110	3,900	4,069
Support services	14,297	3,632	5,090	8,047	3,472
Community services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<b>63,712</b>	<b>11,727</b>	<b>19,200</b>	<b>11,947</b>	<b>7,541</b>
Excess (deficiency) of receipts over disbursements	(13,538)	947	4,609	(11,947)	(1,572)
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(13,538)	947	4,609	(11,947)	(1,572)
Cash and investments - beginning	-	(947)	(300)	11,947	1,572
Cash and investments - ending	<u>\$ (13,538)</u>	<u>\$ -</u>	<u>\$ 4,309</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ (13,538)	\$ -	\$ 4,309	\$ -	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ (13,538)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,309</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(13,538)	-	4,309	-	-
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ (13,538)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,309</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

ATTICA CONSOLIDATED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Health Careers	Alternative Education	Library Printed Material Grant	Safe School Haven Grant	Early Intervention Grant
Receipts:					
Local sources	\$ 32,618	\$ -	\$ -	\$ -	\$ -
State sources	-	4,690	-	-	1,000
Federal sources	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-
<b>Total receipts</b>	<b>32,618</b>	<b>4,690</b>	<b>-</b>	<b>-</b>	<b>1,000</b>
Disbursements:					
Current:					
Instruction	23,959	6,500	-	428	2,477
Support services	8,369	1,147	-	40	-
Community services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<b>32,328</b>	<b>7,647</b>	<b>-</b>	<b>468</b>	<b>2,477</b>
Excess (deficiency) of receipts over disbursements	290	(2,957)	-	(468)	(1,477)
Other financing sources (uses):					
Transfers in	-	-	-	5,536	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,536</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	290	(2,957)	-	5,068	(1,477)
Cash and investments - beginning	-	5,339	88	(5,068)	1,477
Cash and investments - ending	<u>\$ 290</u>	<u>\$ 2,382</u>	<u>\$ 88</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 290	\$ 2,382	\$ 88	\$ -	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 290</b>	<b>\$ 2,382</b>	<b>\$ 88</b>	<b>\$ -</b>	<b>\$ -</b>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	290	2,382	88	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 290</b>	<b>\$ 2,382</b>	<b>\$ 88</b>	<b>\$ -</b>	<b>\$ -</b>

ATTICA CONSOLIDATED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Intervention/ Career Counseling	Gifted and Talented	Gifted and Talented 2005-2006	Medicaid Reimbursement	Non-English Speaking Grant
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	15,000	11,856	-	20,300	575
Federal sources	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-
<b>Total receipts</b>	<b>15,000</b>	<b>11,856</b>	<b>-</b>	<b>20,300</b>	<b>575</b>
Disbursements:					
Current:					
Instruction	-	8,900	(654)	-	878
Support services	12,423	1,713	122	6,468	-
Community services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<b>12,423</b>	<b>10,613</b>	<b>(532)</b>	<b>6,468</b>	<b>878</b>
Excess (deficiency) of receipts over disbursements	2,577	1,243	532	13,832	(303)
Other financing sources (uses):					
Transfers in	-	-	-	-	303
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>303</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,577	1,243	532	13,832	-
Cash and investments - beginning	-	-	(532)	16,897	-
<b>Cash and investments - ending</b>	<b>\$ 2,577</b>	<b>\$ 1,243</b>	<b>\$ -</b>	<b>\$ 30,729</b>	<b>\$ -</b>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ 2,577	\$ 1,243	\$ -	\$ 30,729	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 2,577</b>	<b>\$ 1,243</b>	<b>\$ -</b>	<b>\$ 30,729</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,577	1,243	-	30,729	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 2,577</b>	<b>\$ 1,243</b>	<b>\$ -</b>	<b>\$ 30,729</b>	<b>\$ -</b>

ATTICA CONSOLIDATED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	School Technology	Technology Grant	Title I	Title I	School Improvement Grant
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	60,263	-	-	-
Federal sources	6,301	-	10,096	123,104	16,518
Sale of property, adjustments and refunds	-	-	-	16	-
<b>Total receipts</b>	<u>6,301</u>	<u>60,263</u>	<u>10,096</u>	<u>123,120</u>	<u>16,518</u>
Disbursements:					
Current:					
Instruction	-	-	7,735	84,700	6,631
Support services	-	-	2,608	22,522	415
Community services	-	-	-	524	10
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<u>-</u>	<u>-</u>	<u>10,343</u>	<u>107,746</u>	<u>7,056</u>
Excess (deficiency) of receipts over disbursements	<u>6,301</u>	<u>60,263</u>	<u>(247)</u>	<u>15,374</u>	<u>9,462</u>
Other financing sources (uses):					
Transfers in	92	-	4,826	-	-
Transfers out	-	-	-	(4,826)	-
<b>Total other financing sources (uses)</b>	<u>92</u>	<u>-</u>	<u>4,826</u>	<u>(4,826)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,393	60,263	4,579	10,548	9,462
Cash and investments - beginning	-	-	(4,579)	(256)	-
<b>Cash and investments - ending</b>	<u>\$ 6,393</u>	<u>\$ 60,263</u>	<u>\$ -</u>	<u>\$ 10,292</u>	<u>\$ 9,462</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ 6,393	\$ 60,263	\$ -	\$ 10,292	\$ 9,462
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 6,393</u>	<u>\$ 60,263</u>	<u>\$ -</u>	<u>\$ 10,292</u>	<u>\$ 9,462</u>
<b>Cash and Investment Fund Balance - Ending</b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	6,393	60,263	-	10,292	9,462
<b>Total cash and investment fund balance - ending</b>	<u>\$ 6,393</u>	<u>\$ 60,263</u>	<u>\$ -</u>	<u>\$ 10,292</u>	<u>\$ 9,462</u>

ATTICA CONSOLIDATED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Title V, Part A	LD	LD	Drug Abuse Grant	Drug Abuse Grant
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Federal sources	4,677	192,331	17,214	4,218	3,272
Sale of property, adjustments and refunds	-	-	-	-	-
<b>Total receipts</b>	<u>4,677</u>	<u>192,331</u>	<u>17,214</u>	<u>4,218</u>	<u>3,272</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	-	148,623	19,628	3,838	-
Support services	1,460	54,619	4,073	-	-
Community services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<u>1,460</u>	<u>203,242</u>	<u>23,701</u>	<u>3,838</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>3,217</u>	<u>(10,911)</u>	<u>(6,487)</u>	<u>380</u>	<u>3,272</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	18,485	-	-
Transfers out	-	(18,485)	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(18,485)</u>	<u>18,485</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,217</u>	<u>(29,396)</u>	<u>11,998</u>	<u>380</u>	<u>3,272</u>
Cash and investments - beginning	<u>(5,700)</u>	<u>-</u>	<u>(11,998)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ (2,483)</u>	<u>\$ (29,396)</u>	<u>\$ -</u>	<u>\$ 380</u>	<u>\$ 3,272</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ (2,483)	\$ (29,396)	\$ -	\$ 380	\$ 3,272
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ (2,483)</u>	<u>\$ (29,396)</u>	<u>\$ -</u>	<u>\$ 380</u>	<u>\$ 3,272</u>
<b>Cash and Investment Fund Balance - Ending</b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>(2,483)</u>	<u>(29,396)</u>	<u>-</u>	<u>380</u>	<u>3,272</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ (2,483)</u>	<u>\$ (29,396)</u>	<u>\$ -</u>	<u>\$ 380</u>	<u>\$ 3,272</u>

ATTICA CONSOLIDATED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Title II, Part A	Title II, Part D	Retirement Bond/Debt	Totals
<b>Receipts:</b>				
Local sources	\$ -	\$ -	\$ 137,738	\$ 858,691
State sources	-	-	-	175,997
Federal sources	30,956	-	-	542,697
Sale of property, adjustments and refunds	-	-	-	520
<b>Total receipts</b>	<u>30,956</u>	<u>-</u>	<u>137,738</u>	<u>1,577,905</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Instruction	32,349	-	-	631,903
Support services	5,665	1,257	-	698,472
Community services	-	-	-	534
Nonprogrammed charges	-	-	-	5,946
Debt services	-	-	130,579	130,579
<b>Total disbursements</b>	<u>38,014</u>	<u>1,257</u>	<u>130,579</u>	<u>1,467,434</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>(7,058)</u>	<u>(1,257)</u>	<u>7,159</u>	<u>110,471</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	79,373
Transfers out	-	-	(572)	(51,196)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(572)</u>	<u>28,177</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>(7,058)</u>	<u>(1,257)</u>	<u>6,587</u>	<u>138,648</u>
<b>Cash and investments - beginning</b>	<u>28,151</u>	<u>1,257</u>	<u>59,974</u>	<u>148,896</u>
<b>Cash and investments - ending</b>	<u>\$ 21,093</u>	<u>\$ -</u>	<u>\$ 66,561</u>	<u>\$ 287,544</u>
<b><u>Cash and Investment Assets - Ending</u></b>				
Cash and investments	\$ 21,093	\$ -	\$ -	\$ 220,983
Restricted assets:				
Cash and investments	-	-	66,561	66,561
<b>Total cash and investment assets - ending</b>	<u>\$ 21,093</u>	<u>\$ -</u>	<u>\$ 66,561</u>	<u>\$ 287,544</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>				
Restricted for:				
Debt service	\$ -	\$ -	\$ 66,561	\$ 66,561
Unrestricted	21,093	-	-	220,983
<b>Total cash and investment fund balance - ending</b>	<u>\$ 21,093</u>	<u>\$ -</u>	<u>\$ 66,561</u>	<u>\$ 287,544</u>

ATTICA CONSOLIDATED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2006

	<u>Jimmy Durante Grant</u>	<u>Cultural Arts Fund</u>	<u>Building Project</u>	<u>Indiana Next Leadership Training</u>	<u>State Farm Insurance Donation</u>	<u>Totals</u>
Additions:						
Contributions:						
Other	\$ 1,000	\$ 300	\$ -	\$ -	\$ -	\$ 1,300
Deductions:						
Administrative and general	1,110	232	90,149	-	650	92,141
Excess (deficiency) of total additions over total deductions	(110)	68	(90,149)	-	(650)	(90,841)
Cash and investment fund balance - beginning	1,024	-	96,910	182	3,727	101,843
Cash and investment fund balance - ending	<u>\$ 914</u>	<u>\$ 68</u>	<u>\$ 6,761</u>	<u>\$ 182</u>	<u>\$ 3,077</u>	<u>\$ 11,002</u>
Net assets:						
Cash and investments	<u>\$ 914</u>	<u>\$ 68</u>	<u>\$ 6,761</u>	<u>\$ 182</u>	<u>\$ 3,077</u>	<u>\$ 11,002</u>
Total net assets - cash and investment basis held in trust	<u>\$ 914</u>	<u>\$ 68</u>	<u>\$ 6,761</u>	<u>\$ 182</u>	<u>\$ 3,077</u>	<u>\$ 11,002</u>

ATTICA CONSOLIDATED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2007

	<u>Jimmy Durante Grant</u>	<u>Cultural Arts Fund</u>	<u>Building Project</u>	<u>Indiana Next Leadership Training</u>	<u>State Farm Insurance Donation</u>	<u>Totals</u>
Additions:						
Contributions:						
Other	\$ 1,000	\$ -	\$ 96,478	\$ -	\$ -	\$ 97,478
Deductions:						
Administrative and general	1,024	68	26,811	-	1,127	29,030
Excess (deficiency) of total additions over total deductions	(24)	(68)	69,667	-	(1,127)	68,448
Cash and investment fund balance - beginning	914	68	6,761	182	3,077	11,002
Cash and investment fund balance - ending	<u>\$ 890</u>	<u>\$ -</u>	<u>\$ 76,428</u>	<u>\$ 182</u>	<u>\$ 1,950</u>	<u>\$ 79,450</u>
Net assets:						
Cash and investments	\$ 890	\$ -	\$ 76,428	\$ 182	\$ 1,950	\$ 79,450
Total net assets - cash and investment basis held in trust	<u>\$ 890</u>	<u>\$ -</u>	<u>\$ 76,428</u>	<u>\$ 182</u>	<u>\$ 1,950</u>	<u>\$ 79,450</u>

ATTICA CONSOLIDATED SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 For the Year Ended June 30, 2007

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Fitness Center	\$ 3,774	\$ 3,784
Equipment Lease	21,435	7,686
Computer Lease #4	35,389	22,524
Computer Lease #3	10,789	11,074
School Bus Lease	39,450	40,712
Computer Lease #2	5,220	5,285
Roof Lease	15,506	15,797
Energy Savings	408,482	130,141
High School Building	6,970,000	750,000
Elementary Building	3,630,000	349,000
Bonds Payable:		
General Obligation Bonds		
Taxable Pension Bonds	<u>1,080,000</u>	<u>133,068</u>
Total governmental activities debt	<u>\$ 12,220,045</u>	<u>\$ 1,469,071</u>

ATTICA CONSOLIDATED SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were noted:

- (1) There were a considerable number of posting errors. The errors included transfers posted to the wrong fund in the amount of \$8,463, deposits not receipted, checks and receipts not recorded in the proper amounts, interest not posted, and nonsufficient funds checks incorrectly posted. Four of the state and federal distributions were not posted correctly to the ledger.

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

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

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

- (3) Five ticket sale reports reviewed for the High School Extra-Curricular Account did not match the receipt issued or the ledger posting.

The treasurer should be responsible for the proper accounting for all tickets and should keep a record of the number purchased, the number issued for sale, and the number returned. The treasurer should see that proper accounting is made for the cash received from those sold. All tickets shall be prenumbered, with a different ticket color and numerical series for each price group. When cash for ticket sales is deposited with the treasurer, the treasurer's receipt issued therefore should show the number of tickets issued to the seller, the number returned unsold and the balance remitted in cash. All tickets (including free or reduced) must be listed and accounted for on the SA-4 Ticket Sales Form. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

- (4) A deposit in transit for the Elementary extra-curricular bank reconciliation at June 30, 2007, in the amount of \$279, that was originally recorded in 2003 was determined to be a transaction that was posted twice. There were three deposits in transit for the High School extra-curricular bank reconciliation at June 30, 2007, that were originally recorded in 2002, 2005, and 2006. The total amount of the deposits was \$2,265.99. \$1,192 of the \$2,265.99 was determined to be a receipt that was posted twice. The remaining balance is unidentified.

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 Extra-Curricular Accounts, Chapter 7)

ATTICA CONSOLIDATED SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

ERRORS ON CLAIMS

Eleven claims examined did not have evidence to support receipt of goods or services.

Three of the Elementary disbursements examined did not contain adequate supporting documentation such as receipts and invoices.

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."

(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."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

RECEIPT ISSUANCE

One receipt examined for the School Corporation was issued after the deposit date. Four receipts examined for the High School Extra-Curricular Account were not properly issued. The receipts were listed as being cash only, but were actually made up of checks and cash. A similar comment was in prior Report B22526 and Report B26617.

ATTICA CONSOLIDATED SCHOOL CORPORATION  
 AUDIT RESULTS AND COMMENTS  
 (Continued)

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

DEPOSITS – TIMELINESS

Two receipts examined for the School Corporation were deposited later than the next business day. Two receipts examined for the Elementary Extra-Curricular Account for 2005-2006 were not deposited within a reasonable amount of time. Two receipts examined for the combined High School Extra-Curricular Account and Elementary Extra-Curricular Account for 2006-2007 were not deposited within a reasonable amount of time. Eight receipts examined for textbook rental were deposited later than the next business day. A similar comment was in prior Report B22526 and Report B26617.

Indiana Code C 5-13-6-1(c) states in part: ". . . all local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance . . ."

Indiana Code 20-41-1-9 states in part: ". . . receipts shall be deposited without unreasonable delay."

DEPOSITS - CLASSIFICATION OF FUNDS

Three School Corporation receipts examined did not reconcile to the cash and check amounts as shown on the deposit ticket. Two Elementary Extra-Curricular Account receipts examined and eleven High School Extra-Curricular Account receipts examined for the 2005-2006 school year did not reconcile to the cash and check amounts shown on the deposit ticket. Two combined High School Extra-Curricular Account and Elementary Extra-Curricular Account receipts examined for the 2006-2007 school year did not reconcile to the cash and check amounts shown on the deposit ticket. Eight textbook rental receipts examined did not reconcile to the cash and check amounts shown on the deposit ticket. A similar comment was in prior Report B22526 and Report B26617.

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

OVERDRAWN FUND BALANCES

The following funds were overdrawn during the audit period:

<u>Fund</u>	<u>2005-2006</u>	<u>2006-2007</u>
Textbook Rental	\$ (6,049)	\$ (10,831)
Elementary MOMH 2005-2006	(38,880)	-
Machine Trades	(50)	-
CAD 2005-2006	(947)	-

ATTICA CONSOLIDATED SCHOOL CORPORATION  
 AUDIT RESULTS AND COMMENTS  
 (Continued)

Fund	2005-2006	2006-2007
CISCO Academy	\$ (300)	\$ -
Safe School Haven Grant	(5,068)	-
Gifted/Talented 2005-2006	(532)	-
Title I 2005-2006	(4,579)	-
Title I	(256)	-
Title V, Part A	(5,700)	(2,483)
LD 2005-2006	(11,998)	-
LD	-	(29,396)
Special Education Preschool	-	(12,561)
Machine Trades	-	(9,087)
CAD	-	(13,538)

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The School Corporation did not comply with directives of the Indiana Department of Education. Maintenance of Fiscal Effort reports for 2005-2006 and 2006-2007 could not be verified to the School Corporation records. Three Title I reports were not submitted timely.

The School Corporation's claim to the Indiana Department of Education for textbook reimbursement for 2005-2006 was understated by 20 students when compared with approved applications. The claim for textbook reimbursement for 2006-2007 was understated by 22 students when compared to approved applications.

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

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

AVERAGE DAILY MEMBERSHIP (ADM) - LACK OF RECORDS

Supporting documentation with signatures of the School Principals was not presented for audit to support the ADM claimed by the School Corporation.

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."

ATTICA CONSOLIDATED SCHOOL CORPORATION  
 AUDIT RESULTS AND COMMENTS  
 (Continued)

Officials should 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.) 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. (The School Administrator and Uniform Compliance Guidelines, Volume 123, September 1993, and Volume 142, June 1998)

TRANSFER TUITION - CHILDREN OF TEACHERS

Some teachers who do not live in the School Corporation District have paid transfer tuition for their children who are being educated by the School Corporation. However, according to the School Corporation's contract with teachers, those teachers "will be eligible for transfer-tuition reimbursement." A similar comment was in prior Report B22526 and Report B26617.

Indiana Code 20-26-11-6 states in part:

"(a) A school corporation may accept a transferring student without approval of the transferor corporation under section 5 of this chapter.

(b) No transfer may, however, be accepted unless the requesting parents or student pays transfer tuition in an amount determined under the formula established . . ."

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Capital Projects	2006	\$ 46,098
Transportation	2006	10,423
Preschool Special	2006	17,173

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the Attica Consolidated School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2007-2.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(Continued)

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

A control deficiency in a School Corporation's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

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

This report is intended solely for the information and use of the School Corporation's management, the School Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 28, 2008

ATTICA CONSOLIDATED SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2005 and 2006

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-05	Total Federal Awards Expended 06-30-06
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553			
		FY 05-06	\$ 20,835	\$ -
		FY 06-07	-	22,450
Total for program			<u>20,835</u>	<u>22,450</u>
National School Lunch Program	10.555			
		FY 05-06	115,359	-
		FY 06-07	-	143,758
Total for program			<u>115,359</u>	<u>143,758</u>
Total for cluster			<u>136,194</u>	<u>166,208</u>
Total for federal grantor agency			<u>136,194</u>	<u>166,208</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Crawfordsville Community School Corporation				
Special Education Cluster				
Special Education Grants to States	84.027			
		14206-062-PN01	224,720	-
		14207-062-PN01	-	220,787
Total for program			<u>224,720</u>	<u>220,787</u>
Special Education Preschool Grants	84.173			
		45706-062-PN01	13,725	-
		45707-062-PN01	-	13,890
Total for program			<u>13,725</u>	<u>13,890</u>
Total for cluster			<u>238,445</u>	<u>234,677</u>
Pass-Through Indiana Department of Education				
Title I Grants to Local Educational Agencies	84.010			
		05-2435	23,770	-
		06-2435	116,501	10,344
		07-2435	-	112,571
Total for program			<u>140,271</u>	<u>122,915</u>
Safe and Drug Free Schools and Communities State Grants	84.186			
		04-198	2,292	-
		05-108	-	3,838
Total for program			<u>2,292</u>	<u>3,838</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, 2005 and 2006  
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-05	Total Federal Awards Expended 06-30-06
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
State Grants for Innovative Programs	84.298			
		03-244	4,647	-
		04-132	4,814	-
		05-230	1,053	1,460
Total for program			<u>10,514</u>	<u>1,460</u>
Education Technology State Grants	84.318			
		SY 04-05	1,462	-
		SY 05-06	2,822	-
		SY 06-07	861	1,257
Total for program			<u>5,145</u>	<u>1,257</u>
English Language Acquisition Grants	84.365			
		FY 05-06	350	-
		FY 06-07	-	879
Total for program			<u>350</u>	<u>879</u>
Improving Teacher Quality State Grants	84.367			
		03-211	3,420	-
		04-220	30,396	-
		05-160	584	29,151
		06-2435	-	8,863
Total for program			<u>34,400</u>	<u>38,014</u>
Total for federal grantor agency			<u>431,417</u>	<u>403,040</u>
Total federal awards expended			<u>\$ 567,611</u>	<u>\$ 569,248</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

I. 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 requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 the 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.

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2006 and 2007. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2006	2007
School Breakfast Program	10.553	\$ 1,382	\$ 4,274
National School Lunch Program	10.555	9,344	27,924

ATTICA CONSOLIDATED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	yes

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

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

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

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster  
Special Education 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 2007-1, INTERNAL CONTROL

There were several amounts posted to the wrong funds, adjustments, negative receipts and disbursements and deficit fund balances during the audit period. There is a lack of segregation of duties with limited oversight by management. There were several checks for payroll withholdings on the outstanding check list that have been outstanding for more than three years and had not been investigated.

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

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

The School Board receives reports monthly as a part of the board packet, but does not adequately monitor fund balances. There are no reviews of adjustments or corrections. Several items posted to incorrect funds were not detected by School Corporation Officials. Financial Institution Tax distributions from December 5, 2005, were posted to the wrong accounts within the correct funds. When the correction was made to transfer the amounts to the proper accounts the correction was posted backward which caused the incorrect accounts to show twice the amount of the distribution. The accounts that should have received the distribution had negative balances in the amount of the distribution.

The conditions listed could allow assets to be misappropriated without detection or could allow the financial statements to be misstated without detection.

We recommended that the School Board review fund balances, adjustments and error corrections. We also recommended that error corrections and receipt postings be reviewed by the Treasurer after posting. Outstanding check listings should be reviewed monthly to identify items which may be indicators of problems which need to be corrected.

Section III – Federal Award Findings and Questioned Costs

FINDING 2007-2, REPORTING

Federal Agency: Department of Education  
Federal Program: Special Education Cluster  
CFDA Number: 84.027, 84.173  
Federal Award Number: 14206-062-PN01, 45706-062-PN01, 14207-062-PN01, 45707-062-PN01

The amounts reported for Maintenance of Fiscal Effort could not be verified to the School Corporation's records.

The Statement of Assurances provided in the grant application states in part: "The applicant will make a project report within thirty days after the termination of the project, and such other reports to the Indiana Department of Education to enable the Indiana Department of Education to perform its duties under the applicable law including information relating to the educational achievement of students participating in programs carried out under this project. The applicant will keep such records and afford such access thereto as the Indiana Department of Education may find necessary to assure the correctness and verification of such reports."

The Treasurer reported that the amount of an account in some instances was split between local and federal funds, but there was no evidence supporting the amounts reported as local. Report of Federal Expenditures did not have sufficient detail to verify the information.

The maintenance of fiscal effort calculation cannot be verified if local funding is not properly calculated.

We recommended that the School Corporation determine total expenditures by account and prepare documentation showing the breakdown between federal and locally funded items.

ATTICA CONSOLIDATED SCHOOL CORPORATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

# ATTICA CONSOLIDATED SCHOOL CORPORATION

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

February 15, 2008

To: Indiana State Board of Accounts Field Auditor

From: Judith A. Bush, Ph.D., Superintendent  
Carrie R. Brier, Corporation Treasurer

Contact: Carrie R. Brier, Corporation Treasurer

## Finding 2007-1, Internal Control

Obviously internal controls are important to provide the assurance that the financial information and records are reliable. There were seven of the adjustments which were cited as individual errors that were all done at the same time and reflect one error rather than seven. Actually the account number that was used for those seven entries was one that had previously been used. The corrections were done when it became apparent that the wrong number was used. All of the cited errors except two do not reflect errors in the funds used but the accounts within the funds. The overall fund balances were correct and the errors were corrected.

The lack of segregation of duties will be addressed with changes in personnel in the next few months. The change in personnel will allow the duties to be distributed and to provide back-up to the treasurer.

With regard to oversight by management, when the errors are noted such as were cited, management accepts that the errors were corrected and that the proper funds were used. Using the wrong account number is not seen as a significant error, particularly since it is corrected. The situation can be a bit "messy" but understandable considering the breath of the treasurer's responsibilities. The treasurer will provide claim docket reports for management to review prior to issuance.

The board does review the fund balances each month. The treasurer will investigate the accessibility of a report of adjustments and corrections. If one is available, she will print that report for the board to review during their monthly meetings. The treasurer will be more careful in using the correct account numbers and review her work before finalizing a process. She will also review outstanding checks and void them as allowed by law.

## Finding 2007-2, Reporting

Federal Agency: Department of Education  
Federal Program: Special Education Cluster  
CFDA Number: 84.027, 84.173  
Federal Award Number: 14206-062-PN01, 45706-062-PN01, 14207-062-PN01, 45707-062-PN01

Maintaining a spreadsheet of expenditures expended by federal funds is a good recommendation and one that will be implemented. Generally the federal funds provide for personnel in special education or Title 1.

*Carrie R. Brier, Corp. Treasurer*

Signature and Title

02-15-08

Date

Judith A. Bush, Ph.D.  
Superintendent

David Huckleberry  
Technology Director

Carrie R. Brier  
Treasurer

Howard Crawford  
Transportation Director

Lois Peterson  
Receptionist

ATTICA CONSOLIDATED SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on February 28, 2008, with Carrie R. Brier, Corporation Treasurer and Extra-Curricular Treasurer; Sally Shirley, former High School Extra-Curricular Treasurer; P. J. Stoll, Athletic Director; Dr. Judith A. Bush, Superintendent of Schools; and Tony Crane, President of the School Board. The officials concurred with our audit findings.