

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

AUDIT REPORT

OF

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION

PERRY COUNTY, INDIANA

July 1, 2005 to June 30, 2007



FILED

03/20/2008

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 - Cash and Investment Basis – Governmental Funds	9-12
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances - Fiduciary Funds	13-14
Notes to Financial Statements	15-26
Required Supplementary Information:	
Schedule of Funding Progress	27
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances - Cash and Investment Basis - Other Governmental Funds	28-43
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances - Private-Purpose Trust Funds	44-48
Combining Schedule of Net Assets - Cash and Investment Basis - Agency Funds	49-50
Schedule of Capital Assets	51
Schedule of Long-Term Debt	52
Audit Results and Comments:	
Temporary Loans	53
Overdrawn Cash Balances	53
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	56-57
Schedule of Expenditures of Federal Awards	58
Notes to Schedule of Expenditures of Federal Awards	59
Schedule of Findings and Questioned Costs	60
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings	61
Exit Conference	62

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Margaret E. Bolin	07-01-05 to 06-30-08
Superintendent of Schools	Ronald B. Etienne	07-01-05 to 06-30-08
President of the School Board	Jerry D. Hoagland	07-01-05 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 TELL CITY-TROY TOWNSHIP
SCHOOL CORPORATION, PERRY COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tell City-Troy Township 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 December 3, 2007, 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 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 Schedule of Capital Assets and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

December 3, 2007



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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 TELL CITY-TROY TOWNSHIP
SCHOOL CORPORATION, PERRY COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tell City-Troy Township 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 December 3, 2007. 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.

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.

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.

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. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

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)

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.

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

December 3, 2007

TELL CITY-TROY TOWNSHIP 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>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 5,348,025	\$ -	\$ 33,934	\$ (5,314,091)
Support services	6,528,285	456,397	277,978	(5,793,910)
Community services	7,000	-	-	(7,000)
Nonprogrammed charges	547,513	-	-	(547,513)
Debt service	<u>3,412,281</u>	<u>-</u>	<u>-</u>	<u>(3,412,281)</u>
Total governmental activities	<u>\$ 15,843,104</u>	<u>\$ 456,397</u>	<u>\$ 311,912</u>	<u>(15,074,795)</u>
General receipts:				
Property taxes				5,382,116
Other local sources				1,040,443
State aid				7,112,235
Bonds and loans				1,500,000
Grants and contributions not restricted to specific programs				397,357
Sale of property, adjustments, and refunds				228,159
Investment earnings				<u>23,904</u>
Total general receipts				<u>15,684,214</u>
Change in net assets				609,419
Net assets - beginning				<u>875,620</u>
Net assets - ending				<u>\$ 1,485,039</u>
<u>Assets</u>				
Cash and investments				\$ 1,535,056
Restricted assets:				
Cash and investments				<u>(50,017)</u>
Total assets				<u>\$ 1,485,039</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ (50,017)
Unrestricted				<u>1,535,056</u>
Total net assets				<u>\$ 1,485,039</u>

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

TELL CITY-TROY TOWNSHIP 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>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 5,437,661	\$ -	\$ 29,880	\$ (5,407,781)
Support services	6,139,955	491,230	316,713	(5,332,012)
Community services	290	-	-	(290)
Nonprogrammed charges	547,532	-	-	(547,532)
Debt service	<u>3,339,845</u>	<u>-</u>	<u>-</u>	<u>(3,339,845)</u>
Total governmental activities	<u>\$ 15,465,283</u>	<u>\$ 491,230</u>	<u>\$ 346,593</u>	<u>(14,627,460)</u>
General receipts:				
Property taxes				4,719,704
Other local sources				1,019,089
State aid				7,060,156
Bonds and loans				35,000
Grants and contributions not restricted to specific programs				525,989
Sale of property, adjustments, and refunds				102,993
Investment earnings				<u>50,151</u>
Total general receipts				<u>13,513,082</u>
Change in net assets				(1,114,378)
Net assets - beginning				<u>1,485,039</u>
Net assets - ending				<u>\$ 370,661</u>
<u>Assets</u>				
Cash and investments				\$ 857,276
Restricted assets:				
Cash and investments				<u>(486,615)</u>
Total assets				<u>\$ 370,661</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ (486,615)
Unrestricted				<u>857,276</u>
Total net assets				<u>\$ 370,661</u>

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

TELL CITY-TROY TOWNSHIP 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	School Lunch	Tech Planning Grant	IN Access Technology Grant	Title II Part A 2006-08
Receipts:						
Local sources	\$ 2,873,957	\$ 436,089	\$ 320,743	\$ -	\$ -	\$ -
Intermediate sources	1,080	-	-	-	-	-
State sources	7,132,801	-	9,400	-	-	-
Federal sources	-	-	246,699	-	-	-
Bonds and loans	1,500,000	-	-	-	-	-
Sale of property, adjustments and refunds	53,163	-	-	-	-	-
Total receipts	11,561,001	436,089	576,842	-	-	-
Disbursements:						
Current:						
Instruction	4,999,068	-	-	-	-	-
Support services	4,253,092	381,831	521,553	-	-	-
Community services	7,000	-	-	-	-	-
Nonprogrammed charges	500,343	-	-	-	-	-
Debt services	1,500,000	-	-	-	-	-
Total disbursements	11,259,503	381,831	521,553	-	-	-
Excess of receipts over disbursements	301,498	54,258	55,289	-	-	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(4,872)	-	-	-	-
Total other financing sources (uses)	-	(4,872)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	301,498	49,386	55,289	-	-	-
Cash and investments - beginning	426,189	(892)	(2,557)	-	-	-
Cash and investments - ending	\$ 727,687	\$ 48,494	\$ 52,732	\$ -	\$ -	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 727,687	\$ 48,494	\$ 52,732	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 727,687	\$ 48,494	\$ 52,732	\$ -	\$ -	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	727,687	48,494	52,732	-	-	-
Total cash and investment fund balance - ending	\$ 727,687	\$ 48,494	\$ 52,732	\$ -	\$ -	\$ -

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

TELL CITY-TROY TOWNSHIP 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
(Continued)

	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:					
Local sources	\$ 1,780,800	\$ 1,028,034	\$ 66,991	\$ 394,510	\$ 6,901,124
Intermediate sources	-	-	-	656	1,736
State sources	-	-	-	78,868	7,221,069
Federal sources	-	-	-	353,736	600,435
Bonds and loans	-	-	-	-	1,500,000
Sale of property, adjustments and refunds	-	63,196	-	111,800	228,159
Total receipts	1,780,800	1,091,230	66,991	939,570	16,452,523
Disbursements:					
Current:					
Instruction	-	-	-	348,957	5,348,025
Support services	-	1,063,542	-	308,267	6,528,285
Community services	-	-	-	-	7,000
Nonprogrammed charges	-	-	-	47,170	547,513
Debt services	1,704,845	-	-	207,436	3,412,281
Total disbursements	1,704,845	1,063,542	-	911,830	15,843,104
Excess of receipts over disbursements	75,955	27,688	66,991	27,740	609,419
Other financing sources (uses):					
Transfers in	-	-	-	166,943	166,943
Transfers out	(103,882)	(50,925)	-	(7,264)	(166,943)
Total other financing sources (uses)	(103,882)	(50,925)	-	159,679	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(27,927)	(23,237)	66,991	187,419	609,419
Cash and investments - beginning	(26,134)	231,605	4,643	242,766	875,620
Cash and investments - ending	<u>\$(54,061)</u>	<u>\$208,368</u>	<u>\$71,634</u>	<u>\$430,185</u>	<u>\$1,485,039</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ -	\$ 208,368	\$ 71,634	\$ 426,141	\$ 1,535,056
Restricted assets:					
Cash and investments	(54,061)	-	-	4,044	(50,017)
Total cash and investment assets - ending	<u>\$(54,061)</u>	<u>\$208,368</u>	<u>\$71,634</u>	<u>\$430,185</u>	<u>\$1,485,039</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ (54,061)	\$ -	\$ -	\$ 4,044	\$ (50,017)
Unrestricted	-	208,368	71,634	426,141	1,535,056
Total cash and investment fund balance - ending	<u>\$(54,061)</u>	<u>\$208,368</u>	<u>\$71,634</u>	<u>\$430,185</u>	<u>\$1,485,039</u>

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

TELL CITY-TROY TOWNSHIP 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	School Lunch	Tech Planning Grant	IN Access Technology Grant	Title II Part A 2006-08
Receipts:						
Local sources	\$ 2,375,073	\$ 397,247	\$ 374,249	\$ -	\$ -	\$ -
Intermediate sources	356	-	-	-	-	-
State sources	7,076,661	-	8,468	76,966	-	-
Federal sources	-	-	282,432	-	151,191	65,628
Bonds and loans	35,000	-	-	-	-	-
Sale of property, adjustments and refunds	64,171	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	<u>9,551,261</u>	<u>397,247</u>	<u>665,149</u>	<u>76,966</u>	<u>151,191</u>	<u>65,628</u>
Disbursements:						
Current:						
Instruction	5,005,397	-	-	-	102,882	8,308
Support services	3,757,266	507,128	668,636	-	-	-
Community services	290	-	-	-	-	-
Nonprogrammed charges	493,380	-	-	-	-	-
Debt services	1,050,000	-	-	-	-	-
Interfund loans	35,000	-	-	-	-	-
Total disbursements	<u>10,341,333</u>	<u>507,128</u>	<u>668,636</u>	<u>-</u>	<u>102,882</u>	<u>8,308</u>
Excess (deficiency) of receipts over disbursements	<u>(790,072)</u>	<u>(109,881)</u>	<u>(3,487)</u>	<u>76,966</u>	<u>48,309</u>	<u>57,320</u>
Other financing sources (uses):						
Transfers in	165,109	15,401	-	-	-	-
Transfers out	-	-	-	-	-	(15,000)
Total other financing sources (uses)	<u>165,109</u>	<u>15,401</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,000)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(624,963)</u>	<u>(94,480)</u>	<u>(3,487)</u>	<u>76,966</u>	<u>48,309</u>	<u>42,320</u>
Cash and investments - beginning	<u>727,687</u>	<u>48,494</u>	<u>52,732</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 102,724</u>	<u>\$ (45,986)</u>	<u>\$ 49,245</u>	<u>\$ 76,966</u>	<u>\$ 48,309</u>	<u>\$ 42,320</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 102,724	\$ (45,986)	\$ 49,245	\$ 76,966	\$ 48,309	\$ 42,320
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 102,724</u>	<u>\$ (45,986)</u>	<u>\$ 49,245</u>	<u>\$ 76,966</u>	<u>\$ 48,309</u>	<u>\$ 42,320</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	102,724	(45,986)	49,245	76,966	48,309	42,320
Total cash and investment fund balance - ending	<u>\$ 102,724</u>	<u>\$ (45,986)</u>	<u>\$ 49,245</u>	<u>\$ 76,966</u>	<u>\$ 48,309</u>	<u>\$ 42,320</u>

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

TELL CITY-TROY TOWNSHIP 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
(Continued)

	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:					
Local sources	\$ 1,541,063	\$ 974,394	\$ 46,341	\$ 570,814	\$ 6,279,181
Intermediate sources	-	-	-	638	994
State sources	-	-	-	75,215	7,237,310
Federal sources	-	-	-	234,954	734,205
Bonds and loans	-	-	-	-	35,000
Sale of property, adjustments and refunds	-	-	-	44	64,215
Interfund loans	-	-	-	35,000	35,000
Total receipts	1,541,063	974,394	46,341	916,665	14,385,905
Disbursements:					
Current:					
Instruction	-	-	-	321,074	5,437,661
Support services	-	867,872	62,273	276,780	6,139,955
Community services	-	-	-	-	290
Nonprogrammed charges	-	-	-	54,152	547,532
Debt services	1,873,968	-	-	415,877	3,339,845
Interfund loans	-	-	-	-	35,000
Total disbursements	1,873,968	867,872	62,273	1,067,883	15,500,283
Excess (deficiency) of receipts over disbursements	(332,905)	106,522	(15,932)	(151,218)	(1,114,378)
Other financing sources (uses):					
Transfers in	-	-	-	49,781	230,291
Transfers out	(37,073)	-	-	(178,218)	(230,291)
Total other financing sources (uses)	(37,073)	-	-	(128,437)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(369,978)	106,522	(15,932)	(279,655)	(1,114,378)
Cash and investments - beginning	(54,061)	208,368	71,634	430,185	1,485,039
Cash and investments - ending	<u>\$ (424,039)</u>	<u>\$ 314,890</u>	<u>\$ 55,702</u>	<u>\$ 150,530</u>	<u>\$ 370,661</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ -	\$ 314,890	\$ 55,702	\$ 213,106	\$ 857,276
Restricted assets:					
Cash and investments	(424,039)	-	-	(62,576)	(486,615)
Total cash and investment assets - ending	<u>\$ (424,039)</u>	<u>\$ 314,890</u>	<u>\$ 55,702</u>	<u>\$ 150,530</u>	<u>\$ 370,661</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ (424,039)	\$ -	\$ -	\$ (62,576)	\$ (486,615)
Unrestricted	-	314,890	55,702	213,106	857,276
Total cash and investment fund balance - ending	<u>\$ (424,039)</u>	<u>\$ 314,890</u>	<u>\$ 55,702</u>	<u>\$ 150,530</u>	<u>\$ 370,661</u>

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

TELL CITY-TROY TOWNSHIP 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	\$ 46,093	\$ 57,105	
Investment earnings:			
Interest	37,461	-	
Agency fund additions	<u>-</u>	<u>-</u>	
Total additions	<u>83,554</u>	<u>57,105</u>	
Deductions:			
Benefits	3,530,146	-	
Administrative and general	-	33,216	
Agency fund deductions	<u>-</u>	<u>-</u>	
Total deductions	<u>3,530,146</u>	<u>33,216</u>	
Excess (deficiency) of total additions over total deductions	(3,446,592)	23,889	
Cash and investment fund balance - beginning	<u>3,701,220</u>	<u>34,267</u>	
Cash and investment fund balance - ending	<u>\$ 254,628</u>	<u>\$ 58,156</u>	
Net assets:			
Cash and investments	<u>\$ 254,628</u>	<u>\$ 58,156</u>	<u>\$ 203,832</u>
Total net assets - cash and investment basis held in trust	<u>\$ 254,628</u>	<u>\$ 58,156</u>	<u>\$ 203,832</u>

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

TELL CITY-TROY TOWNSHIP 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:			
Other	\$ 36,764	\$ 42,763	
Agency fund additions	<u>-</u>	<u>-</u>	
Total additions	<u>36,764</u>	<u>42,763</u>	
Deductions:			
Benefits	404,140	-	
Administrative and general	-	66,899	
Agency fund deductions	<u>-</u>	<u>-</u>	
Total deductions	<u>404,140</u>	<u>66,899</u>	
Deficiency of total additions over total deductions	(367,376)	(24,136)	
Cash and investment fund balance - beginning	<u>254,628</u>	<u>58,156</u>	
Cash and investment fund balance - ending	<u><u>\$ (112,748)</u></u>	<u><u>\$ 34,020</u></u>	
Net assets:			
Cash and investments	<u>\$ (112,748)</u>	<u>\$ 34,020</u>	<u>\$ 114,309</u>
Total net assets - cash and investment basis held in trust	<u><u>\$ (112,748)</u></u>	<u><u>\$ 34,020</u></u>	<u><u>\$ 114,309</u></u>

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

TELL CITY-TROY TOWNSHIP 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: Tell City-Troy Township 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 Ventures

The School Corporation is a participant with Dubois, Spencer and Perry County schools in a joint venture to operate the Dubois-Spencer-Perry Exceptional Children's Cooperative, which was created to provide joint employment and purchase of supplies and equipment for an exceptional children's program. The School Corporation is obligated by contract to remit a proportionate share monthly to supplement the Dubois-Spencer-Perry Exceptional Children's Cooperative. Complete financial statements for the Dubois-Spencer-Perry Exceptional Children's Cooperative can be obtained from Greater Jasper Consolidated Schools, Attn: Sara Harpenau (Telephone (812)-482-6661), 1520 St. Charles Street, Suite 1, Jasper, Indiana 47546.

The School Corporation is a participant with other Southwest Indiana schools in a joint venture to operate the Patoka Valley Career and Technical Cooperative which was created to provide programs and services for vocational education. The School Corporation is obligated by contract to remit a proportionate share quarterly to supplement the Cooperative. Complete financial statements for the cooperative can be obtained from Patoka Valley Career and Technical Cooperative, Attn: Glenn Weil (Telephone (812)-482-7662), 1520 Saint Charles Street, Jasper, Indiana 47546.

The School Corporation is a participant in the Southern Indiana Education Center which was created to allow participating school corporations to share certain programs and services. The School Corporation is obligated by contract to remit a proportionate share semiannually to supplement the Education Center. Complete financial statements for the Education Center can be obtained from Southern Indiana Education Center, Attn: J. Scott Turney (Telephone (812)-482-6641), 1102 Tree Lane Drive, Jasper, Indiana 47546.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

The School Corporation is a participant in the Perry County Alternative Education Cooperative which is a joint venture created to allow participating schools to share certain programs and services. The School Corporation is obligated by contract to remit a proportionate share semiannually to supplement the Cooperative. Complete financial statements for the Cooperative can be obtained from Perry Central Community School Corporation, Attn: Mike Bishop, Telephone (812)-843-5576, 18677 Old State Road 37, Leopold, Indiana 47551.

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.

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, proprietary 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.

The school lunch fund is used to account for all receipts from the sale of lunches and breakfasts and the corresponding federal and state reimbursements, gifts and other receipts, as well as all disbursements for personal services, food supplies and equipment for the operation of the school lunch and breakfast programs.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

The tech planning grant fund accounts for state grant monies for the purchase or upgrade of computer equipment to be used in the classroom.

The IN access technology grant fund accounts for grant monies used in providing high school language arts teachers and students with the necessary tools for improving the digital age communication skills of students.

The Title II Part A 2006-2008 fund is used to account for grant monies received for professional development.

Additionally, the School Corporation reports the following fund types:

The pension trust fund accounts for the activities of the Retirement Bond Fund, which accumulates resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the individuals residing within the school corporation district limits.

Agency funds account for assets held by the School Corporation as an agent for other governments and serve as control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

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.

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.

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.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 June 30 of the year collected. The June, 2007 distribution was not made until July 26, 2007.

3. Compensated Absences

a. Sick Leave

Certified School Corporation employees earn sick leave at the rate of 17 days per year. Unused sick leave may be accumulated indefinitely. Certified employees who do not use any of their sick leave days during the school year shall receive \$225 additional pay no later than the first payday of July of each year. Certified employees who use $\frac{1}{2}$ to 2 days of sick leave during the school year shall receive \$100 additional pay no later than the first payday of July of each year. Accumulated sick leave above a base of 75 days is paid to certified employees age 50 and over who have 10 years of continuous service through cash payments upon retirement.

Nonteaching or noncertified School Corporation employees earn sick leave at a rate of 1 day for each month of employment (i.e. 9 month employees – 9 days per year; 12 month employees – 12 days per year). Unused sick days may be accumulated to a maximum of 76 days for 9 month employees, and 80 days for 12 month employees. Accumulated sick leave is paid to nonteaching or noncertified employees who have at least 10 years of continuous service through cash payments upon retirement.

b. Vacation Leave

The Assistant Superintendent earns vacation leave at the rate of 20 days per year. Nonteaching or administrative and noncertified School Corporation employees earn vacation leave at rates from 5 days to 15 days per school year based upon the number of years of service. Vacation leave does not accumulate from year to year.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

c. Personal Leave

Certified School Corporation employees earn personal leave at the rate of 4 days per year. Unused personal leave up to 2 days may accumulate so that a maximum of 6 days may be used in a school year with any remaining unused personal days being added to sick leave. Certified employees who do not use any of their personal days during the school year shall receive \$100 additional pay. Certified employees who use ½ to 1 day of personal leave shall receive \$50 additional pay. Accumulated personal leave is not paid to employees upon retirement.

Nonteaching or noncertified School Corporation employees may use a portion of their sick leave for personal business (i.e. 9 month employees – 5 of their 9 sick days per year; 12 month employees – 6 of their 12 sick days per year). Nonteaching or noncertified School Corporation employees do not earn any separate personal leave.

2. Capital Assets

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

3. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary 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.

4. 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.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Receipts and Disbursements

1. 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.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds and the similar discretely presented component unit result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

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.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 July 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing 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. 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	2006	2007
Transportation Operating	\$ -	\$ (45,986)
Debt Service	(54,061)	(424,039)
Other governmental funds:		
Retirement Bond Debt Service	-	(62,576)
Joint Vocational 2002-2003	(5,646)	-
Title V, Part A 2003-2005	(44)	-
Tobacco Grant 2004-2005	(1,982)	-
PC Substance Abuse	(153)	-
Tobacco Grant 2005-2006	(2,003)	-
Perkins Grant 2003-2004	(852)	-
Perkins Grant 2006-2007	-	(1,243)
Title II Part A 2002-2004	(361)	-
Title II Part D 2002-2004	(93)	-
Pension trust fund:		
Retirement Bonds	-	(112,748)
Private-purpose funds:		
DOE Professional Development 2003-2004	(210)	-
DOE Professional Development 2005-2006	-	(46)
On Target	(789)	-

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.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. 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.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13.

B. Interfund Transfers

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

Transfer From	Transfer To	2006	2007
Major funds:			
Transportation Operating Fund	Other governmental funds	\$ 4,872	\$ -
Debt Service Fund	Transportation Operating Fund	-	15,401
Debt Service Fund	Other governmental funds	103,882	21,672
Capital Projects Fund	Other governmental funds	50,925	-
Title II Part A, 2006-2007 Fund	Other governmental funds	-	15,000
Other governmental funds	General Fund	-	165,109
Other governmental funds	Other governmental funds	7,264	13,109
		<u>\$ 166,943</u>	<u>\$ 230,291</u>
Totals			

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.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

B. Holding Corporations

The School Corporation has entered into a capital lease with Tell City-Troy Township 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. Lease payments during the years ended June 30, 2006, and June 30, 2007, totaled \$1,089,000, and \$1,227,000, respectively.

The School Corporation has entered into a capital lease with Tell City High 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. Lease payments during the years ended June 30, 2006, and June 30, 2007 totaled \$0, and \$54,833, respectively.

The School Corporation has entered into a capital lease with Tell City-Troy Township 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. Lease payments during the years ended June 30, 2006, and June 30, 2007, totaled \$554,200, and \$556,200, respectively. The final payment on this capital lease was made on June 29, 2007.

C. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 54 with at least 10 years of service. Currently, 27 retirees meet these eligibility requirements. The School Corporation provides the first \$2,000 for each retiree of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2007, disbursements of \$54,000 were recognized for postemployment benefits.

D. 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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 4,669
Interest on net pension obligation	(9,702)
Adjustment to annual required contribution	11,056
Annual pension cost	6,023
Contributions made	19,150
Decrease in net pension obligation	(13,127)
Net pension obligation, beginning of year	(133,816)
Net pension obligation, end of year	\$ (146,943)
Contribution rates:	
School Corporation	3%
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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Actuarial Assumptions</u>	<u>PERF</u>
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

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-04	\$ 10,891	376%	\$ (102,060)
	06-30-05	5,592	668%	(133,816)
	06-30-06	6,023	318%	(146,943)

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

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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 \$125,315, \$108,837, and \$105,825, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

TELL CITY-TROY TOWNSHIP 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	\$ 1,381,165	\$ 885,462	\$ 495,703	156%	\$ 902,722	55%
07-01-05	1,410,489	935,054	475,435	151%	833,590	57%
07-01-06	935,890	831,445	104,445	113%	780,289	13%

TELL CITY-TROY TOWNSHIP 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	Textbook Rental	Levy Excess	Joint Service and Supply Vocational 2003-2004	Joint Service and Supply Vocational 2004-2005	Joint Service and Supply Vocational 2005-2006
Receipts:						
Local sources	\$ 9,231	\$ 135,980	\$ -	\$ -	\$ 22,398	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	34,457	21,879	-	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	100,000	-	-	-	-
Total receipts	43,688	257,859	-	-	22,398	-
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	-	271,128	-	-	-	-
Nonprogrammed charges	29,260	-	-	-	17,910	-
Debt services	-	-	-	-	-	-
Total disbursements	29,260	271,128	-	-	17,910	-
Excess (deficiency) of receipts over disbursements	14,428	(13,269)	-	-	4,488	-
Other financing sources (uses):						
Transfers in	-	-	160,225	-	-	-
Transfers out	(546)	-	-	-	-	-
Total other financing sources (uses)	(546)	-	160,225	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	13,882	(13,269)	160,225	-	4,488	-
Cash and investments - beginning	6,789	24,922	-	55,792	-	-
Cash and investments - ending	\$ 20,671	\$ 11,653	\$ 160,225	\$ 55,792	\$ 4,488	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 20,671	\$ 11,653	\$ 160,225	\$ 55,792	\$ 4,488	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 20,671	\$ 11,653	\$ 160,225	\$ 55,792	\$ 4,488	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	20,671	11,653	160,225	55,792	4,488	-
Total cash and investment fund balance - ending	\$ 20,671	\$ 11,653	\$ 160,225	\$ 55,792	\$ 4,488	\$ -

TELL CITY-TROY TOWNSHIP 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)

	Joint Service and Supply Vocational 2002-2003	Educational License Plates	Alternative Education	School Safe Haven 2004-2005	Wal-Mart Teacher Award 2005-2006	TCHS Literacy Mini-Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ -
Intermediate sources	-	656	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	656	-	-	1,000	-
Disbursements:						
Current:						
Instruction	-	-	-	-	185	13
Support services	-	-	-	5,609	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	-	-	-	5,609	185	13
Excess (deficiency) of receipts over disbursements	-	656	-	(5,609)	815	(13)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	656	-	(5,609)	815	(13)
Cash and investments - beginning	(5,646)	2,550	7,572	5,609	-	13
Cash and investments - ending	<u>\$(5,646)</u>	<u>\$ 3,206</u>	<u>\$ 7,572</u>	<u>\$ -</u>	<u>\$ 815</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ (5,646)	\$ 3,206	\$ 7,572	\$ -	\$ 815	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$(5,646)</u>	<u>\$ 3,206</u>	<u>\$ 7,572</u>	<u>\$ -</u>	<u>\$ 815</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(5,646)	3,206	7,572	-	815	-
Total cash and investment fund balance - ending	<u>\$(5,646)</u>	<u>\$ 3,206</u>	<u>\$ 7,572</u>	<u>\$ -</u>	<u>\$ 815</u>	<u>\$ -</u>

TELL CITY-TROY TOWNSHIP 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)

	Track Resurfacing Donations	Higher Education Grant 2005-2006	Gifted and Talented 2004-2005	Gifted and Talented 2005-2006	Tobacco Prevention and Cessation	Ready-to-Learn 2005-2006
Receipts:						
Local sources	\$ 12,415	\$ 950	\$ 56	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	13,258	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	<u>12,415</u>	<u>950</u>	<u>56</u>	<u>13,258</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	-	322	5,325	10,077	-	14,041
Support services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>322</u>	<u>5,325</u>	<u>10,077</u>	<u>-</u>	<u>14,041</u>
Excess (deficiency) of receipts over disbursements	<u>12,415</u>	<u>628</u>	<u>(5,269)</u>	<u>3,181</u>	<u>-</u>	<u>(14,041)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>12,415</u>	<u>628</u>	<u>(5,269)</u>	<u>3,181</u>	<u>-</u>	<u>(14,041)</u>
Cash and investments - beginning	-	-	5,269	-	900	14,225
Cash and investments - ending	<u>\$ 12,415</u>	<u>\$ 628</u>	<u>\$ -</u>	<u>\$ 3,181</u>	<u>\$ 900</u>	<u>\$ 184</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 12,415	\$ 628	\$ -	\$ 3,181	\$ 900	\$ 184
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 12,415</u>	<u>\$ 628</u>	<u>\$ -</u>	<u>\$ 3,181</u>	<u>\$ 900</u>	<u>\$ 184</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	12,415	628	-	3,181	900	184
Total cash and investment fund balance - ending	<u>\$ 12,415</u>	<u>\$ 628</u>	<u>\$ -</u>	<u>\$ 3,181</u>	<u>\$ 900</u>	<u>\$ 184</u>

TELL CITY-TROY TOWNSHIP 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)

	Non-English Speaking Programs	Model School Tech 2004-2005	Higher Education 2006-2007	Title I 2005-2006	Title I 2004-2005	Title V Part A 2003-2005
Receipts:						
Local sources	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	110	-	-	-	-	-
Federal sources	-	-	-	202,811	-	-
Sale of property, adjustments and refunds	-	11,800	-	-	-	-
Total receipts	110	11,800	1,000	202,811	-	-
Disbursements:						
Current:						
Instruction	16	8,516	-	140,334	9,966	6,095
Support services	-	-	-	26,527	845	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	16	8,516	-	166,861	10,811	6,095
Excess (deficiency) of receipts over disbursements	94	3,284	1,000	35,950	(10,811)	(6,095)
Other financing sources (uses):						
Transfers in	-	-	-	6,718	-	-
Transfers out	-	-	-	-	(6,718)	-
Total other financing sources (uses)	-	-	-	6,718	(6,718)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	94	3,284	1,000	42,668	(17,529)	(6,095)
Cash and investments - beginning	(32)	4,069	-	-	17,529	6,051
Cash and investments - ending	<u>\$ 62</u>	<u>\$ 7,353</u>	<u>\$ 1,000</u>	<u>\$ 42,668</u>	<u>\$ -</u>	<u>\$ (44)</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 62	\$ 7,353	\$ 1,000	\$ 42,668	\$ -	\$ (44)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 62</u>	<u>\$ 7,353</u>	<u>\$ 1,000</u>	<u>\$ 42,668</u>	<u>\$ -</u>	<u>\$ (44)</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	62	7,353	1,000	42,668	-	(44)
Total cash and investment fund balance - ending	<u>\$ 62</u>	<u>\$ 7,353</u>	<u>\$ 1,000</u>	<u>\$ 42,668</u>	<u>\$ -</u>	<u>\$ (44)</u>

TELL CITY-TROY TOWNSHIP 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 V Part A 2004-2006	Title V Part A 2005-2007	Tobacco Grant 2004-2005	Drug Free Schools 2003-2005	PC Substance Abuse	Drug Free Schools 2004-2006
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	23,525	-	-	-	7,377
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	23,525	-	-	-	7,377
Disbursements:						
Current:						
Instruction	17,649	12,006	1,482	2,284	553	6,106
Support services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	17,649	12,006	1,482	2,284	553	6,106
Excess (deficiency) of receipts over disbursements	(17,649)	11,519	(1,482)	(2,284)	(553)	1,271
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(17,649)	11,519	(1,482)	(2,284)	(553)	1,271
Cash and investments - beginning	22,646	-	(500)	2,284	400	-
Cash and investments - ending	<u>\$ 4,997</u>	<u>\$ 11,519</u>	<u>\$ (1,982)</u>	<u>\$ -</u>	<u>\$ (153)</u>	<u>\$ 1,271</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 4,997	\$ 11,519	\$ (1,982)	\$ -	\$ (153)	\$ 1,271
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 4,997</u>	<u>\$ 11,519</u>	<u>\$ (1,982)</u>	<u>\$ -</u>	<u>\$ (153)</u>	<u>\$ 1,271</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	4,997	11,519	(1,982)	-	(153)	1,271
Total cash and investment fund balance - ending	<u>\$ 4,997</u>	<u>\$ 11,519</u>	<u>\$ (1,982)</u>	<u>\$ -</u>	<u>\$ (153)</u>	<u>\$ 1,271</u>

TELL CITY-TROY TOWNSHIP 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)

	Tobacco Grant 2005-2006	HS That Work Grant 2004-2005	HS That Work Grant 2005-2006	Perkins Grant 2003-2004	Perkins Grant 2004-2005	Perkins Grant 2005-2006
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	1,127	-	-	-	-	-
Federal sources	-	-	2,000	-	10,054	30,143
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	<u>1,127</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>10,054</u>	<u>30,143</u>
Disbursements:						
Current:						
Instruction	3,130	34	1,578	-	4,503	28,001
Support services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>3,130</u>	<u>34</u>	<u>1,578</u>	<u>-</u>	<u>4,503</u>	<u>28,001</u>
Excess (deficiency) of receipts over disbursements	<u>(2,003)</u>	<u>(34)</u>	<u>422</u>	<u>-</u>	<u>5,551</u>	<u>2,142</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,003)</u>	<u>(34)</u>	<u>422</u>	<u>-</u>	<u>5,551</u>	<u>2,142</u>
Cash and investments - beginning	<u>-</u>	<u>34</u>	<u>-</u>	<u>(852)</u>	<u>(4,144)</u>	<u>-</u>
Cash and investments - ending	<u><u>\$ (2,003)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 422</u></u>	<u><u>\$ (852)</u></u>	<u><u>\$ 1,407</u></u>	<u><u>\$ 2,142</u></u>
Cash and Investment Assets - Ending						
Cash and investments	\$ (2,003)	\$ -	\$ 422	\$ (852)	\$ 1,407	\$ 2,142
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u><u>\$ (2,003)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 422</u></u>	<u><u>\$ (852)</u></u>	<u><u>\$ 1,407</u></u>	<u><u>\$ 2,142</u></u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>(2,003)</u>	<u>-</u>	<u>422</u>	<u>(852)</u>	<u>1,407</u>	<u>2,142</u>
Total cash and investment fund balance - ending	<u><u>\$ (2,003)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 422</u></u>	<u><u>\$ (852)</u></u>	<u><u>\$ 1,407</u></u>	<u><u>\$ 2,142</u></u>

TELL CITY-TROY TOWNSHIP 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)

	Ready-to-Learn 2005-2006	Drug Free Schools 2005-2007	Title II Part D 2003-2005	Title II Part A 2002-2004	Title II Part D 2002-2004	Title II Part D 2004-2006
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	8,037	-	-	-	-	-
Federal sources	-	7,309	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	8,037	7,309	-	-	-	-
Disbursements:						
Current:						
Instruction	-	621	-	-	-	-
Support services	-	-	1,091	-	-	3,067
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	-	621	1,091	-	-	3,067
Excess (deficiency) of receipts over disbursements	8,037	6,688	(1,091)	-	-	(3,067)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,037	6,688	(1,091)	-	-	(3,067)
Cash and investments - beginning	-	-	1,091	(361)	(93)	4,741
Cash and investments - ending	\$ 8,037	\$ 6,688	\$ -	\$ (361)	\$ (93)	\$ 1,674
Cash and Investment Assets - Ending						
Cash and investments	\$ 8,037	\$ 6,688	\$ -	\$ (361)	\$ (93)	\$ 1,674
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 8,037	\$ 6,688	\$ -	\$ (361)	\$ (93)	\$ 1,674
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	8,037	6,688	-	(361)	(93)	1,674
Total cash and investment fund balance - ending	\$ 8,037	\$ 6,688	\$ -	\$ (361)	\$ (93)	\$ 1,674

TELL CITY-TROY TOWNSHIP 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 II Part D 2005-2007	Title II Part A 2003-2005	Title II Part A 2004-2006	Title II Part A 2005-2007	Retirement Bond Debt Service	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 211,480	\$ 394,510
Intermediate sources	-	-	-	-	-	656
State sources	-	-	-	-	-	78,868
Federal sources	3,665	300	-	66,552	-	353,736
Sale of property, adjustments and refunds	-	-	-	-	-	111,800
Total receipts	<u>3,665</u>	<u>300</u>	<u>-</u>	<u>66,552</u>	<u>211,480</u>	<u>939,570</u>
Disbursements:						
Current:						
Instruction	-	20,351	36,941	18,828	-	348,957
Support services	-	-	-	-	-	308,267
Nonprogrammed charges	-	-	-	-	-	47,170
Debt services	-	-	-	-	207,436	207,436
Total disbursements	<u>-</u>	<u>20,351</u>	<u>36,941</u>	<u>18,828</u>	<u>207,436</u>	<u>911,830</u>
Excess (deficiency) of receipts over disbursements	<u>3,665</u>	<u>(20,051)</u>	<u>(36,941)</u>	<u>47,724</u>	<u>4,044</u>	<u>27,740</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	166,943
Transfers out	-	-	-	-	-	(7,264)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>159,679</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,665</u>	<u>(20,051)</u>	<u>(36,941)</u>	<u>47,724</u>	<u>4,044</u>	<u>187,419</u>
Cash and investments - beginning	-	20,051	51,857	-	-	242,766
Cash and investments - ending	<u>\$ 3,665</u>	<u>\$ -</u>	<u>\$ 14,916</u>	<u>\$ 47,724</u>	<u>\$ 4,044</u>	<u>\$ 430,185</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 3,665	\$ -	\$ 14,916	\$ 47,724	\$ -	\$ 426,141
Restricted assets:						
Cash and investments	-	-	-	-	4,044	4,044
Total cash and investment assets - ending	<u>\$ 3,665</u>	<u>\$ -</u>	<u>\$ 14,916</u>	<u>\$ 47,724</u>	<u>\$ 4,044</u>	<u>\$ 430,185</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 4,044	\$ 4,044
Unrestricted	<u>3,665</u>	<u>-</u>	<u>14,916</u>	<u>47,724</u>	<u>-</u>	<u>426,141</u>
Total cash and investment fund balance - ending	<u>\$ 3,665</u>	<u>\$ -</u>	<u>\$ 14,916</u>	<u>\$ 47,724</u>	<u>\$ 4,044</u>	<u>\$ 430,185</u>

TELL CITY-TROY TOWNSHIP 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	Textbook Rental	Levy Excess	Joint Service and Supply Vocational 2003-2004	Joint Service and Supply Vocational 2004-2005	Joint Service and Supply Vocational 2005-2006	Joint Service and Supply Vocational 2002-2003
Receipts:							
Local sources	\$ 4,909	\$ 117,533	\$ -	\$ -	\$ -	\$ 8,959	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	35,130	25,812	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Interfund loans	-	35,000	-	-	-	-	-
Total receipts	40,039	178,345	-	-	-	8,959	-
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	-	178,550	-	-	-	-	-
Nonprogrammed charges	27,266	-	-	22,398	4,488	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	27,266	178,550	-	22,398	4,488	-	-
Excess (deficiency) of receipts over disbursements	12,773	(205)	-	(22,398)	(4,488)	8,959	-
Other financing sources (uses):							
Transfers in	-	21,672	-	-	-	-	5,646
Transfers out	(4,884)	-	(160,225)	(5,646)	-	-	-
Total other financing sources (uses)	(4,884)	21,672	(160,225)	(5,646)	-	-	5,646
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,889	21,467	(160,225)	(28,044)	(4,488)	8,959	5,646
Cash and investments - beginning	20,671	11,653	160,225	55,792	4,488	-	(5,646)
Cash and investments - ending	\$ 28,560	\$ 33,120	\$ -	\$ 27,748	\$ -	\$ 8,959	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 28,560	\$ 33,120	\$ -	\$ 27,748	\$ -	\$ 8,959	\$ -
Cash with fiscal agent	-	-	-	-	-	-	-
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 28,560	\$ 33,120	\$ -	\$ 27,748	\$ -	\$ 8,959	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	28,560	33,120	-	27,748	-	8,959	-
Total cash and investment fund balance - ending	\$ 28,560	\$ 33,120	\$ -	\$ 27,748	\$ -	\$ 8,959	\$ -

TELL CITY-TROY TOWNSHIP 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)

	Educational License Plates	Alternative Education	Early Intervention Grant 2007-2008	Weyerhaeuser Legion Field	Wal-Mart Teacher Award 2005-2006	Weyerhaeuser WTE Entrance	High School Weight Room Fund
Receipts:							
Local sources	\$ -	\$ -	\$ 13,000	\$ 3,000	\$ -	\$ 2,000	\$ 15,000
Intermediate sources	638	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	638	-	13,000	3,000	-	2,000	15,000
Disbursements:							
Current:							
Instruction	-	-	-	-	622	-	15,000
Support services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	622	-	15,000
Excess (deficiency) of receipts over disbursements	638	-	13,000	3,000	(622)	2,000	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	638	-	13,000	3,000	(622)	2,000	-
Cash and investments - beginning	3,206	7,572	-	-	815	-	-
Cash and investments - ending	\$ 3,844	\$ 7,572	\$ 13,000	\$ 3,000	\$ 193	\$ 2,000	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 3,844	\$ 7,572	\$ 13,000	\$ 3,000	\$ 193	\$ 2,000	\$ -
Cash with fiscal agent	-	-	-	-	-	-	-
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 3,844	\$ 7,572	\$ 13,000	\$ 3,000	\$ 193	\$ 2,000	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	3,844	7,572	13,000	3,000	193	2,000	-
Total cash and investment fund balance - ending	\$ 3,844	\$ 7,572	\$ 13,000	\$ 3,000	\$ 193	\$ 2,000	\$ -

TELL CITY-TROY TOWNSHIP 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)

	Track Resurfacing Donations	Higher Education Grant 2005-2006	Gifted and Talented 2005-2006	Gifted and Talented 2006-2007	Tobacco Prevention and Cessation	Ready-to-Learn 2005-2006	Non-English Speaking Programs
Receipts:							
Local sources	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	13,258	-	-	117
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	50,000	-	-	13,258	-	-	117
Disbursements:							
Current:							
Instruction	-	398	3,181	8,758	-	184	-
Support services	62,415	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	62,415	398	3,181	8,758	-	184	-
Excess (deficiency) of receipts over disbursements	(12,415)	(398)	(3,181)	4,500	-	(184)	117
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(12,415)	(398)	(3,181)	4,500	-	(184)	117
Cash and investments - beginning	12,415	628	3,181	-	900	184	62
Cash and investments - ending	\$ -	\$ 230	\$ -	\$ 4,500	\$ 900	\$ -	\$ 179
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 230	\$ -	\$ 4,500	\$ 900	\$ -	\$ 179
Cash with fiscal agent	-	-	-	-	-	-	-
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 230	\$ -	\$ 4,500	\$ 900	\$ -	\$ 179
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	230	-	4,500	900	-	179
Total cash and investment fund balance - ending	\$ -	\$ 230	\$ -	\$ 4,500	\$ 900	\$ -	\$ 179

TELL CITY-TROY TOWNSHIP 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)

	Model School Tech 2004-2005	On Target SIREC Grant	Higher Education 2006-2007	Higher Education 2007-2008	Non-English Speaking Programs 2005-2006	Title I 2005-2006	Title I 2006-2007
Receipts:							
Local sources	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ 110	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	186,000
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	-	1,000	-	1,000	110	-	186,000
Disbursements:							
Current:							
Instruction	6,152	-	806	86	110	22,659	147,093
Support services	-	-	-	-	-	12,546	19,318
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	6,152	-	806	86	110	35,205	166,411
Excess (deficiency) of receipts over disbursements	(6,152)	1,000	(806)	914	-	(35,205)	19,589
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	7,463
Transfers out	-	-	-	-	-	(7,463)	-
Total other financing sources (uses)	-	-	-	-	-	(7,463)	7,463
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,152)	1,000	(806)	914	-	(42,668)	27,052
Cash and investments - beginning	7,353	-	1,000	-	-	42,668	-
Cash and investments - ending	<u>\$ 1,201</u>	<u>\$ 1,000</u>	<u>\$ 194</u>	<u>\$ 914</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,052</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,201	\$ 1,000	\$ 194	\$ 914	\$ -	\$ -	\$ 27,052
Cash with fiscal agent	-	-	-	-	-	-	-
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,201</u>	<u>\$ 1,000</u>	<u>\$ 194</u>	<u>\$ 914</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,052</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,201	1,000	194	914	-	-	27,052
Total cash and investment fund balance - ending	<u>\$ 1,201</u>	<u>\$ 1,000</u>	<u>\$ 194</u>	<u>\$ 914</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,052</u>

TELL CITY-TROY TOWNSHIP 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 2006-2007	Title V Part A 2003-2004	Title V Part A 2004-2005	Title V Part A 2006-2007	Tobacco Grant 2004-2005	Drug Free Schools 2006-2007	PC Substance Abuse
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 1,982	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	153
Federal sources	2,661	-	-	-	-	5,986	-
Sale of property, adjustments and refunds	-	44	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	2,661	44	-	-	1,982	5,986	153
Disbursements:							
Current:							
Instruction	1,570	-	2,666	10,732	-	-	-
Support services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	1,570	-	2,666	10,732	-	-	-
Excess (deficiency) of receipts over disbursements	1,091	44	(2,666)	(10,732)	1,982	5,986	153
Other financing sources (uses):							
Transfers in	15,000	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	15,000	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	16,091	44	(2,666)	(10,732)	1,982	5,986	153
Cash and investments - beginning	-	(44)	4,997	11,519	(1,982)	-	(153)
Cash and investments - ending	<u>\$ 16,091</u>	<u>\$ -</u>	<u>\$ 2,331</u>	<u>\$ 787</u>	<u>\$ -</u>	<u>\$ 5,986</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 16,091	\$ -	\$ 2,331	\$ 787	\$ -	\$ 5,986	\$ -
Cash with fiscal agent	-	-	-	-	-	-	-
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 16,091	\$ -	\$ 2,331	\$ 787	\$ -	\$ 5,986	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	16,091	-	2,331	787	-	5,986	-
Total cash and investment fund balance - ending	\$ 16,091	\$ -	\$ 2,331	\$ 787	\$ -	\$ 5,986	\$ -

TELL CITY-TROY TOWNSHIP 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)

	Drug Free Schools 2004-2005	Tobacco Grant 2005-2006	Team Nutrition Mini Grant	High Schools That Work Grant 2005-2006	Perkins Grant 2003-2004	Perkins Grant 2004-2005
Receipts:						
Local sources	\$ -	\$ 1,758	\$ -	\$ -	\$ 852	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	245	500	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>2,003</u>	<u>500</u>	<u>-</u>	<u>852</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	1,271	-	500	422	-	-
Support services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>1,271</u>	<u>-</u>	<u>500</u>	<u>422</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(1,271)</u>	<u>2,003</u>	<u>-</u>	<u>(422)</u>	<u>852</u>	<u>-</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,271)</u>	<u>2,003</u>	<u>-</u>	<u>(422)</u>	<u>852</u>	<u>-</u>
Cash and investments - beginning	<u>1,271</u>	<u>(2,003)</u>	<u>-</u>	<u>422</u>	<u>(852)</u>	<u>1,407</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,407</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,407
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,407</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-	-	1,407
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,407</u>

TELL CITY-TROY TOWNSHIP 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)

	Perkins Grant 2005-2006	Perkins Grant 2006-2007	Ready-to-Learn 2006-2007	Drug Free Schools 2005-2006	Title II Part A 2002-2003	Title II Part D 2002-2003
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 361	\$ 93
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	9,993	28,829	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	<u>9,993</u>	<u>28,829</u>	<u>-</u>	<u>-</u>	<u>361</u>	<u>93</u>
Disbursements:						
Current:						
Instruction	10,068	30,072	4,532	4,463	-	-
Support services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>10,068</u>	<u>30,072</u>	<u>4,532</u>	<u>4,463</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(75)</u>	<u>(1,243)</u>	<u>(4,532)</u>	<u>(4,463)</u>	<u>361</u>	<u>93</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(75)</u>	<u>(1,243)</u>	<u>(4,532)</u>	<u>(4,463)</u>	<u>361</u>	<u>93</u>
Cash and investments - beginning	<u>2,142</u>	<u>-</u>	<u>8,037</u>	<u>6,688</u>	<u>(361)</u>	<u>(93)</u>
Cash and investments - ending	<u>\$ 2,067</u>	<u>\$ (1,243)</u>	<u>\$ 3,505</u>	<u>\$ 2,225</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,067	\$ (1,243)	\$ 3,505	\$ 2,225	\$ -	\$ -
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 2,067</u>	<u>\$ (1,243)</u>	<u>\$ 3,505</u>	<u>\$ 2,225</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>2,067</u>	<u>(1,243)</u>	<u>3,505</u>	<u>2,225</u>	<u>-</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ 2,067</u>	<u>\$ (1,243)</u>	<u>\$ 3,505</u>	<u>\$ 2,225</u>	<u>\$ -</u>	<u>\$ -</u>

TELL CITY-TROY TOWNSHIP 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 D 2004-2005	Title II Part D 2005-2006	Title II Part A 2004-2005	Title II Part A 2005-2006	Retirement Bond Debt Service	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 349,257	\$ 570,814
Intermediate sources	-	-	-	-	-	638
State sources	-	-	-	-	-	75,215
Federal sources	-	-	1,485	-	-	234,954
Sale of property, adjustments and refunds	-	-	-	-	-	44
Interfund loans	-	-	-	-	-	35,000
Total receipts	-	-	1,485	-	349,257	916,665
Disbursements:						
Current:						
Instruction	-	-	16,401	33,328	-	321,074
Support services	1,674	2,277	-	-	-	276,780
Nonprogrammed charges	-	-	-	-	-	54,152
Debt services	-	-	-	-	415,877	415,877
Total disbursements	1,674	2,277	16,401	33,328	415,877	1,067,883
Excess (deficiency) of receipts over disbursements	(1,674)	(2,277)	(14,916)	(33,328)	(66,620)	(151,218)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	49,781
Transfers out	-	-	-	-	-	(178,218)
Total other financing sources (uses)	-	-	-	-	-	(128,437)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,674)	(2,277)	(14,916)	(33,328)	(66,620)	(279,655)
Cash and investments - beginning	1,674	3,665	14,916	47,724	4,044	430,185
Cash and investments - ending	\$ -	\$ 1,388	\$ -	\$ 14,396	\$ (62,576)	\$ 150,530
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 1,388	\$ -	\$ 14,396	\$ -	\$ 213,106
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	-	-	-	(62,576)	(62,576)
Total cash and investment assets - ending	\$ -	\$ 1,388	\$ -	\$ 14,396	\$ (62,576)	\$ 150,530
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ (62,576)	\$ (62,576)
Unrestricted	-	1,388	-	14,396	-	213,106
Total cash and investment fund balance - ending	\$ -	\$ 1,388	\$ -	\$ 14,396	\$ (62,576)	\$ 150,530

TELL CITY-TROY TOWNSHIP 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

	DOE Professional Development 2003-2004	DOE Professional Development 2004-2005	Professional Development 2005-2006	DOE Professional Development 2005-2006	On Target	Summer On Target	High School Art Project
Additions:							
Contributions:							
Other	\$ -	\$ -	\$ 13,923	\$ 6,752	\$ -	\$ 16,831	\$ 700
Deductions:							
Administrative and general	210	10,082	5,610	96	789	3,277	594
Excess (deficiency) of total additions over total deductions	(210)	(10,082)	8,313	6,656	(789)	13,554	106
Cash and investment fund balance - beginning	-	12,326	-	-	-	8,827	-
Cash and Investments - June 30	<u>\$ (210)</u>	<u>\$ 2,244</u>	<u>\$ 8,313</u>	<u>\$ 6,656</u>	<u>\$ (789)</u>	<u>\$ 22,381</u>	<u>\$ 106</u>
Net assets:							
Cash and investments	\$ (210)	\$ 2,244	\$ 8,313	\$ 6,656	\$ (789)	\$ 22,381	\$ 106
Total net assets - cash and investment basis held in trust	<u>\$ (210)</u>	<u>\$ 2,244</u>	<u>\$ 8,313</u>	<u>\$ 6,656</u>	<u>\$ (789)</u>	<u>\$ 22,381</u>	<u>\$ 106</u>

TELL CITY-TROY TOWNSHIP 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
 (Continued)

	Early Intervention 2005-2006	SAFE School Haven Grant 2005-2006	Early Intervention 2003-2004	Weyerhaeuser Foundation 2003-2004	SINE Model School TCHS	Totals
Additions:						
Contributions:						
Other	\$ 9,050	\$ 2,319	\$ -	\$ -	\$ 7,530	\$ 57,105
Deductions:						
Administrative and general	-	2,319	173	180	9,886	33,216
Excess (deficiency) of total additions over total deductions	9,050	-	(173)	(180)	(2,356)	23,889
Cash and investment fund balance - beginning	-	-	173	180	12,761	34,267
Cash and Investments - June 30	<u>\$ 9,050</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,405</u>	<u>\$ 58,156</u>
Net assets:						
Cash and investments	\$ 9,050	-	-	-	10,405	58,156
Total net assets - cash and investment basis held in trust	<u>\$ 9,050</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,405</u>	<u>\$ 58,156</u>

TELL CITY-TROY TOWNSHIP 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

	DOE Professional Development 2003-2004	DOE Professional Development 2004-2005	Professional Development 2005-2006	DOE Professional Development 2005-2006	DOE Professional Development 2006-2007	DOE Professional Development 2007-2008
Additions:						
Contributions:						
Other	\$ 210	\$ -	\$ -	\$ -	\$ 9,000	\$ 11,045
Deductions:						
Administrative and general	-	2,244	8,313	6,702	4,087	-
Excess (deficiency) of total additions over total deductions	210	(2,244)	(8,313)	(6,702)	4,913	11,045
Cash and investment fund balance - beginning	(210)	2,244	8,313	6,656	-	-
Cash and Investments - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46)</u>	<u>\$ 4,913</u>	<u>\$ 11,045</u>
Net assets:						
Cash and investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46)</u>	<u>\$ 4,913</u>	<u>\$ 11,045</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46)</u>	<u>\$ 4,913</u>	<u>\$ 11,045</u>

TELL CITY-TROY TOWNSHIP 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
 (Continued)

	On Target	Summer On Target	High School Art Project	SINE HS Art Exchange	SINE HS English Learning Exchange	Early Intervention 2005-2006
Additions:						
Contributions:						
Other	\$ 789	\$ 17,412	\$ -	\$ 800	\$ 1,000	\$ -
Deductions:						
Administrative and general	-	23,003	106	-	1,000	9,050
Excess (deficiency) of total additions over total deductions	789	(5,591)	(106)	800	-	(9,050)
Cash and investment fund balance - beginning	(789)	22,381	106	-	-	9,050
Cash and Investments - June 30	<u>\$ -</u>	<u>\$ 16,790</u>	<u>\$ -</u>	<u>\$ 800</u>	<u>\$ -</u>	<u>\$ -</u>
Net assets:						
Cash and investments	<u>\$ -</u>	<u>\$ 16,790</u>	<u>\$ -</u>	<u>\$ 800</u>	<u>\$ -</u>	<u>\$ -</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 16,790</u>	<u>\$ -</u>	<u>\$ 800</u>	<u>\$ -</u>	<u>\$ -</u>

TELL CITY-TROY TOWNSHIP 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
 (Continued)

	Early Intervention 2003-2004	SAFE School Haven Grant 2005-2006	High Schools That Work 2006-2007	SINE Model School TCHS	Totals
Additions:					
Contributions:					
Other	\$ 1,142	\$ 365	\$ 1,000	\$ -	\$ 42,763
Deductions:					
Administrative and general	<u>924</u>	<u>365</u>	<u>700</u>	<u>10,405</u>	<u>66,899</u>
Excess (deficiency) of total additions over total deductions	218	-	300	(10,405)	(24,136)
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,405</u>	<u>58,156</u>
Cash and Investments - June 30	<u>\$ 218</u>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ 34,020</u>
Net assets:					
Cash and investments	<u>\$ 218</u>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ 34,020</u>
Total net assets - cash and investment basis held in trust	<u>\$ 218</u>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ 34,020</u>

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 COMBINING STATEMENT OF NET ASSETS - CASH AND INVESTMENT BASIS
 AGENCY FUNDS
 For the Year Ended June 30, 2006

	<u>Corporation Payroll Withholding</u>	<u>Cafeteria Payroll Withholding</u>	<u>Totals</u>
Net assets:			
Cash and investments	\$ 186,872	\$ 16,960	\$ 203,832
Total net assets - cash and investment basis held in trust	<u>\$ 186,872</u>	<u>\$ 16,960</u>	<u>\$ 203,832</u>

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 COMBINING STATEMENT OF NET ASSETS - CASH AND INVESTMENT BASIS
 AGENCY FUNDS
 For the Year Ended June 30, 2007

	Corporation Payroll Withholding	Cafeteria Payroll Withholding	Totals
Net assets:			
Cash and investments	\$ 99,877	\$ 14,432	\$ 114,309
Total net assets - cash and investment basis held in trust	\$ 99,877	\$ 14,432	\$ 114,309

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For the Year Ended June 30, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 329,407
Buildings	33,096,313
Improvements other than buildings	1,196,246
Machinery and equipment	618,163
Transportation equipment	<u>670,105</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 35,910,234</u>

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2007

The School Corporation has entered into the following debt obligations:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
William Tell Elementary School	\$ 18,739,087	\$ 1,522,000
2007 High School Renovation	1,521,329	109,666
Bonds payable:		
General obligation bonds:		
2004 Pension Bonds	4,770,000	414,842
Total governmental activities long-term debt	\$ 25,030,416	\$ 2,046,508

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

TEMPORARY LOANS

The following temporary loans were outstanding at June 30, 2007:

A temporary loan of \$50,000 was made in 2004 from the General Fund to the Textbook Rental Fund. The General Fund also loaned \$35,000 to the Textbook Rental Fund in 2007. The Textbook Rental Fund has repaid \$44,000 and therefore still owes the General Fund \$41,000 as of June 30, 2007.

The General Fund loaned \$20,000 to the School Lunch Fund in 1997. However, the School Lunch Fund repaid \$24,000 to the General Fund. Therefore, the General Fund owes the School Lunch Fund \$4,000 as of June 30, 2007.

The Textbook Rental Fund loaned \$16,000 to the School Lunch Fund in 1998. However, the School Lunch Fund repaid \$26,500 to the Textbook Rental Fund, resulting in an overpayment of \$10,500. The Textbook Rental Fund still owed \$4,500 of this overpayment as of June 30, 2007.

A similar comment appeared in the prior report.

Indiana Code 36-1-8-4 concerning temporary loans states in part:

"(a) (3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs. (4) The amount transferred must be returned to the other fund at the end of the prescribed period. . . ."

"(b) If the fiscal body of a political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following: (1) Passes an ordinance or a resolution that contains the following: (A) A statement that the fiscal body has determined that an emergency exists. (B) A brief description of the grounds for the emergency. (C) The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs. (2) Immediately forwards the ordinance or resolution to the state board of accounts and the Department of Local Government Finance."

OVERDRAWN CASH BALANCES

The cash balances of the Debt Service Fund, Joint Vocational 2002-2003 Fund, Title V Part A 2003-2005 Fund, Tobacco Grant 2004-2005 Fund, PC Substance Abuse Fund, Tobacco Grant 2005-2006 Fund, Perkins Grant 2003-2004 Fund, Title II Part A 2002-2004 Fund, Title II Part D 2002-2004 Fund and DOE Professional Development 2003-2004 and the On Target Fund were overdrawn at June 30, 2006. The cash balances of the Transportation Operating Fund, the Debt Service Fund, Retirement Bond Debt Service Fund, Perkins Grant Fund 2006-2007, the Retirement Bonds Fund, and the DOE Professional Development Fund 2005-2006 were overdrawn at June 30, 2007. With the exception of the Debt Service Fund, the overdrawn balances at June 30, 2007, arose primarily from the delay (due to reassessment) in receiving the June 2007 tax distribution until July 26, 2007. A similar comment appeared in the prior report.

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

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

TO: THE OFFICIALS OF THE TELL CITY-TROY TOWNSHIP
SCHOOL CORPORATION, PERRY COUNTY, INDIANA

Compliance

We have audited the compliance of the Tell City-Troy Township 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 is applicable to its major federal program for the years ended June 30, 2006 and 2007. The School Corporation's major federal program is 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 its major federal program 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 is applicable to its major federal program for the years ended June 30, 2006 and 2007.

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.

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)

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.

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

December 3, 2007

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2006 and 2007

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 06-30-06	Total Federal Awards Expended 06-30-07
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
National School Lunch Program	10.555		\$ 205,177	\$ 242,191
School Breakfast Program	10.553		<u>63,217</u>	<u>63,672</u>
Total for federal grantor agency			<u>268,394</u>	<u>305,863</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Title 1 Grants to Local Educational Agencies				
FY 04-05	84.010	05-6350	17,529	-
FY 05-06		06-6350	166,861	42,668
FY 06-07		07-6350	<u>-</u>	<u>166,411</u>
Total for program			<u>184,390</u>	<u>209,079</u>
Vocational Education - Basic Grants to States				
FY 04-05	84.048	05-4700-6350	4,503	-
FY 05-06		06-4700-6350	28,001	10,068
FY 06-07		07-4700-6350	<u>-</u>	<u>30,072</u>
Total for program			<u>32,504</u>	<u>40,140</u>
Safe and Drug Free Schools and Communities - State Grants				
FY 03-04	84.186	03-008	2,284	-
FY 04-05		04-235	6,106	1,271
FY 05-06		05-067	<u>621</u>	<u>4,463</u>
Total for program			<u>9,011</u>	<u>5,734</u>
Tech-Prep Education				
FY 04-05	84.243	04-1303-6350	34	-
FY 06-07		05-1303-6350	<u>1,578</u>	<u>422</u>
Total for program			<u>1,612</u>	<u>422</u>
State Grants for Innovative Programs				
FY 03-04	84.298	03-058	6,095	-
FY 04-05		04-255	17,649	2,666
FY 05-06		05-059	12,006	10,732
FY 06-07		06-6350	<u>-</u>	<u>1,570</u>
Total for program			<u>35,750</u>	<u>14,968</u>
Education Technology State Grants				
FY 03-04	84.318		1,091	-
FY 04-05			3,067	1,674
FY 05-06			-	2,277
FY 06-07			<u>-</u>	<u>102,882</u>
Total for program			<u>4,158</u>	<u>106,833</u>
Improving Teacher Quality State Grants				
FY 03-04	84.367	03-061	20,351	-
FY 04-05		04-268	36,941	16,401
FY 05-06		05-081	18,828	33,328
FY 06-07		06-6350	<u>-</u>	<u>23,308</u>
Total for program			<u>76,120</u>	<u>73,037</u>
Total for federal grantor agency			<u>343,545</u>	<u>450,213</u>
Total federal awards expended			<u>\$ 611,939</u>	<u>\$ 756,076</u>

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

TELL CITY-TROY TOWNSHIP 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 Tell City-Troy Township 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
Child Nutrition Cluster	10.555	\$ 21,695	\$ 23,430

TELL CITY-TROY TOWNSHIP 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?	none reported

Noncompliance material to financial statements noted?	no
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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?	no
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Identification of Major Programs:

<u>CFDA</u> <u>Number</u>	<u>Name of Federal Program or Cluster</u>
------------------------------	---

Child Nutrition Cluster

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

Auditee qualified as low-risk auditee?	yes
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Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on December 27, 2007, with Ronald B. Etienne, Superintendent of Schools; Margaret E. Bolin, Treasurer; and Jerry D. Hoagland, President of the School Board.