

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

EXAMINATION REPORT
OF
TRI-COUNTY SCHOOL CORPORATION
WHITE COUNTY, INDIANA
July 1, 2006 to June 30, 2008



FILED
12/31/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Marsha Bell	07-01-06 to 06-30-09
Superintendent of Schools	Dr. Gilbert Crimmins	07-01-06 to 06-30-09
President of the School Board	Amy Manning	07-01-06 to 06-30-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TRI COUNTY SCHOOL CORPORATION, WHITE COUNTY, INDIANA

We have examined the financial information presented herein of the Tri County School Corporation (School Corporation), for the period of July 1, 2006 to June 30, 2008. The School Corporation's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

October 14, 2008

TRI-COUNTY SCHOOL CORPORATION
SCHEDULE 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	\$ 4,393,056	\$ -	\$ 74,242	\$ (4,318,814)
Support services	3,591,261	172,448	121,778	(3,297,035)
Community services	12,483	-	-	(12,483)
Nonprogrammed charges	101,315	-	-	(101,315)
Debt service	<u>2,981,308</u>	<u>-</u>	<u>-</u>	<u>(2,981,308)</u>
Total governmental activities	<u>\$ 11,079,423</u>	<u>\$ 172,448</u>	<u>\$ 196,020</u>	<u>(10,710,955)</u>
General receipts:				
Property taxes				3,846,296
Other local sources				759,860
State aid				1,530,837
Bonds and loans				1,500,000
Grants and contributions not restricted to specific programs				120,575
Sale of property, adjustments, and refunds				136,064
Investment earnings				<u>150,222</u>
Total general receipts				<u>8,043,854</u>
Change in net assets				(2,667,101)
Net assets - beginning				<u>3,938,396</u>
Net assets - ending				<u>\$ 1,271,295</u>
<u>Assets</u>				
Cash and investments				\$ 1,412,860
Restricted assets:				
Cash and investments				<u>(141,565)</u>
Total assets				<u>\$ 1,271,295</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ (141,565)
Unrestricted				<u>1,412,860</u>
Total net assets				<u>\$ 1,271,295</u>

The accompanying notes are an integral part of the financial information.

TRI-COUNTY SCHOOL CORPORATION
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

<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	\$ 4,427,356	\$ -	\$ 101,239	\$ (4,326,117)
Support services	3,952,945	179,607	136,522	(3,636,816)
Community services	14,705	-	-	(14,705)
Nonprogrammed charges	122,653	-	-	(122,653)
Debt service	4,010,295	-	-	(4,010,295)
Total governmental activities	\$ 12,527,954	\$ 179,607	\$ 237,761	(12,110,586)
General receipts:				
Property taxes				5,753,516
Other local sources				1,245,520
State aid				2,302,777
Bonds and loans				1,000,000
Grants and contributions not restricted to specific programs				153,558
Sale of property, adjustments, and refunds				76,950
Investment earnings				31,410
Total general receipts				10,563,731
Change in net assets				(1,546,855)
Net assets - beginning				1,271,295
Net assets - ending				\$ (275,560)
<u>Assets</u>				
Cash and investments				\$ 372,574
Restricted assets:				
Cash and investments				(648,134)
Total assets				\$ (275,560)
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ (648,134)
Unrestricted				372,574
Total net assets				\$ (275,560)

The accompanying notes are an integral part of the financial information.

TRI-COUNTY SCHOOL CORPORATION
SCHEDULE 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	Rainy Day	Debt Service	Capital Projects	Transportation Operating	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 2,710,908	\$ -	\$ 715,310	\$ 731,769	\$ 321,500	\$ 41,444	\$ 403,448	\$ 4,924,379
Intermediate sources	786	-	-	-	-	-	3,661	4,447
State sources	1,593,487	-	-	-	-	-	39,833	1,633,320
Federal sources	3,590	-	-	-	-	-	210,522	214,112
Bonds and loans	1,500,000	-	-	-	-	-	-	1,500,000
Sale of property, adjustments and refunds	1,131	-	-	134,933	-	-	-	136,064
Total receipts	5,809,902	-	715,310	866,702	321,500	41,444	657,464	8,412,322
Disbursements:								
Current:								
Instruction	4,299,130	-	-	-	-	-	93,926	4,393,056
Support services	1,783,949	-	-	976,220	450,543	-	380,549	3,591,261
Community services	10,965	-	-	-	-	-	1,518	12,483
Nonprogrammed charges	89,985	-	-	-	-	-	11,330	101,315
Debt services	1,000,000	-	1,201,257	500,000	-	-	280,051	2,981,308
Total disbursements	7,184,029	-	1,201,257	1,476,220	450,543	-	767,374	11,079,423
Excess (deficiency) of receipts over disbursements	(1,374,127)	-	(485,947)	(609,518)	(129,043)	41,444	(109,910)	(2,667,101)
Other financing sources (uses):								
Transfers in	57,018	125,000	16,380	10,012	6,737	1,002	3,999	220,148
Transfers out	-	-	-	(89,000)	(36,000)	-	(95,148)	(220,148)
Total other financing sources (uses)	57,018	125,000	16,380	(78,988)	(29,263)	1,002	(91,149)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,317,109)	125,000	(469,567)	(688,506)	(158,306)	42,446	(201,059)	(2,667,101)
Cash and investments - beginning	1,551,563	475,000	438,992	965,394	170,835	75,481	261,131	3,938,396
Cash and investments - ending	\$ 234,454	\$ 600,000	\$ (30,575)	\$ 276,888	\$ 12,529	\$ 117,927	\$ 60,072	\$ 1,271,295
Cash and Investment Assets - Ending								
Cash and investments	\$ 234,454	\$ 600,000	\$ -	\$ 276,888	\$ 12,529	\$ 117,927	\$ 171,062	\$ 1,412,860
Restricted assets:								
Cash and investments	-	-	(30,575)	-	-	-	(110,990)	(141,565)
Total cash and investment assets - ending	\$ 234,454	\$ 600,000	\$ (30,575)	\$ 276,888	\$ 12,529	\$ 117,927	\$ 60,072	\$ 1,271,295
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ (30,575)	\$ -	\$ -	\$ -	\$ (110,990)	\$ (141,565)
Unrestricted	234,454	600,000	-	276,888	12,529	117,927	171,062	1,412,860
Total cash and investment fund balance - ending	\$ 234,454	\$ 600,000	\$ (30,575)	\$ 276,888	\$ 12,529	\$ 117,927	\$ 60,072	\$ 1,271,295

The accompanying notes are an integral part of the financial information.

TRI-COUNTY SCHOOL CORPORATION
SCHEDULE 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, 2008

	General	Rainy Day	Debt Service	Capital Projects	Transportation Operating	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 3,850,722	\$ -	\$ 1,164,377	\$ 1,086,485	\$ 520,921	\$ 87,658	\$ 494,629	\$ 7,204,792
Intermediate sources	786	-	-	-	-	-	4,475	5,261
State sources	2,375,413	-	-	-	-	-	65,907	2,441,320
Federal sources	-	-	-	-	-	-	252,776	252,776
Bonds and loans	1,000,000	-	-	-	-	-	-	1,000,000
Sale of property, adjustments and refunds	262	-	-	75,694	976	-	18	76,950
Total receipts	7,227,183	-	1,164,377	1,162,179	521,897	87,658	817,805	10,981,099
Disbursements:								
Current:								
Instruction	4,317,695	-	-	-	-	-	109,661	4,427,356
Support services	1,689,139	-	-	1,132,109	531,846	151,510	448,341	3,952,945
Community services	14,019	-	-	-	-	-	686	14,705
Nonprogrammed charges	88,968	-	-	-	-	-	33,685	122,653
Debt services	2,500,000	-	1,226,612	-	-	-	283,683	4,010,295
Total disbursements	8,609,821	-	1,226,612	1,132,109	531,846	151,510	876,056	12,527,954
Excess (deficiency) of receipts over disbursements	(1,382,638)	-	(62,235)	30,070	(9,949)	(63,852)	(58,251)	(1,546,855)
Other financing sources (uses):								
Transfers in	-	600,000	-	-	-	-	42,965	642,965
Transfers out	-	-	(415,012)	(100,000)	(100,000)	-	(27,953)	(642,965)
Total other financing sources (uses)	-	600,000	(415,012)	(100,000)	(100,000)	-	15,012	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,382,638)	600,000	(477,247)	(69,930)	(109,949)	(63,852)	(43,239)	(1,546,855)
Cash and investments - beginning	234,454	600,000	(30,575)	276,888	12,529	117,927	60,072	1,271,295
Cash and investments - ending	<u>\$ (1,148,184)</u>	<u>\$ 1,200,000</u>	<u>\$ (507,822)</u>	<u>\$ 206,958</u>	<u>\$ (97,420)</u>	<u>\$ 54,075</u>	<u>\$ 16,833</u>	<u>\$ (275,560)</u>
Cash and Investment Assets - Ending								
Cash and investments	\$ (1,148,184)	\$ 1,200,000	\$ -	\$ 206,958	\$ (97,420)	\$ 54,075	\$ 157,145	\$ 372,574
Restricted assets:								
Cash and investments	-	-	(507,822)	-	-	-	(140,312)	(648,134)
Total cash and investment assets - ending	<u>\$ (1,148,184)</u>	<u>\$ 1,200,000</u>	<u>\$ (507,822)</u>	<u>\$ 206,958</u>	<u>\$ (97,420)</u>	<u>\$ 54,075</u>	<u>\$ 16,833</u>	<u>\$ (275,560)</u>
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ (507,822)	\$ -	\$ -	\$ -	\$ (140,312)	\$ (648,134)
Unrestricted	(1,148,184)	1,200,000	-	206,958	(97,420)	54,075	157,145	372,574
Total cash and investment fund balance - ending	<u>\$ (1,148,184)</u>	<u>\$ 1,200,000</u>	<u>\$ (507,822)</u>	<u>\$ 206,958</u>	<u>\$ (97,420)</u>	<u>\$ 54,075</u>	<u>\$ 16,833</u>	<u>\$ (275,560)</u>

The accompanying notes are an integral part of the financial information.

TRI-COUNTY SCHOOL CORPORATION
 SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 FIDUCIARY FUNDS
 For the Year Ended June 30, 2007

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Investment earnings:			
Interest	\$ 118,188	\$ 1,213	
Deductions:			
Benefits	83,320	-	
Administrative and general	-	2,500	
Total deductions	83,320	2,500	
Excess (deficiency) of total additions over total deductions	34,868	(1,287)	
Cash and investment fund balance - beginning	2,262,969	24,418	
Cash and investment fund balance - ending	\$ 2,297,837	\$ 23,131	
Net assets:			
Cash and investments	\$ 2,297,837	\$ 23,131	\$ 10,289
Total net assets - cash and investment basis held in trust	\$ 2,297,837	\$ 23,131	\$ 10,289

The accompanying notes are an integral part of the financial information.

TRI-COUNTY SCHOOL CORPORATION
 SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 FIDUCIARY FUNDS
 For the Year Ended June 30, 2008

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Other	\$ -	\$ 71,322	
Investment earnings:			
Interest	96,832	922	
Total additions	96,832	72,244	
Deductions:			
Benefits	58,920	-	
Administrative and general	-	72,822	
Total deductions	58,920	72,822	
Excess (deficiency) of total additions over total deductions	37,912	(578)	
Cash and investment fund balance - beginning	2,297,837	23,132	
Cash and investment fund balance - ending	\$ 2,335,749	\$ 22,554	
Net assets:			
Cash and investments	\$ 2,335,749	\$ 22,554	\$ 8,485
Total net assets - cash and investment basis held in trust	\$ 2,335,749	\$ 22,554	\$ 8,485

The accompanying notes are an integral part of the financial information.

TRI-COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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.

Note 2. Fund Accounting

A. Government-Wide and Fund Financial Information

Government-Wide Financial Information

The Schedule of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, inter-governmental revenues, and other nonexchange revenues.

Fund Financial Information

Fund financial schedules 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 schedules are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial schedules. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial schedules.

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 rainy day fund is used to account for unused and unencumbered funds transferred under the authority of Indiana Code 36-1-8-5. disbursements from this fund are subject to the same appropriation process as other funds that receive tax money.

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.

TRI-COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

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

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

Additionally, the School Corporation reports the following fund types:

The pension trust fund account for the activities of the retirement/severance bond fund which accumulates resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit scholarship recipients.

Agency funds account for assets held by the School Corporation as an agent for employees and other governmental agencies.

B. Measurement Focus and Basis of Accounting

The government-wide, governmental fund and fiduciary fund financial schedules 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 schedules.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial schedules for governmental funds would use the modified accrual basis of accounting, while the fund financial schedules 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 schedules.

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.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

TRI-COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and 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.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Interfund Transfers

Interfund transfers for the years ended June 30, 2007 and 2008, were as follows:

Transfer From	Transfer To	2008	2009
Capital Projects Fund	Rainy Day Fund	\$ 89,000	\$ 100,000
Transportation Operating Fund	Rainy Day Fund	36,000	100,000
Debt Service Fund	Rainy Day Fund	-	400,000
Debt Service Fund	Other governmental funds	-	15,012
Other governmental funds	General fund	57,018	-
Other governmental funds	Debt Service Fund	16,380	-
Other governmental funds	Capital Projects Fund	10,012	-
Other governmental funds	Transportation Operating Fund	6,737	-
Other governmental funds	School Bus Replacement Fund	1,002	-
Other governmental funds	Other governmental funds	3,999	27,953
Totals		<u>\$ 220,148</u>	<u>\$ 642,965</u>

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

TRI-COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 7. Pension Plans

A. 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 this 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 members' 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. That 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 the plan members for PERF are established by the Board of Trustees of PERF.

B. 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 members' 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:

TRI-COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

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

Funding Policy and Annual Pension Cost

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

TRI-COUNTY 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 Ed Preschool	School Lunch	Textbook Rental	Excess Levy	Education License Plate	Gifted and Talented 06/07	Drug Free Communities
Receipts:							
Local sources	\$ 5,626	\$ 162,963	\$ 58,564	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	375	-	3,286
State sources	12,437	5,530	10,134	-	-	11,572	-
Federal sources	-	102,167	-	-	-	-	-
Total receipts	<u>18,063</u>	<u>270,660</u>	<u>68,698</u>	<u>-</u>	<u>375</u>	<u>11,572</u>	<u>3,286</u>
Disbursements:							
Current:							
Instruction	-	-	-	-	-	10,733	154
Support services	-	258,452	80,946	-	-	-	10,773
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	11,330	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	<u>11,330</u>	<u>258,452</u>	<u>80,946</u>	<u>-</u>	<u>-</u>	<u>10,733</u>	<u>10,927</u>
Excess (deficiency) of receipts over disbursements	<u>6,733</u>	<u>12,208</u>	<u>(12,248)</u>	<u>-</u>	<u>375</u>	<u>839</u>	<u>(7,641)</u>
Other financing sources (uses):							
Transfers in	129	-	-	-	-	-	-
Transfers out	-	-	-	(95,008)	-	-	-
Total other financing sources (uses)	<u>129</u>	<u>-</u>	<u>-</u>	<u>(95,008)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>6,862</u>	<u>12,208</u>	<u>(12,248)</u>	<u>(95,008)</u>	<u>375</u>	<u>839</u>	<u>(7,641)</u>
Cash and investments - beginning	<u>22,270</u>	<u>16,255</u>	<u>33,695</u>	<u>95,008</u>	<u>2,550</u>	<u>-</u>	<u>11,394</u>
Cash and investments - ending	<u>\$ 29,132</u>	<u>\$ 28,463</u>	<u>\$ 21,447</u>	<u>\$ -</u>	<u>\$ 2,925</u>	<u>\$ 839</u>	<u>\$ 3,753</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 29,132	\$ 28,463	\$ 21,447	\$ -	\$ 2,925	\$ 839	\$ 3,753
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 29,132</u>	<u>\$ 28,463</u>	<u>\$ 21,447</u>	<u>\$ -</u>	<u>\$ 2,925</u>	<u>\$ 839</u>	<u>\$ 3,753</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	29,132	28,463	21,447	-	2,925	839	3,753
Total cash and investment fund balance - ending	<u>\$ 29,132</u>	<u>\$ 28,463</u>	<u>\$ 21,447</u>	<u>\$ -</u>	<u>\$ 2,925</u>	<u>\$ 839</u>	<u>\$ 3,753</u>

TRI-COUNTY 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)

	Medicaid Reimbursement (State)	Non-English Speaking Program	School Technology	Title I FY 2006	Title I FY 2007	Innovative Education Program Strategies 06	Innovative Education Program Strategies 07
Receipts:							
Local sources	\$ -	\$ -	\$ 7,872	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	140	20	-	-	-	-	-
Federal sources	-	-	-	-	72,278	-	2,515
Total receipts	140	20	7,872	-	72,278	-	2,515
Disbursements:							
Current:							
Instruction	-	-	-	10,606	70,684	329	-
Support services	-	-	-	-	-	1,714	-
Community services	-	-	-	804	527	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	-	11,410	71,211	2,043	-
Excess (deficiency) of receipts over disbursements	140	20	7,872	(11,410)	1,067	(2,043)	2,515
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(140)	-	-	-	-	-	-
Total other financing sources (uses)	(140)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	20	7,872	(11,410)	1,067	(2,043)	2,515
Cash and investments - beginning	-	-	23,094	11,410	-	2,043	-
Cash and investments - ending	\$ -	\$ 20	\$ 30,966	\$ -	\$ 1,067	\$ -	\$ 2,515
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 20	\$ 30,966	\$ -	\$ 1,067	\$ -	\$ 2,515
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 20	\$ 30,966	\$ -	\$ 1,067	\$ -	\$ 2,515
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	20	30,966	-	1,067	-	2,515
Total cash and investment fund balance - ending	\$ -	\$ 20	\$ 30,966	\$ -	\$ 1,067	\$ -	\$ 2,515

TRI-COUNTY 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 Title IV, A FY 2006	Drug Free Schools Title IV, A FY 2007	Medicaid Reimbursement (Federal)	Improving Teacher Quality Title II, A	Improving Teacher Quality Title II, D	Retirement/ Severance Bond Debt	Totals
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 168,423	\$ 403,448
Intermediate sources	-	-	-	-	-	-	3,661
State sources	-	-	-	-	-	-	39,833
Federal sources	-	3,359	217	28,389	1,597	-	210,522
Total receipts	-	3,359	217	28,389	1,597	168,423	657,464
Disbursements:							
Current:							
Instruction	565	-	-	855	-	-	93,926
Support services	620	800	546	25,445	1,253	-	380,549
Community services	187	-	-	-	-	-	1,518
Nonprogrammed charges	-	-	-	-	-	-	11,330
Debt services	-	-	-	-	-	280,051	280,051
Total disbursements	1,372	800	546	26,300	1,253	280,051	767,374
Excess (deficiency) of receipts over disbursements	(1,372)	2,559	(329)	2,089	344	(111,628)	(109,910)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	3,870	3,999
Transfers out	-	-	-	-	-	-	(95,148)
Total other financing sources (uses)	-	-	-	-	-	3,870	(91,149)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,372)	2,559	(329)	2,089	344	(107,758)	(201,059)
Cash and investments - beginning	1,372	-	33,282	11,034	956	(3,232)	261,131
Cash and investments - ending	\$ -	\$ 2,559	\$ 32,953	\$ 13,123	\$ 1,300	\$ (110,990)	\$ 60,072
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 2,559	\$ 32,953	\$ 13,123	\$ 1,300	\$ -	\$ 171,062
Restricted assets:							
Cash and investments	-	-	-	-	-	(110,990)	(110,990)
Total cash and investment assets - ending	\$ -	\$ 2,559	\$ 32,953	\$ 13,123	\$ 1,300	\$ (110,990)	\$ 60,072
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (110,990)	\$ (110,990)
Unrestricted	-	2,559	32,953	13,123	1,300	-	171,062
Total cash and investment fund balance - ending	\$ -	\$ 2,559	\$ 32,953	\$ 13,123	\$ 1,300	\$ (110,990)	\$ 60,072

TRI-COUNTY 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, 2008

	Special Ed Preschool	School Lunch	Textbook Rental	Education License Plate	High Ability Grant 07-08	Gifted and Talented 06/07
Receipts:						
Local sources	\$ 7,919	\$ 166,955	\$ 52,785	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	225	-	-
State sources	13,755	5,404	18,145	-	-	-
Federal sources	-	112,973	-	-	-	-
Sale of property, adjustments and refunds	-	18	-	-	-	-
Total receipts	21,674	285,350	70,930	225	-	-
Disbursements:						
Current:						
Instruction	-	-	-	-	23,294	839
Support services	-	282,887	66,921	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	33,685	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	33,685	282,887	66,921	-	23,294	839
Excess (deficiency) of receipts over disbursements	(12,011)	2,463	4,009	225	(23,294)	(839)
Other financing sources (uses):						
Transfers in	-	-	15,012	-	25,526	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	15,012	-	25,526	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(12,011)	2,463	19,021	225	2,232	(839)
Cash and investments - beginning	29,132	28,462	21,448	2,925	-	839
Cash and investments - ending	\$ 17,121	\$ 30,925	\$ 40,469	\$ 3,150	\$ 2,232	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 17,121	\$ 30,925	\$ 40,469	\$ 3,150	\$ 2,232	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 17,121	\$ 30,925	\$ 40,469	\$ 3,150	\$ 2,232	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	17,121	30,925	40,469	3,150	2,232	-
Total cash and investment fund balance - ending	\$ 17,121	\$ 30,925	\$ 40,469	\$ 3,150	\$ 2,232	\$ -

TRI-COUNTY 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, 2008
 (Continued)

	Gifted and Talented 07/08	Drug Free Communities	Non-English Speaking Program	School Technology	"New" Title I FY 2008	Title I FY 2007
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 8,109	\$ -	\$ -
Intermediate sources	-	4,250	-	-	-	-
State sources	28,603	-	-	-	-	-
Federal sources	-	-	-	-	49,875	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	28,603	4,250	-	8,109	49,875	-
Disbursements:						
Current:						
Instruction	3,077	-	-	-	45,916	912
Support services	-	6,473	-	-	-	-
Community services	-	-	-	-	326	155
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	3,077	6,473	-	-	46,242	1,067
Excess (deficiency) of receipts over disbursements	25,526	(2,223)	-	8,109	3,633	(1,067)
Other financing sources (uses):						
Transfers in	-	-	-	-	427	-
Transfers out	(25,526)	-	-	-	-	-
Total other financing sources (uses)	(25,526)	-	-	-	427	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2,223)	-	8,109	4,060	(1,067)
Cash and investments - beginning	-	3,753	20	30,966	-	1,067
Cash and investments - ending	\$ -	\$ 1,530	\$ 20	\$ 39,075	\$ 4,060	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 1,530	\$ 20	\$ 39,075	\$ 4,060	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 1,530	\$ 20	\$ 39,075	\$ 4,060	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	1,530	20	39,075	4,060	-
Total cash and investment fund balance - ending	\$ -	\$ 1,530	\$ 20	\$ 39,075	\$ 4,060	\$ -

TRI-COUNTY 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, 2008
 (Continued)

	"Old" Title I FY 2008	Innovative Education Program Strategies 08	Innovative Education Program Strategies 07	Drug Free Schools Title IV, A FY 2008	Drug Free Schools Title IV, A FY 2007	Medicaid Reimbursement (Federal)
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	33,460	1,256	-	2,587	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	33,460	1,256	-	2,587	-	-
Disbursements:						
Current:						
Instruction	32,928	-	-	-	2,134	-
Support services	-	-	2,515	1,969	325	377
Community services	105	-	-	-	100	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	33,033	-	2,515	1,969	2,559	377
Excess (deficiency) of receipts over disbursements	427	1,256	(2,515)	618	(2,559)	(377)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(427)	-	-	-	-	-
Total other financing sources (uses)	(427)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,256	(2,515)	618	(2,559)	(377)
Cash and investments - beginning	-	-	2,515	-	2,559	32,953
Cash and investments - ending	\$ -	\$ 1,256	\$ -	\$ 618	\$ -	\$ 32,576
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 1,256	\$ -	\$ 618	\$ -	\$ 32,576
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 1,256	\$ -	\$ 618	\$ -	\$ 32,576
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	1,256	-	618	-	32,576
Total cash and investment fund balance - ending	\$ -	\$ 1,256	\$ -	\$ 618	\$ -	\$ 32,576

TRI-COUNTY 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, 2008
 (Continued)

	Alternative Power/Energy Grant	Federal Programs	Improving Teacher Quality Title II, A	Improving Teacher Quality Title II, D	Retirement/ Severance Bond Debt	Totals
Receipts:						
Local sources	\$ 2,500	\$ 2,000	\$ -	\$ -	\$ 254,361	\$ 494,629
Intermediate sources	-	-	-	-	-	4,475
State sources	-	-	-	-	-	65,907
Federal sources	25,000	-	27,625	-	-	252,776
Sale of property, adjustments and refunds	-	-	-	-	-	18
Total receipts	27,500	2,000	27,625	-	254,361	817,805
Disbursements:						
Current:						
Instruction	-	-	561	-	-	109,661
Support services	58,253	-	27,321	1,300	-	448,341
Community services	-	-	-	-	-	686
Nonprogrammed charges	-	-	-	-	-	33,685
Debt services	-	-	-	-	283,683	283,683
Total disbursements	58,253	-	27,882	1,300	283,683	876,056
Excess (deficiency) of receipts over disbursements	(30,753)	2,000	(257)	(1,300)	(29,322)	(58,251)
Other financing sources (uses):						
Transfers in	2,000	-	-	-	-	42,965
Transfers out	-	(2,000)	-	-	-	(27,953)
Total other financing sources (uses)	2,000	(2,000)	-	-	-	15,012
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(28,753)	-	(257)	(1,300)	(29,322)	(43,239)
Cash and investments - beginning	-	-	13,123	1,300	(110,990)	60,072
Cash and investments - ending	\$ (28,753)	\$ -	\$ 12,866	\$ -	\$ (140,312)	\$ 16,833
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ (28,753)	\$ -	\$ 12,866	\$ -	\$ -	\$ 157,145
Restricted assets:						
Cash and investments	-	-	-	-	(140,312)	(140,312)
Total cash and investment assets - ending	\$ (28,753)	\$ -	\$ 12,866	\$ -	\$ (140,312)	\$ 16,833
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	(140,312)	(140,312)
Unrestricted	(28,753)	-	12,866	-	-	157,145
Total cash and investment fund balance - ending	\$ (28,753)	\$ -	\$ 12,866	\$ -	\$ (140,312)	\$ 16,833

TRI-COUNTY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	Ruth Richart Scholarship	White County Health Department Grant	Excess Tax Distribution	Totals
Additions:				
Contributions:				
Other	\$ -	\$ 2,000	\$ 69,322	\$ 71,322
Investment earnings:				
Interest	<u>922</u>	<u>-</u>	<u>-</u>	<u>922</u>
Total additions	<u>922</u>	<u>2,000</u>	<u>69,322</u>	<u>72,244</u>
Deductions:				
Administrative and general	<u>1,500</u>	<u>2,000</u>	<u>69,322</u>	<u>72,822</u>
Excess (deficiency) of total additions over total deductions	(578)	-	-	(578)
Cash and investment fund balance - beginning	<u>23,132</u>	<u>-</u>	<u>-</u>	<u>23,132</u>
Cash and investments - June 30	<u>\$ 22,554</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,554</u>
Net assets:				
Cash and investments	<u>\$ 22,554</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,554</u>
Total net assets - cash and investment basis held in trust	<u>\$ 22,554</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,554</u>

TRI-COUNTY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended June 30, 2008

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.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 104,300
Buildings	33,616,301
Machinery and equipment	<u>782,294</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u><u>34,502,895</u></u>

TRI-COUNTY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2008

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Building lease - 2001 Issue	\$ 2,945,000	\$ 194,000
Building lease - 2008 Refunding	4,340,000	386,500
Bonds payable:		
General obligation bonds:		
Pension debt bonds	<u>1,655,000</u>	<u>281,208</u>
Total governmental activities debt	<u>\$ 8,940,000</u>	<u>\$ 861,708</u>

TRI-COUNTY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The cash balance of the Debt Service Fund was overdrawn at June 30, 2007. The cash balances of the General Fund, the Debt Service Fund, the Retirement/Severance Bond Debt, the Transportation Operating and the Alternative Power/Energy Fund were overdrawn at June 30, 2008.

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)

DEPOSITS (APPLIES TO TRI-COUNTY MIDDLE SCHOOL/HIGH SCHOOL)

Textbook rental receipts in numerous instances were deposited later than the next business day.

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

ADVANCE PAYMENTS

Dates of transactions indicate that payments in excess of the amounts due were made to the School Corporation's group health insurance administrator.

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

TRI-COUNTY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on October 14, 2008, with Dr. Gilbert Crimmins, Superintendent of Schools; and Marsha Bell, Treasurer. The officials concurred with our examination findings.