

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

AUDIT REPORT

OF

TRI-CREEK SCHOOL CORPORATION

LAKE COUNTY, INDIANA

July 1, 2006 to June 30, 2008



FILED

06/05/2009

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	9-10
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds	11-12
Notes to Financial Statements	13-23
Required Supplementary Information:	
Schedule of Funding Progress	24
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	25-36
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Pension Trust Funds	37-38
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds	39-40
Schedule of Capital Assets.....	41
Schedule of Long-Term Debt	42
Audit Results and Comments:	
Credit Cards.....	43
Educational Expenditures From ECA Fund.....	43
Grant Funds.....	44
Cash Change Fund	44
Grant Received.....	45
Deposits.....	45
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.....	48-49
Schedule of Expenditures of Federal Awards	50-51
Notes to Schedule of Expenditures of Federal Awards.....	52
Schedule of Findings and Questioned Costs	53
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings.....	54
Exit Conference.....	55

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sandra K. Goss	07-01-06 to 06-30-09
Superintendent of Schools	Dr. Alice A. Neal	07-01-06 to 06-30-09
President of the School Board	Suzette Vauter Lon P. Childress	07-01-06 to 06-30-07 07-01-07 to 06-30-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

TO: THE OFFICIALS OF THE TRI-CREEK SCHOOL CORPORATION, LAKE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tri-Creek School Corporation (School Corporation), as of and for the years ended June 30, 2007 and 2008, 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 pre-scribed 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, 2007 and 2008, 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 April 29, 2009, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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 accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the

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

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.

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, 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 Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of 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

April 29, 2009



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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 TRI-CREEK SCHOOL CORPORATION, LAKE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tri-Creek School Corporation (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated April 29, 2009. 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 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

April 29, 2009

TRI-CREEK 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>	Program Receipts		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		Charges for Services	Operating Grants and Contributions	<u>Totals</u>
Governmental activities:				
Instruction	\$ 12,719,742	\$ -	\$ 138,349	\$ (12,581,393)
Support services	14,931,621	1,209,428	333,087	(13,389,106)
Community services	40,809	-	-	(40,809)
Nonprogrammed charges	1,424,513	-	-	(1,424,513)
Debt service	6,157,164	-	-	(6,157,164)
Total governmental activities	\$ 35,273,849	\$ 1,209,428	\$ 471,436	(33,592,985)
General receipts:				
Property taxes				16,010,190
Other local sources				1,771,949
State aid				12,832,864
Bonds and loans				2,994,000
Grants and contributions not restricted to specific programs				1,066,792
Sale of property, adjustments, and refunds				409,019
Investment earnings				359,448
Total general receipts				35,444,262
Change in net assets				1,851,277
Net assets - beginning				6,285,975
Net assets - ending				\$ 8,137,252
<u>Assets</u>				
Cash and investments				\$ 5,942,843
Restricted assets:				
Cash and investments				2,194,409
Total assets				\$ 8,137,252
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 2,194,409
Unrestricted				5,942,843
Total net assets				\$ 8,137,252

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

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

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		Charges for Services	Operating Grants and Contributions	<u>Totals</u>
Governmental activities:				
Instruction	\$ 12,436,094	\$ -	\$ 171,761	\$ (12,264,333)
Support services	11,317,665	1,203,239	336,484	(9,777,942)
Community services	35,068	-	-	(35,068)
Nonprogrammed charges	1,382,679	-	-	(1,382,679)
Debt service	13,560,829	-	-	(13,560,829)
Total governmental activities	\$ 38,732,335	\$ 1,203,239	\$ 508,245	(37,020,851)
General receipts:				
Property taxes				14,251,930
Other local sources				2,886,327
State aid				13,504,795
Bonds and loans				6,000,000
Grants and contributions not restricted to specific programs				801,339
Sale of property, adjustments, and refunds				177,981
Investment earnings				257,755
Total general receipts				37,880,127
Change in net assets				859,276
Net assets - beginning				8,137,252
Net assets - ending				\$ 8,996,528
<u>Assets</u>				
Cash and investments				\$ 7,001,939
Restricted assets:				
Cash and investments				1,994,589
Total assets				\$ 8,996,528
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 1,994,589
Unrestricted				7,001,939
Total net assets				\$ 8,996,528

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

TRI-CREEK 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	Debt Service	Capital Projects	School Bus Replacement	2006 GO Bonds	Other	Totals
Receipts:									
Local sources	\$ 7,347,495	\$ 1,519,116	\$ 878,879	\$ 6,485,596	\$ 2,108,333	\$ 360,487	\$ 43,460	\$ 469,178	\$ 19,212,544
Intermediate sources	136,259	-	-	-	-	-	-	2,213	138,472
State sources	12,925,302	-	22,953	-	-	-	-	605,896	13,554,151
Federal sources	4,611	-	288,612	-	-	-	-	523,717	816,940
Bonds and loans	-	-	-	-	-	-	1,800,000	1,194,000	2,994,000
Sale of property, adjustments and refunds	407,201	1,768	-	-	50	-	-	-	409,019
Total receipts	20,820,868	1,520,884	1,190,444	6,485,596	2,108,383	360,487	1,843,460	2,795,004	37,125,126
Disbursements:									
Current:									
Instruction	12,220,758	-	-	-	-	-	-	498,984	12,719,742
Support services	7,891,361	1,300,735	1,059,459	-	1,949,966	562,411	97,566	2,070,123	14,931,621
Community services	38,985	-	-	-	-	-	-	1,824	40,809
Nonprogrammed charges	1,348,756	-	-	-	-	-	-	75,757	1,424,513
Debt services	-	-	-	5,942,724	-	-	-	214,440	6,157,164
Total disbursements	21,499,860	1,300,735	1,059,459	5,942,724	1,949,966	562,411	97,566	2,861,128	35,273,849
Excess (deficiency) of receipts over disbursements	(678,992)	220,149	130,985	542,872	158,417	(201,924)	1,745,894	(66,124)	1,851,277
Other financing sources (uses):									
Transfers in	2,079,732	-	-	2,157,279	501,351	139,003	447,745	715,745	6,040,855
Transfers out	(2,697,628)	-	-	(1,596,935)	-	(139,003)	(447,745)	(1,159,544)	(6,040,855)
Total other financing sources (uses)	(617,896)	-	-	560,344	501,351	-	-	(443,799)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,296,888)	220,149	130,985	1,103,216	659,768	(201,924)	1,745,894	(509,923)	1,851,277
Cash and investments - beginning	2,399,257	695,070	916,210	(1,103,216)	1,620,537	241,043	-	1,517,074	6,285,975
Cash and investments - ending	\$ 1,102,369	\$ 915,219	\$ 1,047,195	\$ -	\$ 2,280,305	\$ 39,119	\$ 1,745,894	\$ 1,007,151	\$ 8,137,252
Cash and Investment Assets - Ending									
Cash and investments	\$ 1,102,369	\$ 915,219	\$ 1,047,195	\$ -	\$ 2,280,305	\$ 39,119	\$ -	\$ 558,636	\$ 5,942,843
Restricted assets:									
Cash and investments	-	-	-	-	-	-	1,745,894	448,515	2,194,409
Total cash and investment assets - ending	\$ 1,102,369	\$ 915,219	\$ 1,047,195	\$ -	\$ 2,280,305	\$ 39,119	\$ 1,745,894	\$ 1,007,151	\$ 8,137,252
Cash and Investment Fund Balance - Ending									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,745,894	\$ 448,515	\$ 2,194,409
Unrestricted	1,102,369	915,219	1,047,195	-	2,280,305	39,119	-	558,636	5,942,843
Total cash and investment fund balance - ending	\$ 1,102,369	\$ 915,219	\$ 1,047,195	\$ -	\$ 2,280,305	\$ 39,119	\$ 1,745,894	\$ 1,007,151	\$ 8,137,252

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

TRI-CREEK 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, 2008

	General	Transportation Operating	School Lunch	Debt Service	Capital Projects	School Bus Replacement	2006 GO Bonds	Other	Totals
Receipts:									
Local sources	\$ 6,713,089	\$ 1,484,275	\$ 902,604	\$ 5,959,122	\$ 2,405,430	\$ 406,185	\$ 60,829	\$ 550,872	\$ 18,482,406
Intermediate sources	115,007	-	-	-	-	-	-	1,836	116,843
State sources	13,630,426	-	23,199	-	-	-	-	486,112	14,139,737
Federal sources	-	-	274,051	-	-	-	-	400,593	674,644
Bonds and loans	2,000,000	-	-	4,000,000	-	-	-	-	6,000,000
Sale of property, adjustments and refunds	176,229	30	-	-	1,722	-	-	-	177,981
Interfund loans	-	-	-	1,936,850	-	-	-	42,705	1,979,555
Total receipts	22,634,751	1,484,305	1,199,854	11,895,972	2,407,152	406,185	60,829	1,482,118	41,571,166
Disbursements:									
Current:									
Instruction	12,061,168	-	-	-	-	-	-	374,926	12,436,094
Support services	4,839,046	1,433,333	1,105,162	-	2,716,635	425,350	238,967	559,172	11,317,665
Community services	33,019	-	-	-	-	-	-	2,049	35,068
Nonprogrammed charges	1,296,829	6,850	-	-	-	-	-	79,000	1,382,679
Debt services	2,000,000	-	-	11,318,226	-	-	-	242,603	13,560,829
Interfund loans	1,940,900	-	-	-	-	-	-	38,655	1,979,555
Total disbursements	22,170,962	1,440,183	1,105,162	11,318,226	2,716,635	425,350	238,967	1,296,405	40,711,890
Excess (deficiency) of receipts over disbursements	463,789	44,122	94,692	577,746	(309,483)	(19,165)	(178,138)	185,713	859,276
Other financing sources (uses):									
Transfers in	709,937	291,556	-	-	-	291,556	-	489,414	1,782,463
Transfers out	(127,812)	(291,556)	-	(577,746)	-	(291,556)	-	(493,793)	(1,782,463)
Total other financing sources (uses)	582,125	-	-	(577,746)	-	-	-	(4,379)	0
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,045,915	44,122	94,692	-	(309,483)	(19,165)	(178,138)	181,334	859,276
Cash and investments - beginning	1,102,369	915,219	1,047,195	-	2,280,305	39,119	1,745,894	1,007,151	8,137,252
Cash and investments - ending	\$ 2,148,284	\$ 959,341	\$ 1,141,887	\$ -	\$ 1,970,822	\$ 19,954	\$ 1,567,756	\$ 1,188,485	\$ 8,996,528
Cash and Investment Assets - Ending									
Cash and investments	\$ 2,148,284	\$ 959,341	\$ 1,141,887	\$ -	\$ 1,970,822	\$ 19,954	\$ -	\$ 761,652	\$ 7,001,939
Restricted assets:									
Cash and investments	-	-	-	-	-	-	1,567,756	426,833	1,994,589
Total cash and investment assets - ending	\$ 2,148,284	\$ 959,341	\$ 1,141,887	\$ -	\$ 1,970,822	\$ 19,954	\$ 1,567,756	\$ 1,188,485	\$ 8,996,528
Cash and Investment Fund Balance - Ending									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,567,756	\$ 426,833	\$ 1,994,589
Unrestricted	2,148,284	959,341	1,141,887	-	1,970,822	19,954	-	761,652	7,001,939
Total cash and investment fund balance - ending	\$ 2,148,284	\$ 959,341	\$ 1,141,887	\$ -	\$ 1,970,822	\$ 19,954	\$ 1,567,756	\$ 1,188,485	\$ 8,996,528

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

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

	<u>Trust Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Employer	\$ 333,625	\$ -	
Other	<u>3,300,000</u>	<u>25,517</u>	
Total contributions	<u>3,633,625</u>	<u>25,517</u>	
Investment earnings:			
Interest	<u>89,074</u>	<u>-</u>	
Total additions	<u>3,722,699</u>	<u>25,517</u>	
Deductions:			
Benefits	1,593,450	-	
Administrative and general	<u>-</u>	<u>9,926</u>	
Total deductions	<u>1,593,450</u>	<u>9,926</u>	
Excess of total additions over total deductions	2,129,249	15,591	
Cash and investment fund balance - beginning	<u>(125,616)</u>	<u>36,392</u>	
Cash and investment fund balance - ending	<u>\$ 2,003,633</u>	<u>\$ 51,983</u>	<u>\$ 53,598</u>
Total net assets - cash and investment basis held in trust	<u>\$ 2,003,633</u>	<u>\$ 51,983</u>	

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

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

	Trust Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 31,150	\$ -	
Other	-	25,713	
Total contributions	31,150	25,713	
Investment earnings:			
Interest	68,918	-	
Total additions	100,068	25,713	
Deductions:			
Benefits	468,976	-	
Administrative and general	-	11,084	
Total deductions	468,976	11,084	
Excess (deficiency) of total additions over total deductions	(368,908)	14,629	
Cash and investment fund balance - beginning	2,003,633	51,983	
Cash and investment fund balance - ending	\$ 1,634,725	\$ 66,612	\$ 19,781
Total net assets - cash and investment basis held in trust	\$ 1,634,725	\$ 66,612	

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

TRI-CREEK 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 Primary Government only.

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

Joint Venture

The School Corporation is a participant with nine other school corporations in a joint venture to operate the Northwest Indiana Special Education Cooperative (Cooperative) which was created to provide special education services to special need students. The School Corporation is obligated by contract to share the costs of the Cooperative by a formula based on the average daily membership count, as well as a fixed fee for each student that participates in the Cooperative. Complete financial statements for the Cooperative can be obtained from its administrative offices at 2150 West 97th Avenue, Crown Point, Indiana, 46307.

The School Corporation is a participant with twenty schools in a joint venture to operate the Northwest Indiana Educational Service Center (Service Center) which was created to provide cooperative purchasing, multi-media services, curriculum/staff development, technology services, and other educational services. The Service Center operates under the authority of the Northwest Indiana Public School Study Council. The School Corporation provides funding based upon Average Daily Membership, determined annually. Complete financial statements for the Service Center can be obtained through the Town of Highland, 2030 – 41st Street, Highland, Indiana, 46322.

The School Corporation is a participant in the Northwest Indiana Public School Study Council (Study Council), a joint school services program established December 10, 1969, for the improvement of education and the study of problems and issues involved in public education. A board composed of a member from each participating school corporation governs the Study Council. The School Corporation pays \$1,000 annually to belong to the Study Council. Complete financial statements for the Study Council can be obtained from the Merrillville Community School Corporation, 6701 Delaware Street, Merrillville, Indiana, 46410.

The School Corporation is a participant with Hanover and Crown Point Community School Corporations in a joint venture to operate the District 4 Vocational Education Cooperative (Cooperative) which was created to provide vocational curriculum and curriculum support. The School Corporation is obligated by agreement to remit a fee based upon high school enrollment to support the administrative costs. Hanover Community School Corporation, as the fiscal agent,

TRI-CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

receives and expends vocational education grants on behalf of the three school corporations. Complete financial statements for the Cooperative can be obtained from Hanover Community School Corporation, PO Box 645, Cedar Lake, Indiana, 46303.

The School Corporation is a participant with fifteen other school corporations in Lake County in a joint venture to operate the Lake County Safe Schools Commission. The Commission was authorized in 1999 by IC 5-2-10.1. The Commission was established to improve school safety issues. The Commission is governed by a board composed of a member from each school corporation in Lake County. Although the member schools may fund the Commission, the Commission has generated sufficient revenue without member payments. Complete financial statements for the Commission can be obtained through the Lake Station Community School Corporation, 2500 Pike Street, Lake Station, Indiana, 46405.

The School Corporation is a participant with other participating school corporations in a joint venture to operate the Northwest Indiana Natural Gas Cooperative (Gas Cooperative), which was created to procure natural gas in a more economical and efficient manner. The Gas Cooperative operates under the authority of the Northwest Indiana Educational Service Center (Service Center). The School Corporation provides funding for administrative costs based upon a percentage basis of the Average Daily Membership Counts not to exceed \$10,000. Complete financial statements for the Gas Cooperative can be obtained from the Service Center Administration Offices, 2939 41st Avenue, Highland, Indiana, 46322.

Related Organizations

The School Corporation's officials are also responsible for appointing the members of the boards of other organizations, but the School Corporation's accountability for these organizations does not extend beyond making the appointments. The School Corporation appoints a board member of the Lowell Public Library.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement 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. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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, 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.

TRI-CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

The school lunch fund is used to record all receipts from the sale of meals and federal and state reimbursements. It also accounts for all disbursements to operate the student nutrition program.

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

The 2006 go bond fund accounts for receipts and disbursements concerning school improvements done at the high school.

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for the activities of retirement/severance, which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit specific individuals or organizations.

Agency funds account for assets held by the School Corporation as an agent for payroll withholding remittances 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.

TRI-CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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).

3. Capital Assets

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

4. Long-Term Debt

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

5. 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.

TRI-CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

- 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.

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, and (2) operating 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 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 reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
- 2. 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. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

TRI-CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

II. Stewardship, Compliance and Accountability

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.

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. The bank 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

Statutory Authorization for Investments

Indiana Code 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the School Corporation to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

TRI-CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

B. Interfund Transfers

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

Transfer From	Transfer To	2007	2008
General Fund	Debt Service	\$ 2,157,279	\$ -
General Fund	Capital Projects	501,351	-
General Fund	Other governmental funds	38,998	127,812
Debt Service	General Fund	1,596,935	577,746
School Bus Replacement	General Fund	139,003	-
School Bus Replacement	Transportation	-	291,556
Transportation	School Bus Replacement	-	291,556
2006 GO Bonds	Other governmental funds	447,745	-
Other governmental funds	General Fund	343,794	132,191
Other governmental funds	School Bus Replacement	139,003	-
Other governmental funds	2006 GO Bonds	447,745	-
Other governmental funds	Other governmental funds	229,002	361,602
Totals		<u>\$ 6,040,855</u>	<u>\$ 1,782,463</u>

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

TRI-CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); 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. Risk financing is not utilized for the other risks of loss.

B. Holding Corporations

The School Corporation has entered into a capital lease with Lake Prairie School Building Corporation, Tri-Creek 2002 High School Building First Mortgage Bonds, Tri-Creek South Nichols/Three Creeks School Building Corporation and Tri-Creek Middle School building Corporation (the lessors). The lessors were organized as a not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be a related party of the School Corporation. Lease payments during the year totaled \$3,721,515.

C. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment Health Insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 55 with at least 20 years of service. Currently, 24 retirees meet these eligibility requirements. The School Corporation and retirees provides 42% and 58%, respectively, of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2008, disbursements of \$143,667 were recognized for postemployment benefits.

D. Pension Plans

1. Agent Multiple-Employer and Single-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

TRI-CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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	\$ 134,225
Interest on net pension obligation	(11,042)
Adjustment to annual required contribution	12,584
Annual pension cost	135,767
Contributions made	149,568
Decrease in net pension obligation	(13,801)
Net pension obligation, beginning of year	(152,310)
Net pension obligation, end of year	\$ (166,111)

TRI-CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF
Contribution rates:	
School Corporation	6.75%
Plan members	3%
Actuarial valuation date	07-01-07
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

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

*2.75% converted members; 4% nonconverted members

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-05	\$ 114,101	124%	\$ (140,162)
	06-30-06	126,280	110%	(152,310)
	06-30-07	135,767	110%	(166,111)

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

TRI-CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, 1998. 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, 1998, is considered to be an obligation of, and is paid by, the State of Indiana.

Plan members are required to contribute 3% or 0% of their salary dependent upon the employment status and the School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2008, 2007, and 2006, were \$348,391, \$314,659, and \$270,176, respectively. The School Corporation contributed 100% of the required contribution for each of the fiscal years.

TRI-CREEK 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)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 2,607,923	\$ 2,827,653	\$ (219,730)	92%	\$ 1,985,012	(11%)
07-01-06	2,614,709	2,707,523	(92,814)	97%	2,013,747	(5%)
07-01-07	2,774,058	2,884,317	(110,259)	96%	2,302,330	(5%)

TRI-CREEK 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 Pre-School	Textbook Rental	Excess Levy	Educational License Plate Donations	Alternative School	Safe Haven Grant 06/07	Early Intervention 06/07
Receipts:							
Local sources	\$ 15,857	\$ 250,566	\$ 69,717	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	2,213	-	-	-
State sources	66,341	16,911	-	-	12,415	10,094	1,000
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Total receipts	82,198	267,477	69,717	2,213	12,415	10,094	1,000
Disbursements:							
Current:							
Instruction	-	-	-	-	15,486	-	-
Support services	-	119,083	-	242	-	8,927	1,000
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	72,657	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	72,657	119,083	-	242	15,486	8,927	1,000
Excess (deficiency) of receipts over disbursements	9,541	148,394	69,717	1,971	(3,071)	1,167	-
Other financing sources (uses):							
Transfers in	20,545	-	-	-	-	-	-
Transfers out	(20,545)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,541	148,394	69,717	1,971	(3,071)	1,167	-
Cash and investments - beginning	-	116,648	-	7,122	47,304	(1,167)	-
Cash and investments - ending	<u>\$ 9,541</u>	<u>\$ 265,042</u>	<u>\$ 69,717</u>	<u>\$ 9,093</u>	<u>\$ 44,233</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 9,541	\$ 265,042	\$ 69,717	\$ 9,093	\$ 44,233	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 9,541	\$ 265,042	\$ 69,717	\$ 9,093	\$ 44,233	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	9,541	265,042	69,717	9,093	44,233	-	-
Total cash and investment fund balance - ending	\$ 9,541	\$ 265,042	\$ 69,717	\$ 9,093	\$ 44,233	\$ -	\$ -

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

TRI-CREEK 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)

	Parking Ticket Revenue	L.C. Drug Free Alliance Grant	Gifted/Talented High Ability Grant 06/07	Common School Technology Advancement	Non-English Speaking Program 06/07	School Technology 06/07	Technology Grants
Receipts:							
Local sources	\$ 1,400	\$ -	\$ -	\$ 2,345	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	16,494	454,395	547	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Total receipts	1,400	-	16,494	456,740	547	-	-
Disbursements:							
Current:							
Instruction	-	-	8,310	159,872	-	-	-
Support services	-	4,388	12,590	291,693	-	-	59,730
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	4,388	20,900	451,565	-	-	59,730
Excess (deficiency) of receipts over disbursements	1,400	(4,388)	(4,406)	5,175	547	-	(59,730)
Other financing sources (uses):							
Transfers in	-	-	-	487,739	-	56,439	-
Transfers out	-	-	-	(438,408)	-	(40,138)	-
Total other financing sources (uses)	-	-	-	49,331	-	16,301	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,400	(4,388)	(4,406)	54,506	547	16,301	(59,730)
Cash and investments - beginning	-	4,448	7,245	(46,174)	1,016	23,836	59,730
Cash and investments - ending	<u>\$ 1,400</u>	<u>\$ 60</u>	<u>\$ 2,839</u>	<u>\$ 8,332</u>	<u>\$ 1,563</u>	<u>\$ 40,137</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,400	\$ 60	\$ 2,839	\$ 8,332	\$ 1,563	\$ 40,137	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,400</u>	<u>\$ 60</u>	<u>\$ 2,839</u>	<u>\$ 8,332</u>	<u>\$ 1,563</u>	<u>\$ 40,137</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,400	60	2,839	8,332	1,563	40,137	-
Total cash and investment fund balance - ending	<u>\$ 1,400</u>	<u>\$ 60</u>	<u>\$ 2,839</u>	<u>\$ 8,332</u>	<u>\$ 1,563</u>	<u>\$ 40,137</u>	<u>\$ -</u>

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

TRI-CREEK 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)

	Access Indiana 06/07	In ACCESS Pilot Program	Title I 06/07	Title V Part A Innovative Programs 2006	Title IV Drug Free Schools 2006	Carl Perkins Grant 2006	Career Majors Tech Prep Grant 06/07
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	20,699	-
Federal sources	-	106,116	259,829	7,984	9,133	-	28,868
Bonds and loans	-	-	-	-	-	-	-
Total receipts	-	106,116	259,829	7,984	9,133	20,699	28,868
Disbursements:							
Current:							
Instruction	-	-	187,945	7,946	2,150	22,499	20,201
Support services	-	106,116	19,733	3,843	-	-	4,183
Community services	-	-	1,824	-	-	-	-
Nonprogrammed charges	-	-	3,100	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	106,116	212,602	11,789	2,150	22,499	24,384
Excess (deficiency) of receipts over disbursements	-	-	47,227	(3,805)	6,983	(1,800)	4,484
Other financing sources (uses):							
Transfers in	-	-	45,285	5,147	-	699	-
Transfers out	-	-	(45,285)	(5,147)	-	(540)	-
Total other financing sources (uses)	-	-	-	-	-	159	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	47,227	(3,805)	6,983	(1,641)	4,484
Cash and investments - beginning	2,531	-	20,875	10,656	(4,024)	1,641	(4,484)
Cash and investments - ending	<u>\$ 2,531</u>	<u>\$ -</u>	<u>\$ 68,102</u>	<u>\$ 6,851</u>	<u>\$ 2,959</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 2,531	\$ -	\$ 68,102	\$ 6,851	\$ 2,959	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 2,531</u>	<u>\$ -</u>	<u>\$ 68,102</u>	<u>\$ 6,851</u>	<u>\$ 2,959</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,531	-	68,102	6,851	2,959	-	-
Total cash and investment fund balance - ending	<u>\$ 2,531</u>	<u>\$ -</u>	<u>\$ 68,102</u>	<u>\$ 6,851</u>	<u>\$ 2,959</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

	School Renovation	Title II Part A Improving Teacher Quality 2006	Title II Part D Technology Grant	Title II Consortium 06/07	COPS Federal Grant 06/07	Retirement Debt Service	Lake Prairie Construction
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,715	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	7,000	-	-	-	-	-	-
Federal sources	-	106,415	-	5,372	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Total receipts	7,000	106,415	-	5,372	-	105,715	-
Disbursements:							
Current:							
Instruction	-	74,185	-	390	-	-	-
Support services	7,000	31,627	1,520	1,700	(34,801)	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	214,440	-
Total disbursements	7,000	105,812	1,520	2,090	(34,801)	214,440	-
Excess (deficiency) of receipts over disbursements	-	603	(1,520)	3,282	34,801	(108,725)	-
Other financing sources (uses):							
Transfers in	-	9,336	540	-	-	41,251	-
Transfers out	-	(9,496)	(540)	-	-	-	(13,189)
Total other financing sources (uses)	-	(160)	-	-	-	41,251	(13,189)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	443	(1,520)	3,282	34,801	(67,474)	(13,189)
Cash and investments - beginning	-	19,165	3,166	1,700	(34,801)	67,474	13,189
Cash and investments - ending	<u>\$ -</u>	<u>\$ 19,608</u>	<u>\$ 1,646</u>	<u>\$ 4,982</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 19,608	\$ 1,646	\$ 4,982	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 19,608</u>	<u>\$ 1,646</u>	<u>\$ 4,982</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	19,608	1,646	4,982	-	-	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 19,608</u>	<u>\$ 1,646</u>	<u>\$ 4,982</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

	Elementary School Improvement	Middle School Construction	High School Escrow	High School Construction	Middle School Land Purchase	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 23,578	\$ -	\$ 469,178
Intermediate sources	-	-	-	-	-	2,213
State sources	-	-	-	-	-	605,896
Federal sources	-	-	-	-	-	523,717
Bonds and loans	-	-	-	-	1,194,000	1,194,000
Total receipts	-	-	-	23,578	1,194,000	2,795,004
Disbursements:						
Current:						
Instruction	-	-	-	-	-	498,984
Support services	-	-	6,428	231,121	1,194,000	2,070,123
Community services	-	-	-	-	-	1,824
Nonprogrammed charges	-	-	-	-	-	75,757
Debt services	-	-	-	-	-	214,440
Total disbursements	-	-	6,428	231,121	1,194,000	2,861,128
Excess (deficiency) of receipts over disbursements	-	-	(6,428)	(207,543)	-	(66,124)
Other financing sources (uses):						
Transfers in	-	-	-	48,764	-	715,745
Transfers out	-	(488,161)	(48,764)	(49,331)	-	(1,159,544)
Total other financing sources (uses)	-	(488,161)	(48,764)	(567)	-	(443,799)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(488,161)	(55,192)	(208,110)	-	(509,923)
Cash and investments - beginning	219,764	488,161	55,192	436,861	-	1,517,074
Cash and investments - ending	<u>\$ 219,764</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 228,751</u>	<u>\$ -</u>	<u>\$ 1,007,151</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 558,636
Restricted assets:						
Cash and investments	219,764	-	-	228,751	-	448,515
Total cash and investment assets - ending	<u>\$ 219,764</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 228,751</u>	<u>\$ -</u>	<u>\$ 1,007,151</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ 219,764	\$ -	\$ -	\$ 228,751	\$ -	\$ 448,515
Unrestricted	-	-	-	-	-	558,636
Total cash and investment fund balance - ending	<u>\$ 219,764</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 228,751</u>	<u>\$ -</u>	<u>\$ 1,007,151</u>

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

TRI-CREEK 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

	Pre-School Special Ed	Textbook Rental	Excess Levy	Educational License Plate Donations	Alternative School	Safe Haven Grant 07/08	Early Intervention 06/07
Receipts:							
Local sources	\$ 13,830	\$ 244,771	\$ 2,569	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	1,836	-	-	-
State sources	52,022	39,235	-	-	15,133	-	1,000
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	7,726	-
Total receipts	65,852	284,006	2,569	1,836	15,133	7,726	1,000
Disbursements:							
Current:							
Instruction	-	-	-	-	17,420	-	-
Support services	629	89,143	-	-	-	7,726	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	79,000	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	38,655	-	-
Total disbursements	79,629	89,143	-	-	56,075	7,726	-
Excess (deficiency) of receipts over disbursements	(13,777)	194,863	2,569	1,836	(40,942)	-	1,000
Other financing sources (uses):							
Transfers in	10,884	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(1,000)
Total other financing sources (uses)	10,884	-	-	-	-	-	(1,000)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,893)	194,863	2,569	1,836	(40,942)	-	-
Cash and investments - beginning	\$ 9,541	\$ 265,042	\$ 69,717	\$ 9,093	\$ 44,233	\$ -	\$ -
Cash and investments - ending	\$ 6,648	\$ 459,905	\$ 72,286	\$ 10,929	\$ 3,291	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 6,648	\$ 459,905	\$ 72,286	\$ 10,929	\$ 3,291	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 6,648	\$ 459,905	\$ 72,286	\$ 10,929	\$ 3,291	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	6,648	459,905	72,286	10,929	3,291	-	-
Total cash and investment fund balance - ending	\$ 6,648	\$ 459,905	\$ 72,286	\$ 10,929	\$ 3,291	\$ -	\$ -

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

TRI-CREEK 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)

	Early Intervention 07/08	Parking Ticket Revenue	L.C. Drug Free Alliance Grant 2,930	Gifted/Talented High Ability Grant 06/07	Gifted/Talented High Ability Grant 07/08	Common School Technology Advancement	Common School Technology Advancement 2006
Receipts:							
Local sources	\$ -	\$ 1,376	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	41,589	-	67,296	230,984
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	-	1,376	-	41,589	-	67,296	230,984
Disbursements:							
Current:							
Instruction	-	-	-	5,581	7,629	293	-
Support services	1,000	-	-	2,075	5,950	114,652	137,164
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	1,000	-	-	7,656	13,579	114,945	137,164
Excess (deficiency) of receipts over disbursements	(1,000)	1,376	-	33,933	(13,579)	(47,649)	93,820
Other financing sources (uses):							
Transfers in	1,000	-	-	-	36,772	93,820	-
Transfers out	-	-	-	(36,772)	-	(54,503)	(93,820)
Total other financing sources (uses)	1,000	-	-	(36,772)	36,772	39,317	(93,820)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,376	-	(2,839)	23,193	(8,332)	-
Cash and investments - beginning	\$ -	\$ 1,400	\$ 60	\$ 2,839	\$ -	\$ 8,332	\$ -
Cash and investments - ending	\$ -	\$ 2,776	\$ 60	\$ -	\$ 23,193	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 2,776	\$ 60	\$ -	\$ 23,193	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 2,776	\$ 60	\$ -	\$ 23,193	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	2,776	60	-	23,193	-	-
Total cash and investment fund balance - ending	\$ -	\$ 2,776	\$ 60	\$ -	\$ 23,193	\$ -	\$ -

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

TRI-CREEK 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)

	Common School Technology Advancement 2007	Common School Technology Advancement 2008	Non-English Speaking Program 06/07	Non-English Speaking Program 07/08	School Technology 06/07	School Technology 07/08	Access Indiana 06/07
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	19,434	-	4,542	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	19,434	-	4,542	-	-	-	-
Disbursements:							
Current:							
Instruction	-	851	1,564	489	-	-	-
Support services	19,434	-	-	-	3,455	7,826	1,355
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	19,434	851	1,564	489	3,455	7,826	1,355
Excess (deficiency) of receipts over disbursements	-	(851)	2,978	(489)	(3,455)	(7,826)	(1,355)
Other financing sources (uses):							
Transfers in	-	5,172	-	4,541	25,988	62,670	-
Transfers out	-	-	(4,541)	-	(62,670)	-	(1,176)
Total other financing sources (uses)	-	5,172	(4,541)	4,541	(36,682)	62,670	(1,176)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	4,321	(1,563)	4,052	(40,137)	54,844	(2,531)
Cash and investments - beginning	\$ -	\$ -	\$ 1,563	\$ -	\$ 40,137	\$ -	\$ 2,531
Cash and investments - ending	\$ -	\$ 4,321	\$ -	\$ 4,052	\$ -	\$ 54,844	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 4,321	\$ -	\$ 4,052	\$ -	\$ 54,844	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 4,321	\$ -	\$ 4,052	\$ -	\$ 54,844	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	4,321	-	4,052	-	54,844	-
Total cash and investment fund balance - ending	\$ -	\$ 4,321	\$ -	\$ 4,052	\$ -	\$ 54,844	\$ -

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

TRI-CREEK 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)

	Access Indiana 07/08	Title I 06/07	Title I 07/08	Title V Part A Innovative Programs 2006	Title V Part A Innovative Programs 2007	Title V Part A Innovative Programs 2008	Title IV Drug Free Schools 2006
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	134,794	160,000	2,245	1,347	2,352	3,739
Interfund loans	-	-	-	-	-	-	-
Total receipts	-	134,794	160,000	2,245	1,347	2,352	3,739
Disbursements:							
Current:							
Instruction	-	107,503	123,434	1,356	-	-	3,240
Support services	-	25,827	19,045	7,711	1,153	1,029	-
Community services	-	1,248	801	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	134,578	143,280	9,067	1,153	1,029	3,240
Excess (deficiency) of receipts over disbursements	-	216	16,720	(6,822)	194	1,323	499
Other financing sources (uses):							
Transfers in	1,176	27,104	68,318	-	29	-	-
Transfers out	-	(95,422)	-	(29)	-	-	(3,458)
Total other financing sources (uses)	1,176	(68,318)	68,318	(29)	29	-	(3,458)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,176	(68,102)	85,038	(6,851)	223	1,323	(2,959)
Cash and investments - beginning	\$ -	\$ 68,102	\$ -	\$ 6,851	\$ -	\$ -	\$ 2,959
Cash and investments - ending	\$ 1,176	\$ -	\$ 85,038	\$ -	\$ 223	\$ 1,323	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,176	\$ -	\$ 85,038	\$ -	\$ 223	\$ 1,323	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,176	\$ -	\$ 85,038	\$ -	\$ 223	\$ 1,323	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,176	-	85,038	-	223	1,323	-
Total cash and investment fund balance - ending	\$ 1,176	\$ -	\$ 85,038	\$ -	\$ 223	\$ 1,323	\$ -

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

TRI-CREEK 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)

	Title IV Drug Free Schools 2007	Title IV Drug Free Schools 2008	Carl Perkins Grant 2006	Carl Perkins Grant 2007	Carl Perkins Grant 2008	Career Majors Tech Prep Grant 07/08
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	6,170	-	8,707	-
Federal sources	3,607	8,185	-	-	-	-
Interfund loans	-	-	-	-	11,650	11,736
Total receipts	3,607	8,185	6,170	-	20,357	11,736
Disbursements:						
Current:						
Instruction	-	8,540	5,911	-	16,127	11,736
Support services	-	-	-	-	4,230	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	8,540	5,911	-	20,357	11,736
Excess (deficiency) of receipts over disbursements	3,607	(355)	259	-	-	-
Other financing sources (uses):						
Transfers in	2,289	1,169	-	99	-	-
Transfers out	-	-	(259)	-	-	-
Total other financing sources (uses)	2,289	1,169	(259)	99	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,896	814	-	99	-	-
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and investments - ending	<u>\$ 5,896</u>	<u>\$ 814</u>	<u>\$ -</u>	<u>\$ 99</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 5,896	\$ 814	\$ -	\$ 99	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 5,896</u>	<u>\$ 814</u>	<u>\$ -</u>	<u>\$ 99</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	5,896	814	-	99	-	-
Total cash and investment fund balance - ending	<u>\$ 5,896</u>	<u>\$ 814</u>	<u>\$ -</u>	<u>\$ 99</u>	<u>\$ -</u>	<u>\$ -</u>

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

TRI-CREEK 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)

	Title II Part A Improving Teacher Quality 2006	Title II Part A Improving Teacher Quality 2007	Title II Part A Improving Teacher Quality 2008	Title II Part D Technology Grant	Title II Consortium 06/07	Title II Consortium 07/08
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	22,156	-	57,585	-	-	4,583
Interfund loans	-	-	-	-	-	-
Total receipts	<u>22,156</u>	<u>-</u>	<u>57,585</u>	<u>-</u>	<u>-</u>	<u>4,583</u>
Disbursements:						
Current:						
Instruction	26,063	-	32,207	-	4,982	-
Support services	10,739	4,720	5,585	1,646	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>36,802</u>	<u>4,720</u>	<u>37,792</u>	<u>1,646</u>	<u>4,982</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(14,646)</u>	<u>(4,720)</u>	<u>19,793</u>	<u>(1,646)</u>	<u>(4,982)</u>	<u>4,583</u>
Other financing sources (uses):						
Transfers in	160	5,123	-	-	-	-
Transfers out	(5,123)	-	-	-	-	-
Total other financing sources (uses)	<u>(4,963)</u>	<u>5,123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(19,609)</u>	<u>403</u>	<u>19,793</u>	<u>(1,646)</u>	<u>(4,982)</u>	<u>4,583</u>
Cash and investments - beginning	<u>\$ 19,608</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,646</u>	<u>\$ 4,982</u>	<u>\$ -</u>
Cash and investments - ending	<u>\$ (1)</u>	<u>\$ 403</u>	<u>\$ 19,793</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,583</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ (1)	\$ 403	\$ 19,793	\$ -	\$ -	\$ 4,583
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (1)</u>	<u>\$ 403</u>	<u>\$ 19,793</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,583</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(1)	403	19,793	-	-	4,583
Total cash and investment fund balance - ending	<u>\$ (1)</u>	<u>\$ 403</u>	<u>\$ 19,793</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,583</u>

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

TRI-CREEK 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)

	COPS Federal Grant 06/07	COPS Federal Grant 07/08	Retirement Debt Service	Elementary School Improvement	High School Construction	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 279,804	\$ -	\$ 8,522	\$ 550,872
Intermediate sources	-	-	-	-	-	1,836
State sources	-	-	-	-	-	486,112
Federal sources	-	-	-	-	-	400,593
Interfund loans	-	7,543	4,050	-	-	42,705
Total receipts	-	7,543	283,854	-	8,522	1,482,118
Disbursements:						
Current:						
Instruction	-	-	-	-	-	374,926
Support services	2,830	4,713	-	-	79,535	559,172
Community services	-	-	-	-	-	2,049
Nonprogrammed charges	-	-	-	-	-	79,000
Debt services	-	-	242,603	-	-	242,603
Interfund loans	-	-	-	-	-	38,655
Total disbursements	2,830	4,713	242,603	-	79,535	1,296,405
Excess (deficiency) of receipts over disbursements	(2,830)	2,830	41,251	-	(71,013)	185,713
Other financing sources (uses):						
Transfers in	2,830	-	90,939	-	49,331	489,414
Transfers out	-	(2,830)	(132,190)	-	-	(493,793)
Total other financing sources (uses)	2,830	(2,830)	(41,251)	-	49,331	(4,379)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(0)	-	(21,682)	181,334
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 219,764	\$ 228,751	1,007,151
Cash and investments - ending	\$ -	\$ -	\$ (0)	\$ 219,764	\$ 207,069	\$ 1,188,485
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 761,652
Restricted assets:						
Cash and investments	-	-	(0)	219,764	207,069	426,833
Total cash and investment assets - ending	\$ -	\$ -	\$ (0)	\$ 219,764	\$ 207,069	\$ 1,188,485
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ (0)	\$ 219,764	\$ 207,069	\$ 426,833
Unrestricted	-	-	(0)	-	-	761,652
Total cash and investment fund balance - ending	\$ -	\$ -	\$ (0)	\$ 219,764	\$ 207,069	\$ 1,188,485

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

TRI-CREEK SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2007

	Retirement/ Severance Bond	Post-Retirement/ Severance Future Benefit	Totals
Additions:			
Contributions:			
Employer	\$ 319,772	\$ 13,853	\$ 333,625
Other	3,300,000	-	3,300,000
Total contributions	3,619,772	13,853	3,633,625
Investment earnings:			
Interest	88,911	163	89,074
Total additions	3,708,683	14,016	3,722,699
Deductions:			
Benefits	1,584,654	8,796	1,593,450
Excess of total additions over total deductions	2,124,029	5,220	2,129,249
Cash and investment fund balance - beginning	(125,616)	-	(125,616)
Cash and investment fund balance - ending	\$ 1,998,413	\$ 5,220	\$ 2,003,633
Total net assets - cash and investment basis held in trust	\$ 1,998,413	\$ 5,220	\$ 2,003,633

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

	<u>Retirement/ Severance Bond</u>	<u>Post-Retirement/ Severance Future Benefit</u>	<u>Totals</u>
Additions:			
Contributions:			
Employer	\$ 31,150	\$ -	\$ 31,150
Investment earnings:			
Interest	68,762	156	68,918
Total additions	<u>99,912</u>	<u>156</u>	<u>100,068</u>
Deductions:			
Benefits	<u>466,883</u>	<u>2,093</u>	<u>468,976</u>
Deficiency of total additions over total deductions	(366,971)	(1,937)	(368,908)
Cash and investment fund balance - beginning	<u>1,998,413</u>	<u>5,219</u>	<u>2,003,632</u>
Cash and investment fund balance - ending	<u>\$ 1,631,442</u>	<u>\$ 3,282</u>	<u>\$ 1,634,724</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,631,442</u>	<u>\$ 3,282</u>	<u>\$ 1,634,724</u>

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

	<u>Community Donations</u>	<u>Artist in Residence Matching Funds</u>	<u>Intern Program</u>	<u>Pepsi Fund</u>	<u>Totals</u>
Additions:					
Contributions:					
Other	\$ -	\$ -	\$ -	\$ 25,517	\$ 25,517
Deductions:					
Administrative and general	215	-	720	8,991	9,926
Excess (deficiency) of total additions over total deductions	(215)	-	(720)	16,526	15,591
Cash and investment fund balance - beginning	215	1,441	720	34,016	36,392
Cash and Investments - June 30	<u>\$ -</u>	<u>\$ 1,441</u>	<u>\$ -</u>	<u>\$ 50,542</u>	<u>\$ 51,983</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 1,441</u>	<u>\$ -</u>	<u>\$ 50,542</u>	<u>\$ 51,983</u>

TRI-CREEK 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

	Artist in Residence Matching Funds	Pepsi	Totals
Additions:			
Contributions:			
Other	\$ -	\$ 25,713	\$ 25,713
Deductions:			
Administrative and general	900	10,184	11,084
Excess (deficiency) of total additions over total deductions	(900)	15,529	14,629
Cash and investment fund balance - beginning	1,441	50,542	51,983
Cash and Investments - June 30	<u>\$ 541</u>	<u>\$ 66,071</u>	<u>\$ 66,612</u>
Total net assets - cash and investment basis held in trust	<u>\$ 541</u>	<u>\$ 66,071</u>	<u>\$ 66,612</u>

TRI-CREEK SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For the 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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 1,351,522
Buildings	79,948,749
Machinery and equipment	<u>10,295,543</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 91,595,814</u>

TRI-CREEK 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:		
Tri-Creek 2003 High School Building Corp	\$ 4,025,000	\$ 173,075
Tri-Creek 2002 High School Building Corp	30,665,000	3,144,948
Tri-Creek South Nichols/Three Creeks SBC	3,055,000	619,991
Tri-Creek Middle School Building Corp	42,240,000	915,000
Notes and loans payable:		
Common School Technology Loan A1107	187,100	64,082
Common School Technology Loan A1170	254,400	66,303
Common School Technology Loan A889	28,950	29,095
Common School Technology Loan A993	91,800	61,965
Common School Technology Loan A1239	75,757	30,985
Common School Technology Loan A1187	59,443	30,242
Common School Construction Loan 502	13,770,000	1,352,700
Bonds payable:		
General obligation bonds:		
1998 General obligation bond	85,000	86,913
2006 School Improvement Bonds	725,000	744,000
Revenue bonds		
Pension Bonds Series 4	1,135,000	140,858
Pension Bonds Series 11	<u>1,170,000</u>	<u>102,239</u>
Total governmental activities debt	<u>\$ 97,567,450</u>	<u>\$ 7,562,396</u>

TRI-CREEK SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

CREDIT CARDS

The School Corporation is using credit cards to purchase items without an approved credit card policy. Some credit card payments were made from the statement only, no paid bill or receipt was available for review.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
- (7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
- (8) If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

EDUCATION EXPENDITURES FROM ECA FUND (Applies to Lake Prairie Elementary)

The Lake Prairie Elementary Extra-Curricular Account has a fund called "Book Room" that purchases books that are used to supplement texts in the classroom.

The extra-curricular account is to be used only for functions (athletic, social or class) which are not educational in nature. Accounts for educational functions must be maintained in the school corporation records. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

TRI-CREEK SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

GRANT FUNDS (Applies to Lake Prairie Elementary)

Literacy Grant Funds from the local education foundation were recorded and retained in the extra-curricular records. These funds were disbursed for educational expenses; thus, the responsibility of the Board of School Trustees.

A Response Grant from the local education foundation was received and retained in the extra-curricular records. The funds were disbursed to the School Corporation for reimbursement for the purchase of equipment. These transactions should not be accounted for in the extra-curricular records.

All financial transactions related to the School Corporation should be accounted for in the School Corporation records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

IC 20-26-4-1 concerning duties of the School Corporation Treasurer, states in part: "The treasurer is the official custodian of all funds of the school corporation and is responsible for the proper safeguarding and accounting for all the funds . . ." Therefore, all grant monies and properly authorized fees at an individual building should be transferred to the School Corporation Central Office on a timely and regular basis for receipting into the appropriate school corporation fund. The School Corporation Attorney should provide written guidance concerning whether fees are appropriate in regards to Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

CASH CHANGE FUND (Applies to Lowell Middle School)

Lowell Middle School has a \$100 cash change fund for athletic events and registration. The cash change is not receipted back into the fund during the summer when not needed, nor does the School know what fund was created from the cash change. Additionally, the book store has cash change, but does not know how the cash change was established. A similar comment was issued in prior Report B29698.

A cash change fund may be established in any school corporation with the approval of the governing body (board of school trustees), where any officer or employee of the corporation is charged with the duty of collecting fees or other cash revenues. When authorized by the governing body, such Cash Change Fund shall be established by a check drawn on the General Fund (or other appropriation fund) of the School Corporation in an amount to be determined by the governing body. The check is drawn in favor of the officer or employee who has been designated as custodian of the Cash Change Fund. The custodian shall convert same to cash and be held responsible for the safekeeping of such cash and the proper accounting thereof in the same manner as required for other funds of the school corporation. The governing board shall have authority to increase or decrease such fund and shall require the entire Cash Change Fund to be returned to the General Fund if and when it is no longer needed for the purpose established or when a change is made in the custodian of the fund (IC 36-1-8-2). (Accounting and Uniform and Compliance Guidelines Manual for Extra Curricular Account, Chapter 6)

TRI-CREEK SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

GRANT RECEIVED (Applies to Lowell Middle School)

Grant monies received in Lowell Middle School Extra-Curricular Accounts were actually curricular in nature and should have not been receipted into the extra-curricular accounts.

All financial transactions related to the School Corporation should be accounted for in the School Corporation records. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

IC 20-26-4-1 concerning duties of the School Corporation Treasurer, states in part: "The treasurer shall be the official custodian of all funds of the school corporation and shall be responsible for the proper safeguarding and accounting for all the funds . . ." Therefore, all grant monies and properly authorized fees at an individual building should be transferred to the School Corporation Central Office on a timely and regular basis for receipting into the appropriate school corporation fund. The School Corporation Attorney should provide written guidance concerning whether fees are appropriate in regards to Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

DEPOSITS (Applies to Cafeteria Extra-Curricular Account)

Review of deposits determined that 4 out of 10 deposits did not agree with the classification for cash and checks noted on the official receipt.

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

(This page intentionally left blank.)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

TO: THE OFFICIALS OF THE TRI-CREEK SCHOOL CORPORATION, LAKE COUNTY, INDIANA

Compliance

We have audited the compliance of the Tri-Creek School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2007 and 2008. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2007 and 2008.

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, 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

April 29, 2009

TRI-CREEK SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2007 and 2008

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 06-30-07	Total Federal Awards Expended 06-30-08
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program	10.553	FY 06-07 FY 07-08	\$ 30,779 -	\$ - 37,498
Total for program			30,779	37,498
National School Lunch Program	10.555	FY 06-07 FY 07-08	318,518 -	- 335,551
Total for program			318,518	335,551
Total for federal grantor agency			349,297	373,049
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Pass-Through Town of Lowell Public Safety Partnership and Community Policing Grants Security with Assistance of Technology (SWAT)	16.710	2005CKWX0532	-	13,203
<u>U.S. DEPARTMENT OF ENERGY</u>				
Pass-Through the Office of Lieutenant Governor, Office of Energy and Defense Development State Energy Program	81.041	7-PFI-006	7,000	-
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education Title I Grants to Local Educational Agencies	84.010	07-4645 08-4645	212,602 -	- 277,858
Total for program			212,602	277,858
Pass-Through Hanover Community School Corporation Career and Technical Education - Basic Grants to States	84.048	623-6 05/06 623-7 06/07 623-8 07/08	22,499 - -	- 5,911 20,357
Total for program			22,499	26,268
Pass-Through Indiana Department of Education Safe and Drug - Free Schools and Communities - State Grants	84.186	99-570 107-110	2,150 -	- 11,780
Total for program			2,150	11,780

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

TRI-CREEK SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2007 and 2008
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-07	Total Federal Awards Expended 06-30-08
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education Career Majors Tech-Prep Education	84.243			
		TP-5-88	24,384	-
		C1-8-TP-88	-	11,736
Total for program			<u>24,384</u>	<u>11,736</u>
Pass-Through Indiana Department of Education State Grants for Innovative Programs	84.298			
		06-024	11,789	-
		07-110	-	9,067
		08-075	-	2,182
Total for program			<u>11,789</u>	<u>11,249</u>
Pass-Through Indiana Department of Education Education Technology State Grants	84.318			
		05-06-4645	1,520	-
		06-07-4645	-	1,646
Total for program			<u>1,520</u>	<u>1,646</u>
Pass-Through Indiana Department of Education English Language Acquisition Grants	84.365			
		FY 06-07	2,090	-
		FY 07-08	-	4,982
Total for program			<u>2,090</u>	<u>4,982</u>
Pass-Through Indiana Department of Education Improving Teacher Quality State Grants	84.367			
		06-4645	105,812	-
		07-4645	-	41,521
		08-4645	-	37,793
Total for program			<u>105,812</u>	<u>79,314</u>
Total for federal grantor agency			<u>382,846</u>	<u>424,833</u>
Total federal awards expended			<u>\$ 739,143</u>	<u>\$ 811,085</u>

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

TRI-CREEK 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 Tri-Creek 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 schools 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, 2007 and 2008. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2007	2008
National School Breakfast Program	10.553	\$ 5,347	\$ 9,951
National School Lunch Program	10.555	55,338	89,048

TRI-CREEK 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
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies 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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies Child Nutrition Cluster

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

April 13, 2009

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING NO. 2006-1 PROCUREMENT

Original SBA Audit Report Number: B29698
Fiscal Year 2005-2006
Auditee Contact Sandra K. Goss
Title of Contact Officer Fiscal Officer
Phone Number 219-696-6661
Status of Finding: Corrective action has been taken.

Respectfully,



Sandra K. Goss
Fiscal Officer

TRI-CREEK SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on April 29, 2009, with Sandra K. Gross, Treasurer; Dr. Alice Neal, Superintendent of Schools; and Dr. Raymond Cusic, Assistant Superintendent of Schools.