

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

AUDIT REPORT

OF

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION

PERRY COUNTY, INDIANA

July 1, 2007 to June 30, 2009



FILED

03/17/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Margaret E. Bolin Debra A. Elder	07-01-07 to 02-03-08 02-04-08 to 06-30-10
Superintendent of Schools	Ronald B. Etienne	07-01-07 to 06-30-10
President of the School Board	Jerry D. Hoagland Larry J. Bryant	07-01-07 to 06-30-09 07-01-09 to 06-30-10



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

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tell City-Troy Township School Corporation (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2008 and 2009, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated February 2, 2010, 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

February 2, 2010



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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tell City-Troy Township School Corporation (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated February 2, 2010. 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, school board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 2, 2010

TELL CITY-TROY TOWNSHIP 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>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 8,386,753	\$ -	\$ 142,668	\$ (8,244,085)
Support services	3,787,315	435,284	347,439	(3,004,592)
Noninstructional services	669,505	-	-	(669,505)
Facilities acquisition and construction	527,772	-	-	(527,772)
Debt service	2,083,433	-	-	(2,083,433)
Nonprogrammed charges	434,205	-	-	(434,205)
Total governmental activities	<u>\$ 15,888,983</u>	<u>\$ 435,284</u>	<u>\$ 490,107</u>	<u>(14,963,592)</u>
General receipts:				
Property taxes				4,598,707
Other local sources				1,053,034
State aid				6,701,538
Bonds and loans				2,500,245
Grants and contributions not restricted to specific programs				349,790
Investment earnings				33,920
Other				26,969
Total general receipts				<u>15,264,203</u>
Change in net assets				300,611
Net assets - beginning				<u>365,238</u>
Net assets - ending				<u>\$ 665,849</u>
<u>Assets</u>				
Cash and investments				\$ 1,501,610
Restricted assets:				
Cash and investments				<u>(835,761)</u>
Total assets				<u>\$ 665,849</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ (835,761)
Unrestricted				<u>1,501,610</u>
Total net assets				<u>\$ 665,849</u>

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 7,671,025	\$ -	\$ 273,304	\$ (7,397,721)
Support services	4,473,417	604,863	375,681	(3,492,873)
Noninstructional services	673,418	-	-	(673,418)
Facilities acquisition and construction	377,254	-	-	(377,254)
Debt service	4,931,169	-	-	(4,931,169)
Nonprogrammed charges	43,958	-	-	(43,958)
Total governmental activities	<u>\$ 18,170,241</u>	<u>\$ 604,863</u>	<u>\$ 648,985</u>	<u>(16,916,393)</u>
General receipts:				
Property taxes				6,320,565
Other local sources				1,736,968
State aid				7,549,061
Bonds and loans				657
Grants and contributions not restricted to specific programs				1,121,553
Investment earnings				38,628
Other				58,711
Total general receipts				<u>16,826,143</u>
Change in net assets				(90,250)
Net assets - beginning				<u>665,849</u>
Net assets - ending				<u>\$ 575,599</u>
<u>Assets</u>				
Cash and investments				\$ 1,303,643
Restricted assets:				
Cash and investments				<u>(728,044)</u>
Total assets				<u>\$ 575,599</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ (728,044)
Unrestricted				<u>1,303,643</u>
Total net assets				<u>\$ 575,599</u>

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	General	Debt Service	Capital Projects	Transportation School Bus Replacement	Other	Totals
Receipts:						
Local sources	\$ 2,347,215	\$ 1,427,082	\$ 980,982	\$ 107,141	\$ 1,257,477	\$ 6,119,897
Intermediate sources	711	-	-	-	337	1,048
State sources	6,810,663	-	-	-	118,407	6,929,070
Federal sources	-	-	-	-	612,365	612,365
Temporary loans	2,500,000	-	-	245	-	2,500,245
Interfund loans	41,000	-	-	-	8,500	49,500
Other	-	-	-	-	26,969	26,969
Total receipts	11,699,589	1,427,082	980,982	107,386	2,024,055	16,239,094
Disbursements:						
Current:						
Instruction	7,688,984	-	100,162	-	597,607	8,386,753
Support services	2,637,696	-	371,954	195,684	581,981	3,787,315
Noninstructional services	-	-	-	-	669,505	669,505
Facilities acquisition and construction	-	-	527,772	-	-	527,772
Debt services	35,000	1,635,679	-	-	412,754	2,083,433
Nonprogrammed charges	358,260	12,265	7,303	-	56,377	434,205
Interfund loans	4,000	-	-	-	45,500	49,500
Total disbursements	10,723,940	1,647,944	1,007,191	195,684	2,363,724	15,938,483
Excess (deficiency) of receipts over disbursements	975,649	(220,862)	(26,209)	(88,298)	(339,669)	300,611
Other financing sources (uses):						
Transfers in	-	-	-	-	23,474	23,474
Transfers out	(250)	-	-	-	(23,224)	(23,474)
Total other financing sources (uses)	(250)	-	-	-	250	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	975,399	(220,862)	(26,209)	(88,298)	(339,419)	300,611
Cash and investments - beginning	102,724	(424,039)	314,890	55,702	315,961	365,238
Cash and investments - ending	\$ 1,078,123	\$ (644,901)	\$ 288,681	\$ (32,596)	\$ (23,458)	\$ 665,849
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,078,123	\$ -	\$ 288,681	\$ (32,596)	\$ 167,402	\$ 1,501,610
Restricted assets:						
Cash and investments	-	(644,901)	-	-	(190,860)	(835,761)
Total cash and investment assets - ending	\$ 1,078,123	\$ (644,901)	\$ 288,681	\$ (32,596)	\$ (23,458)	\$ 665,849
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ (644,901)	\$ -	\$ -	\$ (190,860)	\$ (835,761)
Unrestricted	1,078,123	-	288,681	(32,596)	167,402	1,501,610
Total cash and investment fund balance - ending	\$ 1,078,123	\$ (644,901)	\$ 288,681	\$ (32,596)	\$ (23,458)	\$ 665,849

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	General	Fiscal Stabilization - Education (Stimulus)	Debt Service	Capital Projects	Transportation School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 3,415,576	\$ -	\$ 2,038,505	\$ 1,385,011	\$ 136,930	\$ 1,724,008	\$ 8,700,030
Intermediate sources	356	-	-	-	-	638	994
State sources	7,715,747	-	-	-	-	187,236	7,902,983
Federal sources	-	831,394	-	-	-	585,222	1,416,616
Temporary loans	-	-	-	-	657	-	657
Other	-	-	-	-	-	58,711	58,711
Total receipts	11,131,679	831,394	2,038,505	1,385,011	137,587	2,555,815	18,079,991
Disbursements:							
Current:							
Instruction	6,993,355	68,655	-	135,006	-	474,009	7,671,025
Support services	2,761,144	19,596	-	744,402	-	948,275	4,473,417
Noninstructional services	-	-	-	-	-	673,418	673,418
Facilities acquisition and construction	-	-	-	377,254	-	-	377,254
Debt services	2,500,000	-	1,946,273	-	-	484,896	4,931,169
Nonprogrammed charges	43,958	-	-	-	-	-	43,958
Total disbursements	12,298,457	88,251	1,946,273	1,256,662	-	2,580,598	18,170,241
Excess (deficiency) of receipts over disbursements	(1,166,778)	743,143	92,232	128,349	137,587	(24,783)	(90,250)
Other financing sources (uses):							
Transfers in	43,378	-	-	-	-	52,273	95,651
Transfers out	(8,131)	-	-	-	-	(87,520)	(95,651)
Total other financing sources (uses)	35,247	-	-	-	-	(35,247)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,131,531)	743,143	92,232	128,349	137,587	(60,030)	(90,250)
Cash and investments - beginning	1,078,123	-	(644,901)	288,681	(32,596)	(23,458)	665,849
Cash and investments - ending	\$ (53,408)	\$ 743,143	\$ (552,669)	\$ 417,030	\$ 104,991	\$ (83,488)	\$ 575,599
Cash and Investment Assets - Ending							
Cash and investments	\$ (53,408)	\$ 743,143	\$ -	\$ 417,030	\$ 104,991	\$ 91,887	\$ 1,303,643
Restricted assets:							
Cash and investments	-	-	(552,669)	-	-	(175,375)	(728,044)
Total cash and investment assets - ending	\$ (53,408)	\$ 743,143	\$ (552,669)	\$ 417,030	\$ 104,991	\$ (83,488)	\$ 575,599
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ (552,669)	\$ -	\$ -	\$ (175,375)	\$ (728,044)
Unrestricted	(53,408)	743,143	-	417,030	104,991	91,887	1,303,643
Total cash and investment fund balance - ending	\$ (53,408)	\$ 743,143	\$ (552,669)	\$ 417,030	\$ 104,991	\$ (83,488)	\$ 575,599

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2008

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	<u>\$ 202,073</u>	<u>\$ 74,459</u>	
Deductions:			
Administrative and general	<u>-</u>	<u>69,018</u>	
Excess of total additions over total deductions	202,073	5,441	
Cash and investment fund balance - beginning	<u>(112,748)</u>	<u>39,443</u>	
Cash and investment fund balance - ending	<u><u>\$ 89,325</u></u>	<u><u>\$ 44,884</u></u>	<u><u>\$ 161,334</u></u>
Net assets:			
Cash and investments	<u><u>\$ 89,325</u></u>	<u><u>\$ 44,884</u></u>	

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2009

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Other	\$ -	\$ 156,203	
Deductions:			
Administrative and general	-	123,965	
Excess of total additions over total deductions	-	32,238	
Cash and investment fund balance - beginning	<u>89,325</u>	<u>44,884</u>	
Cash and investment fund balance - ending	<u>\$ 89,325</u>	<u>\$ 77,122</u>	<u>\$ 150,207</u>
Net assets:			
Cash and investments	<u>\$ 89,325</u>	<u>\$ 77,122</u>	

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

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

Primary Government: Tell City-Troy Township School Corporation

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

Joint Ventures

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

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

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

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

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

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.

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 fiscal stabilization - education (stimulus) fund accounts for receipts and disbursements of cash received from the Federal government to be used to supplement funding of local, state, and federal programs.

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

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

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

Additionally, the School Corporation reports the following fund types:

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

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

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

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

C. Measurement Focus and Basis of Accounting

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

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

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

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

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

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

3. Capital Assets

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

4. Long-Term Debt

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

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.
- 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. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

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

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following 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.

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

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

B. Cash and Investment Balance Deficits

At June 30, 2008 and 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	2008	2009
General Fund	\$ -	\$ 53,408
Debt Service	644,901	552,669
Transportation School Bus Replacement	32,596	-
Retirement Bond Debt Service	190,860	175,375
Transportation Operating	115,331	121,433
Special Education Preschool	4,981	15,495
INDOT Safe Routes to School	-	3,485
Title I 2007-2008	30,863	-
Tobacco Prevention/Cessation 2008-2009	-	348
Vocational and Technical Board Grants	2,001	-
Project Lead the Way 2008-2009	-	140
Perkins Grant 2007-2008	4,141	-
Schergens Foundation Grant	12	-
DOE Professional Development 2005-2006	46	46
Professional Development 2007-2008 Part I	-	62

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

III. Detailed Notes on All Funds

A. Deposits and Investments

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.

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

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2008 and 2009, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2008</u>	<u>2009</u>
General Fund	Other governmental funds	\$ 250	\$ 8,131
Other governmental funds	General Fund	-	43,378
Other governmental funds	Other governmental funds	<u>23,224</u>	<u>44,142</u>
Totals		<u>\$ 23,474</u>	<u>\$ 95,651</u>

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

C. Interfund Loans

Interfund loans are made for cash flow purposes as shown in the following schedule.

<u>Fund Receiving Loans</u>	<u>Fund Issuing Loans</u>	<u>Beginning Balance</u>	<u>Issued/ Draws</u>	<u>Redeemed Repayments</u>	<u>Ending Balance</u>
<u>Fiscal Year 2007-2008</u>					
General Fund	Other governmental funds	\$ 4,000	\$ -	\$ 4,000	\$ -
Other governmental funds	General Fund	41,000	-	41,000	-
Other governmental funds	Other governmental funds	<u>4,500</u>	<u>-</u>	<u>4,500</u>	<u>-</u>
Totals		<u>\$ 49,500</u>	<u>\$ -</u>	<u>\$ 49,500</u>	<u>\$ -</u>

D. Tax Anticipation Warrants

The School Corporation issues tax anticipation warrants for cash flow purposes in advance of property tax collections and/or state tuition support distributions depositing the proceeds in the appropriate fund. Short-term debt activity for the years ended June 30, 2008, and June 30, 2009, was as follows:

<u>Fiscal Year 2007-2008</u>	<u>Beginning Balance</u>	<u>Issued/ Draws</u>	<u>Redeemed Repayments</u>	<u>Ending Balance</u>
General Fund	<u>\$ 35,000</u>	<u>\$ 2,500,000</u>	<u>\$ 35,000</u>	<u>\$ 2,500,000</u>
<u>Fiscal Year 2008-2009</u>				
General Fund	<u>\$ 2,500,000</u>	<u>\$ -</u>	<u>\$ 2,500,000</u>	<u>\$ -</u>

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

E. Restatements and Reclassifications

For the year ended June 30, 2007, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit.

Opinion Unit	Balance as Reported June 30, 2007	Fund Reclassification	Balance as Restated July 1, 2007
Governmental Funds	\$ 370,661	\$ (5,423)	\$ 365,238
Private-Purpose Trust	34,020	5,423	39,443

IV. Other Information

A. Risk Management

The School Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters.

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

B. Holding Corporations

The School Corporation has entered into a capital lease with Tell City-Troy Township Elementary School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years ended June 30, 2008 and June 30, 2009 totaled \$1,522,000, and \$1,692,000, respectively.

The School Corporation has entered into a capital lease with Tell City High School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years ended June 30, 2008 and June 30, 2009 totaled \$109,666, and \$109,667, respectively.

The School Corporation has entered into a capital lease with Tell City-Troy Township School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years ended June 30, 2008 and June 30, 2009 totaled \$0, and \$80,000, respectively.

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

C. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment medical, dental, and vision benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age fifty-four with at least ten years of service. Currently, 31 retirees meet these eligibility requirements. The School Corporation provides the first \$2,000 in premiums of these post employment benefits for each retiree. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2009, disbursements of \$62,000 were recognized for postemployment benefits.

D. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of 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.

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

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 37,594
Interest on net pension obligation	(8,451)
Adjustment to annual required contribution	9,631
Annual pension cost	38,774
Contributions made	11,976
Increase in net pension obligation	26,798
Net pension obligation, beginning of year	(116,571)
Net pension obligation, end of year	\$ (89,773)

	PERF
Contribution rates:	
School Corporation	3%
Plan members	3%
Actuarial valuation date	07-01-08
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%

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 6,023	318%	\$ (146,943)
	06-30-07	43,303	30%	(116,571)
	06-30-08	38,774	31%	(89,773)

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

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' Retirement Fund (TRF), a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the TRF Board, most requirements of the system and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

TRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

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

Funding Policy and Annual Pension Costs

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

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

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, 2009, 2008, and 2007, were \$168,068, \$164,587, and \$125,316, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years, respectively.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 935,890	\$ 831,445	\$ 104,445	113%	\$ 780,289	13%
07-01-07	1,050,481	894,471	156,010	117%	784,877	20%
07-01-08	884,187	933,111	(48,924)	95%	737,392	(7%)

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Joint Service and Supply Vocational	Joint Service and Supply Vocational 2005-2006
Receipts:							
Local sources	\$ 372,046	\$ 9,513	\$ 371,405	\$ 115,675	\$ 42,478	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	25,761	8,510	43,648	-	-	-
Federal sources	-	-	295,281	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	8,500	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	372,046	35,274	683,696	159,323	42,478	-	-
Disbursements:							
Current:							
Instruction	-	18,303	-	-	-	-	-
Support services	438,371	-	12,897	126,009	-	-	-
Noninstructional services	-	-	667,809	1,696	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	3,020	50,512	-	-	-	-	-
Interfund loans	-	-	-	45,500	-	-	-
Total disbursements	441,391	68,815	680,706	173,205	-	-	-
Excess (deficiency) of receipts over disbursements	(69,345)	(33,541)	2,990	(13,882)	42,478	-	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	8,959	-
Transfers out	-	-	-	-	-	-	(8,959)
Total other financing sources (uses)	-	-	-	-	-	8,959	(8,959)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(69,345)	(33,541)	2,990	(13,882)	42,478	8,959	(8,959)
Cash and investments - beginning	(45,986)	28,560	49,245	33,120	-	27,748	8,959
Cash and investments - ending	\$ (115,331)	\$ (4,981)	\$ 52,235	\$ 19,238	\$ 42,478	\$ 36,707	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ (115,331)	\$ (4,981)	\$ 52,235	\$ 19,238	\$ 42,478	\$ 36,707	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (115,331)	\$ (4,981)	\$ 52,235	\$ 19,238	\$ 42,478	\$ 36,707	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(115,331)	(4,981)	52,235	19,238	42,478	36,707	-
Total cash and investment fund balance - ending	\$ (115,331)	\$ (4,981)	\$ 52,235	\$ 19,238	\$ 42,478	\$ 36,707	\$ -

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Educational License Plates	Alternative Education	Early Intervention 2007-2008	Reading Recovery	Gifted and Talented 2007-2008	Gifted and Talented 2006-2007	Tobacco Prevention and Cessation
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ 14,000	\$ -	\$ -	\$ -
Intermediate sources	337	-	-	-	-	-	-
State sources	-	-	-	-	32,245	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	337	-	-	14,000	32,245	-	-
Disbursements:							
Current:							
Instruction	-	-	9,818	2,121	25,655	4,500	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	-	9,818	2,121	25,655	4,500	-
Excess (deficiency) of receipts over disbursements	337	-	(9,818)	11,879	6,590	(4,500)	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	337	-	(9,818)	11,879	6,590	(4,500)	-
Cash and investments - beginning	3,844	7,572	13,000	-	-	4,500	900
Cash and investments - ending	\$ 4,181	\$ 7,572	\$ 3,182	\$ 11,879	\$ 6,590	\$ -	\$ 900
Cash and Investment Assets - Ending							
Cash and investments	\$ 4,181	\$ 7,572	\$ 3,182	\$ 11,879	\$ 6,590	\$ -	\$ 900
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 4,181	\$ 7,572	\$ 3,182	\$ 11,879	\$ 6,590	\$ -	\$ 900
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	4,181	7,572	3,182	11,879	6,590	-	900
Total cash and investment fund balance - ending	\$ 4,181	\$ 7,572	\$ 3,182	\$ 11,879	\$ 6,590	\$ -	\$ 900

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Non-English Speaking Programs	Tech Planning Grant 2007-2008	Model School Tech 2004-2005	On Target SIREC Grant	Higher Education 2006-2007	Higher Education 2007-2008	Title I 2007-2008
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	209,950
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	209,950
Disbursements:							
Current:							
Instruction	179	57,048	1,293	976	194	461	251,241
Support services	-	-	-	-	-	-	2,917
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	179	57,048	1,293	976	194	461	254,158
Excess (deficiency) of receipts over disbursements	(179)	(57,048)	(1,293)	(976)	(194)	(461)	(44,208)
Other financing sources (uses):							
Transfers in	920	-	92	-	-	-	13,345
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	920	-	92	-	-	-	13,345
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	741	(57,048)	(1,201)	(976)	(194)	(461)	(30,863)
Cash and investments - beginning	179	76,966	1,201	1,000	194	914	-
Cash and investments - ending	\$ 920	\$ 19,918	\$ -	\$ 24	\$ -	\$ 453	\$ (30,863)
Cash and Investment Assets - Ending							
Cash and investments	\$ 920	\$ 19,918	\$ -	\$ 24	\$ -	\$ 453	\$ (30,863)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 920	\$ 19,918	\$ -	\$ 24	\$ -	\$ 453	\$ (30,863)
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	920	19,918	-	24	-	453	(30,863)
Total cash and investment fund balance - ending	\$ 920	\$ 19,918	\$ -	\$ 24	\$ -	\$ 453	\$ (30,863)

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Title I 2006-2007	Innovative Title V Part A 2006-2007	Innovative Title V Part A 2007-2008	Innovative Title V Part A 2004-2005	Innovative Title V Part A 2005-2006	Drug Free Schools 2006-2007	Drug Free Schools 2007-2008
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	5,876
Federal sources	20,319	-	17,545	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	20,319	-	17,545	-	-	-	5,876
Disbursements:							
Current:							
Instruction	10,497	14,929	-	2,331	787	3,896	-
Support services	399	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	10,896	14,929	-	2,331	787	3,896	-
Excess (deficiency) of receipts over disbursements	9,423	(14,929)	17,545	(2,331)	(787)	(3,896)	5,876
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(13,345)	-	-	-	-	-	-
Total other financing sources (uses)	(13,345)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,922)	(14,929)	17,545	(2,331)	(787)	(3,896)	5,876
Cash and investments - beginning	27,052	16,091	-	2,331	787	5,986	-
Cash and investments - ending	\$ 23,130	\$ 1,162	\$ 17,545	\$ -	\$ -	\$ 2,090	\$ 5,876
Cash and Investment Assets - Ending							
Cash and investments	\$ 23,130	\$ 1,162	\$ 17,545	\$ -	\$ -	\$ 2,090	\$ 5,876
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 23,130	\$ 1,162	\$ 17,545	\$ -	\$ -	\$ 2,090	\$ 5,876
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	23,130	1,162	17,545	-	-	2,090	5,876
Total cash and investment fund balance - ending	\$ 23,130	\$ 1,162	\$ 17,545	\$ -	\$ -	\$ 2,090	\$ 5,876

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Tobacco Grant 2007-2008	Learning to Give 2007-2008	Vocational and Technical Board Grants	Perkins Grant 2007-2008	Perkins Grant 2004-2005	Perkins Grant 2005-2006
Receipts:						
Local sources	\$ -	\$ 1,000	\$ 18,347	\$ 16,564	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	1,069	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	15,520	11,449	-	-
Total receipts	<u>1,069</u>	<u>1,000</u>	<u>33,867</u>	<u>28,013</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	1,069	-	35,868	32,154	-	-
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>1,069</u>	<u>-</u>	<u>35,868</u>	<u>32,154</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>1,000</u>	<u>(2,001)</u>	<u>(4,141)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>1,000</u>	<u>(2,001)</u>	<u>(4,141)</u>	<u>-</u>	<u>-</u>
Cash and investments - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,407</u>	<u>2,067</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ (2,001)</u>	<u>\$ (4,141)</u>	<u>\$ 1,407</u>	<u>\$ 2,067</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 1,000	\$ (2,001)	\$ (4,141)	\$ 1,407	\$ 2,067
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ (2,001)</u>	<u>\$ (4,141)</u>	<u>\$ 1,407</u>	<u>\$ 2,067</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>-</u>	<u>1,000</u>	<u>(2,001)</u>	<u>(4,141)</u>	<u>1,407</u>	<u>2,067</u>
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ (2,001)</u>	<u>\$ (4,141)</u>	<u>\$ 1,407</u>	<u>\$ 2,067</u>

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Perkins Grant 2006-2007	Ready to Learn 2006-2007	Drug Free Schools 2005-2006	Medicaid Reimbursement Federal	IN Access Technology Grant TCHS	Title II Part D 2005-2006
Receipts:						
Local sources	\$ 9,134	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	2,073	-	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	9,134	-	-	2,073	-	-
Disbursements:						
Current:						
Instruction	7,891	3,663	2,225	-	33,217	-
Support services	-	-	-	-	-	1,388
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	7,891	3,663	2,225	-	33,217	1,388
Excess (deficiency) of receipts over disbursements	1,243	(3,663)	(2,225)	2,073	(33,217)	(1,388)
Other financing sources (uses):						
Transfers in	-	158	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	158	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,243	(3,505)	(2,225)	2,073	(33,217)	(1,388)
Cash and investments - beginning	(1,243)	3,505	2,225	-	48,309	1,388
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 2,073	\$ 15,092	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ 2,073	\$ 15,092	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ 2,073	\$ 15,092	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	2,073	15,092	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ 2,073	\$ 15,092	\$ -

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Title II Part A 2005-2006	Title II Part A 2007-08	Title II Part A 2006-07	Non-English Speaking Program	Retirement Bond Debt Service	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 287,315	\$ 1,257,477
Intermediate sources	-	-	-	-	-	337
State sources	-	-	-	1,298	-	118,407
Federal sources	-	67,197	-	-	-	612,365
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	8,500
Other	-	-	-	-	-	26,969
Total receipts	-	67,197	-	1,298	287,315	2,024,055
Disbursements:						
Current:						
Instruction	14,185	32,855	29,873	378	-	597,607
Support services	-	-	-	-	-	581,981
Noninstructional services	-	-	-	-	-	669,505
Debt services	-	-	-	-	412,754	412,754
Nonprogrammed charges	-	-	-	-	2,845	56,377
Interfund loans	-	-	-	-	-	45,500
Total disbursements	14,185	32,855	29,873	378	415,599	2,363,724
Excess (deficiency) of receipts over disbursements	(14,185)	34,342	(29,873)	920	(128,284)	(339,669)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	23,474
Transfers out	-	-	-	(920)	-	(23,224)
Total other financing sources (uses)	-	-	-	(920)	-	250
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(14,185)	34,342	(29,873)	-	(128,284)	(339,419)
Cash and investments - beginning	14,396	-	42,320	-	(62,576)	315,961
Cash and investments - ending	\$ 211	\$ 34,342	\$ 12,447	\$ -	\$ (190,860)	\$ (23,458)
Cash and Investment Assets - Ending						
Cash and investments	\$ 211	\$ 34,342	\$ 12,447	\$ -	\$ -	\$ 167,402
Restricted assets:						
Cash and investments	-	-	-	-	(190,860)	(190,860)
Total cash and investment assets - ending	\$ 211	\$ 34,342	\$ 12,447	\$ -	\$ (190,860)	\$ (23,458)
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	(190,860)	(190,860)
Unrestricted	211	34,342	12,447	-	-	167,402
Total cash and investment fund balance - ending	\$ 211	\$ 34,342	\$ 12,447	\$ -	\$ (190,860)	\$ (23,458)

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Repair and Replacement	Levy Excess	Joint Service and Supply Vocational
Receipts:							
Local sources	\$ 510,464	\$ 9,644	\$ 365,889	\$ 202,342	\$ 200,629	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	24,549	8,189	43,321	-	-	-
Federal sources	-	-	324,171	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>510,464</u>	<u>34,193</u>	<u>698,249</u>	<u>245,663</u>	<u>200,629</u>	<u>-</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	-	44,707	-	-	979	-	-
Support services	516,566	-	33,544	170,517	187,122	-	-
Noninstructional services	-	-	673,418	-	-	-	-
Debt services	-	-	-	66,707	-	-	-
Total disbursements	<u>516,566</u>	<u>44,707</u>	<u>706,962</u>	<u>237,224</u>	<u>188,101</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(6,102)</u>	<u>(10,514)</u>	<u>(8,713)</u>	<u>8,439</u>	<u>12,528</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(42,478)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,478)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(6,102)</u>	<u>(10,514)</u>	<u>(8,713)</u>	<u>8,439</u>	<u>12,528</u>	<u>(42,478)</u>	<u>-</u>
Cash and investments - beginning	<u>(115,331)</u>	<u>(4,981)</u>	<u>52,235</u>	<u>19,238</u>	<u>-</u>	<u>42,478</u>	<u>36,707</u>
Cash and investments - ending	<u>\$ (121,433)</u>	<u>\$ (15,495)</u>	<u>\$ 43,522</u>	<u>\$ 27,677</u>	<u>\$ 12,528</u>	<u>\$ -</u>	<u>\$ 36,707</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ (121,433)	\$ (15,495)	\$ 43,522	\$ 27,677	\$ 12,528	\$ -	\$ 36,707
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (121,433)</u>	<u>\$ (15,495)</u>	<u>\$ 43,522</u>	<u>\$ 27,677</u>	<u>\$ 12,528</u>	<u>\$ -</u>	<u>\$ 36,707</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>(121,433)</u>	<u>(15,495)</u>	<u>43,522</u>	<u>27,677</u>	<u>12,528</u>	<u>-</u>	<u>36,707</u>
Total cash and investment fund balance - ending	<u>\$ (121,433)</u>	<u>\$ (15,495)</u>	<u>\$ 43,522</u>	<u>\$ 27,677</u>	<u>\$ 12,528</u>	<u>\$ -</u>	<u>\$ 36,707</u>

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Educational License Plates	Alternative Education	Early Intervention 2007-2008	Reading Recovery	Gifted and Talented 2007-2008	Higher Ability 2008-2009	Blumberg Program
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	638	-	-	-	-	-	-
State sources	-	-	-	-	-	32,245	6,000
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	638	-	-	-	-	32,245	6,000
Disbursements:							
Current:							
Instruction	-	-	2,965	11,488	6,590	18,215	4,935
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	2,965	11,488	6,590	18,215	4,935
Excess (deficiency) of receipts over disbursements	638	-	(2,965)	(11,488)	(6,590)	14,030	1,065
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	638	-	(2,965)	(11,488)	(6,590)	14,030	1,065
Cash and investments - beginning	4,181	7,572	3,182	11,879	6,590	-	-
Cash and investments - ending	\$ 4,819	\$ 7,572	\$ 217	\$ 391	\$ -	\$ 14,030	\$ 1,065
Cash and Investment Assets - Ending							
Cash and investments	\$ 4,819	\$ 7,572	\$ 217	\$ 391	\$ -	\$ 14,030	\$ 1,065
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 4,819	\$ 7,572	\$ 217	\$ 391	\$ -	\$ 14,030	\$ 1,065
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	4,819	7,572	217	391	-	14,030	1,065
Total cash and investment fund balance - ending	\$ 4,819	\$ 7,572	\$ 217	\$ 391	\$ -	\$ 14,030	\$ 1,065

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Teacher Quality Improvement Program 2008-2009	Tobacco Prevention and Cessation	Non-English Speaking Programs	Tech Planning Grant 2007-2008	On Target SIREC Grant	JH Learning Recycling Grant	Higher Education 2006-2007
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	67,174	-	-	-	-	-	1,199
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	67,174	-	-	-	-	500	1,199
Disbursements:							
Current:							
Instruction	15,000	-	920	19,918	24	-	1,199
Support services	8,750	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	23,750	-	920	19,918	24	-	1,199
Excess (deficiency) of receipts over disbursements	43,424	-	(920)	(19,918)	(24)	500	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(900)	-	-	-	-	-
Total other financing sources (uses)	-	(900)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	43,424	(900)	(920)	(19,918)	(24)	500	-
Cash and investments - beginning	-	900	920	19,918	24	-	-
Cash and investments - ending	\$ 43,424	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 43,424	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 43,424	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	43,424	-	-	-	-	500	-
Total cash and investment fund balance - ending	\$ 43,424	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ -

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Higher Education 2007-2008	INDOT Safe Routes to School	Title I 2007-2008	Title I 2008-2009	Title I 2006-2007	Innovative Title V Part A 2006-2007	Innovative Title V Part A 2008-2009
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	21,000	217,005	-	-	15,000
Other	-	-	-	-	-	-	-
Total receipts	-	-	21,000	217,005	-	-	15,000
Disbursements:							
Current:							
Instruction	453	3,485	386	206,102	-	1,162	6,579
Support services	-	-	-	31,681	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	453	3,485	386	237,783	-	1,162	6,579
Excess (deficiency) of receipts over disbursements	(453)	(3,485)	20,614	(20,778)	-	(1,162)	8,421
Other financing sources (uses):							
Transfers in	-	-	31,261	21,012	-	-	-
Transfers out	-	-	(21,012)	-	(23,130)	-	-
Total other financing sources (uses)	-	-	10,249	21,012	(23,130)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(453)	(3,485)	30,863	234	(23,130)	(1,162)	8,421
Cash and investments - beginning	453	-	(30,863)	-	23,130	1,162	-
Cash and investments - ending	\$ -	\$ (3,485)	\$ -	\$ 234	\$ -	\$ -	\$ 8,421
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ (3,485)	\$ -	\$ 234	\$ -	\$ -	\$ 8,421
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ (3,485)	\$ -	\$ 234	\$ -	\$ -	\$ 8,421
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	(3,485)	-	234	-	-	8,421
Total cash and investment fund balance - ending	\$ -	\$ (3,485)	\$ -	\$ 234	\$ -	\$ -	\$ 8,421

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Innovative Title V Part A 2007-2008	Drug Free Schools 2006-2007	Drug Free Schools 2008-2009	Drug Free Schools 2007-2008	Tobacco Prevention / Cessation 2008-2009	Learning to Give 2007-2008	Vocational and Technical Board Grants
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 866	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	4,559	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	6,133
Total receipts	-	-	4,559	-	866	-	6,133
Disbursements:							
Current:							
Instruction	15,586	2,090	17	5,696	1,214	940	4,132
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	15,586	2,090	17	5,696	1,214	940	4,132
Excess (deficiency) of receipts over disbursements	(15,586)	(2,090)	4,542	(5,696)	(348)	(940)	2,001
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(15,586)	(2,090)	4,542	(5,696)	(348)	(940)	2,001
Cash and investments - beginning	17,545	2,090	-	5,876	-	1,000	(2,001)
Cash and investments - ending	<u>\$ 1,959</u>	<u>\$ -</u>	<u>\$ 4,542</u>	<u>\$ 180</u>	<u>\$ (348)</u>	<u>\$ 60</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,959	\$ -	\$ 4,542	\$ 180	\$ (348)	\$ 60	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,959</u>	<u>\$ -</u>	<u>\$ 4,542</u>	<u>\$ 180</u>	<u>\$ (348)</u>	<u>\$ 60</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,959	-	4,542	180	(348)	60	-
Total cash and investment fund balance - ending	<u>\$ 1,959</u>	<u>\$ -</u>	<u>\$ 4,542</u>	<u>\$ 180</u>	<u>\$ (348)</u>	<u>\$ 60</u>	<u>\$ -</u>

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Project Lead the Way 2008-2009	Perkins Grant 2007-2008	Perkins Grant 2008-2009	Perkins Grant 2004-2005	Perkins Grant 2005-2006	Medicaid Reimbursement Federal
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	8,046
Other	13,556	8,282	30,740	-	-	-
Total receipts	13,556	8,282	30,740	-	-	8,046
Disbursements:						
Current:						
Instruction	13,696	4,141	28,872	-	-	-
Support services	-	-	-	-	-	95
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	13,696	4,141	28,872	-	-	95
Excess (deficiency) of receipts over disbursements	(140)	4,141	1,868	-	-	7,951
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(140)	4,141	1,868	-	-	7,951
Cash and investments - beginning	-	(4,141)	-	1,407	2,067	2,073
Cash and investments - ending	\$ (140)	\$ -	\$ 1,868	\$ 1,407	\$ 2,067	\$ 10,024
Cash and Investment Assets - Ending						
Cash and investments	\$ (140)	\$ -	\$ 1,868	\$ 1,407	\$ 2,067	\$ 10,024
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (140)	\$ -	\$ 1,868	\$ 1,407	\$ 2,067	\$ 10,024
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(140)	-	1,868	1,407	2,067	10,024
Total cash and investment fund balance - ending	\$ (140)	\$ -	\$ 1,868	\$ 1,407	\$ 2,067	\$ 10,024

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	IN Access Technology Grant TCHS	Title II Part A 2005-2006	Title II Part A 2007-08	Title II Part A 2006-07	Retirement Bond Debt Service	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 433,674	\$ 1,724,008
Intermediate sources	-	-	-	-	-	638
State sources	-	-	-	-	-	187,236
Federal sources	-	-	-	-	-	585,222
Other	-	-	-	-	-	58,711
Total receipts	-	-	-	-	433,674	2,555,815
Disbursements:						
Current:						
Instruction	15,092	121	24,858	12,447	-	474,009
Support services	-	-	-	-	-	948,275
Noninstructional services	-	-	-	-	-	673,418
Debt services	-	-	-	-	418,189	484,896
Total disbursements	15,092	121	24,858	12,447	418,189	2,580,598
Excess (deficiency) of receipts over disbursements	(15,092)	(121)	(24,858)	(12,447)	15,485	(24,783)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	52,273
Transfers out	-	-	-	-	-	(87,520)
Total other financing sources (uses)	-	-	-	-	-	(35,247)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(15,092)	(121)	(24,858)	(12,447)	15,485	(60,030)
Cash and investments - beginning	15,092	211	34,342	12,447	(190,860)	(23,458)
Cash and investments - ending	\$ -	\$ 90	\$ 9,484	\$ -	\$ (175,375)	\$ (83,488)
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 90	\$ 9,484	\$ -	\$ -	\$ 91,887
Restricted assets:						
Cash and investments	-	-	-	-	(175,375)	(175,375)
Total cash and investment assets - ending	\$ -	\$ 90	\$ 9,484	\$ -	\$ (175,375)	\$ (83,488)
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ (175,375)	\$ (175,375)
Unrestricted	-	90	9,484	-	-	91,887
Total cash and investment fund balance - ending	\$ -	\$ 90	\$ 9,484	\$ -	\$ (175,375)	\$ (83,488)

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

	Domtar (Weyerhauser) Legion Field	Schergens Grants-2008	Donna Fenn Literacy WTE	Wal-Mart Teacher Award	Schergens Foundation Grant	Domtar (Weyerhauser) WTE Entrance	Higher Education Grant 2005-2006
Additions:							
Contributions:							
Other	\$ -	\$ 6,575	\$ 2,041	\$ -	\$ 1,562	\$ 8,260	\$ -
Deductions:							
Administrative and general	2,400	6,110	1,379	193	1,574	-	230
Excess (deficiency) of total additions over total deductions	(2,400)	465	662	(193)	(12)	8,260	(230)
Cash and investment fund balance - beginning	3,000	-	-	193	-	2,000	230
Cash and investments - June 30	<u>\$ 600</u>	<u>\$ 465</u>	<u>\$ 662</u>	<u>\$ -</u>	<u>\$ (12)</u>	<u>\$ 10,260</u>	<u>\$ -</u>

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	DOE Professional Development 2005-2006	DOE Professional Development 2006-2007	DOE Professional Development 2007-2008	Professional Development 2007-2008 Part I	Professional Development 2007-2008 Part II	On Target
Additions:						
Contributions:						
Other	\$ -	\$ 133	\$ -	\$ 9,000	\$ 10,875	\$ 25,489
Deductions:						
Administrative and general	-	5,046	10,250	2,136	-	11,299
Excess (deficiency) of total additions over total deductions	-	(4,913)	(10,250)	6,864	10,875	14,190
Cash and investment fund balance - beginning	(46)	4,913	11,045	-	-	-
Cash and investments - June 30	<u>\$ (46)</u>	<u>\$ -</u>	<u>\$ 795</u>	<u>\$ 6,864</u>	<u>\$ 10,875</u>	<u>\$ 14,190</u>

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Summer On Target	S.I.N.E. HS Art Exchange	Early Intervention 2003	High Schools That Work 2006-2007	High Schools That Work 2007-2008	Totals
Additions:						
Contributions:						
Other	\$ 5,957	\$ -	\$ 125	\$ -	\$ 4,442	\$ 74,459
Deductions:						
Administrative and general	22,747	800	343	300	4,211	69,018
Excess (deficiency) of total additions over total deductions	(16,790)	(800)	(218)	(300)	231	5,441
Cash and investment fund balance - beginning	16,790	800	218	300	-	39,443
Cash and investments - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 231</u>	<u>\$ 44,884</u>

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009

	Domtar (Weyerhaeuser) Legion Field	Knights of Columbus Meth Ed	Schergens Grants-2008	Donna Fenn Literacy WTE	Welborn Healthy Schools 2008-2009	Wal-Mart Teacher Award
Additions:						
Contributions:						
Other	\$ -	\$ 1,000	\$ 10,070	\$ 2,210	\$ 26,200	\$ 9,300
Deductions:						
Administrative and general	600	-	10,492	2,822	19,114	8,630
Excess (deficiency) of total additions over total deductions	(600)	1,000	(422)	(612)	7,086	670
Cash and investment fund balance - beginning	600	-	465	662	-	-
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 43</u>	<u>\$ 50</u>	<u>\$ 7,086</u>	<u>\$ 670</u>

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Schergens Foundation Grant	Domtar (Weyerhauser) WTE Entrance	WTE Schergens Book Basket Grant	DOE Professional Development 2005-2006	DOE Professional Development 2007-2008	Professional Development 2007-2008 Part I
Additions:						
Contributions:						
Other	\$ 12	\$ 5,281	\$ 6,100	\$ -	\$ -	\$ -
Deductions:						
Administrative and general	-	15,541	6,100	-	795	6,926
Excess (deficiency) of total additions over total deductions	12	(10,260)	-	-	(795)	(6,926)
Cash and investment fund balance - beginning	(12)	10,260	-	(46)	795	6,864
Cash and investments - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46)</u>	<u>\$ -</u>	<u>\$ (62)</u>

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Professional Development 2007-2008 Part II	Professional Development 2008-2009 Part I	Professional Development 2008-2009 Part II	On Target	Early Intervention 2003
Additions:					
Contributions:					
Other	\$ 9,000	\$ 7,579	\$ 10,624	\$ 13,085	\$ 20,242
Deductions:					
Administrative and general	19,651	4,519	35	7,501	-
Excess (deficiency) of total additions over total deductions	(10,651)	3,060	10,589	5,584	20,242
Cash and investment fund balance - beginning	10,875	-	-	14,190	-
Cash and investments - June 30	<u>\$ 224</u>	<u>\$ 3,060</u>	<u>\$ 10,589</u>	<u>\$ 19,774</u>	<u>\$ 20,242</u>

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	WTE "The League" Program	High Schools That Work 2007-2008	Bullying Prevention Program	Community Foundation Book Basket	Totals
Additions:					
Contributions:					
Other	\$ 1,000	\$ -	\$ 30,500	\$ 4,000	\$ 156,203
Deductions:					
Administrative and general	-	231	17,008	4,000	123,965
Excess (deficiency) of total additions over total deductions	1,000	(231)	13,492	-	32,238
Cash and investment fund balance - beginning	-	231	-	-	44,884
Cash and investments - June 30	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 13,492</u>	<u>\$ -</u>	<u>\$ 77,122</u>

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008

	Corporation Payroll Withholding	Cafeteria Payroll Withholding	Totals
Additions:			
Agency fund additions	\$ 2,324,009	\$ 67,423	\$ 2,391,432
Deductions:			
Agency fund deductions	2,285,661	58,746	2,344,407
Excess of total additions over total deductions	38,348	8,677	47,025
Cash and investment fund balance - beginning	99,877	14,432	114,309
Cash and investment fund balance - ending	\$ 138,225	\$ 23,109	\$ 161,334

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009

	<u>Corporation Payroll Withholding</u>	<u>Cafeteria Payroll Withholding</u>	<u>Totals</u>
Additions:			
Agency fund additions	<u>\$ 2,451,394</u>	<u>\$ 71,220</u>	<u>\$ 2,522,614</u>
Deductions:			
Agency fund deductions	<u>2,448,818</u>	<u>84,923</u>	<u>2,533,741</u>
Excess (deficiency) of total additions over total deductions	2,576	(13,703)	(11,127)
Cash and investment fund balance - beginning	<u>138,225</u>	<u>23,109</u>	<u>161,334</u>
Cash and investment fund balance - ending	<u>\$ 140,801</u>	<u>\$ 9,406</u>	<u>\$ 150,207</u>

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For the Year Ended June 30, 2009

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 329,407
Buildings	35,116,313
Improvements other than buildings	1,306,400
Machinery and equipment	661,749
Transportation equipment	<u>863,224</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 38,277,093</u>

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2009

The School Corporation has entered into the following debt obligations:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
William Tell Elementary School	\$ 17,224,087	\$ 1,704,500
2006 QZAB 1 High School Renovation	1,303,997	109,666
2008 QZAB 2 High School Renovation	1,942,422	160,000
Bonds payable:		
General obligation bonds:		
2004 Pension Bonds	<u>4,440,000</u>	<u>85,000</u>
Total governmental activities long-term debt	<u>\$ 24,910,506</u>	<u>\$ 2,059,166</u>

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

AVERAGE DAILY MEMBERSHIP (ADM) - INCORRECT REPORTING TO THE STATE

The information presented for audit indicates enrollment figures on Form 30A, Report of Average Daily Membership (ADM) for State Support, were incorrect for the school year ending June 30, 2008.

The enrollment count date for FY 2008 was September 14, 2007. The difference between the count reported on the ADM and the verified enrollment rosters resulted in an underreporting as shown below:

<u>School Year</u>	<u>Grade</u>	<u>Count as Reported on Form 30A</u>	<u>Actual Enrollment Figures</u>	<u>Difference</u>
2007-2008	Kindergarten	53	53	0
2007-2008	1 Through 12	1,486	1,495	9

School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment/underpayment applicable to the School Corporation because of incorrect reporting. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

AVERAGE DAILY MEMBERSHIP (ADM) - LACK OF RECORDS

All records were not presented for audit to support the ADM claimed by the School Corporation.

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

Officials should maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM. The building level official (Principal, Assistant Principal, etc.) responsible for reporting ADM to the School Corporation Central Office, should provide a written certification of ADM to properly document responsibility. The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (The School Administrator and Uniform Compliance Guidelines, Volume 123, September 1993, and Volume 142, June 1998)

COLLECTION OF AMOUNTS DUE

We noted \$8,001.36 was due from a teacher because of salary payments that were not in accordance with the master contract for the years 2007-2008, 2008-2009, and 2009-2010. We noted \$489.19 was due from an administrator because of salary payments that were not in accordance with the contract for the years 2007-2008, 2008-2009, and 2009-2010.

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

OVERDRAWN CASH BALANCES

The cash balances of the Debt Service Fund, Transportation School Bus Replacement Fund, Retirement Bond Debt Service Fund, Transportation Operating Fund, Special Education Preschool Fund, Title I 2007-2008 Fund, Vocational and Technical Board Grants Fund, Perkins Grant 2007-2008 Fund, Schergens Foundation Grant Fund, and the DOE Professional Development 2005-2006 Fund, were overdrawn at June 30, 2008. The cash balances of the General Fund, Debt Service Fund, Retirement Bond Debt Service Fund, Transportation Operating Fund, Special Education Preschool Fund, INDOT Safe Routes to School Fund, Tobacco Prevention/Cessation Fund 2008-2009 Fund, Project Lead the Way 2008-2009 Fund, DOE Professional Development Fund 2005-2006, and Professional Development 2007-2008 Part I Fund were overdrawn at June 30, 2009. A similar comment was in several prior reports.

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

CONDITION OF RECORDS (Tell City Junior High School)

Financial records presented for audit were incomplete and not reflective of the activity of the Extra-Curricular Account. The records presented did not provide sufficient information to audit or establish beginning balances, receipts, disbursements, ending balances, or the accuracy or correctness of the transactions.

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

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

BANK ACCOUNT RECONCILIATIONS (Tell City Junior High School)

Depository reconciliations of the fund balances to the bank account balances were not presented for audit or were incorrect.

IC 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

DEPOSITS (Tell City Junior High School)

Receipts in some instances were deposited later than the next business day. Ninety-one days elapsed in one instance before the deposit was made.

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

EXTRA-CURRICULAR DISBURSEMENTS (Tell City Junior High School)

The following items were noted from the information presented for audit:

- (1) Some disbursements lacked proper documentation.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

- (2) Some faculty and staff, working as gate workers, officials, custodians, kitchen help, etc., were paid directly from the extra-curricular funds, without going through the payroll process.

Pay of teachers and other personnel for service at interscholastic athletic events such as ticket takers, scoreboard personnel, etc., are expenses of the Athletic Fund of the Extra-Curricular Account. Pay of concession stand supervisors and of ticket takers, etc., for fine arts events should be paid from the proceeds of the activity sponsoring these events. Payment to all such personnel must be by way of a payroll. If an extra-curricular payroll is not maintained, the payments may be made a part of the corporation payroll and charged to a school corporation General Fund appropriation; however, the General Fund must be reimbursed for such payment by the activity which the employees served. (The School Administrator and Uniform Compliance Guidelines, Volume 130, Page 5) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

- (3) Cash was distributed by the sponsor to the students without documentation; reimbursement was then requested of the Treasurer.

Disbursements, other than proper petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

PAYMENT TO EMPLOYEES FROM EXTRA-CURRICULAR ACTIVITY FUNDS
(Applies to William Tell Elementary School and Tell City High School)

Payments to School Corporation employees working at Extra-Curricular activity events were made through the Athletic Fund rather than through a payroll system.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Pay of teachers and other personnel for service at interscholastic athletic events such as ticket takers, scoreboard personnel, etc., are expenses of the Athletic Fund of the Extra-Curricular Account. Pay of concession stand supervisors and of ticket takers, etc., for fine arts events should be paid from the proceeds of the activity sponsoring these events. Payment to all such personnel must be by way of a payroll. If an extra-curricular payroll is not maintained, the payments may be made a part of the corporation payroll and charged to a school corporation General Fund appropriation; however, the General Fund must be reimbursed for such payment by the activity which the employees served. (The School Administrator and Uniform Compliance Guidelines, Volume 130) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

OPTICAL IMAGES OF CHECKS (Tell City Junior High School)

The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned an optical image of only the front side of the checks.

IC 5-15-6-3(a) concerning optical imaging of checks states in part:

". . . 'original records' includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . ."

Furthermore, IC 26-2-8-111 states in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and
- (2) remains accessible for later reference."

"(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

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

Compliance

We have audited the compliance of the Tell City-Troy Township School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2008 and 2009. 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, 2008 and 2009.

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

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)

on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

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

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

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

STATE BOARD OF ACCOUNTS

February 2, 2010

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2008 and 2009

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 06-30-08	Total Federal Awards Expended 06-30-09
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	FY 07-08	\$ 68,910	\$ -
		FY 08-09	-	86,275
National School Lunch Program	10.555	FY 07-08	256,217	-
		FY 08-09	-	327,096
Total for federal grantor agency			<u>325,127</u>	<u>413,371</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Title 1, Part A Cluster				
Title 1 Grants to Local Educational Agencies				
FY 06-07	84.010	07-6350	24,241	23,130
FY 07-08		08-6350	254,158	21,398
FY 08-09		09-6350	-	237,783
Total for program and cluster			<u>278,399</u>	<u>282,311</u>
State Fiscal Stabilization Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF)				
- Education State Grants, Recovery Act	84.394	FY 08-09	-	88,251
Pass-Through Indiana State University				
Special Education - Grants to States				
FY 08-09	84.027		-	4,935
Pass-Through Indiana Department of Workforce Development				
Career and Technical Education - Basic Grants to States				
FY 06-07	84.048	07-4700-6350	7,891	-
FY 07-08		08-4700-6350	32,154	4,141
FY 08-09		09-4700-6350	-	28,872
Total for program			<u>40,045</u>	<u>33,013</u>
Pass-Through Indiana Department of Education				
Safe and Drug Free Schools and Communities - State Grants				
FY 05-06	84.186	05-067	2,225	-
FY 06-07		06-6350	3,896	2,090
FY 07-08		07-6350	-	5,696
FY 08-09		08-6350	-	17
Total for program			<u>6,121</u>	<u>7,803</u>
Pass-Through Indiana Department of Workforce Development				
Tech-Prep Education				
FY 07-08	84.243	CPS-6-504	35,868	4,132
FY 08-09		C1-9-PLTW-8-698	-	13,696
Total for program			<u>35,868</u>	<u>17,828</u>
Pass-Through Indiana Department of Education				
State Grants for Innovative Programs				
FY 04-05	84.298	04-255	2,331	-
FY 05-06		05-059	787	-
FY 06-07		06-6350	14,929	1,162
FY 07-08		07-6350	-	15,586
FY 08-09		08-6350	-	6,579
Total for program			<u>18,047</u>	<u>23,327</u>
Education Technology State Grants				
FY 05-06	84.318	06-6350	1,388	-
FY 06-07		07-6350	33,217	15,092
Total for program			<u>34,605</u>	<u>15,092</u>
Improving Teacher Quality State Grants				
FY 05-06	84.367	05-081	14,185	121
FY 06-07		07-6350	29,873	12,447
FY 07-08		08-6350	32,855	25,878
FY 08-09		09-6350	-	23,750
Total for program			<u>76,913</u>	<u>62,196</u>
Total for federal grantor agency			<u>489,998</u>	<u>534,756</u>
Total federal awards expended			<u>\$ 815,125</u>	<u>\$ 948,127</u>

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Tell City-Troy Township School Corporation (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2008 and 2009. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	2008	2009
Child Nutrition Cluster	\$ 29,846	\$ 44,600

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
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:

Name of Federal Program or Cluster

Title I, Part A Cluster
State Fiscal Stabilization Cluster

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

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

No matters are reportable.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 2, 2010, with Ronald B. Etienne, Superintendent of Schools; Debra A. Elder, Treasurer; Margaret E. Bolin, former Treasurer; and Larry J. Bryant, President of the School Board. The officials concurred with our audit findings.