

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

AUDIT REPORT

OF

TRITON SCHOOL CORPORATION

MARSHALL COUNTY, INDIANA

July 1, 2008 to June 30, 2010



**FILED**  
12/30/2010



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Janet Barker	07-01-08 to 06-30-11
Superintendent of Schools	Carl Hilling	07-01-08 to 06-30-11
President of the School Board	Kris Glinge Richard Trowbridge	01-01-08 to 12-31-08 01-01-09 to 12-31-10



**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 TRITON SCHOOL CORPORATION, MARSHALL COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Triton School Corporation (School Corporation), as of and for the years ended June 30, 2009 and 2010, 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, 2009 and 2010, 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 November 15, 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 integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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 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 School Corporation has not presented Management's Discussion and Analysis, Schedule of Funding Progress, Schedule of Contributions From the Employer and Other Contributing Entities, 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

November 15, 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 TRITON SCHOOL CORPORATION, MARSHALL COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Triton School Corporation (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated November 15, 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, the 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

November 15, 2010

TRITON 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>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 4,470,528	\$ -	\$ 89,549	\$ (4,380,979)
Support services	3,120,595	470,152	37,123	(2,613,320)
Noninstructional services	616,602	-	-	(616,602)
Facilities acquisition and construction	267,738	-	-	(267,738)
Debt service	2,588,214	-	-	(2,588,214)
Nonprogrammed charges	657,834	-	-	(657,834)
<b>Total governmental activities</b>	<b><u>\$ 11,721,511</u></b>	<b><u>\$ 470,152</u></b>	<b><u>\$ 126,672</u></b>	<b><u>(11,124,687)</u></b>
General receipts:				
Property taxes				3,666,831
Other local sources				626,948
State aid				4,769,313
Bonds and loans				1,475,408
Grants and contributions not restricted to specific programs				1,065,139
Investment earnings				23,310
Other				7,554
<b>Total general receipts</b>				<b><u>11,634,503</u></b>
Change in net assets				509,816
Net assets - beginning				<u>1,098,652</u>
Net assets - ending				<b><u>\$ 1,608,468</u></b>
<u>Assets</u>				
Cash and investments				\$ 1,598,642
Restricted assets:				
Cash and investments				<u>9,826</u>
<b>Total assets</b>				<b><u>\$ 1,608,468</u></b>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 9,826
Unrestricted				<u>1,598,642</u>
<b>Total net assets</b>				<b><u>\$ 1,608,468</u></b>

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

TRITON SCHOOL CORPORATION  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2010

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		Charges for Services	Operating Grants and Contributions	<u>Totals</u>
Governmental activities:				
Instruction	\$ 4,530,622	\$ -	\$ 127,468	\$ (4,403,154)
Support services	3,101,611	495,726	39,037	(2,566,848)
Noninstructional services	698,604	-	-	(698,604)
Facilities acquisition and construction	169,807	-	-	(169,807)
Debt service	1,051,346	-	-	(1,051,346)
Nonprogrammed charges	544,476	-	-	(544,476)
<b>Total governmental activities</b>	<b>\$ 10,096,466</b>	<b>\$ 495,726</b>	<b>\$ 166,505</b>	<b>(9,434,235)</b>
General receipts:				
Property taxes				2,226,336
Other local sources				463,815
State aid				6,105,630
Grants and contributions not restricted to specific programs				738,644
Sale of property				3,250
Investment earnings				5,000
<b>Total general receipts</b>				<b>9,542,675</b>
Change in net assets				108,440
Net assets - beginning				1,608,468
Net assets - ending				<b>\$ 1,716,908</b>
 <u>Assets</u>				
Cash and investments				\$ 1,580,916
Restricted assets:				
Cash and investments				135,992
<b>Total assets</b>				<b>\$ 1,716,908</b>
 <u>Net Assets</u>				
Restricted for:				
Debt service				\$ 135,992
Unrestricted				1,580,916
<b>Total net assets</b>				<b>\$ 1,716,908</b>

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

TRITON 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	Transportation Operating	School Lunch	Fiscal Stabilization- ARRA	Capital Projects	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 2,167,387	\$ 577,347	\$ 422,000	\$ -	\$ 1,035,758	\$ 584,472	\$ 4,786,964
Intermediate sources	277	-	-	-	-	-	277
State sources	4,821,608	12,120	-	-	-	125,513	4,959,241
Federal sources	4,098	-	-	539,958	-	457,827	1,001,883
Temporary loans	461,126	330,924	-	-	486,414	196,944	1,475,408
Other	-	-	-	-	-	7,554	7,554
<b>Total receipts</b>	<b>7,454,496</b>	<b>920,391</b>	<b>422,000</b>	<b>539,958</b>	<b>1,522,172</b>	<b>1,372,310</b>	<b>12,231,327</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	3,987,265	-	-	-	-	483,263	4,470,528
Support services	1,923,536	489,060	-	-	479,080	228,919	3,120,595
Noninstructional services	162,004	-	449,406	-	-	5,192	616,602
Facilities acquisition and construction	-	-	-	-	264,665	3,073	267,738
Debt services	1,211,008	268,087	-	-	550,306	558,813	2,588,214
Nonprogrammed charges	657,834	-	-	-	-	-	657,834
<b>Total disbursements</b>	<b>7,941,647</b>	<b>757,147</b>	<b>449,406</b>	<b>-</b>	<b>1,294,051</b>	<b>1,279,260</b>	<b>11,721,511</b>
Excess (deficiency) of receipts over disbursements	(487,151)	163,244	(27,406)	539,958	228,121	93,050	509,816
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	15,984	15,984
Transfers out	-	-	-	-	-	(15,984)	(15,984)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(487,151)	163,244	(27,406)	539,958	228,121	93,050	509,816
Cash and investments - beginning	523,088	(42,476)	286,438	-	128,063	203,539	1,098,652
Cash and investments - ending	\$ 35,937	\$ 120,768	\$ 259,032	\$ 539,958	\$ 356,184	\$ 296,589	\$ 1,608,468
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 35,937	\$ 120,768	\$ 259,032	\$ 539,958	\$ 356,184	\$ 286,763	\$ 1,598,642
Restricted assets:							
Cash and investments	-	-	-	-	-	9,826	9,826
<b>Total cash and investment assets - ending</b>	<b>\$ 35,937</b>	<b>\$ 120,768</b>	<b>\$ 259,032</b>	<b>\$ 539,958</b>	<b>\$ 356,184</b>	<b>\$ 296,589</b>	<b>\$ 1,608,468</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,826	\$ 9,826
Unrestricted	35,937	120,768	259,032	539,958	356,184	286,763	1,598,642
<b>Total cash and investment fund balance - ending</b>	<b>\$ 35,937</b>	<b>\$ 120,768</b>	<b>\$ 259,032</b>	<b>\$ 539,958</b>	<b>\$ 356,184</b>	<b>\$ 296,589</b>	<b>\$ 1,608,468</b>

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

TRITON 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, 2010

	General	Transportation Operating	School Lunch	Fiscal Stabilization- ARRA	Capital Projects	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 93,933	\$ 730,166	\$ 471,673	\$ -	\$ 1,146,220	\$ 748,237	\$ 3,190,229
Intermediate sources	648	-	-	-	-	-	648
State sources	6,198,811	3,534	-	-	-	192,056	6,394,401
Federal sources	-	-	-	216,890	-	399,488	616,378
<b>Total receipts</b>	<b>6,293,392</b>	<b>733,700</b>	<b>471,673</b>	<b>216,890</b>	<b>1,146,220</b>	<b>1,339,781</b>	<b>10,201,656</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	3,497,747	-	-	574,967	-	457,908	4,530,622
Support services	1,649,077	471,384	-	145,776	425,363	410,011	3,101,611
Noninstructional services	131,000	-	528,069	36,101	-	3,434	698,604
Facilities acquisition and construction	-	-	-	-	159,284	10,523	169,807
Debt services	211,571	135,951	-	-	283,177	420,647	1,051,346
Nonprogrammed charges	544,476	-	-	-	-	-	544,476
<b>Total disbursements</b>	<b>6,033,871</b>	<b>607,335</b>	<b>528,069</b>	<b>756,844</b>	<b>867,824</b>	<b>1,302,523</b>	<b>10,096,466</b>
Excess (deficiency) of receipts over disbursements	259,521	126,365	(56,396)	(539,954)	278,396	37,258	105,190
<b>Other financing sources (uses):</b>							
Sale of capital assets	-	-	-	-	-	3,250	3,250
Transfers in	8,275	-	-	-	-	50,000	58,275
Transfers out	(50,000)	-	-	-	-	(8,275)	(58,275)
<b>Total other financing sources (uses)</b>	<b>(41,725)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,975</b>	<b>3,250</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	217,796	126,365	(56,396)	(539,954)	278,396	82,233	108,440
Cash and investments - beginning	35,937	120,768	259,032	539,958	356,184	296,589	1,608,468
Cash and investments - ending	<u>\$ 253,733</u>	<u>\$ 247,133</u>	<u>\$ 202,636</u>	<u>\$ 4</u>	<u>\$ 634,580</u>	<u>\$ 378,822</u>	<u>\$ 1,716,908</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 253,733	\$ 247,133	\$ 202,636	\$ 4	\$ 634,580	\$ 242,830	\$ 1,580,916
Restricted assets:							
Cash and investments	-	-	-	-	-	135,992	135,992
<b>Total cash and investment assets - ending</b>	<u>\$ 253,733</u>	<u>\$ 247,133</u>	<u>\$ 202,636</u>	<u>\$ 4</u>	<u>\$ 634,580</u>	<u>\$ 378,822</u>	<u>\$ 1,716,908</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,992	\$ 135,992
Unrestricted	253,733	247,133	202,636	4	634,580	242,830	1,580,916
<b>Total cash and investment fund balance - ending</b>	<u>\$ 253,733</u>	<u>\$ 247,133</u>	<u>\$ 202,636</u>	<u>\$ 4</u>	<u>\$ 634,580</u>	<u>\$ 378,822</u>	<u>\$ 1,716,908</u>

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

TRITON SCHOOL CORPORATION  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2009

	Pension Trust Fund	Agency Fund
	Retirement/ Severance Bond	
Additions:	\$ -	
Deductions:		
Benefits	9,017	
Deficiency of total additions over total deductions	(9,017)	
Cash and investment fund balance - beginning	19,135	
Cash and investment fund balance - ending	\$ 10,118	\$ 186,813
Net assets:		
Cash and investments	\$ 10,118	
Total net assets - cash and investment basis held in trust	\$ 10,118	

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

TRITON SCHOOL CORPORATION  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2010

	<u>Pension Trust Fund</u>	<u>Private-Purpose Trust Fund</u>	<u>Agency Fund</u>
	<u>Retirement/ Severance Bond</u>	<u>Marshall County Community Foundation</u>	
Additions:			
Other contributions	\$ -	\$ 1,350	
Deductions:			
Benefits	4,600	-	
Administrative and general	<u>-</u>	<u>1,057</u>	
Total deductions	<u>4,600</u>	<u>1,057</u>	
Excess (deficiency) of total additions over total deductions	(4,600)	293	
Cash and investment fund balance - beginning	<u>10,118</u>	<u>-</u>	
Cash and investment fund balance - ending	<u>\$ 5,518</u>	<u>\$ 293</u>	<u>\$ 187,415</u>
Net assets:			
Cash and investments	<u>\$ 5,518</u>	<u>\$ 293</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 5,518</u>	<u>\$ 293</u>	

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

TRITON 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: Triton School Corporation

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

Joint Venture

The School Corporation is a participant in a joint venture to operate North Central Area Vocational Cooperative which was created to provide programs and services for vocational education. The North Central Area Vocational Cooperative's continued existence depends on continued funding by the School Corporation. Complete financial statements for the North Central Area Vocational Cooperative can be obtained from the administrative office of Culver Community Schools at 222 N. Ohio Street, Culver, IN 46511.

The School Corporation is a participant in a joint venture to operate Joint Educational Services in Special Education (JESSE) which was created to provide programs and services for the handicapped. JESSE's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Joint Educational Services in Special Education (JESSE) can be obtained from the administrative office of JESSE at 324 N. Kingston Road, Plymouth, IN 46563.

The School Corporation is a participant in a joint venture to operate Northern Indiana Educational Services Center (NIESC) which was created to provide educational services for the school corporations. NIESC's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Northern Indiana Educational Services Center (NIESC) can be obtained from the administrative office of Mishawaka Community Schools at 56535 Magnetic Drive, Mishawaka, IN 46545.

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.

TRITON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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. The School Corporation has no business-type activities.

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 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 Transportation Operating Fund accounts for financial resources for the transportation of school children to and from school.

The School Lunch Fund accounts for financial resources for providing meals to students.

Fiscal Stabilization-ARRA 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 Capital Projects Fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

Additionally, the School Corporation reports the following fund types:

The pension trust fund accounts for receipts and disbursements concerning retirements/severance benefits as authorized by statute.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit reading education programs for elementary level students.

The agency fund accounts for assets held by the School Corporation as an agent for employees and serve as control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

C. Measurement Focus and Basis of Accounting

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

TRITON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

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. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. 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.

3. Property Taxes

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

4. 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.

TRITON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

5. Long-Term Debt

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

6. Equity Classification

Government-Wide Statements

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

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

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

F. Internal and Interfund 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 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.

TRITON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

Budgetary Information

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

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. Prior to November 1, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

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

III. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 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 School Corporation's deposit policy for custodial credit risk requires compliance with the provisions of Indiana statutes. At June 30, 2010, the School Corporation had deposit balances in the amount of \$1,937,578.

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.

TRITON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

B. Interfund Transfers

Interfund transfers for the years ended December 31, 2009 and 2010, were as follows:

Transfer From	Transfer To	2009	2010
General Fund	Other governmental funds	\$ -	\$ 50,000
Other governmental funds	General Fund	-	8,275
Other governmental funds	Other governmental funds	15,984	-
Totals		<u>\$ 15,984</u>	<u>\$ 58,275</u>

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

C. 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, 2009 and June 30, 2010, was as follows:

	Principal Outstanding Beginning Balance July 1, 2008	New Loan Amount	Loan Repayment Amount	Principal Outstanding Ending Balance June 30, 2009
General Fund	\$ 961,453	\$ 461,126	\$ 1,211,008	\$ 211,571
Debt Service	87,655	-	87,655	-
Pension Debt Service	49,938	106,518	111,204	45,252
Capital Projects	347,069	486,414	550,306	283,177
Transportation Operating	73,114	330,924	268,087	135,951
School Bus Replacement	49,188	90,426	49,188	90,426
Total Tax Anticipation Warrants	<u>\$ 1,568,417</u>	<u>\$ 1,475,408</u>	<u>\$ 2,277,448</u>	<u>\$ 766,377</u>
	Principal Outstanding Beginning Balance July 1, 2009	New Loan Amount	Loan Repayment Amount	Principal Outstanding Ending Balance June 30, 2010
General Fund	\$ 211,571	\$ -	\$ 211,571	\$ -
Debt Service	-	-	-	-
Pension Debt Service	45,252	-	45,252	-
Capital Projects	283,177	-	283,177	-
Transportation Operating	135,951	-	135,951	-
School Bus Replacement	90,426	-	90,426	-
Total Tax Anticipation Warrants	<u>\$ 766,377</u>	<u>\$ -</u>	<u>\$ 766,377</u>	<u>\$ -</u>

TRITON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

IV. Other Information

A. Risk Management

The School Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; 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 risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

During 1991, the School Corporation joined with other governmental entities in the Midwest Area School Employees Insurance Trust, a public entity risk pool currently operating as a common risk management and insurance program for 15 member governmental entities. This risk pool was formed in 1986. The purpose of the risk pool is to provide a medium for the funding and administration of group health insurance for member employees, retirees, and dependents. The School Corporation pays an annual premium to the risk pool for its group health insurance for member employees, retirees, and dependents coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$150,000 per insured event.

B. Subsequent Events

In August 2010, approval was granted through the Indiana Department of Education for Qualified School Construction bonds. The bond amount is \$1,951,537, and will be issued in January 2011. Bond monies are to be used for updating the school corporation heating and cooling systems.

C. 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.

TRITON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the period were \$204,110.

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

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

TRITON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

The School Corporation's contributions to the plan during the period were \$243,582.

TRITON 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

	Special Education Preschool	Rainy Day	Textbook Rental	SAFE School Haven	Instructional Support	Non-English Speaking Program	School Technology
<b>Receipts:</b>							
Local sources	\$ 5,936	\$ -	\$ 54,482	\$ -	\$ -	\$ -	\$ -
State sources	11,305	-	37,123	-	29,909	7,345	6,282
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	7,554
<b>Total receipts</b>	<b>17,241</b>	<b>-</b>	<b>91,605</b>	<b>-</b>	<b>29,909</b>	<b>7,345</b>	<b>13,836</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	25,267	-	-	-	34,335	-	-
Support services	-	19,200	112,775	-	-	6,804	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	7	-	-	3,066
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>25,267</b>	<b>19,200</b>	<b>112,775</b>	<b>7</b>	<b>34,335</b>	<b>6,804</b>	<b>3,066</b>
Excess (deficiency) of receipts over disbursements	(8,026)	(19,200)	(21,170)	(7)	(4,426)	541	10,770
<b>Other financing sources (uses):</b>							
Transfers in	-	-	10,984	-	-	-	-
Transfers out	-	(5,000)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(5,000)</b>	<b>10,984</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(8,026)	(24,200)	(10,186)	(7)	(4,426)	541	10,770
Cash and investments - beginning	18,881	61,200	32,450	7	24,414	6,488	-
<b>Cash and investments - ending</b>	<b>\$ 10,855</b>	<b>\$ 37,000</b>	<b>\$ 22,264</b>	<b>\$ -</b>	<b>\$ 19,988</b>	<b>\$ 7,029</b>	<b>\$ 10,770</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 10,855	\$ 37,000	\$ 22,264	\$ -	\$ 19,988	\$ 7,029	\$ 10,770
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 10,855</b>	<b>\$ 37,000</b>	<b>\$ 22,264</b>	<b>\$ -</b>	<b>\$ 19,988</b>	<b>\$ 7,029</b>	<b>\$ 10,770</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	10,855	37,000	22,264	-	19,988	7,029	10,770
<b>Total cash and investment fund balance - ending</b>	<b>\$ 10,855</b>	<b>\$ 37,000</b>	<b>\$ 22,264</b>	<b>\$ -</b>	<b>\$ 19,988</b>	<b>\$ 7,029</b>	<b>\$ 10,770</b>

TRITON 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)

	Technology Grants	Access Indiana	Miscellaneous Programs	Laptop Grant	Title I 07-08	Title I 08/09
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 14,820	\$ -	\$ -	\$ -
State sources	-	-	-	30,030	-	-
Federal sources	-	-	-	-	8,500	114,928
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>14,820</b>	<b>30,030</b>	<b>8,500</b>	<b>114,928</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	62,349	-	-	-	4,995	102,354
Support services	-	2,500	16,195	29,653	5,570	2,061
Noninstructional services	-	-	-	-	-	5,192
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>62,349</b>	<b>2,500</b>	<b>16,195</b>	<b>29,653</b>	<b>10,565</b>	<b>109,607</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(62,349)</b>	<b>(2,500)</b>	<b>(1,375)</b>	<b>377</b>	<b>(2,065)</b>	<b>5,321</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(62,349)</b>	<b>(2,500)</b>	<b>(1,375)</b>	<b>377</b>	<b>(2,065)</b>	<b>5,321</b>
<b>Cash and investments - beginning</b>	<b>62,349</b>	<b>2,500</b>	<b>20,649</b>	<b>-</b>	<b>4,123</b>	<b>-</b>
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,274</b>	<b>\$ 377</b>	<b>\$ 2,058</b>	<b>\$ 5,321</b>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ -	\$ 19,274	\$ 377	\$ 2,058	\$ 5,321
<b>Restricted assets:</b>						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,274</b>	<b>\$ 377</b>	<b>\$ 2,058</b>	<b>\$ 5,321</b>
<b>Cash and Investment Fund Balance - Ending</b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	19,274	377	2,058	5,321
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,274</b>	<b>\$ 377</b>	<b>\$ 2,058</b>	<b>\$ 5,321</b>

TRITON 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)

	School Improvement	Innovative Education	Drug Free Schools 08/09	Drug Free Schools 07/08	Drug Free Schools	Improving Teacher Quality
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	3,519	-
Federal sources	6,878	2,378	2,412	-	-	92,234
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>6,878</b>	<b>2,378</b>	<b>2,412</b>	<b>-</b>	<b>3,519</b>	<b>92,234</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	3,383	-	2,112	1,943	22,654
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>3,383</b>	<b>-</b>	<b>2,112</b>	<b>1,943</b>	<b>22,654</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>6,878</b>	<b>(1,005)</b>	<b>2,412</b>	<b>(2,112)</b>	<b>1,576</b>	<b>69,580</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>6,878</b>	<b>(1,005)</b>	<b>2,412</b>	<b>(2,112)</b>	<b>1,576</b>	<b>69,580</b>
Cash and investments - beginning	3,201	1,648	-	2,112	-	-
<b>Cash and investments - ending</b>	<b>\$ 10,079</b>	<b>\$ 643</b>	<b>\$ 2,412</b>	<b>\$ -</b>	<b>\$ 1,576</b>	<b>\$ 69,580</b>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 10,079	\$ 643	\$ 2,412	\$ -	\$ 1,576	\$ 69,580
<b>Restricted assets:</b>						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 10,079</b>	<b>\$ 643</b>	<b>\$ 2,412</b>	<b>\$ -</b>	<b>\$ 1,576</b>	<b>\$ 69,580</b>
<b>Cash and Investment Fund Balance - Ending</b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	10,079	643	2,412	-	1,576	69,580
<b>Total cash and investment fund balance - ending</b>	<b>\$ 10,079</b>	<b>\$ 643</b>	<b>\$ 2,412</b>	<b>\$ -</b>	<b>\$ 1,576</b>	<b>\$ 69,580</b>

TRITON 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)

	Limited English Proficient	Reading First Grant	Debt Service	Pension Debt Service	School Bus Replacement	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 203,692	\$ 161,090	\$ 144,452	\$ 584,472
State sources	-	-	-	-	-	125,513
Federal sources	6,000	224,497	-	-	-	457,827
Temporary loans	-	-	-	106,518	90,426	196,944
Other	-	-	-	-	-	7,554
<b>Total receipts</b>	<b>6,000</b>	<b>224,497</b>	<b>203,692</b>	<b>267,608</b>	<b>234,878</b>	<b>1,372,310</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	223,871	-	-	-	483,263
Support services	1,351	32,810	-	-	-	228,919
Noninstructional services	-	-	-	-	-	5,192
Facilities acquisition and construction	-	-	-	-	-	3,073
Debt services	-	-	212,405	297,220	49,188	558,813
<b>Total disbursements</b>	<b>1,351</b>	<b>256,681</b>	<b>212,405</b>	<b>297,220</b>	<b>49,188</b>	<b>1,279,260</b>
Excess (deficiency) of receipts over disbursements	4,649	(32,184)	(8,713)	(29,612)	185,690	93,050
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	5,000	15,984
Transfers out	-	-	(10,984)	-	-	(15,984)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(10,984)</b>	<b>-</b>	<b>5,000</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,649	(32,184)	(19,697)	(29,612)	190,690	93,050
Cash and investments - beginning	229	4,322	29,523	11,835	(82,392)	203,539
<b>Cash and investments - ending</b>	<b>\$ 4,878</b>	<b>\$ (27,862)</b>	<b>\$ 9,826</b>	<b>\$ (17,777)</b>	<b>\$ 108,298</b>	<b>\$ 296,589</b>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 4,878	\$ (27,862)	\$ -	\$ (17,777)	\$ 108,298	\$ 286,763
<b>Restricted assets:</b>						
Cash and investments	-	-	9,826	-	-	9,826
<b>Total cash and investment assets - ending</b>	<b>\$ 4,878</b>	<b>\$ (27,862)</b>	<b>\$ 9,826</b>	<b>\$ (17,777)</b>	<b>\$ 108,298</b>	<b>\$ 296,589</b>
<b>Cash and Investment Fund Balance - Ending</b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ -	\$ 9,826	\$ -	\$ -	\$ 9,826
Unrestricted	4,878	(27,862)	-	(17,777)	108,298	286,763
<b>Total cash and investment fund balance - ending</b>	<b>\$ 4,878</b>	<b>\$ (27,862)</b>	<b>\$ 9,826</b>	<b>\$ (17,777)</b>	<b>\$ 108,298</b>	<b>\$ 296,589</b>

TRITON 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, 2010

	Special Education Preschool	Rainy Day	Textbook Rental	Levy Excess	School Library Grant	Instructional Support	Education Technology
Receipts:							
Local sources	\$ -	\$ -	\$ 54,173	\$ 2,714	\$ -	\$ -	\$ -
State sources	4,125	-	38,276	-	1,000	29,683	104,186
Federal sources	-	-	-	-	-	-	-
Total receipts	<u>4,125</u>	<u>-</u>	<u>92,449</u>	<u>2,714</u>	<u>1,000</u>	<u>29,683</u>	<u>104,186</u>
Disbursements:							
Current:							
Instruction	6,705	-	-	-	-	33,967	-
Support services	-	-	91,948	-	1,000	-	98,553
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	<u>6,705</u>	<u>-</u>	<u>91,948</u>	<u>-</u>	<u>1,000</u>	<u>33,967</u>	<u>98,553</u>
Excess (deficiency) of receipts over disbursements	<u>(2,580)</u>	<u>-</u>	<u>501</u>	<u>2,714</u>	<u>-</u>	<u>(4,284)</u>	<u>5,633</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	50,000	-	-	-	-	-
Transfers out	<u>(8,275)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(8,275)</u>	<u>50,000</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>(10,855)</u>	<u>50,000</u>	<u>501</u>	<u>2,714</u>	<u>-</u>	<u>(4,284)</u>	<u>5,633</u>
Cash and investments - beginning	<u>10,855</u>	<u>37,000</u>	<u>22,264</u>	<u>-</u>	<u>-</u>	<u>19,988</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 87,000</u>	<u>\$ 22,765</u>	<u>\$ 2,714</u>	<u>\$ -</u>	<u>\$ 15,704</u>	<u>\$ 5,633</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ -	\$ 87,000	\$ 22,765	\$ 2,714	\$ -	\$ 15,704	\$ 5,633
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 87,000</u>	<u>\$ 22,765</u>	<u>\$ 2,714</u>	<u>\$ -</u>	<u>\$ 15,704</u>	<u>\$ 5,633</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	87,000	22,765	2,714	-	15,704	5,633
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 87,000</u>	<u>\$ 22,765</u>	<u>\$ 2,714</u>	<u>\$ -</u>	<u>\$ 15,704</u>	<u>\$ 5,633</u>

TRITON 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, 2010  
 (Continued)

	Non-English Speaking Program	School Technology	Miscellaneous Programs	Laptop Grant	Title I 07/08	Title I 08/09	Title I 09/10
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ 15,700	\$ -	\$ -	\$ -	\$ -
State sources	5,365	9,421	-	-	-	-	-
Federal sources	-	-	-	-	-	11,772	118,089
<b>Total receipts</b>	<b>5,365</b>	<b>9,421</b>	<b>15,700</b>	<b>-</b>	<b>-</b>	<b>11,772</b>	<b>118,089</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	7,625	-	-	-	-	15,533	107,641
Support services	1,225	-	34,974	377	-	2,130	604
Noninstructional services	-	-	-	-	-	16	3,418
Facilities acquisition and construction	-	10,523	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>8,850</b>	<b>10,523</b>	<b>34,974</b>	<b>377</b>	<b>-</b>	<b>17,679</b>	<b>111,663</b>
Excess (deficiency) of receipts over disbursements	(3,485)	(1,102)	(19,274)	(377)	-	(5,907)	6,426
<b>Other financing sources (uses):</b>							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,485)	(1,102)	(19,274)	(377)	-	(5,907)	6,426
Cash and investments - beginning	7,029	10,770	19,274	377	2,058	5,321	-
<b>Cash and investments - ending</b>	<b>\$ 3,544</b>	<b>\$ 9,668</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,058</b>	<b>\$ (586)</b>	<b>\$ 6,426</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 3,544	\$ 9,668	\$ -	\$ -	\$ 2,058	\$ (586)	\$ 6,426
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 3,544</b>	<b>\$ 9,668</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,058</b>	<b>\$ (586)</b>	<b>\$ 6,426</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	3,544	9,668	-	-	2,058	(586)	6,426
<b>Total cash and investment fund balance - ending</b>	<b>\$ 3,544</b>	<b>\$ 9,668</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,058</b>	<b>\$ (586)</b>	<b>\$ 6,426</b>

TRITON 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, 2010  
 (Continued)

	School Improvement	Innovative Education	Drug Free Schools 08/09	Drug Free Schools 09/10	Drug Free Schools	Improving Teacher Quality	Limited English Proficient
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	3,408	-	-	6,370
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,408</b>	<b>-</b>	<b>-</b>	<b>6,370</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	643	1,347	-	1,576	39,415	2,791
Support services	10,079	-	-	-	-	-	4,919
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>10,079</b>	<b>643</b>	<b>1,347</b>	<b>-</b>	<b>1,576</b>	<b>39,415</b>	<b>7,710</b>
Excess (deficiency) of receipts over disbursements	(10,079)	(643)	(1,347)	3,408	(1,576)	(39,415)	(1,340)
<b>Other financing sources (uses):</b>							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,079)	(643)	(1,347)	3,408	(1,576)	(39,415)	(1,340)
Cash and investments - beginning	10,079	643	2,412	-	1,576	69,580	4,878
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,065</b>	<b>\$ 3,408</b>	<b>\$ -</b>	<b>\$ 30,165</b>	<b>\$ 3,538</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ -	\$ -	\$ 1,065	\$ 3,408	\$ -	\$ 30,165	\$ 3,538
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,065</b>	<b>\$ 3,408</b>	<b>\$ -</b>	<b>\$ 30,165</b>	<b>\$ 3,538</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	1,065	3,408	-	30,165	3,538
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,065</b>	<b>\$ 3,408</b>	<b>\$ -</b>	<b>\$ 30,165</b>	<b>\$ 3,538</b>

TRITON 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, 2010  
 (Continued)

	Reading First Grant	Title I Grants- ARRA	Debt Service	Pension Debt Service	School Bus Replacement	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 196,481	\$ 277,683	\$ 201,486	\$ 748,237
State sources	-	-	-	-	-	192,056
Federal sources	214,255	45,594	-	-	-	399,488
<b>Total receipts</b>	<b>214,255</b>	<b>45,594</b>	<b>196,481</b>	<b>277,683</b>	<b>201,486</b>	<b>1,339,781</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	181,735	58,930	-	-	-	457,908
Support services	20,173	-	-	-	144,029	410,011
Noninstructional services	-	-	-	-	-	3,434
Facilities acquisition and construction	-	-	-	-	-	10,523
Debt services	-	-	95,201	235,020	90,426	420,647
<b>Total disbursements</b>	<b>201,908</b>	<b>58,930</b>	<b>95,201</b>	<b>235,020</b>	<b>234,455</b>	<b>1,302,523</b>
Excess (deficiency) of receipts over disbursements	12,347	(13,336)	101,280	42,663	(32,969)	37,258
<b>Other financing sources (uses):</b>						
Sale of capital assets	-	-	-	-	3,250	3,250
Transfers in	-	-	-	-	-	50,000
Transfers out	-	-	-	-	-	(8,275)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,250</b>	<b>44,975</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12,347	(13,336)	101,280	42,663	(29,719)	82,233
Cash and investments - beginning	(27,862)	-	9,826	(17,777)	108,298	296,589
<b>Cash and investments - ending</b>	<b>\$ (15,515)</b>	<b>\$ (13,336)</b>	<b>\$ 111,106</b>	<b>\$ 24,886</b>	<b>\$ 78,579</b>	<b>\$ 378,822</b>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ (15,515)	\$ (13,336)	\$ -	\$ -	\$ 78,579	\$ 242,830
Restricted assets:						
Cash and investments	-	-	111,106	24,886	-	135,992
<b>Total cash and investment assets - ending</b>	<b>\$ (15,515)</b>	<b>\$ (13,336)</b>	<b>\$ 111,106</b>	<b>\$ 24,886</b>	<b>\$ 78,579</b>	<b>\$ 378,822</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ 111,106	\$ 24,886	\$ -	\$ 135,992
Unrestricted	(15,515)	(13,336)	-	-	78,579	242,830
<b>Total cash and investment fund balance - ending</b>	<b>\$ (15,515)</b>	<b>\$ (13,336)</b>	<b>\$ 111,106</b>	<b>\$ 24,886</b>	<b>\$ 78,579</b>	<b>\$ 378,822</b>

TRITON SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUND  
 For the Year Ended June 30, 2009

	Payroll <u>Withholdings</u>
Additions:	
Agency fund additions	\$ <u>2,142,781</u>
Deductions:	
Agency fund deductions	<u>2,076,883</u>
Excess (deficiency) of total additions over total deductions	65,898
Cash and investment fund balance - beginning	<u>120,915</u>
Cash and investment fund balance - ending	<u><u>\$ 186,813</u></u>

TRITON SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUND  
 For the Year Ended June 30, 2010

	<u>Payroll Withholdings</u>
Additions:	
Agency fund additions	<u>\$ 2,192,812</u>
Deductions:	
Agency fund deductions	<u>2,192,210</u>
Excess (deficiency) of total additions over total deductions	602
Cash and investment fund balance - beginning	<u>186,813</u>
Cash and investment fund balance - ending	<u><u>\$ 187,415</u></u>

TRITON SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2010

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	\$ 509,241
Buildings	12,216,764
Machinery and equipment	<u>1,971,910</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 14,697,915</u>

TRITON SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2010

The School Corporation has entered into the following long-term debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Copiers- five	\$ 123,900	\$ 35,400
Notes and loans payable	74,946	78,319
Bonds payable:		
Retirement/Severance	<u>805,000</u>	<u>187,761</u>
Total governmental activities long-term debt	<u>\$ 1,003,846</u>	<u>\$ 301,480</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

TO: THE OFFICIALS OF THE TRITON SCHOOL CORPORATION, MARSHALL COUNTY, INDIANA

Compliance

We have audited the compliance of the Triton 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, 2009 and 2010. 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, 2009 and 2010.

Internal Control Over Compliance

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

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

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

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

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

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

November 15, 2010

TRITON SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2009 and 2010

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 06-30-09	Total Federal Awards Expended 06-30-10
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 25,426	\$ 38,530
National School Lunch Program	10.555		<u>189,816</u>	<u>219,175</u>
Total for federal grantor agency			<u>215,242</u>	<u>257,705</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title 1, Part A Cluster				
Title 1 Grants to Local Educational Agencies	84.010	FY 08	10,564	-
		FY 09	109,607	17,680
		FY 10	-	111,663
			<u>-</u>	<u>10,079</u>
Total for program			<u>120,171</u>	<u>139,422</u>
ARRA - Title 1 Grants to Local Educational Agencies, Recovery Act	84.389		<u>-</u>	<u>58,930</u>
Total for cluster			<u>120,171</u>	<u>198,352</u>
Pass-Through Indiana Department of Education				
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394		<u>-</u>	<u>756,848</u>
Pass-Through Indiana Department of Education				
Career and Technical Education - Basic Grants to States	84.048	FY 09	4,098	-
		FY 10	<u>-</u>	<u>4,098</u>
Total for program			<u>4,098</u>	<u>4,098</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186	FY 08	2,112	-
		FY 09	1,943	1,576
		FY 10	<u>-</u>	<u>1,347</u>
Total for program			<u>4,055</u>	<u>2,923</u>
State Grants for Innovative Programs	84.298		<u>3,383</u>	<u>643</u>
Reading First State Grant	84.357		<u>256,682</u>	<u>201,908</u>
Rural Education	84.358		<u>1,351</u>	<u>7,710</u>
Improving Teacher Quality State Grants	84.367		<u>22,654</u>	<u>39,415</u>
Total for federal grantor agency			<u>412,394</u>	<u>1,211,897</u>
Total federal awards expended			<u>\$ 627,636</u>	<u>\$ 1,469,602</u>

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

TRITON 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 Triton School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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, 2009 and 2010. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2009	2010
National School Lunch Program	10.555	\$ 28,926	\$ 28,335

TRITON 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

Child Nutrition Cluster  
Title I, Part A Cluster  
State Fiscal Stabilization Fund 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.

TRITON SCHOOL CORPORATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

TRITON SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on November 15, 2010, with Janet Barker, Treasurer; Carl Hilling, Superintendent of Schools; and Richard Trowbridge, President of the School Board. Our audit disclosed no material items that warrant comment at this time.