

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

EXAMINATION REPORT
OF
CLINTON PRAIRIE SCHOOL CORPORATION
CLINTON COUNTY, INDIANA
July 1, 2005 to June 30, 2007



FILED
02/29/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Government-Wide Financial Information:	
Schedule of Activities and Net Assets - Cash and Investments Basis	4-5
Fund Financial Information:	
Governmental Funds:	
Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds	6-7
Proprietary Funds:	
Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Proprietary Funds.....	8-9
Fiduciary Funds:	
Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds.....	10-11
Notes to Financial Information	12-16
Required Supplementary Information:	
Schedule of Funding Progress	17
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds	18-26
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private Purpose Trust Funds.....	27-28
Schedule of Long-Term Debt	29
Examination Results and Comments:	
Capital Asset Records	30
Appropriations.....	30
Overdrawn Fund Balances	30
Accounting for Investments	31
Exit Conference.....	32

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Judy Cochran Lisa Brown Amanda Mitchell	07-01-05 to 06-30-06 07-01-06 to 01-10-07 03-16-07 to 06-30-08
Superintendent of Schools	Charles Fink	07-01-05 to 06-30-08
President of the School Board	Craig Seager	07-01-05 to 06-30-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF CLINTON PRAIRIE SCHOOL CORPORATION, CLINTON COUNTY, INDIANA

We have examined the financial information presented herein of Clinton Prairie School Corporation (School Corporation), for the period of July 1, 2005 to June 30, 2007. The School Corporation's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

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

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Supplementary Information, as listed in the Table of Contents, was presented for additional analysis and is not a required part of the basic financial information. The Supplementary Information has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on the Supplementary Information.

STATE BOARD OF ACCOUNTS

October 24, 2007

CLINTON PRAIRIE SCHOOL CORPORATION
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2006

Functions/Programs	Disbursements	Program Receipts		Totals	Net (Disbursement) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions		
Governmental activities:					
Instruction	\$ 3,349,715	\$ -	\$ 54,816	\$ (3,294,899)	
Support services	4,928,981	311,404	111,134	(4,506,443)	
Community services	30,265	-	-	(30,265)	
Nonprogrammed charges	178,724	-	-	(178,724)	
Debt service	3,238,149	-	-	(3,238,149)	
Total governmental activities	\$ 11,725,834	\$ 311,404	\$ 165,950	(11,248,480)	
General receipts:					
Property taxes				4,662,421	
Other local sources				748,725	
State aid				3,489,226	
Bonds and loans				1,200,000	
Grants and contributions not restricted to specific programs				324,270	
Sale of property, adjustments, and refunds				30,291	
Investment earnings				41,462	
Total general receipts				10,496,395	
					(752,085)
Change in net assets					
Net assets - beginning					1,727,969
Net assets - ending					\$ 975,884
 <u>Assets</u>					
Cash and investments				\$ 486,625	
Restricted assets:					
Cash and investments				489,259	
Total assets				\$ 975,884	
 <u>Net Assets</u>					
Restricted for:					
Debt service				\$ 307,603	
Other purposes				181,656	
Unrestricted				486,625	
Total net assets				\$ 975,884	

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

CLINTON PRAIRIE SCHOOL CORPORATION
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

Functions/Programs	Disbursements	Program Receipts		Totals	Net (Disbursement) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions		
Governmental activities:					
Instruction	\$ 3,336,576	\$ -	\$ 35,269	\$ (3,301,307)	
Support services	4,633,683	332,382	108,857	(4,192,444)	
Community services	20,587	-	-	(20,587)	
Nonprogrammed charges	196,485	-	-	(196,485)	
Debt service	3,063,491	-	-	(3,063,491)	
Total governmental activities	<u>\$ 11,250,822</u>	<u>\$ 332,382</u>	<u>\$ 144,126</u>	<u>(10,774,314)</u>	
General receipts:					
Property taxes				2,895,902	
Other local sources				713,390	
State aid				3,394,279	
Bonds and loans				3,200,000	
Grants and contributions not restricted to specific programs				317,958	
Sale of property, adjustments, and refunds				87,984	
Investment earnings				23,330	
Total general receipts				<u>10,632,843</u>	
Change in net assets				(141,471)	
Net assets - beginning				<u>975,884</u>	
Net assets - ending				<u>\$ 834,413</u>	
 <u>Assets</u>					
Cash and investments				\$ 1,495,589	
Restricted assets:					
Cash and investments				<u>(661,176)</u>	
Total assets				<u>\$ 834,413</u>	
 <u>Net Assets</u>					
Restricted for:					
Debt service				\$ (842,832)	
Other purposes				181,656	
Unrestricted				<u>1,495,589</u>	
Total net assets				<u>\$ 834,413</u>	

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

CLINTON PRAIRIE SCHOOL CORPORATION
SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2006

	General	Transportation Operating	Rainy Day Fund	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 2,524,328	\$ 569,719	\$ -	\$ 1,313,273	\$ 725,424	\$ 87,997	\$ 542,940	\$ 5,763,681
Intermediate sources	331	-	-	-	-	-	-	331
State sources	3,515,056	-	-	-	-	-	55,933	3,570,989
Federal sources	24,474	-	-	-	-	-	383,983	408,457
Bonds and loans	1,200,000	-	-	-	-	-	-	1,200,000
Sale of property, adjustments and refunds	4,848	4,838	-	-	20,309	-	296	30,291
Total receipts	7,269,037	574,557	-	1,313,273	745,733	87,997	983,152	10,973,749
Disbursements:								
Current:								
Instruction	3,107,102	-	-	-	-	-	242,613	3,349,715
Support services	2,783,419	552,867	-	-	993,168	120,058	479,469	4,928,981
Community services	28,801	-	-	-	-	-	1,464	30,265
Nonprogrammed charges	131,178	-	-	-	-	-	47,546	178,724
Debt services	1,200,000	-	-	1,584,266	-	-	453,883	3,238,149
Total disbursements	7,250,500	552,867	-	1,584,266	993,168	120,058	1,224,975	11,725,834
Excess (deficiency) of receipts over disbursements	18,537	21,690	-	(270,993)	(247,435)	(32,061)	(241,823)	(752,085)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	71,266	71,266
Transfers out	(33,201)	(7,626)	-	(18,509)	(11,771)	(64)	(95)	(71,266)
Total other financing sources (uses)	(33,201)	(7,626)	-	(18,509)	(11,771)	(64)	71,171	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(14,664)	14,064	-	(289,502)	(259,206)	(32,125)	(170,652)	(752,085)
Cash and investments - beginning	(296,951)	185,240	444,000	827,447	276,014	2,899	107,664	1,546,313
Cash and investments - ending	\$ (311,615)	\$ 199,304	\$ 444,000	\$ 537,945	\$ 16,808	\$ (29,226)	\$ (62,988)	\$ 794,228
Amounts reported for governmental activities in the Schedule of Activities and Net Assets - Cash and Investment Basis are different because:								
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Schedule of Activities and Net Assets - Cash and Investment Basis.								
								181,656
Net assets of governmental activities								\$ 975,884
Cash and Investment Assets - Ending								
Cash and investments	\$ (311,615)	\$ 199,304	\$ 444,000	\$ -	\$ 16,808	\$ (29,226)	\$ 167,354	\$ 486,625
Restricted assets:								
Cash and investments	-	-	-	537,945	-	-	(230,342)	307,603
Total cash and investment assets - ending	\$ (311,615)	\$ 199,304	\$ 444,000	\$ 537,945	\$ 16,808	\$ (29,226)	\$ (62,988)	\$ 794,228
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 537,945	\$ -	\$ -	\$ (230,342)	\$ 307,603
Unrestricted	(311,615)	199,304	444,000	-	16,808	(29,226)	167,354	486,625
Total cash and investment fund balance - ending	\$ (311,615)	\$ 199,304	\$ 444,000	\$ 537,945	\$ 16,808	\$ (29,226)	\$ (62,988)	\$ 794,228

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

CLINTON PRAIRIE SCHOOL CORPORATION
SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007

	General	Transportation Operating	Rainy Day Fund	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 1,684,911	\$ 313,859	\$ -	\$ 803,588	\$ 369,609	\$ 164,880	\$ 627,731	\$ 3,964,578
Intermediate sources	221	-	-	-	-	-	206	427
State sources	3,418,113	-	-	-	-	-	58,745	3,476,858
Federal sources	20,339	-	-	-	-	-	359,166	379,505
Bonds and loans	3,200,000	-	-	-	-	-	-	3,200,000
Sale of property, adjustments and refunds	17,285	1,691	-	-	59,898	-	9,109	87,983
Total receipts	8,340,869	315,550	-	803,588	429,507	164,880	1,054,957	11,109,351
Disbursements:								
Current:								
Instruction	3,106,648	-	-	-	-	-	229,928	3,336,576
Support services	2,562,541	702,958	-	-	682,934	179,418	505,832	4,633,683
Community services	20,587	-	-	-	-	-	-	20,587
Nonprogrammed charges	166,337	-	-	-	-	-	30,148	196,485
Debt services	800,000	-	-	1,910,527	-	-	352,964	3,063,491
Total disbursements	6,656,113	702,958	-	1,910,527	682,934	179,418	1,118,872	11,250,822
Excess (deficiency) of receipts over disbursements	1,684,756	(387,408)	-	(1,106,939)	(253,427)	(14,538)	(63,915)	(141,471)
Other financing sources (uses):								
Transfers in	33,201	61,992	18,000	18,509	11,771	64	15,011	158,548
Transfers out	(18,000)	-	-	-	-	(54,366)	(86,182)	(158,548)
Total other financing sources (uses)	15,201	61,992	18,000	18,509	11,771	(54,302)	(71,171)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,699,957	(325,416)	18,000	(1,088,430)	(241,656)	(68,840)	(135,086)	(141,471)
Cash and investments - beginning	(311,615)	199,304	444,000	537,945	16,808	(29,226)	(62,988)	794,228
Cash and investments - ending	\$ 1,388,342	\$ (126,112)	\$ 462,000	\$ (550,485)	\$ (224,848)	\$ (98,066)	\$ (198,074)	652,757
Amounts reported for governmental activities in the Schedule of Activities and Net Assets - Cash and Investment Basis are different because:								
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Schedule of Activities and Net Assets - Cash and Investment Basis.								
								181,656
Net assets of governmental activities								\$ 834,413
Cash and Investment Assets - Ending								
Cash and investments	\$ 1,388,342	\$ (126,112)	\$ 462,000	\$ -	\$ (224,848)	\$ (98,066)	\$ 94,273	\$ 1,495,589
Restricted assets:								
Cash and investments	-	-	-	(550,485)	-	-	(292,347)	(842,832)
Total cash and investment assets - ending	\$ 1,388,342	\$ (126,112)	\$ 462,000	\$ (550,485)	\$ (224,848)	\$ (98,066)	\$ (198,074)	\$ 652,757
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ (550,485)	\$ -	\$ -	\$ (292,347)	\$ (842,832)
Unrestricted	1,388,342	(126,112)	462,000	-	(224,848)	(98,066)	94,273	1,495,589
Total cash and investment fund balance - ending	\$ 1,388,342	\$ (126,112)	\$ 462,000	\$ (550,485)	\$ (224,848)	\$ (98,066)	\$ (198,074)	\$ 652,757

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

CLINTON PRAIRIE SCHOOL CORPORATION
 SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
 AND CHANGES IN FUND BALANCES - CASH AND INVESTMENTS BASIS
 PROPRIETARY FUND
 For the Year Ended June 30, 2006

	<u>Internal Service Fund</u>
Cash and investment fund balance - beginning	\$ 181,656
Cash and investment fund balance - ending	<u>\$ 181,656</u>
 <u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 181,656</u>
 <u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 181,656</u>

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

CLINTON PRAIRIE SCHOOL CORPORATION
 SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
 AND CHANGES IN FUND BALANCES - CASH AND INVESTMENTS BASIS
 PROPRIETARY FUND
 For the Year Ended June 30, 2007

	Internal Service Fund
Cash and investment fund balance - beginning	\$ 181,656
Cash and investment fund balance - ending	\$ 181,656
 <u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 181,656
 <u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 181,656

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

CLINTON PRAIRIE SCHOOL CORPORATION
SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2006

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ 119,901	\$ -	
Deductions:			
Benefits	169,489	-	
Administrative and general	-	1,056	
Total deductions	169,489	1,056	
Deficiency of total additions over total deductions	(49,588)	(1,056)	
Cash and investment fund balance - beginning	(1,618)	1,145	
Cash and investment fund balance - ending	\$ (51,206)	\$ 89	
Net assets:			
Cash and investments	\$ (51,206)	\$ 89	\$ 57,774

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ 186,238	\$ 800	
Deductions:			
Benefits	196,883	-	
Administrative and general	-	400	
Total deductions	196,883	400	
Deficiency of total additions over total deductions	(10,645)	400	
Cash and investment fund balance - beginning	(51,207)	29	
Cash and investment fund balance - ending	\$ (61,852)	\$ 429	
Net assets:			
Cash and investments	\$ (61,852)	\$ 429	\$ 66,920

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

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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

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

Note 2. Fund Accounting

A. Government-Wide and Fund Financial Information

Government-Wide Financial Schedules

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

Fund Financial Schedules

Fund financial schedules of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial schedules are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial schedules. Major individual governmental funds are reported as separate columns in the fund financial schedules.

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

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

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

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

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

The rainy day fund is used to account for funds in accordance with Indiana Code 36-1-8-5.1 and a locally adopted resolution.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for self-insurance provided to other departments on a cost-reimbursement basis.

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

The private-purpose trust fund reports a trust arrangement under which principal and income benefits the students of Clinton Prairie Schools

Agency funds account for assets held by the School Corporation as an agent for its employees.

B. Measurement Focus and Basis of Accounting

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

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund schedules to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The School Corporation has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial schedules. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

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.

Note 3. Budgets

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

Note 4. Property Taxes

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

Note 5. Deposits and Investments

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan.

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

B. Teachers' Retirement Fund

Plan Description

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

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

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

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

Funding Policy and Annual Pension Cost

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

Note 7. Tax Distributions

State-wide reassessment has resulted in some counties not billing or collecting property taxes in the statutorily prescribed manner. Resulting in large fluctuations in cash collections also it was necessary for many governments (school) to acquire temporary loans to pay operating and debt expenses until taxes can be received. The School Corporation has not received a tax distribution for the 2006 Payable 2007.

CLINTON PRAIRIE 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)
07-01-04	\$ 829,127	\$ 817,925	\$ 11,202	101%	\$ 678,128	2%
07-01-05	854,322	794,658	59,664	108%	614,576	10%
07-01-06	647,854	735,077	(87,223)	88%	664,348	(13%)

CLINTON PRAIRIE SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006

	Pre-School Special Education	School Lunch	Textbook Rental	Levy Excess	Educational License Plate	Safe Haven Grant
Receipts:						
Local sources	\$ 6,791	\$ 241,497	\$ 69,907	\$ -	\$ -	\$ -
State sources	22,921	4,626	11,386	-	-	2,124
Federal sources	-	95,122	-	-	-	-
Sale of property, adjustments and refunds	-	251	-	-	-	-
Total receipts	<u>29,712</u>	<u>341,496</u>	<u>81,293</u>	<u>-</u>	<u>-</u>	<u>2,124</u>
Disbursements:						
Current:						
Instruction	4,630	-	-	-	-	-
Support services	-	324,122	98,628	-	-	2,124
Community services	-	-	-	-	-	-
Nonprogrammed charges	47,198	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>51,828</u>	<u>324,122</u>	<u>98,628</u>	<u>-</u>	<u>-</u>	<u>2,124</u>
Excess (deficiency) of receipts over disbursements	<u>(22,116)</u>	<u>17,374</u>	<u>(17,335)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):						
Transfers in	-	-	-	71,266	-	-
Transfers out	(95)	-	-	-	-	-
Total other financing sources (uses)	<u>(95)</u>	<u>-</u>	<u>-</u>	<u>71,266</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(22,211)</u>	<u>17,374</u>	<u>(17,335)</u>	<u>71,266</u>	<u>-</u>	<u>-</u>
Cash and investments - beginning	<u>52,168</u>	<u>33,428</u>	<u>8,234</u>	<u>-</u>	<u>1,594</u>	<u>-</u>
Cash and investments - ending	<u>\$ 29,957</u>	<u>\$ 50,802</u>	<u>\$ (9,101)</u>	<u>\$ 71,266</u>	<u>\$ 1,594</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 29,957	\$ 50,802	\$ (9,101)	\$ 71,266	\$ 1,594	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 29,957</u>	<u>\$ 50,802</u>	<u>\$ (9,101)</u>	<u>\$ 71,266</u>	<u>\$ 1,594</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	29,957	50,802	(9,101)	71,266	1,594	-
Total cash and investment fund balance - ending	<u>\$ 29,957</u>	<u>\$ 50,802</u>	<u>\$ (9,101)</u>	<u>\$ 71,266</u>	<u>\$ 1,594</u>	<u>\$ -</u>

CLINTON PRAIRIE SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Mattix Trust	Gifted Talented	Non- English Speaking	PBA Elementary	Asia Mini Grant	Clinton Prairie Foundations Grant
Receipts:						
Local sources	\$ 84	\$ -	\$ -	\$ -	\$ -	\$ 1,120
State sources	-	12,062	44	-	300	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	45	-	-	-	-	-
Total receipts	<u>129</u>	<u>12,062</u>	<u>44</u>	<u>-</u>	<u>300</u>	<u>1,120</u>
Disbursements:						
Current:						
Instruction	-	6,108	1,044	-	232	-
Support services	-	350	-	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>6,458</u>	<u>1,044</u>	<u>-</u>	<u>232</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>129</u>	<u>5,604</u>	<u>(1,000)</u>	<u>-</u>	<u>68</u>	<u>1,120</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>129</u>	<u>5,604</u>	<u>(1,000)</u>	<u>-</u>	<u>68</u>	<u>1,120</u>
Cash and investments - beginning	<u>-</u>	<u>-</u>	<u>1,006</u>	<u>109</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 129</u>	<u>\$ 5,604</u>	<u>\$ 6</u>	<u>\$ 109</u>	<u>\$ 68</u>	<u>\$ 1,120</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 129	\$ 5,604	\$ 6	\$ 109	\$ 68	\$ 1,120
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 129</u>	<u>\$ 5,604</u>	<u>\$ 6</u>	<u>\$ 109</u>	<u>\$ 68</u>	<u>\$ 1,120</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	129	5,604	6	109	68	1,120
Total cash and investment fund balance - ending	<u>\$ 129</u>	<u>\$ 5,604</u>	<u>\$ 6</u>	<u>\$ 109</u>	<u>\$ 68</u>	<u>\$ 1,120</u>

CLINTON PRAIRIE SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	CF Industries	Title I FY 2005-2006	Title I FY 2006-2007	Title V FY 2004	Title V FY 2005	Title V Part A
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	2,470	-	-	-	-	-
Federal sources	-	5,800	54,600	-	3,236	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	<u>2,470</u>	<u>5,800</u>	<u>54,600</u>	<u>-</u>	<u>3,236</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	-	2,291	41,323	-	-	-
Support services	-	4,674	8,147	1,873	-	647
Community services	1,464	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	348
Debt services	-	-	-	-	-	-
Total disbursements	<u>1,464</u>	<u>6,965</u>	<u>49,470</u>	<u>1,873</u>	<u>-</u>	<u>995</u>
Excess (deficiency) of receipts over disbursements	<u>1,006</u>	<u>(1,165)</u>	<u>5,130</u>	<u>(1,873)</u>	<u>3,236</u>	<u>(995)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,006</u>	<u>(1,165)</u>	<u>5,130</u>	<u>(1,873)</u>	<u>3,236</u>	<u>(995)</u>
Cash and investments - beginning	<u>1,243</u>	<u>1,165</u>	<u>-</u>	<u>5,032</u>	<u>-</u>	<u>995</u>
Cash and investments - ending	<u>\$ 2,249</u>	<u>\$ -</u>	<u>\$ 5,130</u>	<u>\$ 3,159</u>	<u>\$ 3,236</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,249	\$ -	\$ 5,130	\$ 3,159	\$ 3,236	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 2,249</u>	<u>\$ -</u>	<u>\$ 5,130</u>	<u>\$ 3,159</u>	<u>\$ 3,236</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,249	-	5,130	3,159	3,236	-
Total cash and investment fund balance - ending	<u>\$ 2,249</u>	<u>\$ -</u>	<u>\$ 5,130</u>	<u>\$ 3,159</u>	<u>\$ 3,236</u>	<u>\$ -</u>

CLINTON PRAIRIE SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	PL 94-142 FY 2005-2006	PL 94-142 FY 2006-2007	PL 94-142 Summer Grant	Title IV FY 2006-2007	Title III	Team Nutrition Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	160,055	17,000	7,500	3,468	-	500
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	160,055	17,000	7,500	3,468	-	500
Disbursements:						
Current:						
Instruction	134,615	10,937	7,500	3,992	-	500
Support services	30,599	770	-	-	709	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	165,214	11,707	7,500	3,992	709	500
Excess (deficiency) of receipts over disbursements	(5,159)	5,293	-	(524)	(709)	-
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	(5,159)	5,293	-	(524)	(709)	-
Cash and investments - beginning	-	(5,294)	-	1,705	709	-
Cash and investments - ending	\$ (5,159)	\$ (1)	\$ -	\$ 1,181	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ (5,159)	\$ (1)	\$ -	\$ 1,181	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (5,159)	\$ (1)	\$ -	\$ 1,181	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(5,159)	(1)	-	1,181	-	-
Total cash and investment fund balance - ending	\$ (5,159)	\$ (1)	\$ -	\$ 1,181	\$ -	\$ -

CLINTON PRAIRIE SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Class Size Reduction	Title II-D	Title III Consortium	Retirement Severance Bond	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ 223,541	\$ 542,940
State sources	-	-	-	-	55,933
Federal sources	33,759	2,943	-	-	383,983
Sale of property, adjustments and refunds	-	-	-	-	296
Total receipts	<u>33,759</u>	<u>2,943</u>	<u>-</u>	<u>223,541</u>	<u>983,152</u>
Disbursements:					
Current:					
Instruction	29,441	-	-	-	242,613
Support services	4,882	1,625	319	-	479,469
Community services	-	-	-	-	1,464
Nonprogrammed charges	-	-	-	-	47,546
Debt services	-	-	-	453,883	453,883
Total disbursements	<u>34,323</u>	<u>1,625</u>	<u>319</u>	<u>453,883</u>	<u>1,224,975</u>
Excess (deficiency) of receipts over disbursements	<u>(564)</u>	<u>1,318</u>	<u>(319)</u>	<u>(230,342)</u>	<u>(241,823)</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	71,266
Transfers out	-	-	-	-	(95)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,171</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(564)</u>	<u>1,318</u>	<u>(319)</u>	<u>(230,342)</u>	<u>(170,652)</u>
Cash and investments - beginning	<u>3,658</u>	<u>1,593</u>	<u>319</u>	<u>-</u>	<u>107,664</u>
Cash and investments - ending	<u>\$ 3,094</u>	<u>\$ 2,911</u>	<u>\$ -</u>	<u>\$ (230,342)</u>	<u>\$ (62,988)</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 3,094	\$ 2,911	\$ -	\$ -	\$ 167,354
Restricted assets:					
Cash and investments	-	-	-	(230,342)	(230,342)
Total cash and investment assets - ending	<u>\$ 3,094</u>	<u>\$ 2,911</u>	<u>\$ -</u>	<u>\$ (230,342)</u>	<u>\$ (62,988)</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ (230,342)	\$ (230,342)
Unrestricted	<u>3,094</u>	<u>2,911</u>	<u>-</u>	<u>-</u>	<u>167,354</u>
Total cash and investment fund balance - ending	<u>\$ 3,094</u>	<u>\$ 2,911</u>	<u>\$ -</u>	<u>\$ (230,342)</u>	<u>\$ (62,988)</u>

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

	Pre-School Special Education	School Lunch	Textbook Rental	Levy Excess	Educational License Plate	Safe Haven Grant
Receipts:						
Local sources	\$ 4,153	\$ 266,321	\$ 66,063	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	206	-
State sources	26,019	4,787	12,627	-	-	3,250
Federal sources	-	87,514	-	-	-	-
Sale of property, adjustments and refunds	-	1,290	6,082	-	-	-
Total receipts	30,172	359,912	84,772	-	206	3,250
Disbursements:						
Current:						
Instruction	6,977	-	-	-	-	-
Support services	-	358,773	85,280	-	-	3,205
Nonprogrammed charges	30,148	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	37,125	358,773	85,280	-	-	3,205
Excess (deficiency) of receipts over disbursements	(6,953)	1,139	(508)	-	206	45
Other financing sources (uses):						
Transfers in	95	-	-	-	-	-
Transfers out	-	-	-	(71,266)	-	-
Total other financing sources (uses)	95	-	-	(71,266)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,858)	1,139	(508)	(71,266)	206	45
Cash and investments - beginning	29,957	50,802	(9,101)	71,266	1,594	-
Cash and investments - ending	<u>\$ 23,099</u>	<u>\$ 51,941</u>	<u>\$ (9,609)</u>	<u>\$ -</u>	<u>\$ 1,800</u>	<u>\$ 45</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 23,099	\$ 51,941	\$ (9,609)	\$ -	\$ 1,800	\$ 45
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 23,099</u>	<u>\$ 51,941</u>	<u>\$ (9,609)</u>	<u>\$ -</u>	<u>\$ 1,800</u>	<u>\$ 45</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	23,099	51,941	(9,609)	-	1,800	45
Total cash and investment fund balance - ending	<u>\$ 23,099</u>	<u>\$ 51,941</u>	<u>\$ (9,609)</u>	<u>\$ -</u>	<u>\$ 1,800</u>	<u>\$ 45</u>

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

	Mattix Trust	Gifted Talented	Non- English Speaking	PBA Elementary	Asia Mini Grant	CP Foundation Grant
Receipts:						
Local sources	\$ 235	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	12,062	-	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	260	-	-	-	-	-
Total receipts	495	12,062	-	-	-	-
Disbursements:						
Current:						
Instruction	276	14,745	-	-	68	1,120
Support services	-	2,921	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	276	17,666	-	-	68	1,120
Excess (deficiency) of receipts over disbursements	219	(5,604)	-	-	(68)	(1,120)
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	219	(5,604)	-	-	(68)	(1,120)
Cash and investments - beginning	129	5,603	6	109	68	1,120
Cash and investments - ending	\$ 348	\$ (1)	\$ 6	\$ 109	\$ -	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 348	\$ (1)	\$ 6	\$ 109	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 348	\$ (1)	\$ 6	\$ 109	\$ -	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	348	(1)	6	109	-	-
Total cash and investment fund balance - ending	\$ 348	\$ (1)	\$ 6	\$ 109	\$ -	\$ -

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

	CF Industries	Title I FY 2005-2006	Title I FY 2006-2007	Title V FY 2004	Title V FY 2005	Title V FY 2006
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	17,102	28,218	-	-	1,587
Sale of property, adjustments and refunds	-	1,477	-	-	-	-
Total receipts	-	18,579	28,218	-	-	1,587
Disbursements:						
Current:						
Instruction	-	4,051	42,420	-	-	-
Support services	-	1,088	6,592	3,159	2,748	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	-	5,139	49,012	3,159	2,748	-
Excess (deficiency) of receipts over disbursements	-	13,440	(20,794)	(3,159)	(2,748)	1,587
Other financing sources (uses):						
Transfers in	-	-	13,439	-	-	-
Transfers out	-	(13,439)	(1,477)	-	-	-
Total other financing sources (uses)	-	(13,439)	11,962	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1	(8,832)	(3,159)	(2,748)	1,587
Cash and investments - beginning	2,249	-	5,130	3,159	3,236	-
Cash and investments - ending	<u>\$ 2,249</u>	<u>\$ 1</u>	<u>\$ (3,702)</u>	<u>\$ -</u>	<u>\$ 488</u>	<u>\$ 1,587</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 2,249	\$ 1	\$ (3,702)	\$ -	\$ 488	\$ 1,587
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 2,249</u>	<u>\$ 1</u>	<u>\$ (3,702)</u>	<u>\$ -</u>	<u>\$ 488</u>	<u>\$ 1,587</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,249	1	(3,702)	-	488	1,587
Total cash and investment fund balance - ending	<u>\$ 2,249</u>	<u>\$ 1</u>	<u>\$ (3,702)</u>	<u>\$ -</u>	<u>\$ 488</u>	<u>\$ 1,587</u>

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

	PL 94-142 FY 2005-2006	Title IV FY 2006-2007	Class Size Reduction	Title II-D	Retirement Severance Bond	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 290,959	\$ 627,731
Intermediate sources	-	-	-	-	-	206
State sources	-	-	-	-	-	58,745
Federal sources	188,617	2,564	33,564	-	-	359,166
Sale of property, adjustments and refunds	-	-	-	-	-	9,109
Total receipts	188,617	2,564	33,564	-	290,959	1,054,957
Disbursements:						
Current:						
Instruction	144,886	3,435	11,950	-	-	229,928
Support services	38,602	-	1,987	1,477	-	505,832
Nonprogrammed charges	-	-	-	-	-	30,148
Debt services	-	-	-	-	352,964	352,964
Total disbursements	183,488	3,435	13,937	1,477	352,964	1,118,872
Excess (deficiency) of receipts over disbursements	5,129	(871)	19,627	(1,477)	(62,005)	(63,915)
Other financing sources (uses):						
Transfers in	-	-	1,477	-	-	15,011
Transfers out	-	-	-	-	-	(86,182)
Total other financing sources (uses)	-	-	1,477	-	-	(71,171)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,129	(871)	21,104	(1,477)	(62,005)	(135,086)
Cash and investments - beginning	(5,160)	1,181	3,095	2,911	(230,342)	(62,988)
Cash and investments - ending	<u>(31)</u>	<u>310</u>	<u>24,199</u>	<u>1,434</u>	<u>(292,347)</u>	<u>(198,074)</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ (31)	\$ 310	\$ 24,199	\$ 1,434	\$ -	\$ 94,273
Restricted assets:						
Cash and investments	-	-	-	-	(292,347)	(292,347)
Total cash and investment assets - ending	<u>(31)</u>	<u>310</u>	<u>24,199</u>	<u>1,434</u>	<u>(292,347)</u>	<u>(198,074)</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ (292,347)	\$ (292,347)
Unrestricted	(31)	310	24,199	1,434	-	94,273
Total cash and investment fund balance - ending	<u>(31)</u>	<u>310</u>	<u>24,199</u>	<u>1,434</u>	<u>(292,347)</u>	<u>(198,074)</u>

CLINTON PRAIRIE SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2006

	<u>Construction Fund</u>	<u>Indiana Next Leadership Grant</u>	<u>Totals</u>
Additions:			
Contributions:			
Other	\$ -	\$ -	\$ -
Deductions:			
Administrative and general	<u>1,056</u>	<u>-</u>	<u>1,056</u>
Deficiency of total additions over total deductions	(1,056)	-	(1,056)
Cash and investment fund balance - beginning	<u>1,056</u>	<u>89</u>	<u>1,145</u>
Cash and Investments - June 30	<u>\$ -</u>	<u>\$ 89</u>	<u>\$ 89</u>
Net Assets:			
Cash and investments	<u>\$ -</u>	<u>\$ 89</u>	<u>\$ 89</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 89</u>	<u>\$ 89</u>

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

	Indiana Health Hpered	Indiana Next Leadership Grant	Totals
Additions:			
Contributions:			
Other	\$ 800	\$ -	\$ 800
Cash and investment fund balance - beginning	-	29	29
Cash and Investments - June 30	\$ 800	\$ 29	\$ 829
Net Assets:			
Cash and investments	\$ 800	\$ 29	\$ 829
Total net assets - cash and investment basis held in trust	\$ 800	\$ 29	\$ 829

CLINTON PRAIRIE SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2007

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Clinton Prairie Jr/Sr High School Renovation	\$ 11,685,000	\$ 1,385,000
Bonds payable:		
General obligation bonds:		
2004 Pension Bonds	<u>3,675,000</u>	<u>350,589</u>
Total governmental activities debt	<u>\$ 15,360,000</u>	<u>\$ 1,735,589</u>

CLINTON PRAIRIE SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

A detailed listing of capital assets by asset classification using Form 369 was not provided for the examination period July 1, 2005 to June 30, 2007.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Debt Service	2006	\$ 678,147
Pre-School	2006	22,648

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

OVERDRAWN FUND BALANCES

The General Fund, School Bus Replacement Fund, Pension Trust Fund, Textbook Rental Fund, and Pension Debt Service Fund were overdrawn for the fiscal year ending June 30, 2006.

The General Fund, Debt Service Fund, Capital Projects Fund, School Bus Replacement Fund, Pension Trust Fund, Textbook Rental Fund, Title I Fund, and Pension Debt Service Fund were overdrawn for the fiscal year ending June 30, 2007.

The 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)

CLINTON PRAIRIE SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

ACCOUNTING FOR INVESTMENTS (Clinton Prairie Jr/Sr High School)

A prescribed Investment register form was not used to record the initial principal investment of \$5,000 from the Athletic Fund and is not included in the School Corporation's annual report (SA-5).

General Form Number 350, Register of Investments is the prescribed form for recording investments and all investments should be recorded on Form 350. The following is an example of recording an investment transaction made from a specific fund (for example - athletic). Disburse the cost (purchase price) of the investment from the athletic fund and from the Control of All Funds. On the Register of Investments, General Form No. 350, identified with the athletic fund, record the purchase price (cost). If interest is received while the security is held by the school, record the amount received on General Form Number 350 on the same line as that on which the investment is recorded; also receipt the interest received to the athletic fund and to the Control of All Funds. When the investment is sold or matures, receipt the sale price to the athletic fund and to the Control of All Funds. Earnings from Investments would be receipted either to the athletic fund or to the investment income fund as might be provided by school board policy. Record the sale (purchase price) on the Register of Investments - Athletic Fund (General Form 350) on the same line as the purchase was recorded. Investments from other "Fund" accounts will be accounted for in the same manner as illustrated for the athletic fund. Where investment is made from "total monies on deposit", the warrant issued will not be posted in the ledger, but a memorandum account should be set up in a separate section of the ledger to which investment transactions will be posted.

The Investment Register, General Form 350, should be used for keeping a record of all investments purchased by the political subdivision. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 5)

CLINTON PRAIRIE SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on October 24, 2007, with Charles Fink, Superintendent of Schools; and Amanda Mitchell, Treasurer. The officials concurred with our findings.