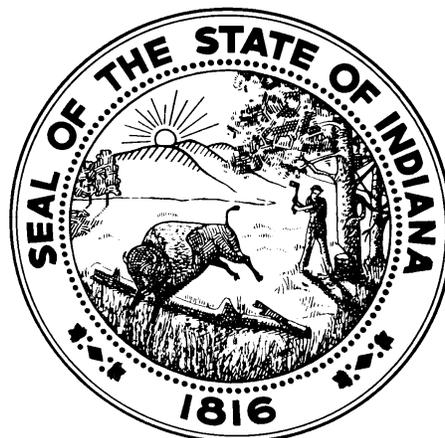


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF

PRAIRIE HEIGHTS COMMUNITY
SCHOOL CORPORATION
LAGRANGE COUNTY, INDIANA

July 1, 2006 to June 30, 2008



FILED

05/14/2009

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Karen Eagleson	03-13-06 to 09-28-06
	Marcia Helmuth	09-29-06 to 03-30-07
	Mary Jo Rhineheimer	03-31-07 to 05-06-07
	Chrystal Shutt	05-07-07 to 01-19-09
	Vicky K. Walker	01-20-09 to 02-15-09
	Karen Eagleson	02-16-09 to 12-31-09
Superintendent of Schools	Paul E. Thomas, Jr.	07-01-06 to 06-30-09
President of the School Board	Mark Thrasher	07-01-06 to 06-30-09



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE PRAIRIE HEIGHTS COMMUNITY
SCHOOL CORPORATION, LAGRANGE COUNTY, INDIANA

We have examined the financial statements presented herein of the Prairie Heights Community School Corporation (School Corporation), for the period of July 1, 2006 to June 30, 2008. The School Corporation's management is responsible for the financial statements presented herein. Our responsibility is to express opinions on these financial statements 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 statement 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 statements referred to above present fairly, in all material respects, the financial statements of the School Corporation for the years ended June 30, 2007 and 2008 based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

Our examination was conducted for the purpose of forming opinions on the financial schedules that collectively comprise the School Corporation's financial information. The Combining Schedules, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents are presented for additional analysis and are not required parts of the basic financial information. The Combining Schedules, as listed in the Table of Contents, have been subjected to examination procedures applied in the examination of the financial information and, in our opinion, are fairly stated based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

April 27, 2009

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 7,696,607	\$ -	\$ 63,499	\$ (7,633,108)
Support services	5,328,805	363,832	261,950	(4,703,023)
Community services	93,311	-	-	(93,311)
Nonprogrammed charges	1,583,968	-	-	(1,583,968)
Debt service	<u>3,491,816</u>	<u>-</u>	<u>-</u>	<u>(3,491,816)</u>
Total governmental activities	<u>\$ 18,194,507</u>	<u>\$ 363,832</u>	<u>\$ 325,449</u>	<u>(17,505,226)</u>
General receipts:				
Property taxes				4,892,750
Other local sources				1,426,203
State aid				6,480,477
Bonds and loans				3,600,000
Grants and contributions not restricted to specific programs				232,374
Sale of property, adjustments, and refunds				524,726
Investment earnings				<u>174,717</u>
Total general receipts				<u>17,331,247</u>
Change in net assets				(173,979)
Net assets - beginning				<u>5,348,146</u>
Net assets - ending				<u>\$ 5,174,167</u>
<u>Assets</u>				
Cash and investments				\$ 4,954,247
Restricted assets:				
Cash and investments				<u>219,920</u>
Total assets				<u>\$ 5,174,167</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 184,508
Other purposes				35,412
Unrestricted				<u>4,954,247</u>
Total net assets				<u>\$ 5,174,167</u>

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

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 7,787,241	\$ -	\$ 85,020	\$ (7,702,221)
Support services	6,281,801	401,363	290,110	(5,590,328)
Community services	39,545	-	-	(39,545)
Nonprogrammed charges	2,182,159	-	-	(2,182,159)
Debt service	<u>5,395,600</u>	<u>-</u>	<u>-</u>	<u>(5,395,600)</u>
Total governmental activities	<u>\$ 21,686,346</u>	<u>\$ 401,363</u>	<u>\$ 375,130</u>	<u>(20,909,853)</u>
General receipts:				
Property taxes				8,669,812
Other local sources				766,316
State aid				6,029,062
Bonds and loans				3,747,017
Grants and contributions not restricted to specific programs				234,121
Sale of property, adjustments, and refunds				1,182,594
Investment earnings				<u>186,960</u>
Total general receipts				<u>20,815,882</u>
Change in net assets				(93,971)
Net assets - beginning				<u>5,174,167</u>
Net assets - ending				<u>\$ 5,080,196</u>
<u>Assets</u>				
Cash and investments				\$ 4,799,782
Restricted assets:				
Cash and investments				<u>280,414</u>
Total assets				<u>\$ 5,080,196</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 139,753
Other purposes				140,661
Unrestricted				<u>4,799,782</u>
Total net assets				<u>\$ 5,080,196</u>

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

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

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 2,907,739	\$ 773,155	\$ 1,255,078	\$ 1,048,445	\$ 166,652	\$ 701,444	\$ 6,852,513
Intermediate sources	1,587	-	-	-	-	2,599	4,186
State sources	6,526,551	-	-	-	-	114,694	6,641,245
Federal sources	-	-	-	-	-	397,056	397,056
Bonds and loans	2,700,000	800,000	-	-	-	100,000	3,600,000
Sale of property, adjustments and refunds	2,181	-	-	-	-	-	2,181
Total receipts	12,138,058	1,573,155	1,255,078	1,048,445	166,652	1,315,793	17,497,181
Disbursements:							
Current:							
Instruction	7,375,254	-	-	-	-	321,353	7,696,607
Support services	2,079,684	1,137,714	-	1,736,866	369,338	835,991	6,159,593
Community services	92,460	-	-	-	-	851	93,311
Nonprogrammed charges	235,875	-	-	-	-	13,334	249,209
Debt services	1,200,000	-	1,964,506	-	-	327,310	3,491,816
Total disbursements	10,983,273	1,137,714	1,964,506	1,736,866	369,338	1,498,839	17,690,536
Excess (deficiency) of receipts over disbursements	1,154,785	435,441	(709,428)	(688,421)	(202,686)	(183,046)	(193,355)
Other financing sources (uses):							
Transfers in	84,482	69,453	52,668	34,453	5,668	19,801	266,525
Transfers out	-	-	(56,911)	-	-	(209,614)	(266,525)
Total other financing sources (uses)	84,482	69,453	(4,243)	34,453	5,668	(189,813)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,239,267	504,894	(713,671)	(653,968)	(197,018)	(372,859)	(193,355)
Cash and investments - beginning	1,459,508	177,550	888,109	1,508,222	294,114	1,004,607	5,332,110
Cash and investments - ending	\$ 2,698,775	\$ 682,444	\$ 174,438	\$ 854,254	\$ 97,096	\$ 631,748	5,138,755
Amounts reported for governmental activities in the Statement of Cash 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 Statement of Activities and Net Assets - Cash and Investment Basis.							
							35,412
Net assets of governmental activities							\$ 5,174,167
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 2,698,775	\$ 682,444	\$ -	\$ 854,254	\$ 97,096	\$ 621,678	\$ 4,954,247
Restricted assets:							
Cash and investments	-	-	174,438	-	-	10,070	184,508
Total cash and investment assets - ending	\$ 2,698,775	\$ 682,444	\$ 174,438	\$ 854,254	\$ 97,096	\$ 631,748	\$ 5,138,755
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ 174,438	\$ -	\$ -	\$ 10,070	\$ 184,508
Unrestricted	2,698,775	682,444	-	854,254	97,096	621,678	4,954,247
Total cash and investment fund balance - ending	\$ 2,698,775	\$ 682,444	\$ 174,438	\$ 854,254	\$ 97,096	\$ 631,748	\$ 5,138,755

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

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 4,589,757	\$ 1,266,029	\$ 1,547,730	\$ 1,497,851	\$ 321,042	\$ 800,902	\$ 10,023,311
Intermediate sources	703	-	-	-	-	-	703
State sources	6,078,030	2,613	-	-	-	124,908	6,205,551
Federal sources	-	-	-	-	-	432,762	432,762
Bonds and loans	2,200,000	565,000	-	875,000	-	107,017	3,747,017
Sale of property, adjustments and refunds	216	-	-	-	-	-	216
Total receipts	12,868,706	1,833,642	1,547,730	2,372,851	321,042	1,465,589	20,409,560
Disbursements:							
Current:							
Instruction	7,556,817	-	-	-	-	230,425	7,787,242
Support services	2,287,061	1,295,082	-	2,007,932	254,964	836,973	6,682,012
Community services	38,526	-	-	-	-	1,019	39,545
Nonprogrammed charges	679,107	-	-	-	-	25,274	704,381
Debt services	2,700,000	800,000	1,576,596	-	-	319,004	5,395,600
Total disbursements	13,261,511	2,095,082	1,576,596	2,007,932	254,964	1,412,695	20,608,780
Excess (deficiency) of receipts over disbursements	(392,805)	(261,440)	(28,866)	364,919	66,078	52,894	(199,220)
Cash and investments - beginning	2,698,775	682,444	174,438	854,254	97,096	631,748	5,138,755
Cash and investments - ending	<u>\$ 2,305,970</u>	<u>\$ 421,004</u>	<u>\$ 145,572</u>	<u>\$ 1,219,173</u>	<u>\$ 163,174</u>	<u>\$ 684,642</u>	4,939,535
Amounts reported for governmental activities in the Statement of Cash 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 Statement of Activities and Net Assets - Cash and Investment Basis.							
							<u>140,661</u>
Net assets of governmental activities							<u>\$ 5,080,196</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 2,305,970	\$ 421,004	\$ -	\$ 1,219,173	\$ 163,174	\$ 690,461	\$ 4,799,782
Restricted assets:							
Cash and investments	-	-	145,572	-	-	(5,819)	139,753
Total cash and investment assets - ending	<u>\$ 2,305,970</u>	<u>\$ 421,004</u>	<u>\$ 145,572</u>	<u>\$ 1,219,173</u>	<u>\$ 163,174</u>	<u>\$ 684,642</u>	<u>\$ 4,939,535</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ 145,572	\$ -	\$ -	\$ (5,819)	\$ 139,753
Unrestricted	2,305,970	421,004	-	1,219,173	163,174	690,461	4,799,782
Total cash and investment fund balance - ending	<u>\$ 2,305,970</u>	<u>\$ 421,004</u>	<u>\$ 145,572</u>	<u>\$ 1,219,173</u>	<u>\$ 163,174</u>	<u>\$ 684,642</u>	<u>\$ 4,939,535</u>

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

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2007

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 830,788
Miscellaneous	<u>523,347</u>
Total operating receipts	<u>1,354,135</u>
Operating disbursements:	
Insurance claims and expense	<u>1,334,759</u>
Excess of operating receipts over operating disbursements	19,376
Cash and investment fund balance - beginning	<u>16,036</u>
Cash and investment fund balance - ending	<u><u>\$ 35,412</u></u>
 <u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u><u>\$ 35,412</u></u>
 <u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u><u>\$ 35,412</u></u>

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

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2008

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 400,211
Miscellaneous	<u>1,182,816</u>
Total operating receipts	<u>1,583,027</u>
Operating disbursements:	
Insurance claims and expense	657,256
Other	<u>820,522</u>
Total operating disbursements	<u>1,477,778</u>
Excess of operating receipts over operating disbursements	105,249
Cash and investment fund balance - beginning	<u>35,412</u>
Cash and investment fund balance - ending	<u>\$ 140,661</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 140,661</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 140,661</u>

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

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

	Pension Trust Funds	Agency Funds
Deductions:		
Benefits	\$ 1,180	
Cash and investment fund balance - beginning	122,125	
Cash and investment fund balance - ending	\$ 120,945	\$ 591
Net assets:		
Cash and investments	\$ 120,945	

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

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2008

	Pension Trust Funds	Agency Funds
Deductions:		
Benefits	\$ 21,964	
Cash and investment fund balance - beginning	120,945	
Cash and investment fund balance - ending	\$ 98,981	\$ 430
Net assets:		
Cash and investments	\$ 98,981	

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

PRAIRIE HEIGHTS COMMUNITY 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: Prairie Heights Community 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 with other interested school corporations in DeKalb, LaGrange, Noble, and Steuben Counties, in a joint venture to operate the Northeast Indiana Special Education Cooperative (Co-op) which was created to provide programs and services for children with exceptional needs. The School Corporation is obligated by contract to remit an amount annually to supplement the Co-op. Complete financial statements for the Co-op can be obtained from the DeKalb County Eastern Community School District, 300 East Washington Street, Butler, Indiana 46721.

The School Corporation is a participant with other interested school corporations in DeKalb, LaGrange, Noble, and Steuben Counties, in a joint venture to operate the Four County Area Vocational Cooperative (Co-op) which was created to provide vocational instruction for children. The School Corporation is obligated by contract to remit an amount annually to supplement the Co-op. Complete financial statements for the Co-op can be obtained from Garrett-Keyser-Butler Community School District, 801 Houston Street, Garrett, Indiana 46738.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. However, there are no business-type activities to report at this time.

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

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

The 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.

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

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for health insurance provided to other departments through the Self-Insurance Fund on a cost-reimbursement basis.

The pension trust funds account for the activities of the Retirement/Severance Bond Fund, which accumulate resources for pension benefit payments.

Agency funds account for assets held by the School Corporation as an agent for other funds and serve as a 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, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

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

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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. Cash and Investments

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

2. Property Taxes

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

3. Capital Assets

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

4. Long-Term Debt

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

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

5. Equity Classification

Government-Wide Statements

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

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

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

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

E. Receipts and Disbursements

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 Balances and Activities

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

Fund Financial Statements

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

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. Cash and Investment Balance Deficits

At June 30, 2007 and 2008, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	June 30,2007	June 30,2008
Early Intervention Grant	\$ 2,955	\$ 5,630
Peers Educating Peers	-	54
DEKKO Youth Corporation	-	43
DEKKO All Right Mentor	2,002	14,904
Title I 2005-06	-	701
Drug Free Schools 2006	-	113
Retirement/Bonds	-	5,819

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

As of June 30, 2008, the School Corporation had the following investments:

Investment Type	Primary Government Market Value
Certificate of Deposit	\$ 304,243

B. Interfund Transfers

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

Transfer From	Transfer To	2007	2008
Debt Service Fund	Transportation Operating Fund	\$ 44,942	\$ -
Debt Service Fund	Other governmental funds	11,969	-
Other governmental funds	General Fund	84,482	-
Other governmental funds	Debt Service Fund	52,668	-
Other governmental funds	Capital Projects Fund	34,453	-
Other governmental funds	Transportation Operating Fund	24,511	-
Other governmental funds	School Bus Replacement Fund	5,668	-
Other governmental funds	Other governmental funds	7,832	-
Totals		\$ 266,525	\$ -

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

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

The School Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters.

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

Medical Benefits to Employees

During 2001, the School Corporation joined with other governmental entities to form the Northeast Indiana School Insurance Consortium, a public entity risk pool currently operating as a common risk management and insurance program for five member governmental entities. This risk pool was formed in 2001. The purpose of the risk pool is to provide a medium for the funding and administration of health insurance. The School Corporation pays for the cost of their employees to the risk pool for its health insurance coverage.

B. Holding Corporations

The School Corporation has entered into capital leases with Prairie Heights Building Corporation and Prairie Heights Community School Renovations Building Corporation (the lessors). Each lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related parties of the School Corporation. Lease payments during the years ended June 30, 2007, and June 30, 2008, were \$1,921,546 and \$1,480,200, respectively.

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

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Information to segregate the assets/liabilities and the actuarial study figures between the School Corporation and the Utilities is not available.

Actuarial Information for the Above Plan

		PERF
Annual required contribution	\$	119,396
Interest on net pension obligation		(8,978)
Adjustment to annual required contribution		10,231
Annual pension cost		120,649
Contributions made		117,381
Increase (decrease) in net pension obligation		3,268
Net pension obligation, beginning of year		(123,832)
Net pension obligation, end of year	\$	(120,564)

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF
Contribution rates:	
School Corporation	7%
Plan members	3%
Actuarial valuation date	07-01-08
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 123,072	89%	\$ (145,374)
	06-30-07	131,628	84%	(123,832)
	06-30-08	120,649	97%	(120,564)

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.

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

Funding Policy and Annual Pension Costs

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

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2008, 2007, and 2006, were \$200,362, \$173,191, and \$156,175, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years, respectively.

PRAIRIE HEIGHTS COMMUNITY 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)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 2,137,370	\$ 2,350,999	\$ (213,629)	91%	\$ 1,851,734	(12%)
07-01-07	2,209,455	2,284,940	(75,485)	97%	1,780,990	(4%)
07-01-08	2,407,012	2,621,300	(214,288)	92%	1,857,304	(12%)

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

	Special Education Pre-School	School Lunch	Textbook Rental	Excess Levy	Safe Haven Grant	Early Intervention Grant	FFA Parr Estate
Receipts:							
Local sources	\$ 6,007	\$ 349,821	\$ 167,855	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	21,821	13,550	39,297	-	-	22,600	-
Federal sources	-	209,103	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Total receipts	27,828	572,474	207,152	-	-	22,600	-
Disbursements:							
Current:							
Instruction	-	-	-	-	-	28,856	7,535
Support services	-	620,346	198,853	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	13,334	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	13,334	620,346	198,853	-	-	28,856	7,535
Excess (deficiency) of receipts over disbursements	14,494	(47,872)	8,299	-	-	(6,256)	(7,535)
Other financing sources (uses):							
Transfers in	249	-	11,969	-	-	-	-
Transfers out	-	-	-	(206,520)	-	-	-
Total other financing sources (uses)	249	-	11,969	(206,520)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	14,743	(47,872)	20,268	(206,520)	-	(6,256)	(7,535)
Cash and investments - beginning	15,640	104,392	71,499	206,520	882	3,301	7,878
Cash and investments - ending	\$ 30,383	\$ 56,520	\$ 91,767	\$ -	\$ 882	\$ (2,955)	\$ 343
Cash and Investment Assets - Ending							
Cash and investments	\$ 30,383	\$ 56,520	\$ 91,767	\$ -	\$ 882	\$ (2,955)	\$ 343
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 30,383	\$ 56,520	\$ 91,767	\$ -	\$ 882	\$ (2,955)	\$ 343
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	30,383	56,520	91,767	-	882	(2,955)	343
Total cash and investment fund balance - ending	\$ 30,383	\$ 56,520	\$ 91,767	\$ -	\$ 882	\$ (2,955)	\$ 343

PRAIRIE HEIGHTS COMMUNITY 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)

	DEKKO Einstein Grant	P.H. Elementary Workshop	Extra-Curricular	Richard Lanphear School	Seagley Trust	Howard Smeltzer School	Melva Eddy Scholarship
Receipts:							
Local sources	\$ -	\$ -	\$ 8,183	\$ -	\$ 3	\$ 100	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Total receipts	-	-	8,183	-	3	100	-
Disbursements:							
Current:							
Instruction	-	-	7,317	500	-	1,000	-
Support services	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	7,317	500	-	1,000	-
Excess (deficiency) of receipts over disbursements	-	-	866	(500)	3	(900)	-
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	-	-	866	(500)	3	(900)	-
Cash and investments - beginning	983	106	97	2,500	684	2,070	610
Cash and investments - ending	<u>983</u>	<u>106</u>	<u>963</u>	<u>2,000</u>	<u>687</u>	<u>1,170</u>	<u>610</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 983	\$ 106	\$ 963	\$ 2,000	\$ 687	\$ 1,170	\$ 610
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 983</u>	<u>\$ 106</u>	<u>\$ 963</u>	<u>\$ 2,000</u>	<u>\$ 687</u>	<u>\$ 1,170</u>	<u>\$ 610</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	983	106	963	2,000	687	1,170	610
Total cash and investment fund balance - ending	<u>\$ 983</u>	<u>\$ 106</u>	<u>\$ 963</u>	<u>\$ 2,000</u>	<u>\$ 687</u>	<u>\$ 1,170</u>	<u>\$ 610</u>

PRAIRIE HEIGHTS COMMUNITY 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)

	Robert Rasler Scholarship	Cool Schools	Building Trades Construction	Insurance Control	Drug Rehabilitation	Indiana Next Leadership	SEEP Project/ Middle School
Receipts:							
Local sources	\$ -	\$ -	\$ 5,318	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Total receipts	-	-	5,318	-	-	-	-
Disbursements:							
Current:							
Instruction	-	-	1,487	-	639	365	4,396
Support services	-	-	-	149	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	1,487	149	639	365	4,396
Excess (deficiency) of receipts over disbursements	-	-	3,831	(149)	(639)	(365)	(4,396)
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	-	-	3,831	(149)	(639)	(365)	(4,396)
Cash and investments - beginning	2,387	91	58,840	149	639	367	5,264
Cash and investments - ending	<u>2,387</u>	<u>91</u>	<u>62,671</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>868</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 2,387	\$ 91	\$ 62,671	\$ -	\$ -	\$ 2	\$ 868
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 2,387</u>	<u>\$ 91</u>	<u>\$ 62,671</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 868</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,387	91	62,671	-	-	2	868
Total cash and investment fund balance - ending	<u>\$ 2,387</u>	<u>\$ 91</u>	<u>\$ 62,671</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 868</u>

PRAIRIE HEIGHTS COMMUNITY 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)

	Peers Educating Peers	DEKKO Youth Corporation	E-Rate/ U.S. Sprint	DEKKO Award Science/Music	DEKKO/ English & Social Studies	Wal Mart/ Teacher of The Year	DEKKO All Right Mentor
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,146
Intermediate sources	-	-	-	1,200	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Total receipts	-	-	-	1,200	-	-	73,146
Disbursements:							
Current:							
Instruction	379	-	-	1,200	631	-	79,143
Support services	-	-	472	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	379	-	472	1,200	631	-	79,143
Excess (deficiency) of receipts over disbursements	(379)	-	(472)	-	(631)	-	(5,997)
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	(379)	-	(472)	-	(631)	-	(5,997)
Cash and investments - beginning	380	153	472	595	2,697	982	3,995
Cash and investments - ending	<u>\$ 1</u>	<u>\$ 153</u>	<u>\$ -</u>	<u>\$ 595</u>	<u>\$ 2,066</u>	<u>\$ 982</u>	<u>\$ (2,002)</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 1	\$ 153	\$ -	\$ 595	\$ 2,066	\$ 982	\$ (2,002)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1</u>	<u>\$ 153</u>	<u>\$ -</u>	<u>\$ 595</u>	<u>\$ 2,066</u>	<u>\$ 982</u>	<u>\$ (2,002)</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>1</u>	<u>153</u>	<u>-</u>	<u>595</u>	<u>2,066</u>	<u>982</u>	<u>(2,002)</u>
Total cash and investment fund balance - ending	<u>\$ 1</u>	<u>\$ 153</u>	<u>\$ -</u>	<u>\$ 595</u>	<u>\$ 2,066</u>	<u>\$ 982</u>	<u>\$ (2,002)</u>

PRAIRIE HEIGHTS COMMUNITY 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)

	DEKKO Philharmonic	Gifted & Talented	Mentor Teachers	Elementary School Outdoor	Theater Ticket Grant	Non-English Speaking
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -
Intermediate sources	1,399	-	-	-	-	-
State sources	-	14,013	3,042	-	-	371
Federal sources	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-
Total receipts	1,399	14,013	3,042	500	-	371
Disbursements:						
Current:						
Instruction	1,399	17,652	1,200	533	-	-
Support services	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	1,399	17,652	1,200	533	-	-
Excess (deficiency) of receipts over disbursements	-	(3,639)	1,842	(33)	-	371
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	-	(3,639)	1,842	(33)	-	371
Cash and investments - beginning	-	11,832	(192)	327	60	3,213
Cash and investments - ending	<u>\$ -</u>	<u>\$ 8,193</u>	<u>\$ 1,650</u>	<u>\$ 294</u>	<u>\$ 60</u>	<u>\$ 3,584</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 8,193	\$ 1,650	\$ 294	\$ 60	\$ 3,584
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 8,193</u>	<u>\$ 1,650</u>	<u>\$ 294</u>	<u>\$ 60</u>	<u>\$ 3,584</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	8,193	1,650	294	60	3,584
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 8,193</u>	<u>\$ 1,650</u>	<u>\$ 294</u>	<u>\$ 60</u>	<u>\$ 3,584</u>

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

	School Tech./ DEKKO	Community Foundation Grant	Timber	LaGrange Independent Foundation Grant	Title I 2005-06	Title I 2006-07
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	115,874
Bonds and loans	-	-	-	-	-	-
Total receipts	-	-	-	-	-	115,874
Disbursements:						
Current:						
Instruction	-	221	-	-	11,567	94,248
Support services	198	-	-	-	966	7,506
Community services	-	-	-	-	-	851
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	198	221	-	-	12,533	102,605
Excess (deficiency) of receipts over disbursements	(198)	(221)	-	-	(12,533)	13,269
Other financing sources (uses):						
Transfers in	-	-	-	-	-	3,094
Transfers out	-	-	-	-	(3,094)	-
Total other financing sources (uses)	-	-	-	-	(3,094)	3,094
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(198)	(221)	-	-	(15,627)	16,363
Cash and investments - beginning	8,914	1,782	252	372	15,627	-
Cash and investments - ending	<u>\$ 8,716</u>	<u>\$ 1,561</u>	<u>\$ 252</u>	<u>\$ 372</u>	<u>\$ -</u>	<u>\$ 16,363</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 8,716	\$ 1,561	\$ 252	\$ 372	\$ -	\$ 16,363
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 8,716</u>	<u>\$ 1,561</u>	<u>\$ 252</u>	<u>\$ 372</u>	<u>\$ -</u>	<u>\$ 16,363</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>8,716</u>	<u>1,561</u>	<u>252</u>	<u>372</u>	<u>-</u>	<u>16,363</u>
Total cash and investment fund balance - ending	<u>\$ 8,716</u>	<u>\$ 1,561</u>	<u>\$ 252</u>	<u>\$ 372</u>	<u>\$ -</u>	<u>\$ 16,363</u>

PRAIRIE HEIGHTS COMMUNITY 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)

	Title V Part A 2002-03	Serve Amercia Grant	Drug Free Schools 2005	Drug Free Schools 2006	Drug Free Schools 2007	School to Work Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	8,342	-	3,000	-	6,775	-
Bonds and loans	-	-	-	-	-	-
Total receipts	8,342	-	3,000	-	6,775	-
Disbursements:						
Current:						
Instruction	469	3,613	800	694	1,768	-
Support services	7,039	-	-	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	7,508	3,613	800	694	1,768	-
Excess (deficiency) of receipts over disbursements	834	(3,613)	2,200	(694)	5,007	-
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	834	(3,613)	2,200	(694)	5,007	-
Cash and investments - beginning	1,681	3,654	-	1,573	5,570	1,847
Cash and investments - ending	<u>\$ 2,515</u>	<u>\$ 41</u>	<u>\$ 2,200</u>	<u>\$ 879</u>	<u>\$ 10,577</u>	<u>\$ 1,847</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,515	\$ 41	\$ 2,200	\$ 879	\$ 10,577	\$ 1,847
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 2,515</u>	<u>\$ 41</u>	<u>\$ 2,200</u>	<u>\$ 879</u>	<u>\$ 10,577</u>	<u>\$ 1,847</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>2,515</u>	<u>41</u>	<u>2,200</u>	<u>879</u>	<u>10,577</u>	<u>1,847</u>
Total cash and investment fund balance - ending	<u>\$ 2,515</u>	<u>\$ 41</u>	<u>\$ 2,200</u>	<u>\$ 879</u>	<u>\$ 10,577</u>	<u>\$ 1,847</u>

PRAIRIE HEIGHTS COMMUNITY 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)

	Title II Part A	Title II Part D	Title III Bilingual Grant	Retirement/ Bonds	Construction	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 80,587	\$ 9,924	\$ 701,444
Intermediate sources	-	-	-	-	-	2,599
State sources	-	-	-	-	-	114,694
Federal sources	46,292	-	7,670	-	-	397,056
Bonds and loans	-	-	-	100,000	-	100,000
Total receipts	<u>46,292</u>	<u>-</u>	<u>7,670</u>	<u>180,587</u>	<u>9,924</u>	<u>1,315,793</u>
Disbursements:						
Current:						
Instruction	50,514	-	3,227	-	-	321,353
Support services	-	462	-	-	-	835,991
Community services	-	-	-	-	-	851
Nonprogrammed charges	-	-	-	-	-	13,334
Debt services	-	-	-	327,310	-	327,310
Total disbursements	<u>50,514</u>	<u>462</u>	<u>3,227</u>	<u>327,310</u>	<u>-</u>	<u>1,498,839</u>
Excess (deficiency) of receipts over disbursements	<u>(4,222)</u>	<u>(462)</u>	<u>4,443</u>	<u>(146,723)</u>	<u>9,924</u>	<u>(183,046)</u>
Other financing sources (uses):						
Transfers in	-	-	-	4,489	-	19,801
Transfers out	-	-	-	-	-	(209,614)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,489</u>	<u>-</u>	<u>(189,813)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(4,222)</u>	<u>(462)</u>	<u>4,443</u>	<u>(142,234)</u>	<u>9,924</u>	<u>(372,859)</u>
Cash and investments - beginning	<u>61,778</u>	<u>2,707</u>	<u>5,591</u>	<u>152,304</u>	<u>231,542</u>	<u>1,004,607</u>
Cash and investments - ending	<u>\$ 57,556</u>	<u>\$ 2,245</u>	<u>\$ 10,034</u>	<u>\$ 10,070</u>	<u>\$ 241,466</u>	<u>\$ 631,748</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 57,556	\$ 2,245	\$ 10,034	\$ -	\$ 241,466	\$ 621,678
Restricted assets:						
Cash and investments	-	-	-	10,070	-	10,070
Total cash and investment assets - ending	<u>\$ 57,556</u>	<u>\$ 2,245</u>	<u>\$ 10,034</u>	<u>\$ 10,070</u>	<u>\$ 241,466</u>	<u>\$ 631,748</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 10,070	\$ -	\$ 10,070
Unrestricted	<u>57,556</u>	<u>2,245</u>	<u>10,034</u>	<u>-</u>	<u>241,466</u>	<u>621,678</u>
Total cash and investment fund balance - ending	<u>\$ 57,556</u>	<u>\$ 2,245</u>	<u>\$ 10,034</u>	<u>\$ 10,070</u>	<u>\$ 241,466</u>	<u>\$ 631,748</u>

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

	Special Education Pre-School	School Lunch	Textbook Rental	Safe Haven Grant	Safe Haven Grant 2007	Early Intervention Grant	FFA Parr Estate
Receipts:							
Local sources	\$ 11,989	\$ 352,284	\$ 177,819	\$ -	\$ -	\$ -	\$ -
State sources	21,831	9,620	54,528	-	3,490	2,000	-
Federal sources	-	225,962	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Total receipts	33,820	587,866	232,347	-	3,490	2,000	-
Disbursements:							
Current:							
Instruction	-	-	-	-	3,273	4,675	343
Support services	-	602,562	193,202	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	25,274	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	25,274	602,562	193,202	-	3,273	4,675	343
Excess (deficiency) of receipts over disbursements	8,546	(14,696)	39,145	-	217	(2,675)	(343)
Cash and investments - beginning	30,383	56,520	91,767	882	-	(2,955)	343
Cash and investments - ending	<u>\$ 38,929</u>	<u>\$ 41,824</u>	<u>\$ 130,912</u>	<u>\$ 882</u>	<u>\$ 217</u>	<u>\$ (5,630)</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 38,929	\$ 41,824	\$ 130,912	\$ 882	\$ 217	\$ (5,630)	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 38,929</u>	<u>\$ 41,824</u>	<u>\$ 130,912</u>	<u>\$ 882</u>	<u>\$ 217</u>	<u>\$ (5,630)</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	38,929	41,824	130,912	882	217	(5,630)	-
Total cash and investment fund balance - ending	<u>\$ 38,929</u>	<u>\$ 41,824</u>	<u>\$ 130,912</u>	<u>\$ 882</u>	<u>\$ 217</u>	<u>\$ (5,630)</u>	<u>\$ -</u>

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

	DEKKO Einstein Grant	FIST	P.H. Elementary Workshop	Extra-Curricular	Richard Lanphear School	Seagley Trust	Howard Smeltzer School
Receipts:							
Local sources	\$ -	\$ 210	\$ -	\$ 30,182	\$ -	\$ 5	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Total receipts	-	210	-	30,182	-	5	-
Disbursements:							
Current:							
Instruction	-	210	-	8,880	-	-	1,000
Support services	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	210	-	8,880	-	-	1,000
Excess (deficiency) of receipts over disbursements	-	-	-	21,302	-	5	(1,000)
Cash and investments - beginning	983	-	106	963	2,000	687	1,170
Cash and investments - ending	<u>\$ 983</u>	<u>\$ -</u>	<u>\$ 106</u>	<u>\$ 22,265</u>	<u>\$ 2,000</u>	<u>\$ 692</u>	<u>\$ 170</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 983	\$ -	\$ 106	\$ 22,265	\$ 2,000	\$ 692	\$ 170
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 983</u>	<u>\$ -</u>	<u>\$ 106</u>	<u>\$ 22,265</u>	<u>\$ 2,000</u>	<u>\$ 692</u>	<u>\$ 170</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	983	-	106	22,265	2,000	692	170
Total cash and investment fund balance - ending	<u>\$ 983</u>	<u>\$ -</u>	<u>\$ 106</u>	<u>\$ 22,265</u>	<u>\$ 2,000</u>	<u>\$ 692</u>	<u>\$ 170</u>

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

	Melva Eddy Scholarship	Robert Rasler Scholarship	Cool Schools	Building Trades Construction	Indiana Next Leadership	SEEP Project/ Middle School	Peers Educating Peers
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ 6,839	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	2,017	-	-	-
Total receipts	-	-	-	8,856	-	-	-
Disbursements:							
Current:							
Instruction	-	-	-	6,153	-	573	55
Support services	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	-	6,153	-	573	55
Excess (deficiency) of receipts over disbursements	-	-	-	2,703	-	(573)	(55)
Cash and investments - beginning	610	2,387	91	62,671	2	868	1
Cash and investments - ending	<u>\$ 610</u>	<u>\$ 2,387</u>	<u>\$ 91</u>	<u>\$ 65,374</u>	<u>\$ 2</u>	<u>\$ 295</u>	<u>\$ (54)</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 610	\$ 2,387	\$ 91	\$ 65,374	\$ 2	\$ 295	\$ (54)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 610</u>	<u>\$ 2,387</u>	<u>\$ 91</u>	<u>\$ 65,374</u>	<u>\$ 2</u>	<u>\$ 295</u>	<u>\$ (54)</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	610	2,387	91	65,374	2	295	(54)
Total cash and investment fund balance - ending	<u>\$ 610</u>	<u>\$ 2,387</u>	<u>\$ 91</u>	<u>\$ 65,374</u>	<u>\$ 2</u>	<u>\$ 295</u>	<u>\$ (54)</u>

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

	DEKKO Youth Corporation	E-Rate/ U.S. Sprint	DEKKO Award Science/Music	DEKKO/ English & Social Studies	Wal Mart/ Teacher of The Year	DEKKO All Right Mentor	Gifted & Talented
Receipts:							
Local sources	\$ -	\$ 11,107	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	32,839
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Total receipts	-	11,107	-	-	-	-	32,839
Disbursements:							
Current:							
Instruction	196	-	-	59	-	12,902	17,035
Support services	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	196	-	-	59	-	12,902	17,035
Excess (deficiency) of receipts over disbursements	(196)	11,107	-	(59)	-	(12,902)	15,804
Cash and investments - beginning	153	-	595	2,066	982	(2,002)	8,193
Cash and investments - ending	<u>\$ (43)</u>	<u>\$ 11,107</u>	<u>\$ 595</u>	<u>\$ 2,007</u>	<u>\$ 982</u>	<u>\$ (14,904)</u>	<u>\$ 23,997</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ (43)	\$ 11,107	\$ 595	\$ 2,007	\$ 982	\$ (14,904)	\$ 23,997
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (43)</u>	<u>\$ 11,107</u>	<u>\$ 595</u>	<u>\$ 2,007</u>	<u>\$ 982</u>	<u>\$ (14,904)</u>	<u>\$ 23,997</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(43)	11,107	595	2,007	982	(14,904)	23,997
Total cash and investment fund balance - ending	<u>\$ (43)</u>	<u>\$ 11,107</u>	<u>\$ 595</u>	<u>\$ 2,007</u>	<u>\$ 982</u>	<u>\$ (14,904)</u>	<u>\$ 23,997</u>

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

	Mentor Teachers	Elementary School Outdoor	Theater Ticket Grant	Non-English Speaking	School Tech./ DEKKO	Community Foundation Grant
Receipts:						
Local sources	\$ -	\$ 800	\$ -	\$ -	\$ -	\$ 1,165
State sources	600	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-
Total receipts	600	800	-	-	-	1,165
Disbursements:						
Current:						
Instruction	600	605	-	1,279	-	1,005
Support services	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	600	605	-	1,279	-	1,005
Excess (deficiency) of receipts over disbursements	-	195	-	(1,279)	-	160
Cash and investments - beginning	1,650	294	60	3,584	8,716	1,561
Cash and investments - ending	<u>\$ 1,650</u>	<u>\$ 489</u>	<u>\$ 60</u>	<u>\$ 2,305</u>	<u>\$ 8,716</u>	<u>\$ 1,721</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 1,650	\$ 489	\$ 60	\$ 2,305	\$ 8,716	\$ 1,721
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,650</u>	<u>\$ 489</u>	<u>\$ 60</u>	<u>\$ 2,305</u>	<u>\$ 8,716</u>	<u>\$ 1,721</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,650	489	60	2,305	8,716	1,721
Total cash and investment fund balance - ending	<u>\$ 1,650</u>	<u>\$ 489</u>	<u>\$ 60</u>	<u>\$ 2,305</u>	<u>\$ 8,716</u>	<u>\$ 1,721</u>

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

	Timber	LaGrange Independent Foundation Grant	Title I School Improvement	Title I 2005-06	Title I 2006-07	Title 2007-08
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	24,978	-	-	124,297
Bonds and loans	-	-	-	-	-	-
Total receipts	-	-	24,978	-	-	124,297
Disbursements:						
Current:						
Instruction	-	-	1,111	-	11,714	94,202
Support services	-	-	23,689	351	3,572	13,382
Community services	-	-	-	350	535	134
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	-	-	24,800	701	15,821	107,718
Excess (deficiency) of receipts over disbursements	-	-	178	(701)	(15,821)	16,579
Cash and investments - beginning	252	372	-	-	16,363	-
Cash and investments - ending	<u>\$ 252</u>	<u>\$ 372</u>	<u>\$ 178</u>	<u>\$ (701)</u>	<u>\$ 542</u>	<u>\$ 16,579</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 252	\$ 372	\$ 178	\$ (701)	\$ 542	\$ 16,579
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 252</u>	<u>\$ 372</u>	<u>\$ 178</u>	<u>\$ (701)</u>	<u>\$ 542</u>	<u>\$ 16,579</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	252	372	178	(701)	542	16,579
Total cash and investment fund balance - ending	<u>\$ 252</u>	<u>\$ 372</u>	<u>\$ 178</u>	<u>\$ (701)</u>	<u>\$ 542</u>	<u>\$ 16,579</u>

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

	Title V Part A 2002-03	Serving America Grant	Drug Free Schools 2005	Drug Free Schools 2006	Drug Free Schools 2007	School to Work Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	735	-	-	-
Bonds and loans	-	-	-	-	-	-
Total receipts	-	-	735	-	-	-
Disbursements:						
Current:						
Instruction	-	-	184	992	3,371	-
Support services	215	-	-	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	215	-	184	992	3,371	-
Excess (deficiency) of receipts over disbursements	(215)	-	551	(992)	(3,371)	-
Cash and investments - beginning	2,515	41	2,200	879	10,577	1,847
Cash and investments - ending	<u>\$ 2,300</u>	<u>\$ 41</u>	<u>\$ 2,751</u>	<u>\$ (113)</u>	<u>\$ 7,206</u>	<u>\$ 1,847</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 2,300	\$ 41	\$ 2,751	\$ (113)	\$ 7,206	\$ 1,847
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 2,300	\$ 41	\$ 2,751	\$ (113)	\$ 7,206	\$ 1,847
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,300	41	2,751	(113)	7,206	1,847
Total cash and investment fund balance - ending	\$ 2,300	\$ 41	\$ 2,751	\$ (113)	\$ 7,206	\$ 1,847

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

	Title II Part A	Title II Part D	Title III Bilingual Grant	Retirement / Bonds	Construction	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 198,115	\$ 10,387	\$ 800,902
State sources	-	-	-	-	-	124,908
Federal sources	50,049	-	6,741	-	-	432,762
Bonds and loans	-	-	-	105,000	-	107,017
Total receipts	50,049	-	6,741	303,115	10,387	1,465,589
Disbursements:						
Current:						
Instruction	55,164	-	4,844	-	-	230,425
Support services	-	-	-	-	-	836,973
Community services	-	-	-	-	-	1,019
Nonprogrammed charges	-	-	-	-	-	25,274
Debt services	-	-	-	319,004	-	319,004
Total disbursements	55,164	-	4,844	319,004	-	1,412,695
Excess (deficiency) of receipts over disbursements	(5,115)	-	1,897	(15,889)	10,387	52,894
Cash and investments - beginning	57,556	2,245	10,034	10,070	241,466	631,748
Cash and investments - ending	<u>\$ 52,441</u>	<u>\$ 2,245</u>	<u>\$ 11,931</u>	<u>\$ (5,819)</u>	<u>\$ 251,853</u>	<u>\$ 684,642</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 52,441	\$ 2,245	\$ 11,931	\$ -	\$ 251,853	\$ 690,461
Restricted assets:						
Cash and investments	-	-	-	(5,819)	-	(5,819)
Total cash and investment assets - ending	<u>\$ 52,441</u>	<u>\$ 2,245</u>	<u>\$ 11,931</u>	<u>\$ (5,819)</u>	<u>\$ 251,853</u>	<u>\$ 684,642</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ (5,819)	\$ -	\$ (5,819)
Unrestricted	52,441	2,245	11,931	-	251,853	690,461
Total cash and investment fund balance - ending	<u>\$ 52,441</u>	<u>\$ 2,245</u>	<u>\$ 11,931</u>	<u>\$ (5,819)</u>	<u>\$ 251,853</u>	<u>\$ 684,642</u>

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended June 30, 2008

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 320,000
Buildings	13,095,422
Improvements other than buildings	846,086
Machinery and equipment	<u>4,122,663</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 18,384,171</u>

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2008

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Refinancing 1993 A	\$ 1,190,000	\$ 419,965
Model Construction/Renovation Project	5,465,000	598,705
Bonds payable:		
General obligation bonds:		
2003 Pension Bonds	1,360,000	112,426
Tax Anticipation Warrants	<u>3,745,000</u>	<u>3,745,000</u>
Total governmental activities debt	<u>\$ 11,760,000</u>	<u>\$ 4,876,096</u>

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for examination for the months of July 2008 through December 2008. The reconciliations that were presented were not complete. The bank reconciliation for June 30, 2008, had an unidentified balance of \$36,661.82. We determined that the difference was an unrecorded receipt in the Self-Insurance Fund after tracing the receipts to the records for May and June 2008.

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

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

ERRORS ON CLAIMS

The following deficiencies were noted on claims during the examination period:

- (1) Cafeteria claims examined were not certified by the fiscal officer.
- (2) Seven claims examined did not have Board approval.

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

IC 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services."

"(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

OVERDRAWN CASH BALANCES

The cash balance of the Early Intervention Grant Fund, Peers Educating Peers Fund, DEKKO Youth Corporation Fund, DEKKO All Rights Mentor Fund, Title I 2005-06 Fund, Drug Free Schools 2006 Fund, and Retirement/Bonds Fund, were overdrawn at June 30, 2008

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

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on April 27, 2009, with Karen Eagleson, Treasurer; Paul E. Thomas, Jr., Superintendent of Schools; Janet Grabill, Board member; and Mike Howe, Board member. The officials concurred with our examination findings.