

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, 2007 to June 30, 2009



FILED
05/21/2010

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OFFICIALS

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



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial statement presented herein of the Clinton Prairie School Corporation (School Corporation), for the period of July 1, 2007 to June 30, 2009. The School Corporation's management is responsible for the financial statement 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 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 statement referred to above presents fairly, in all material respects, the financial statement of the School Corporation for the years ended June 30, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

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 statement. The Combining Schedules have been subjected to the examination procedures applied in the examination of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the examination procedures applied to the basic financial statement, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

January 19, 2010

CLINTON PRAIRIE 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>	
Governmental activities:				
Instruction	\$ 4,534,934	\$ -	\$ 126,488	\$ (4,408,446)
Support services	3,308,420	325,325	154,337	(2,828,758)
Noninstructional services	445,984	-	-	(445,984)
Facilities acquisition and construction	575,897	-	-	(575,897)
Debt service	5,637,947	-	-	(5,637,947)
Nonprogrammed charges	147,881	-	-	(147,881)
Total governmental activities	<u>\$ 14,651,063</u>	<u>\$ 325,325</u>	<u>\$ 280,825</u>	<u>(14,044,913)</u>
General receipts:				
Property taxes				4,968,857
Other local sources				738,675
State aid				3,184,142
Bonds and loans				5,000,000
Grants and contributions not restricted to specific programs				279,705
Sale of property				250
Investment earnings				11,380
Total general receipts				<u>14,183,009</u>
Change in net assets				138,096
Net assets-beginning				834,413
Reclassification adjustments				<u>(347)</u>
Net assets - beginning adjusted				834,066
Net assets - ending				<u>\$ 972,162</u>
<u>Assets</u>				
Cash and investments				\$ 2,076,618
Restricted assets:				
Cash and investments				<u>(1,104,456)</u>
Total assets				<u>\$ 972,162</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ (1,286,112)
Other purposes				181,656
Unrestricted				<u>2,076,618</u>
Total net assets				<u>\$ 972,162</u>

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

CLINTON PRAIRIE SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 4,524,189	\$ -	\$ 151,882	\$ (4,372,307)
Support services	3,526,954	319,458	156,670	(3,050,826)
Noninstructional services	480,697	-	-	(480,697)
Facilities acquisition and construction	690,167	-	-	(690,167)
Debt service	7,313,345	-	-	(7,313,345)
Nonprogrammed charges	159,898	-	-	(159,898)
Total governmental activities	<u>\$ 16,695,250</u>	<u>\$ 319,458</u>	<u>\$ 308,552</u>	<u>(16,067,240)</u>
General receipts:				
Property taxes				6,384,163
Other local sources				917,785
State aid				4,172,941
Bonds and loans				2,607,106
Grants and contributions not restricted to specific programs				926,882
Sale of property				859
Investment earnings				<u>27,733</u>
Total general receipts				<u>15,037,469</u>
Change in net assets				(1,029,771)
Net assets - beginning				<u>972,162</u>
Net assets - ending				<u>\$ (57,609)</u>
<u>Assets</u>				
Cash and investments				\$ 116,637
Restricted assets:				
Cash and investments				<u>(174,246)</u>
Total assets				<u>\$ (57,609)</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ (174,246)
Unrestricted				<u>116,637</u>
Total net assets				<u>\$ (57,609)</u>

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

CLINTON PRAIRIE 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	Rainy Day	Debt Service	Other	Totals
Receipts:					
Local sources	\$ 2,587,253	\$ 12,658	\$ 725,171	\$ 2,718,895	\$ 6,043,977
Intermediate sources	221	-	-	38	259
State sources	3,277,497	-	-	87,336	3,364,833
Federal sources	21,161	-	-	358,679	379,840
Temporary loans	5,000,000	-	-	-	5,000,000
Total receipts	10,886,132	12,658	725,171	3,164,948	14,788,909
Disbursements:					
Current:					
Instruction	4,233,936	-	-	300,998	4,534,934
Support services	1,916,265	-	-	1,392,155	3,308,420
Noninstructional services	52,497	-	-	393,487	445,984
Facilities acquisition and construction	-	-	-	575,897	575,897
Debt services	3,900,000	-	1,485,778	252,169	5,637,947
Nonprogrammed charges	145,517	-	-	2,364	147,881
Total disbursements	10,248,215	-	1,485,778	2,917,070	14,651,063
Excess (deficiency) of receipts over disbursements	637,917	12,658	(760,607)	247,878	137,846
Other financing sources (uses):					
Sale of capital assets	250	-	-	-	250
Transfers in	-	58,200	-	2,954	61,154
Transfers out	-	-	-	(61,154)	(61,154)
Total other financing sources (uses)	250	58,200	-	(58,200)	250
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	638,167	70,858	(760,607)	189,678	138,096
Cash and investments - beginning	1,388,342	462,000	(550,485)	(647,447)	652,410
Cash and investments - ending	<u>\$ 2,026,509</u>	<u>\$ 532,858</u>	<u>\$ (1,311,092)</u>	<u>\$ (457,769)</u>	790,506
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.					
					181,656
Net assets of governmental activities					<u>\$ 972,162</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 2,026,509	\$ 532,858	\$ -	\$ (482,749)	\$ 2,076,618
Restricted assets:					
Cash and investments	-	-	(1,311,092)	24,980	(1,286,112)
Total cash and investment assets - ending	<u>\$ 2,026,509</u>	<u>\$ 532,858</u>	<u>\$ (1,311,092)</u>	<u>\$ (457,769)</u>	<u>\$ 790,506</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ (1,311,092)	\$ 24,980	\$ (1,286,112)
Unrestricted	2,026,509	532,858	-	(482,749)	2,076,618
Total cash and investment fund balance - ending	<u>\$ 2,026,509</u>	<u>\$ 532,858</u>	<u>\$ (1,311,092)</u>	<u>\$ (457,769)</u>	<u>\$ 790,506</u>

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

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

	General	Rainy Day	Debt Service	Other	Totals
Receipts:					
Local sources	\$ 2,629,816	\$ -	\$ 2,755,430	\$ 2,241,009	\$ 7,626,255
Intermediate sources	221	-	-	-	221
State sources	4,292,121	-	-	106,784	4,398,905
Federal sources	30,722	-	-	978,748	1,009,470
Temporary loans	2,350,000	-	-	257,106	2,607,106
Total receipts	9,302,880	-	2,755,430	3,583,647	15,641,957
Disbursements:					
Current:					
Instruction	4,167,543	-	-	356,646	4,524,189
Support services	1,880,110	-	-	1,646,844	3,526,954
Noninstructional services	86,745	-	-	393,952	480,697
Facilities acquisition and construction	-	-	-	690,167	690,167
Debt services	5,500,000	-	1,456,506	356,839	7,313,345
Nonprogrammed charges	49,614	-	-	110,284	159,898
Total disbursements	11,684,012	-	1,456,506	3,554,732	16,695,250
Excess (deficiency) of receipts over disbursements	(2,381,132)	-	1,298,924	28,915	(1,053,293)
Other financing sources (uses):					
Sale of capital assets	859	-	-	-	859
Payment from Internal Service Fund	204,319	-	-	-	204,319
Transfers in	-	160,000	-	1,060	161,060
Transfers out	-	-	-	(161,060)	(161,060)
Total other financing sources (uses)	205,178	160,000	-	(160,000)	205,178
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,175,954)	160,000	1,298,924	(131,085)	(848,115)
Cash and investments - beginning	2,026,509	532,858	(1,311,092)	(457,769)	790,506
Cash and investments - ending	<u>\$ (149,445)</u>	<u>\$ 692,858</u>	<u>\$ (12,168)</u>	<u>\$ (588,854)</u>	<u>\$ (57,609)</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ (149,445)	\$ 692,858	\$ -	\$ (426,776)	\$ 116,637
Restricted assets:					
Cash and investments	-	-	(12,168)	(162,078)	(174,246)
Total cash and investment assets - ending	<u>\$ (149,445)</u>	<u>\$ 692,858</u>	<u>\$ (12,168)</u>	<u>\$ (588,854)</u>	<u>\$ (57,609)</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ (12,168)	\$ (162,078)	\$ (174,246)
Unrestricted	(149,445)	692,858	-	(426,776)	116,637
Total cash and investment fund balance - ending	<u>\$ (149,445)</u>	<u>\$ 692,858</u>	<u>\$ (12,168)</u>	<u>\$ (588,854)</u>	<u>\$ (57,609)</u>

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

CLINTON PRAIRIE 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>
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	\$ 181,656
Total cash and investment assets - ending	<u>\$ 181,656</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 181,656
Total cash and investment fund balance - ending	<u>\$ 181,656</u>

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

CLINTON PRAIRIE 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, 2009

	Internal Service Fund
Operating receipts:	
Miscellaneous	\$ 22,663
Total operating receipts	22,663
Disbursements:	
Payment to general fund	(204,319)
Change in net assets	(181,656)
Cash and investment fund balance - beginning	181,656
Cash and investment fund balance - ending	\$ -
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ -
Total cash and investment assets - ending	\$ -
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ -
Total cash and investment fund balance - ending	\$ -

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

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

	Pension Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ 167,043	\$ 706	
Total contributions	167,043	706	
Total additions	167,043	706	
Deductions:			
Benefits	133,550	-	
Administrative and general	-	400	
Total deductions	133,550	400	
Excess of total additions over total deductions	33,493	306	
Cash and investment fund balance - beginning	-	29	
Adjustments from reclassification	-	347	
Cash and investment fund balance - beginning adjusted	(61,851)	776	
Cash and investment fund balance - ending	\$ (28,358)	\$ 1,082	\$ 64,444
Net assets:			
Cash and investments	\$ (28,358)	\$ 1,082	
Total net assets - cash and investment basis held in trust	\$ (28,358)	\$ 1,082	

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

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

	Pension Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ 158,344	\$ 533	
Total contributions	158,344	533	
Investment earnings:			
Interest	504	-	
Total investment earnings	504	-	
Net investment earnings	504	-	
Total additions	158,848	533	
Deductions:			
Benefits	130,490	-	
Total deductions	130,490	-	
Excess of total additions over total deductions	28,358	533	
Cash and investment fund balance - beginning	(28,358)	1,082	
Cash and investment fund balance - ending	\$ -	\$ 1,615	\$ 74,414
Net assets:			
Cash and investments	\$ -	\$ 1,615	
Total net assets - cash and investment basis held in trust	\$ -	\$ 1,615	

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

CLINTON PRAIRIE 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: Clinton Prairie 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 the Clinton Central School Corporation, Community Schools of Frankfort, Lebanon Community School District, North West Hendricks School Corporation, Rossville Consolidated School District, and Western Boone County Community School Corporation in a joint venture to operate the Boone-Clinton-North West Hendricks Joint Services which was created to provide joint services for special education services. Complete financial statements for the Boone-Clinton-North West Hendricks Joint Services can be obtained from:

Community Schools of Frankfort
50 South Maish Road
Frankfort, IN 46041

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

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

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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 School Corporation reports the following major proprietary funds:

The internal service fund accounts for health insurance provided to other departments on a cost reimbursement basis. This School Corporation chose not to pursue self-insurance and this fund is no longer active as of June 30, 2009.

Additionally, the School Corporation reports the following fund types:

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

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the graduates of Clinton Prairie High School with scholarships.

Agency funds account for assets held by the School Corporation as an agent for various payroll withholdings.

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.

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.

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

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

Fund Financial Statements

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

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

Government-Wide Financial Statements

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

CLINTON PRAIRIE SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

1. 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.
2. Primary government and component unit activity and balances – Resource flows between the primary government and the discretely-presented component unit(s) are reported as if they were external transactions and are classified separately from internal balances and activities within the primary government.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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. Disbursements in Excess of Appropriations

For the years ended June 30, 2008 and 2009, disbursements exceeded budgeted appropriations in the following funds by the amounts below:

Fund	2008
Special Education Preschool	\$ 86,226
Capital Projects	<u>302,133</u>
Total	<u><u>\$ 388,359</u></u>

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

These disbursements were funded by additional receipts in the Special Education Preschool Fund and an emergency loan from Veteran's Common School Loan in the subsequent year for the Capital Projects Fund.

C. Cash and Investment Balance Deficits

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

Fund	2008	2009
General	\$ -	\$ 149,445
Debt Service	1,311,092	12,168
Transportation Operating	152,051	336,202
Special Education Preschool	-	54,970
Textbook Rental	-	34,272
PL 101-476 IDEA	15,500	19,930
Retirement/Severance Bond	-	162,078
Capital Projects	445,479	692,545
Pension	28,358	-

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the delay in receiving local tax distributions from the County.

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 School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2009, the School Corporation had deposit balances in the amount of \$21,417.

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, 2009, the School Corporation had no investments.

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Statutory Authorization for Investments

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

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

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

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The School Corporation does not have a formal investment policy for custodial credit risk for investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School Corporation must follow state statute and limit the stated final maturities of the investments to no more than two years. The School Corporation does not have a formal investment policy for interest rate risk for investments.

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School Corporation does not have a formal investment policy for credit risk for investments.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School Corporation does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

Foreign Currency Risk

The School Corporation does not have a formal policy in regards to foreign currency risk.

B. Interfund Transfers

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>2008</u>	<u>2009</u>
Other governmental funds	Rainy Day Fund	\$ 58,200	\$ 160,000
	Other governmental funds	-	1,060
Totals		<u>\$ 58,200</u>	<u>\$ 161,060</u>

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

C. Restatements and Reclassifications

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

<u>Opinion Unit</u>	<u>Balance as Reported June 30, 2007</u>	<u>Fund Reclassification</u>	<u>Balance as Restated July 1, 2007</u>
Statement of Activities	\$ 834,413	\$ (347)	\$ 834,066
Private-Purpose Trust	-	347	347

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

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

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

B. Holding Corporation

The School Corporation has entered into a capital lease with the Clinton Prairie School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the year totaled \$1,385,000.

C. Termination Benefits

Prior to the June 30, 2003, the School Corporation offered to employees an incentive to retire early. If employees agreed to an early retirement they would receive 25% of their base pay earned during the year they retired. The employees must have been at least 55 years of age and the benefit would continue until the employee reached the age of 65. Only four employees continue to meet this requirement and the total cost of this benefit in 2009 was \$25,876. The School Corporation makes an annual payment to these four employees and is reimbursed from proceeds from the General Obligation Pension Bonds issued in June 2004 and invested with Washington Trust Bank to fund these benefits.

In addition, all teachers employed during the 2002-2003 school year, who meet the eligibility requirements for the Indiana Teachers Retirement Benefits but who have not reached the age of 59 can receive 25% of the base salary of a teacher with a bachelor's degree, from the date of early retirement until they reach the age of 59. In 2009, five teachers met this requirement and the School Corporation paid \$34,464 for these five teachers. This disbursement was also made by the School Corporation and reimbursed from the bond proceeds invested with Washington Trust Bank.

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

The Clinton Prairie School Corporation Healthcare Plan is a single-employer defined benefit healthcare plan administered by Meritan Health. The plan provides medical insurance benefits to eligible retirees. IC 5-10-08 assigns the authority to establish and amend benefit provisions to the School Corporation. The financial activity of the Clinton Prairie Healthcare Plan is included in these financial statements.

Funding Policy

The contribution requirements of plan members for the Clinton Prairie Healthcare Plan are established by the School Corporation's School Board. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended June 30, 2009, the Clinton Prairie Healthcare Plan has been prefunded with a determined amount. Proceeds from the General Obligation Pension Bonds were invested in a VEBA account to pay for this healthcare benefit. In the current school year, the School Corporation paid 70% of total premiums for single plan for eligible retirees and plan members receiving benefits paid 30% of the total premiums for a single plan. The School Corporation makes no payments for dependent coverage. The payments made by the School Corporation are reimbursed from the VEBA account.

E. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 67,366
Interest on net pension obligation	(3,065)
Adjustment to annual required contribution	3,492
Annual pension cost	67,793
Contributions made	87,774
Increase (decrease) in net pension obligation	(19,981)
Net pension obligation, beginning of year	(42,271)
Net pension obligation, end of year	\$ (62,252)
	PERF
Contribution rates:	
School Corporation	7.25%
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

CLINTON PRAIRIE SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	6-30-06	\$ 90,085	84%	\$ (38,729)
	6-30-07	73,498	105%	(42,271)
	6-30-08	67,793	129%	(62,252)

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

Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Costs

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, 2009, 2008, and 2007, were \$239,067, \$224,899, and \$202,706, respectively. The School Corporation actually contributed 100%, 100%, and 100% of the required contribution for each of the fiscal years, respectively.

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)	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	\$ 1,410,436	\$ 1,536,359	\$ (125,923)	92%	\$ 1,039,749	(12%)
07-01-07	1,381,139	1,406,675	(25,536)	98%	1,058,583	(2%)
07-01-08	1,580,428	1,583,977	(3,549)	100%	1,116,936	(0%)

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, 2008

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Educational License Plate	Safe Haven 07-08	Gifted/ Talented
Receipts:							
Local sources	\$ 571,891	\$ 6,039	\$ 258,110	\$ 64,629	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	38	-	-
State sources	-	22,785	4,963	23,609	-	2,195	29,553
Federal sources	-	-	125,765	-	-	-	-
Total receipts	571,891	28,824	388,838	88,238	38	2,195	29,553
Disbursements:							
Current:							
Instruction	-	24,833	-	-	-	80	24,368
Support services	597,829	-	4,035	77,840	-	2,160	-
Noninstructional services	-	-	393,157	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	2,364	-	-	-	-	-
Total disbursements	597,829	27,197	397,192	77,840	-	2,240	24,368
Excess (deficiency) of receipts over disbursements	(25,938)	1,627	(8,354)	10,398	38	(45)	5,185
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	(25,938)	1,627	(8,354)	10,398	38	(45)	5,185
Cash and investments - beginning	(126,113)	23,099	51,940	(9,609)	1,800	45	-
Cash and investments - ending	<u>\$ (152,051)</u>	<u>\$ 24,726</u>	<u>\$ 43,586</u>	<u>\$ 789</u>	<u>\$ 1,838</u>	<u>\$ -</u>	<u>\$ 5,185</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ (152,051)	\$ 24,726	\$ 43,586	\$ 789	\$ 1,838	\$ -	\$ 5,185
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (152,051)</u>	<u>\$ 24,726</u>	<u>\$ 43,586</u>	<u>\$ 789</u>	<u>\$ 1,838</u>	<u>\$ -</u>	<u>\$ 5,185</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(152,051)	24,726	43,586	789	1,838	-	5,185
Total cash and investment fund balance - ending	<u>\$ (152,051)</u>	<u>\$ 24,726</u>	<u>\$ 43,586</u>	<u>\$ 789</u>	<u>\$ 1,838</u>	<u>\$ -</u>	<u>\$ 5,185</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, 2008
 (Continued)

	Non-English Speaking Program 07-08	Performance Based Awards Elementary	CF Industries/ Mini Grant	Buddy Project Grant	Title I 07-08	Title I 08-09
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	3,731	-	-	500	-	-
Federal sources	-	-	-	-	37,683	4,617
Total receipts	3,731	-	-	500	37,683	4,617
Disbursements:						
Current:						
Instruction	387	55	-	-	36,064	917
Support services	-	-	-	-	-	-
Noninstructional services	-	-	330	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	387	55	330	-	36,064	917
Excess (deficiency) of receipts over disbursements	3,344	(55)	(330)	500	1,619	3,700
Other financing sources (uses):						
Transfers in	-	-	-	-	-	1,477
Transfers out	-	-	-	-	-	(1,477)
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,344	(55)	(330)	500	1,619	3,700
Cash and investments - beginning	6	109	2,249	-	-	(3,700)
Cash and investments - ending	\$ 3,350	\$ 54	\$ 1,919	\$ 500	\$ 1,619	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 3,350	\$ 54	\$ 1,919	\$ 500	\$ 1,619	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 3,350	\$ 54	\$ 1,919	\$ 500	\$ 1,619	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	3,350	54	1,919	500	1,619	-
Total cash and investment fund balance - ending	\$ 3,350	\$ 54	\$ 1,919	\$ 500	\$ 1,619	\$ -

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, 2008
 (Continued)

	Title V 07-08	Title V FY 2005	Title V 2006-2007	P.L. 94-142 2008-2009	P.L. 94-142 2007-2008	Title IV 2008-2009
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	1,509	-	-	-	154,936	-
Total receipts	1,509	-	-	-	154,936	-
Disbursements:						
Current:						
Instruction	-	-	-	(31)	170,436	310
Support services	750	489	1,285	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	750	489	1,285	(31)	170,436	310
Excess (deficiency) of receipts over disbursements	759	(489)	(1,285)	31	(15,500)	(310)
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	759	(489)	(1,285)	31	(15,500)	(310)
Cash and investments - beginning	-	489	1,587	(31)	-	310
Cash and investments - ending	\$ 759	\$ -	\$ 302	\$ -	\$ (15,500)	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 759	\$ -	\$ 302	\$ -	\$ (15,500)	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 759	\$ -	\$ 302	\$ -	\$ (15,500)	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	759	-	302	-	(15,500)	-
Total cash and investment fund balance - ending	\$ 759	\$ -	\$ 302	\$ -	\$ (15,500)	\$ -

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, 2008
 (Continued)

	Class Size Reduction Title II	Title II-D Enhanced Education Technology	Retirement/ Severance Bond	Capital Projects	Transportation School Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 569,495	\$ 927,892	\$ 320,839	\$ 2,718,895
Intermediate sources	-	-	-	-	-	38
State sources	-	-	-	-	-	87,336
Federal sources	34,169	-	-	-	-	358,679
Total receipts	34,169	-	569,495	927,892	320,839	3,164,948
Disbursements:						
Current:						
Instruction	43,579	-	-	-	-	300,998
Support services	-	1,434	-	572,625	133,708	1,392,155
Noninstructional services	-	-	-	-	-	393,487
Facilities acquisition and construction	-	-	-	575,897	-	575,897
Debt services	-	-	252,169	-	-	252,169
Nonprogrammed charges	-	-	-	-	-	2,364
Total disbursements	43,579	1,434	252,169	1,148,522	133,708	2,917,070
Excess (deficiency) of receipts over disbursements	(9,410)	(1,434)	317,326	(220,630)	187,131	247,878
Other financing sources (uses):						
Transfers in	1,477	-	-	-	-	2,954
Transfers out	(1,477)	-	-	-	(58,200)	(61,154)
Total other financing sources (uses)	-	-	-	-	(58,200)	(58,200)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,410)	(1,434)	317,326	(220,630)	128,931	189,678
Cash and investments - beginning	24,199	1,434	(292,346)	(224,849)	(98,066)	(647,447)
Cash and investments - ending	<u>\$ 14,789</u>	<u>\$ -</u>	<u>\$ 24,980</u>	<u>\$ (445,479)</u>	<u>\$ 30,865</u>	<u>\$ (457,769)</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 14,789	\$ -	\$ -	\$ (445,479)	\$ 30,865	\$ (482,749)
Restricted assets:						
Cash and investments	-	-	24,980	-	-	24,980
Total cash and investment assets - ending	<u>\$ 14,789</u>	<u>\$ -</u>	<u>\$ 24,980</u>	<u>\$ (445,479)</u>	<u>\$ 30,865</u>	<u>\$ (457,769)</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ 24,980	\$ -	\$ -	\$ 24,980
Unrestricted	14,789	-	-	(445,479)	30,865	(482,749)
Total cash and investment fund balance - ending	<u>\$ 14,789</u>	<u>\$ -</u>	<u>\$ 24,980</u>	<u>\$ (445,479)</u>	<u>\$ 30,865</u>	<u>\$ (457,769)</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, 2009

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Education License Plate	Safe School Haven 08-09	Early Intervention Grant
Receipts:							
Local sources	\$ 541,571	\$ 5,411	\$ 274,723	\$ 64,732	\$ -	\$ -	\$ -
State sources	-	25,178	5,750	21,525	-	1,000	20,480
Federal sources	-	-	129,396	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Total receipts	541,571	30,589	409,869	86,257	-	1,000	20,480
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	20,480
Support services	665,722	-	3,438	121,318	-	1,000	-
Noninstructional services	-	-	392,870	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	110,284	-	-	-	-	-
Total disbursements	665,722	110,284	396,308	121,318	-	1,000	20,480
Excess (deficiency) of receipts over disbursements	(124,151)	(79,695)	13,561	(35,061)	-	-	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(60,000)	-	-	-	-	-	-
Total other financing sources (uses)	(60,000)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(184,151)	(79,695)	13,561	(35,061)	-	-	-
Cash and investments - beginning	(152,051)	24,726	43,586	789	1,838	-	-
Cash and investments - ending	<u>\$ (336,202)</u>	<u>\$ (54,969)</u>	<u>\$ 57,147</u>	<u>\$ (34,272)</u>	<u>\$ 1,838</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ (336,202)	\$ (54,969)	\$ 57,147	\$ (34,272)	\$ 1,838	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (336,202)</u>	<u>\$ (54,969)</u>	<u>\$ 57,147</u>	<u>\$ (34,272)</u>	<u>\$ 1,838</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(336,202)	(54,969)	57,147	(34,272)	1,838	-	-
Total cash and investment fund balance - ending	<u>\$ (336,202)</u>	<u>\$ (54,969)</u>	<u>\$ 57,147</u>	<u>\$ (34,272)</u>	<u>\$ 1,838</u>	<u>\$ -</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, 2009
 (Continued)

	High Ability Grant 08-09	Gifted/ Talented	Non English Speaking 07-08	Non English Speaking 08-09	Performance Based Award Elementary	CP Foundation Grant	CF Industries Mini Grant
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 582	\$ -
State sources	29,553	-	-	3,298	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Total receipts	29,553	-	-	3,298	-	582	-
Disbursements:							
Current:							
Instruction	25,133	3,437	3,344	3,298	-	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	582	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	25,133	3,437	3,344	3,298	-	582	-
Excess (deficiency) of receipts over disbursements	4,420	(3,437)	(3,344)	-	-	-	-
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	4,420	(3,437)	(3,344)	-	-	-	-
Cash and investments - beginning	-	5,185	3,350	-	54	-	1,919
Cash and investments - ending	<u>\$ 4,420</u>	<u>\$ 1,748</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 54</u>	<u>\$ -</u>	<u>\$ 1,919</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 4,420	\$ 1,748	\$ 6	\$ -	\$ 54	\$ -	\$ 1,919
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 4,420</u>	<u>\$ 1,748</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 54</u>	<u>\$ -</u>	<u>\$ 1,919</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	4,420	1,748	6	-	54	-	1,919
Total cash and investment fund balance - ending	<u>\$ 4,420</u>	<u>\$ 1,748</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 54</u>	<u>\$ -</u>	<u>\$ 1,919</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, 2009
 (Continued)

	Buddy Grant	Title I 2007-2008	Title I 2008-2009	Title V 2007-2008	Title V 2006-2007	Learning Network	P.L. 94-142 2008-2009
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	3,600	74,131	-	-	39,000	155,558
Temporary loans	-	-	-	-	-	-	-
Total receipts	-	3,600	74,131	-	-	39,000	155,558
Disbursements:							
Current:							
Instruction	-	4,159	60,184	-	-	39,000	169,488
Support services	-	-	-	759	302	-	-
Noninstructional services	500	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	500	4,159	60,184	759	302	39,000	169,488
Excess (deficiency) of receipts over disbursements	(500)	(559)	13,947	(759)	(302)	-	(13,930)
Other financing sources (uses):							
Transfers in	-	-	1,060	-	-	-	-
Transfers out	-	(1,060)	-	-	-	-	-
Total other financing sources (uses)	-	(1,060)	1,060	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(500)	(1,619)	15,007	(759)	(302)	-	(13,930)
Cash and investments - beginning	500	1,619	-	759	302	-	-
Cash and investments - ending	\$ -	\$ -	\$ 15,007	\$ -	\$ -	\$ -	\$ (13,930)
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ -	\$ 15,007	\$ -	\$ -	\$ -	\$ (13,930)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 15,007	\$ -	\$ -	\$ -	\$ (13,930)
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	15,007	-	-	-	(13,930)
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 15,007	\$ -	\$ -	\$ -	\$ (13,930)

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, 2009
 (Continued)

	P.L. 94-142 2007-2008	Title IV 2008-2009	Title IV 2007-2008	Class Size Reduction Title II 2007-2008	Class Size Reduction Title II 2008-2009	Title III Consortium
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	15,500	1,719	2,475	-	37,376	3,329
Temporary loans	-	-	-	-	-	-
Total receipts	15,500	1,719	2,475	-	37,376	3,329
Disbursements:						
Current:						
Instruction	-	-	2,475	13,338	8,981	3,329
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	-	2,475	13,338	8,981	3,329
Excess (deficiency) of receipts over disbursements	15,500	1,719	-	(13,338)	28,395	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	15,500	1,719	-	(13,338)	28,395	-
Cash and investments - beginning	(15,500)	-	-	14,789	-	-
Cash and investments - ending	\$ -	\$ 1,719	\$ -	\$ 1,451	\$ 28,395	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 1,719	\$ -	\$ 1,451	\$ 28,395	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 1,719	\$ -	\$ 1,451	\$ 28,395	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	1,719	-	1,451	28,395	-
Total cash and investment fund balance - ending	\$ -	\$ 1,719	\$ -	\$ 1,451	\$ 28,395	\$ -

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, 2009
 (Continued)

	Fiscal Stabilization	Title I Grants to LEA's	Retirement/ Severance Bond	Capital Projects	Transportation School Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 169,781	\$ 929,402	\$ 254,807	\$ 2,241,009
State sources	-	-	-	-	-	106,784
Federal sources	507,744	8,920	-	-	-	978,748
Temporary loans	-	-	-	257,106	-	257,106
Total receipts	<u>507,744</u>	<u>8,920</u>	<u>169,781</u>	<u>1,186,508</u>	<u>254,807</u>	<u>3,583,647</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	-	356,646
Support services	-	-	-	743,406	110,899	1,646,844
Noninstructional services	-	-	-	-	-	393,952
Facilities acquisition and construction	-	-	-	690,167	-	690,167
Debt services	-	-	356,839	-	-	356,839
Nonprogrammed charges	-	-	-	-	-	110,284
Total disbursements	<u>-</u>	<u>-</u>	<u>356,839</u>	<u>1,433,573</u>	<u>110,899</u>	<u>3,554,732</u>
Excess (deficiency) of receipts over disbursements	<u>507,744</u>	<u>8,920</u>	<u>(187,058)</u>	<u>(247,065)</u>	<u>143,908</u>	<u>28,915</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	1,060
Transfers out	-	-	-	-	(100,000)	(161,060)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>(160,000)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>507,744</u>	<u>8,920</u>	<u>(187,058)</u>	<u>(247,065)</u>	<u>43,908</u>	<u>(131,085)</u>
Cash and investments - beginning	<u>-</u>	<u>-</u>	<u>24,980</u>	<u>(445,479)</u>	<u>30,865</u>	<u>(457,769)</u>
Cash and investments - ending	<u>\$ 507,744</u>	<u>\$ 8,920</u>	<u>\$ (162,078)</u>	<u>\$ (692,544)</u>	<u>\$ 74,773</u>	<u>\$ (588,854)</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 507,744	\$ 8,920	\$ -	\$ (692,544)	\$ 74,773	\$ (426,776)
Restricted assets:						
Cash and investments	-	-	(162,078)	-	-	(162,078)
Total cash and investment assets - ending	<u>\$ 507,744</u>	<u>\$ 8,920</u>	<u>\$ (162,078)</u>	<u>\$ (692,544)</u>	<u>\$ 74,773</u>	<u>\$ (588,854)</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ (162,078)	\$ -	\$ -	\$ (162,078)
Unrestricted	507,744	8,920	-	(692,544)	74,773	(426,776)
Total cash and investment fund balance - ending	<u>\$ 507,744</u>	<u>\$ 8,920</u>	<u>\$ (162,078)</u>	<u>\$ (692,544)</u>	<u>\$ 74,773</u>	<u>\$ (588,854)</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, 2008

	<u>Mattix Trust</u>	<u>Indiana Next Leadership Grant</u>	<u>Totals</u>
Additions:			
Contributions:			
Other	\$ 706	\$ -	\$ 706
Total additions	<u>706</u>	<u>-</u>	<u>706</u>
Deductions:			
Administrative and general	<u>-</u>	<u>400</u>	<u>400</u>
Excess of total additions over total deductions	<u>706</u>	<u>(400)</u>	<u>306</u>
Cash and investment fund balance - beginning	-	429	429
Reclassification adjustment	<u>347</u>	<u>-</u>	<u>347</u>
Cash and investment fund balance - beginning adjusted	<u>347</u>	<u>429</u>	<u>776</u>
Cash and investments - June 30	<u>\$ 1,053</u>	<u>\$ 29</u>	<u>\$ 1,082</u>
Net assets:			
Cash and investments	<u>\$ 1,053</u>	<u>\$ 29</u>	<u>\$ 1,082</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,053</u>	<u>\$ 29</u>	<u>\$ 1,082</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, 2009

	Mattix Trust	Indiana Next Leadership Grant	Totals
Additions:			
Contributions:			
Other	\$ 533	\$ -	\$ 533
Total additions	533	-	533
Excess (deficiency) of total additions over total deductions	533	-	533
Cash and investment fund balance - beginning	1,053	29	1,082
Cash and investments - June 30	\$ 1,586	\$ 29	\$ 1,615
Net assets:			
Cash and investments	\$ 1,586	\$ 29	\$ 1,615
Total net assets - cash and investment basis held in trust	\$ 1,586	\$ 29	\$ 1,615

CLINTON PRAIRIE SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH
 AND INVESTMENT BALANCES
 AGENCY FUND
 For the Year Ended June 30, 2008

	<u>Payroll Withholding</u>
Additions:	
Agency fund additions	<u>\$ 1,731,439</u>
Deductions:	
Agency fund deductions	<u>1,733,915</u>
Deficiency of total additions over total deductions	(2,476)
Cash and investment fund balance - beginning	<u>66,920</u>
Cash and investment fund balance - ending	<u><u>\$ 64,444</u></u>

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

	<u>Payroll Withholding</u>
Additions:	
Agency fund additions	<u>\$ 1,744,613</u>
Deductions:	
Agency fund deductions	<u>1,731,643</u>
Excess of total additions over total deductions	12,970
Cash and investment fund balance - beginning	<u>64,444</u>
Cash and investment fund balance - ending	<u><u>\$ 77,414</u></u>

CLINTON PRAIRIE SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended June 30, 2009

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 1,706,077
Buildings	12,470,854
Improvements other than buildings	408,252
Machinery and equipment	2,754,641
Construction in progress	<u>503,464</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 17,843,288</u>

CLINTON PRAIRIE SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2009

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:		
Lease Rental Bonds	\$ 10,405,000	\$ 1,378,556
Notes and loans payable:		
Temporary Loans	350,000	350,000
Veteran's Memorial Loan	257,106	58,767
Bonds payable:		
General obligation bonds:		
Retirement/Severance Bonds	3,365,000	353,839
Total governmental activities debt	<u>\$ 14,377,106</u>	<u>\$ 2,141,162</u>

CLINTON PRAIRIE SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS

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>
Special Education Preschool	2008	\$ 86,226
Capital Projects	2008	302,133

IC 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 following funds were overdrawn at June 30, 2008, and June 30, 2009:

<u>Fund</u>	<u>2008</u>	<u>2009</u>
General	\$ -	\$ 149,445.45
Debt Service	131,1091.92	12,167.66
Retirement/Severance Bond	-	162,077.95
Capital Projects	445,479.36	692,545.04
Transportation Operating	152,050.72	336,202.49
Preschool	-	54,969.86
Retirement/Severance	28,358.03	-
Textbook Rental	-	34,272.18
PL 101-476 IDEA	15,500.00	13,929.76

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)

CREDIT CARDS

The School Corporation and the High School Extra-Curricular Account are using credit cards to purchase items without an approved credit card policy.

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

CLINTON PRAIRIE SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

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

(Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

TEXTBOOK REIMBURSEMENT

The School Corporation included amounts for classroom fees and classroom supplies for kindergarten students who were eligible for assistance in the request to the Department of Education for textbook rental reimbursement.

IC 20-33-5-7 states in part:

"(a) If a determination is made that the applicant is eligible for assistance, the school corporation shall pay the cost of the student's required fees.

(b) A school corporation may receive a reimbursement from the department for some or all of the costs incurred by a school corporation during a school year in providing textbook assistance to students who are eligible under section 2 of this chapter.

CLINTON PRAIRIE SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

- (c) To be guaranteed some level of reimbursement from the department, the governing body of a school corporation shall request the reimbursement before November 1 of a school year.
- (d) In its request, the governing body shall certify to the department:
- (1) the number of students who are enrolled in that school corporation and who are eligible for assistance under this chapter;
 - (2) the costs incurred by the school corporation in providing:
 - (A) textbooks (including textbooks used in special education and high ability classes) to these students;
 - (B) workbooks and consumable textbooks (including workbooks, consumable textbooks, and other consumable instructional materials that are used in special education and high ability classes) that are used by students for not more than one (1) school year; . . ."

ECA EDUCATIONAL FEES

Clinton Prairie School Corporation maintains a Textbook Rental Fund at the School Corporation. The Extra-Curricular Treasurer acts only as a collection point for textbook rental. The High School Extra-Curricular Account does not purchase textbooks or any supplies related to the fees charged to an individual student. The educational fees and textbook rental fees charged and received by the Extra-Curricular Treasurer were not remitted to the School Corporation in a timely manner.

IC 20-26-4-1(d) concerning duties of the School Corporation Treasurer, states in part: "The treasurer is the official custodian of all funds of the school corporation and is responsible for the proper safeguarding and accounting for the funds . . ." Therefore, all grant monies and properly authorized fees at an individual building should be transferred to the School Corporation Central Office on a timely and regular basis for receipting into the appropriate school corporation fund. The School Corporation Attorney should provide written guidance concerning whether fees are appropriate in regards to Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 6)

USE OF FORM SA-5, FINANCIAL REPORT (Clinton Prairie Jr/Sr High School)

Financial Reports (Form SA-5) presented for examination were inaccurate and incomplete. The receipts, disbursements, and fund balances as presented in the reports did not accurately reflect the financial activity of the Extra-Curricular Account. The Financial Report (Form SA-5) had not been completed at the end of either school year of the examination period.

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

CLINTON PRAIRIE SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

CASH NECESSARY TO BALANCE, BANK RECONCILIATIONS (Clinton Prairie Jr/Sr High School)

A comparison of the records to the bank account indicated a cash necessary to balance of \$469.91 in the 2007-2008 school year and \$2,375.74 in the 2008-2009 school year.

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

CONDITION OF RECORDS (Clinton Prairie Jr/Sr High School)

We noted when comparing receipts and disbursements from the Annual Report, (SA-5) to the Control Ledger, (SA-6), that the total amounts for receipts and for disbursements did not agree between the two reports. Neither receipts nor disbursements from either report agreed to the deposits and disbursements posted on the bank statements. The monthly bank reconciliation has not been completed for the two years in our examination period, and at the end of each year, the reconciliation does not agree to the fund ledger. We also noted there were a significant amount of posting errors occurring in both school years.

- (1) Record balances were not reconciled to depository balances.

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 Extra-Curricular Accounts, Chapter 7)

- (2) There were a considerable number of posting errors. These errors included deposits not receipted, checks and receipts not recorded in the proper amounts, interest not posted, and nonsufficient funds checks incorrectly posted.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

- (3) Some transactions were recorded as "negative" receipts and disbursements.

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

CLINTON PRAIRIE SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS
(Continued)

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

A prescribed investment register 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).

A similar comment appeared in prior Report B31675.

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)

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

CLINTON PRAIRIE SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 4, 2010, with Charles Fink, Superintendent of Schools; Amanda Mitchell, Treasurer; and Craig Seager, President of the School Board. The officials concurred with our findings.