

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

AUDIT REPORT
OF

PRAIRIE HEIGHTS COMMUNITY
SCHOOL CORPORATION
LAGRANGE COUNTY, INDIANA

July 1, 2008 to June 30, 2010



FILED
03/08/2011

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Chrystal Shutt	07-01-08 to 01-19-09
	Vicky K. Walker	01-20-09 to 02-15-09
	Karen Eagleson	02-16-09 to 12-31-11
Superintendent of Schools	Paul E. Thomas, Jr.	07-01-08 to 06-30-09
	Alan Middleton	07-01-09 to 06-30-11
President of the School Board	Mark Thrasher	07-01-08 to 06-30-09
	Mike Howe	07-01-09 to 06-30-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Prairie Heights Community School Corporation (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2009 and 2010, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated February 7, 2011, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Funding Progress is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Corporation has not presented Management's Discussion and Analysis, or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

February 7, 2011



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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Prairie Heights Community School Corporation (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated February 7, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

STATE BOARD OF ACCOUNTS

February 7, 2011

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

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Totals
Governmental activities:				
Instruction	\$ 7,760,392	\$ -	\$ 79,428	\$ (7,680,964)
Support services	4,997,427	393,350	337,229	(4,266,848)
Noninstructional services	618,628	-	-	(618,628)
Facilities acquisition and construction	1,385,431	-	-	(1,385,431)
Debt service	5,691,436	-	-	(5,691,436)
Nonprogrammed charges	695,640	-	-	(695,640)
Total governmental activities	<u>\$ 21,148,954</u>	<u>\$ 393,350</u>	<u>\$ 416,657</u>	<u>(20,338,947)</u>
General receipts:				
Property taxes				7,376,261
Other local sources				1,563,098
State aid				7,330,198
Grants and contributions not restricted to specific programs				1,209,315
Sale of property				5,109
Investment earnings				58,348
Other				<u>2,132</u>
Total general receipts				<u>17,544,461</u>
Change in net assets				(2,794,486)
Net assets - beginning				<u>5,080,196</u>
Net assets - ending				<u>\$ 2,285,710</u>
<u>Assets</u>				
Cash and investments				\$ 2,498,646
Restricted assets:				
Cash and investments				<u>(212,936)</u>
Total assets				<u>\$ 2,285,710</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ (212,936)
Unrestricted				<u>2,498,646</u>
Total net assets				<u>\$ 2,285,710</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, 2010

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		Charges for Services	Operating Grants and Contributions	Net (Disbursement) Receipts and Changes in Net Assets
Governmental activities:				
Instruction	\$ 8,338,170	\$ -	\$ 174,223	\$ (8,163,947)
Support services	5,196,837	345,408	437,422	(4,414,007)
Noninstructional services	699,379	-	-	(699,379)
Facilities acquisition and construction	1,018,163	-	-	(1,018,163)
Debt service	1,799,972	-	-	(1,799,972)
Nonprogrammed charges	<u>444,538</u>	<u>-</u>	<u>-</u>	<u>(444,538)</u>
Total governmental activities	<u>\$ 17,497,059</u>	<u>\$ 345,408</u>	<u>\$ 611,645</u>	<u>(16,540,006)</u>
General receipts:				
Property taxes				7,367,902
Other local sources				1,158,700
State aid				10,346,676
Bonds and loans				-
Grants and contributions not restricted to specific programs				987,585
Sale of property				21,560
Investment earnings				21,012
Other				<u>10,020</u>
Total general receipts				<u>19,913,455</u>
Change in net assets				3,373,449
Net assets - beginning				<u>2,285,710</u>
Net assets - ending				<u>\$ 5,659,159</u>
<u>Assets</u>				
Cash and investments				\$ 4,482,718
Restricted assets:				
Cash and investments				<u>1,176,441</u>
Total assets				<u>\$ 5,659,159</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 1,176,441
Unrestricted				<u>4,482,718</u>
Total net assets				<u>\$ 5,659,159</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, 2009

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Construction	Other	Totals
Receipts:								
Local sources	\$ 4,122,852	\$ 1,173,641	\$ 1,472,185	\$ 1,599,433	\$ 215,893	\$ 9,432	\$ 794,117	\$ 9,387,553
Intermediate sources	776	-	-	-	-	-	2,592	3,368
State sources	7,375,577	-	-	-	-	-	451,884	7,827,461
Federal sources	-	-	-	-	-	-	1,128,709	1,128,709
Other	67	-	-	-	-	-	2,065	2,132
Total receipts	11,499,272	1,173,641	1,472,185	1,599,433	215,893	9,432	2,379,367	18,349,223
Disbursements:								
Current:								
Instruction	6,763,853	-	-	-	-	-	996,539	7,760,392
Support services	2,600,226	1,148,853	-	732,066	133,222	-	400,585	5,014,952
Noninstructional services	306	-	-	-	-	-	618,322	618,628
Facilities acquisition and construction	41,487	-	-	1,343,944	-	-	-	1,385,431
Debt services	2,200,000	565,000	1,723,135	875,000	-	-	328,301	5,691,436
Nonprogrammed charges	526,163	-	-	-	-	-	169,477	695,640
Total disbursements	12,132,035	1,713,853	1,723,135	2,951,010	133,222	-	2,513,224	21,166,479
Excess (deficiency) of receipts over disbursements	(632,763)	(540,212)	(250,950)	(1,351,577)	82,671	9,432	(133,857)	(2,817,256)
Other financing sources (uses):								
Sale of capital assets	2,609	-	-	-	-	2,500	-	5,109
Transfers in	158,745	-	-	-	-	-	31,529	190,274
Transfers out	-	-	-	-	-	-	(31,952)	(31,952)
Total other financing sources (uses)	161,354	-	-	-	-	2,500	(423)	163,431
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(471,409)	(540,212)	(250,950)	(1,351,577)	82,671	11,932	(134,280)	(2,653,825)
Cash and investments - beginning	2,305,970	421,004	145,572	1,219,173	163,174	251,853	432,789	4,939,535
Cash and investments - ending	\$ 1,834,561	\$ (119,208)	\$ (105,378)	\$ (132,404)	\$ 245,845	\$ 263,785	\$ 298,509	\$ 2,285,710
Cash and Investment Assets - Ending								
Cash and investments	\$ 1,834,561	\$ (119,208)	\$ -	\$ (132,404)	\$ 245,845	\$ 263,785	\$ 406,067	\$ 2,498,646
Restricted assets:								
Cash and investments	-	-	(105,378)	-	-	-	(107,558)	(212,936)
Total cash and investment assets - ending	\$ 1,834,561	\$ (119,208)	\$ (105,378)	\$ (132,404)	\$ 245,845	\$ 263,785	\$ 298,509	\$ 2,285,710
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ (105,378)	\$ -	\$ -	\$ -	\$ (107,558)	\$ (212,936)
Unrestricted	1,834,561	(119,208)	-	(132,404)	245,845	263,785	406,067	2,498,646
Total cash and investment fund balance - ending	\$ 1,834,561	\$ (119,208)	\$ (105,378)	\$ (132,404)	\$ 245,845	\$ 263,785	\$ 298,509	\$ 2,285,710

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, 2010

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Construction	Other	Totals
Receipts:								
Local sources	\$ 15,356	\$ 2,265,303	\$ 2,734,737	\$ 2,680,994	\$ 247,204	\$ 1,337	\$ 944,913	\$ 8,889,844
Intermediate sources	151	-	-	-	-	-	3,030	3,181
State sources	10,484,701	-	-	-	-	-	535,365	11,020,066
Federal sources	-	-	-	-	-	-	925,840	925,840
Other	775	-	-	-	-	-	9,245	10,020
Total receipts	10,500,983	2,265,303	2,734,737	2,680,994	247,204	1,337	2,418,393	20,848,951
Disbursements:								
Current:								
Instruction	7,449,943	-	-	-	-	-	888,227	8,338,170
Support services	2,541,806	1,165,385	-	923,046	244,287	-	322,313	5,196,837
Noninstructional services	91,882	-	-	-	-	-	607,497	699,379
Facilities acquisition and construction	-	-	-	753,041	-	265,122	-	1,018,163
Debt services	-	-	1,583,175	-	-	-	216,797	1,799,972
Nonprogrammed charges	422,207	-	-	-	-	-	22,331	444,538
Total disbursements	10,505,838	1,165,385	1,583,175	1,676,087	244,287	265,122	2,057,165	17,497,059
Excess (deficiency) of receipts over disbursements	(4,855)	1,099,918	1,151,562	1,004,907	2,917	(263,785)	361,228	3,351,892
Other financing sources (uses):								
Sale of capital assets	21,560	-	-	-	-	-	-	21,560
Transfers in	59,070	-	-	-	-	-	-	59,070
Transfers out	-	-	-	-	-	-	(59,070)	(59,070)
Total other financing sources (uses)	80,630	-	-	-	-	-	(59,070)	21,560
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	75,775	1,099,918	1,151,562	1,004,907	2,917	(263,785)	302,158	3,373,452
Cash and investments - beginning	1,834,561	(119,208)	(105,378)	(132,404)	245,845	263,785	298,506	2,285,707
Cash and investments - ending	<u>\$ 1,910,336</u>	<u>\$ 980,710</u>	<u>\$ 1,046,184</u>	<u>\$ 872,503</u>	<u>\$ 248,762</u>	<u>\$ -</u>	<u>\$ 600,664</u>	<u>\$ 5,659,159</u>
Cash and Investment Assets - Ending								
Cash and investments	\$ 1,910,336	\$ 980,710	\$ -	\$ 872,503	\$ 248,762	\$ -	\$ 470,407	\$ 4,482,718
Restricted assets:								
Cash and investments	-	-	1,046,184	-	-	-	130,257	1,176,441
Total cash and investment assets - ending	\$ 1,910,336	\$ 980,710	\$ 1,046,184	\$ 872,503	\$ 248,762	\$ -	\$ 600,664	\$ 5,659,159
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ 1,046,184	\$ -	\$ -	\$ -	\$ 130,257	\$ 1,176,441
Unrestricted	1,910,336	980,710	-	872,503	248,762	-	470,407	4,482,718
Total cash and investment fund balance - ending	\$ 1,910,336	\$ 980,710	\$ 1,046,184	\$ 872,503	\$ 248,762	\$ -	\$ 600,664	\$ 5,659,159

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, 2009

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 17,525
Miscellaneous	<u>136</u>
Total operating receipts	<u>17,661</u>
Transfers out	<u>(158,322)</u>
Change in net assets	(140,661)
Cash and investment fund balance - beginning	<u>140,661</u>
Cash and investment fund balance - ending	<u>\$ -</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, 2009

	Pension Trust Funds	Agency Funds
Deductions:		
Benefits	\$ 10,531	
Cash and investment fund balance - beginning	98,981	
Cash and investment fund balance - ending	\$ 88,450	\$ 36,977
Net assets:		
Cash and investments	\$ 88,450	\$ 36,977

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, 2010

	Pension Trust Funds	Agency Funds
Cash and investment fund balance - beginning	\$ 88,450	
Cash and investment fund balance - ending	\$ 88,450	\$ 49,800
Net assets:		
Cash and investments	\$ 88,450	\$ 49,800

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 in a joint venture to operate 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 Northeast Indiana Special Education Cooperative (Co-op). Complete financial statements for the Northeast Indiana Special Education Cooperative (Co-op) can be obtained from DeKalb County Eastern Community School District, 300 East Washington Street, Butler, Indiana 46721.

The School Corporation is a participant in a joint venture to operate 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 Four County Area Vocational Cooperative (Co-op). Complete financial statements for the Four County Area Vocational Cooperative (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 schoolchildren 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.

The construction fund was used to account for money left over from a construction project.

Additionally, the School Corporation reports the following fund types:

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

The pension trust funds account for 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 employee payroll withholdings and serve as control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, 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.

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

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

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

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

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

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

D. Assets and Cash and Investment Balances

1. Restricted Assets

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

2. Cash and Investments

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

3. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which may become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

4. Capital Assets

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

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

5. Long-Term Debt

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

6. Equity Classification

Government-Wide Statements

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance. 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 Activities

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

Fund Financial Statements

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

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

Government-Wide Financial Statements

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

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

G. Rounding Differences

The financial statements may contain immaterial differences due to rounding of amounts when the statements were compiled. These differences are considered trivial and do not affect the overall presentation of the financial statements.

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. Prior to November 1, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied 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, 2009 and 2010, the following funds reported deficits in cash, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

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

Fund	2009	2010
Transportation Operating	\$ 119,208	\$ -
Debt Service	105,378	-
Capital Projects	132,404	-
Full Speed Ahead Grant	5,579	7,997
Retirement/Bonds	107,558	-

Cash and investment deficits arose primarily from disbursements from grant funds that operate on the reimbursement basis.

III. Detailed Notes on All Funds

A. Deposits

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances of \$5,797,409 at June 30, 2010, were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2009 and 2010, were as follows:

Transfer From	Transfer To	2009	2010
Other Governmental Funds	General Fund	\$ 423	\$ 59,070
	Other Governmental Funds	31,529	-
Internal Service Fund	General Fund	158,322	-
Totals		<u>\$ 190,274</u>	<u>\$ 59,070</u>

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

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; and natural disasters.

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

The policy of the School Corporation is to purchase commercial insurance for the risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters. Instead, the School Corporation records as a disbursement any replacement items purchased.

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 of 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, 2009 and 2010, were \$419,015 and \$1,177,146, and \$418,062 and \$1,143,538, 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 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

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the period were \$379,594.

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

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

Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy

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

The School Corporation's contributions to the plan during the period were \$899,663.

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)
07-01-07	\$ 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%)
07-01-09	1,949,995	2,643,061	(693,066)	74%	1,907,831	(36%)

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, 2009

	Special Education Pre-School	School Lunch	Textbook Rental	Educational License Plate	Safe Haven Grant	Safe Haven Grant 2007	Early Intervention Grant
Receipts:							
Local sources	\$ 38,588	\$ 348,691	\$ 159,235	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	263	-	-	-
State sources	32,298	270,093	67,136	-	-	1,022	47,286
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	70,886	618,784	226,371	263	-	1,022	47,286
Disbursements:							
Current:							
Instruction	-	-	-	-	-	120	41,458
Support services	-	-	268,668	-	-	-	-
Noninstructional services	-	618,035	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	47,670	-	-	-	-	-	-
Total disbursements	47,670	618,035	268,668	-	-	120	41,458
Excess (deficiency) of receipts over disbursements	23,216	749	(42,297)	263	-	902	5,828
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(882)	-	-
Total other financing sources (uses)	-	-	-	-	(882)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	23,216	749	(42,297)	263	(882)	902	5,828
Cash and investments - beginning	38,929	41,824	130,912	-	882	217	(5,630)
Cash and investments - ending	\$ 62,145	\$ 42,573	\$ 88,615	\$ 263	\$ -	\$ 1,119	\$ 198
Cash and Investment Assets - Ending							
Cash and investments	\$ 62,145	\$ 42,573	\$ 88,615	\$ 263	\$ -	\$ 1,119	\$ 198
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 62,145	\$ 42,573	\$ 88,615	\$ 263	\$ -	\$ 1,119	\$ 198
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	62,145	42,573	88,615	263	-	1,119	198
Total cash and investment fund balance - ending	\$ 62,145	\$ 42,573	\$ 88,615	\$ 263	\$ -	\$ 1,119	\$ 198

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, 2009
 (Continued)

	DEKKO Einstein Grant	P.H. Elementary Workshop	Extra-Curricular	Richard Lanphear School	Seagley Trust	Howard Smeltzer School	Melva Eddy Scholarship
Receipts:							
Local sources	\$ -	\$ -	\$ 12,013	\$ -	\$ 2	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>12,013</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	-	-	13,043	-	-	170	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	694	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>13,043</u>	<u>-</u>	<u>694</u>	<u>170</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>(1,030)</u>	<u>-</u>	<u>(692)</u>	<u>(170)</u>	<u>-</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(20,505)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(20,505)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>(21,535)</u>	<u>-</u>	<u>(692)</u>	<u>(170)</u>	<u>-</u>
Cash and investments - beginning	<u>983</u>	<u>106</u>	<u>22,265</u>	<u>2,000</u>	<u>692</u>	<u>170</u>	<u>610</u>
Cash and investments - ending	<u>\$ 983</u>	<u>\$ 106</u>	<u>\$ 730</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 610</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 983	\$ 106	\$ 730	\$ 2,000	\$ -	\$ -	\$ 610
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 983</u>	<u>\$ 106</u>	<u>\$ 730</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 610</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>983</u>	<u>106</u>	<u>730</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>610</u>
Total cash and investment fund balance - ending	<u>\$ 983</u>	<u>\$ 106</u>	<u>\$ 730</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ -</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, 2009
 (Continued)

	Robert Rasler Scholarship	Cool Schools	Building Trades Construction	Damage Reimbursement	Indiana Next Leadership	SEEP Project/ Middle School	Peers Educating Peers
Receipts:							
Local sources	\$ -	\$ -	\$ 6,036	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	2,065	-	-	-
Total receipts	-	-	6,036	2,065	-	-	-
Disbursements:							
Current:							
Instruction	-	91	8,813	-	-	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	91	8,813	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	(91)	(2,777)	2,065	-	-	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	54
Transfers out	-	-	-	-	(2)	-	-
Total other financing sources (uses)	-	-	-	-	(2)	-	54
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(91)	(2,777)	2,065	(2)	-	54
Cash and investments - beginning	2,387	91	65,374	-	2	295	(54)
Cash and investments - ending	<u>\$ 2,387</u>	<u>\$ -</u>	<u>\$ 62,597</u>	<u>\$ 2,065</u>	<u>\$ -</u>	<u>\$ 295</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 2,387	\$ -	\$ 62,597	\$ 2,065	\$ -	\$ 295	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 2,387</u>	<u>\$ -</u>	<u>\$ 62,597</u>	<u>\$ 2,065</u>	<u>\$ -</u>	<u>\$ 295</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,387	-	62,597	2,065	-	295	-
Total cash and investment fund balance - ending	<u>\$ 2,387</u>	<u>\$ -</u>	<u>\$ 62,597</u>	<u>\$ 2,065</u>	<u>\$ -</u>	<u>\$ 295</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, 2009
 (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 Rights Mentor
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-
Disbursements:						
Current:						
Instruction	-	-	100	-	325	-
Support services	-	3,264	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	3,264	100	-	325	-
Excess (deficiency) of receipts over disbursements	-	(3,264)	(100)	-	(325)	-
Other financing sources (uses):						
Transfers in	43	-	-	-	-	14,904
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	43	-	-	-	-	14,904
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	43	(3,264)	(100)	-	(325)	14,904
Cash and investments - beginning	(43)	11,107	595	2,007	982	(14,904)
Cash and investments - ending	\$ -	\$ 7,843	\$ 495	\$ 2,007	\$ 657	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 7,843	\$ 495	\$ 2,007	\$ 657	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 7,843	\$ 495	\$ 2,007	\$ 657	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	7,843	495	2,007	657	-
Total cash and investment fund balance - ending	\$ -	\$ 7,843	\$ 495	\$ 2,007	\$ 657	\$ -

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, 2009
 (Continued)

	DEKKO Arts Part	Gifted & Talented	High Ability	Mentor Teachers	Elementary School Outdoor	Theater Ticket Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 1,965	\$ -
Intermediate sources	2,329	-	-	-	-	-
State sources	-	650	32,799	600	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	2,329	650	32,799	600	1,965	-
Disbursements:						
Current:						
Instruction	2,329	40,063	12,271	2,250	48	60
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	2,329	40,063	12,271	2,250	48	60
Excess (deficiency) of receipts over disbursements	-	(39,413)	20,528	(1,650)	1,917	(60)
Other financing sources (uses):						
Transfers in	-	15,416	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	15,416	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(23,997)	20,528	(1,650)	1,917	(60)
Cash and investments - beginning	-	23,997	-	1,650	489	60
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,528</u>	<u>\$ -</u>	<u>\$ 2,406</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ 20,528	\$ -	\$ 2,406	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,528</u>	<u>\$ -</u>	<u>\$ 2,406</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	20,528	-	2,406	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,528</u>	<u>\$ -</u>	<u>\$ 2,406</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, 2009
 (Continued)

	Non-English Speaking	School Tech./ DEKKO	Full Speed Ahead Grant	Community Foundation Grant	Timber	LaGrange Independent Foundation Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 1,025	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	-	1,025	-	-
Disbursements:						
Current:						
Instruction	2,305	-	5,579	953	-	-
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	2,305	-	5,579	953	-	-
Excess (deficiency) of receipts over disbursements	(2,305)	-	(5,579)	72	-	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(8,716)	-	-	-	-
Total other financing sources (uses)	-	(8,716)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,305)	(8,716)	(5,579)	72	-	-
Cash and investments - beginning	2,305	8,716	-	1,721	252	372
Cash and investments - ending	\$ -	\$ -	\$ (5,579)	\$ 1,793	\$ 252	\$ 372
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ (5,579)	\$ 1,793	\$ 252	\$ 372
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ (5,579)	\$ 1,793	\$ 252	\$ 372
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	(5,579)	1,793	252	372
Total cash and investment fund balance - ending	\$ -	\$ -	\$ (5,579)	\$ 1,793	\$ 252	\$ 372

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, 2009
 (Continued)

	Title I School Improvement	Title I 2005-06	Title I 2006-07	Title I 2007-08	Title I 2008-09	Title V Part A 2002-03
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	4,598	701	-	15,000	144,018	1,037
Other	-	-	-	-	-	-
Total receipts	4,598	701	-	15,000	144,018	1,037
Disbursements:						
Current:						
Instruction	-	-	-	25,967	110,590	-
Support services	5,888	-	542	5,325	3,694	161
Noninstructional services	-	-	-	287	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	5,888	-	542	31,579	114,284	161
Excess (deficiency) of receipts over disbursements	(1,290)	701	(542)	(16,579)	29,734	876
Other financing sources (uses):						
Transfers in	1,112	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	1,112	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(178)	701	(542)	(16,579)	29,734	876
Cash and investments - beginning	178	(701)	542	16,579	-	2,300
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 29,734	\$ 3,176
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 29,734	\$ 3,176
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ -	\$ 29,734	\$ 3,176
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-	29,734	3,176
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ -	\$ 29,734	\$ 3,176

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, 2009
 (Continued)

	Serving America Grant	Drug Free Grant 2008-09	Drug Free School 2005	Drug Free School 2006	Drug Free School 2007	School to Work Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	3,565	4,623	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	3,565	4,623	-	-	-
Disbursements:						
Current:						
Instruction	41	-	3,011	(113)	-	-
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	41	-	3,011	(113)	-	-
Excess (deficiency) of receipts over disbursements	(41)	3,565	1,612	113	-	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(1,847)
Total other financing sources (uses)	-	-	-	-	-	(1,847)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(41)	3,565	1,612	113	-	(1,847)
Cash and investments - beginning	41	-	2,751	(113)	7,206	1,847
Cash and investments - ending	\$ -	\$ 3,565	\$ 4,363	\$ -	\$ 7,206	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 3,565	\$ 4,363	\$ -	\$ 7,206	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 3,565	\$ 4,363	\$ -	\$ 7,206	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	3,565	4,363	-	7,206	-
Total cash and investment fund balance - ending	\$ -	\$ 3,565	\$ 4,363	\$ -	\$ 7,206	\$ -

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, 2009
 (Continued)

	Title II Part A	Title II Part D	Title III Bilingual Grant	Fiscal Stabilization	Retirement/ Bonds	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 226,562	\$ 794,117
Intermediate sources	-	-	-	-	-	2,592
State sources	-	-	-	-	-	451,884
Federal sources	49,135	-	3,300	902,732	-	1,128,709
Other	-	-	-	-	-	2,065
Total receipts	<u>49,135</u>	<u>-</u>	<u>3,300</u>	<u>902,732</u>	<u>226,562</u>	<u>2,379,367</u>
Disbursements:						
Current:						
Instruction	55,167	-	3,322	668,576	-	996,539
Support services	-	-	-	113,043	-	400,585
Noninstructional services	-	-	-	-	-	618,322
Debt services	-	-	-	-	328,301	328,301
Nonprogrammed charges	-	-	-	121,113	-	169,477
Total disbursements	<u>55,167</u>	<u>-</u>	<u>3,322</u>	<u>902,732</u>	<u>328,301</u>	<u>2,513,224</u>
Excess (deficiency) of receipts over disbursements	<u>(6,032)</u>	<u>-</u>	<u>(22)</u>	<u>-</u>	<u>(101,739)</u>	<u>(133,857)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	31,529
Transfers out	-	-	-	-	-	(31,952)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(423)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(6,032)</u>	<u>-</u>	<u>(22)</u>	<u>-</u>	<u>(101,739)</u>	<u>(134,280)</u>
Cash and investments - beginning	<u>52,441</u>	<u>2,245</u>	<u>11,931</u>	<u>-</u>	<u>(5,819)</u>	<u>432,789</u>
Cash and investments - ending	<u>\$ 46,409</u>	<u>\$ 2,245</u>	<u>\$ 11,909</u>	<u>\$ -</u>	<u>\$ (107,558)</u>	<u>\$ 298,509</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 46,409	\$ 2,245	\$ 11,909	\$ -	\$ -	\$ 406,067
Restricted assets:						
Cash and investments	-	-	-	-	(107,558)	(107,558)
Total cash and investment assets - ending	<u>\$ 46,409</u>	<u>\$ 2,245</u>	<u>\$ 11,909</u>	<u>\$ -</u>	<u>\$ (107,558)</u>	<u>\$ 298,509</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ (107,558)	\$ (107,558)
Unrestricted	<u>46,409</u>	<u>2,245</u>	<u>11,909</u>	<u>-</u>	<u>-</u>	<u>406,067</u>
Total cash and investment fund balance - ending	<u>\$ 46,409</u>	<u>\$ 2,245</u>	<u>\$ 11,909</u>	<u>\$ -</u>	<u>\$ (107,558)</u>	<u>\$ 298,509</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, 2010

	Special Education Pre-School	School Lunch	Textbook Rental	Levy Excess	Educational License Plate	Safe Haven Grant 2007
Receipts:						
Local sources	\$ -	\$ 310,711	\$ 153,151	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	600	-
State sources	19,250	351,117	78,402	12,643	-	-
Federal sources	-	7,903	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>19,250</u>	<u>669,731</u>	<u>231,553</u>	<u>12,643</u>	<u>600</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	-	1,119
Support services	-	-	206,448	-	-	-
Noninstructional services	-	607,497	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	22,331	-	-	-	-	-
Total disbursements	<u>22,331</u>	<u>607,497</u>	<u>206,448</u>	<u>-</u>	<u>-</u>	<u>1,119</u>
Excess (deficiency) of receipts over disbursements	<u>(3,081)</u>	<u>62,234</u>	<u>25,105</u>	<u>12,643</u>	<u>600</u>	<u>(1,119)</u>
Other financing sources (uses):						
Transfers out	<u>(59,064)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(3,081)</u>	<u>62,234</u>	<u>25,105</u>	<u>12,643</u>	<u>600</u>	<u>(1,119)</u>
Cash and investments - beginning	<u>62,145</u>	<u>42,573</u>	<u>88,615</u>	<u>-</u>	<u>263</u>	<u>1,119</u>
Cash and investments - ending	<u>\$ 59,064</u>	<u>\$ 104,807</u>	<u>\$ 113,720</u>	<u>\$ 12,643</u>	<u>\$ 863</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 104,807	\$ 113,720	\$ 12,643	\$ 863	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 104,807</u>	<u>\$ 113,720</u>	<u>\$ 12,643</u>	<u>\$ 863</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	104,807	113,720	12,643	863	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 104,807</u>	<u>\$ 113,720</u>	<u>\$ 12,643</u>	<u>\$ 863</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, 2010
 (Continued)

	Early Intervention Grant	DEKKO Einstein Grant	P.H. Elementary Workshop	Extra-Curricular	Richard Lanphear School	Melva Eddy Scholarship
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 4,234	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total receipts	-	-	-	4,234	-	-
Disbursements:						
Current:						
Instruction	198	983	106	4,961	2,000	610
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total disbursements	198	983	106	4,961	2,000	610
Excess (deficiency) of receipts over disbursements	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(198)	(983)	(106)	(727)	(2,000)	(610)
Other financing sources (uses):						
Transfers out	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(198)	(983)	(106)	(727)	(2,000)	(610)
Cash and investments - beginning	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	198	983	106	727	2,000	610
Cash and investments - ending	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2010
 (Continued)

	Robert Rasler Scholarship	Building Trades Construction	Damage Reimbursement	SEEP Project/ Middle School	E-Rate/ U.S. Sprite	DEKKO Award Science/Music
Receipts:						
Local sources	\$ -	\$ 4,265	\$ -	\$ -	\$ 3,235	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	9,245	-	-	-
Total receipts	-	4,265	9,245	-	3,235	-
Disbursements:						
Current:						
Instruction	2,387	38,499	-	295	-	495
Support services	-	-	10,645	-	11,078	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	2,387	38,499	10,645	295	11,078	495
Excess (deficiency) of receipts over disbursements	(2,387)	(34,234)	(1,400)	(295)	(7,843)	(495)
Other financing sources (uses):						
Transfers out	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,387)	(34,234)	(1,400)	(295)	(7,843)	(495)
Cash and investments - beginning	2,387	62,597	2,065	295	7,843	495
Cash and investments - ending	\$ -	\$ 28,363	\$ 665	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 28,363	\$ 665	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 28,363	\$ 665	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	28,363	665	-	-	-
Total cash and investment fund balance - ending	\$ -	\$ 28,363	\$ 665	\$ -	\$ -	\$ -

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, 2010
 (Continued)

	DEKKO/English & Social Studies	Wal Mart/Teacher of the Year	DEKKO Arts Part	High Ability	High Ability 2009-2010	Elementary School Outdoor
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Intermediate sources	-	-	2,430	-	-	-
State sources	-	-	-	-	31,906	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>2,430</u>	<u>-</u>	<u>31,906</u>	<u>500</u>
Disbursements:						
Current:						
Instruction	2,001	-	2,430	20,528	19,435	465
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>2,001</u>	<u>-</u>	<u>2,430</u>	<u>20,528</u>	<u>19,435</u>	<u>465</u>
Excess (deficiency) of receipts over disbursements	<u>(2,001)</u>	<u>-</u>	<u>-</u>	<u>(20,528)</u>	<u>12,471</u>	<u>35</u>
Other financing sources (uses):						
Transfers out	<u>(6)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,001)</u>	<u>-</u>	<u>-</u>	<u>(20,528)</u>	<u>12,471</u>	<u>35</u>
Cash and investments - beginning	<u>2,007</u>	<u>657</u>	<u>-</u>	<u>20,528</u>	<u>-</u>	<u>2,406</u>
Cash and investments - ending	<u>\$ 6</u>	<u>\$ 657</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,471</u>	<u>\$ 2,441</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 657	\$ -	\$ -	\$ 12,471	\$ 2,441
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 657</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,471</u>	<u>\$ 2,441</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	657	-	-	12,471	2,441
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 657</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,471</u>	<u>\$ 2,441</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, 2010
 (Continued)

	Non-English Speaking	Full Speed Ahead Grant	Community Foundation Grant	Timber	Excess PTRC Distribution	LaGrange Independent Foundation Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	4,292	-	-	-	37,755	-
Federal sources	-	9,773	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>4,292</u>	<u>9,773</u>	<u>-</u>	<u>-</u>	<u>37,755</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	4,292	12,191	1,072	252	-	372
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>4,292</u>	<u>12,191</u>	<u>1,072</u>	<u>252</u>	<u>-</u>	<u>372</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(2,418)</u>	<u>(1,072)</u>	<u>(252)</u>	<u>37,755</u>	<u>(372)</u>
Other financing sources (uses):						
Transfers out	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>(2,418)</u>	<u>(1,072)</u>	<u>(252)</u>	<u>37,755</u>	<u>(372)</u>
Cash and investments - beginning	<u>-</u>	<u>(5,579)</u>	<u>1,793</u>	<u>252</u>	<u>-</u>	<u>372</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (7,997)</u>	<u>\$ 721</u>	<u>\$ -</u>	<u>\$ 37,755</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ (7,997)	\$ 721	\$ -	\$ 37,755	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ (7,997)</u>	<u>\$ 721</u>	<u>\$ -</u>	<u>\$ 37,755</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	(7,997)	721	-	37,755	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ (7,997)</u>	<u>\$ 721</u>	<u>\$ -</u>	<u>\$ 37,755</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, 2010
 (Continued)

	Wellness Grant	Title I 2008-09	Title I 2009-10	Title V Part A 2002-03	Drug Free Grant 2008-09	Drug Free Schools 09 Title IV
Receipts:						
Local sources	\$ 14,205	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	8,500	151,028	-	-	4,558
Other	-	-	-	-	-	-
Total receipts	14,205	8,500	151,028	-	-	4,558
Disbursements:						
Current:						
Instruction	-	16,513	108,602	1,763	-	-
Support services	5,772	21,335	9,176	-	-	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	5,772	37,848	117,778	1,763	-	-
Excess (deficiency) of receipts over disbursements	8,433	(29,348)	33,250	(1,763)	-	4,558
Other financing sources (uses):						
Transfers out	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,433	(29,348)	33,250	(1,763)	-	4,558
Cash and investments - beginning	-	29,734	-	3,176	3,565	-
Cash and investments - ending	8,433	386	33,250	1,413	3,565	4,558
Cash and Investment Assets - Ending						
Cash and investments	\$ 8,433	\$ 386	\$ 33,250	\$ 1,413	\$ 3,565	\$ 4,558
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	8,433	386	33,250	1,413	3,565	4,558
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	8,433	386	33,250	1,413	3,565	4,558
Total cash and investment fund balance - ending	8,433	386	33,250	1,413	3,565	4,558

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, 2010
 (Continued)

	Drug Free Schools 2005	Drug Free School 2007	Title II Part A	Title II Part A 2009-2010	Title Part D	Title III Bilingual Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	51,265	-	-
Other	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,265</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	2,672	7,206	7,578	-	-	11,909
Support services	-	-	-	-	2,245	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>2,672</u>	<u>7,206</u>	<u>7,578</u>	<u>-</u>	<u>2,245</u>	<u>11,909</u>
Excess (deficiency) of receipts over disbursements	<u>(2,672)</u>	<u>(7,206)</u>	<u>(7,578)</u>	<u>51,265</u>	<u>(2,245)</u>	<u>(11,909)</u>
Other financing sources (uses):						
Transfers out	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,672)</u>	<u>(7,206)</u>	<u>(7,578)</u>	<u>51,265</u>	<u>(2,245)</u>	<u>(11,909)</u>
Cash and investments - beginning	<u>4,363</u>	<u>7,206</u>	<u>46,409</u>	<u>-</u>	<u>2,245</u>	<u>11,909</u>
Cash and investments - ending	<u>\$ 1,691</u>	<u>\$ -</u>	<u>\$ 38,831</u>	<u>\$ 51,265</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,691	\$ -	\$ 38,831	\$ 51,265	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,691</u>	<u>\$ -</u>	<u>\$ 38,831</u>	<u>\$ 51,265</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,691	-	38,831	51,265	-	-
Total cash and investment fund balance - ending	<u>\$ 1,691</u>	<u>\$ -</u>	<u>\$ 38,831</u>	<u>\$ 51,265</u>	<u>\$ -</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, 2010
 (Continued)

	Title III	Fiscal Stabilization	Title I LEA Grants Stimulus	Special Education - Part B	Retirement/ Bonds	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 454,612	\$ 944,913
Intermediate sources	-	-	-	-	-	3,030
State sources	-	-	-	-	-	535,365
Federal sources	3,380	322,507	79,290	287,636	-	925,840
Other	-	-	-	-	-	9,245
Total receipts	3,380	322,507	79,290	287,636	454,612	2,418,393
Disbursements:						
Current:						
Instruction	3,380	322,507	73,402	218,004	-	888,227
Support services	-	-	-	55,614	-	322,313
Noninstructional services	-	-	-	-	-	607,497
Debt services	-	-	-	-	216,797	216,797
Nonprogrammed charges	-	-	-	-	-	22,331
Total disbursements	3,380	322,507	73,402	273,618	216,797	2,057,165
Excess (deficiency) of receipts over disbursements	-	-	5,888	14,018	237,815	361,228
Other financing sources (uses):						
Transfers out	-	-	-	-	-	(59,070)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	5,888	14,018	237,815	302,158
Cash and investments - beginning	-	-	-	-	(107,558)	298,506
Cash and investments - ending	\$ -	\$ -	\$ 5,888	\$ 14,018	\$ 130,257	\$ 600,664
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 5,888	\$ 14,018	\$ -	\$ 470,407
Restricted assets:						
Cash and investments	-	-	-	-	130,257	130,257
Total cash and investment assets - ending	\$ -	\$ -	\$ 5,888	\$ 14,018	\$ 130,257	\$ 600,664
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 130,257	\$ 130,257
Unrestricted	-	-	5,888	14,018	-	470,407
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 5,888	\$ 14,018	\$ 130,257	\$ 600,664

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

	Payroll
Additions: Agency fund additions	\$ <u>9,255,123</u>
Deductions: Agency fund deductions	<u>9,218,576</u>
Excess of total additions over total deductions	36,547
Cash and investment fund balance - beginning	<u>430</u>
Cash and investment fund balance - ending	<u><u>\$ 36,977</u></u>

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2010

	Payroll
Additions:	
Agency fund additions	\$ 3,212,756
Deductions:	
Agency fund deductions	3,199,933
Excess of total additions over total deductions	12,823
Cash and investment fund balance - beginning	36,977
Cash and investment fund balance - ending	\$ 49,800

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For the Year Ended June 30, 2010

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 320,000
Buildings	13,095,422
Improvements other than buildings	846,086
Machinery and equipment	<u>4,325,849</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 18,587,357</u>

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2010

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	\$ 410,000	\$ 420,404
Refinancing Model Construction/Renovation Project	3,745,000	583,271
Bonds payable:		
General obligation bonds:		
2003 Pension Bonds	<u>1,040,000</u>	<u>110,802</u>
Total governmental activities debt	<u>\$ 5,195,000</u>	<u>\$ 1,114,477</u>

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

OVERDRAWN CASH BALANCES

The cash balances of the Transportation Operating Fund, Debt Service Fund, Capital Projects Fund, Retirement/Bonds Fund, and Full Speed Ahead Grant Fund were overdrawn in 2009. The cash balance of the Full Speed Ahead Grant Fund was overdrawn in 2010.

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)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

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

Compliance

We have audited the compliance of the Prairie Heights Community School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2009 and 2010. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2009 and 2010.

Internal Control Over Compliance

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

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

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

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

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

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

STATE BOARD OF ACCOUNTS

February 7, 2011

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

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-09	Total Federal Awards Expended 06-30-10
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 31,044	\$ 54,648
National School Lunch Program	10.555		<u>280,561</u>	<u>338,237</u>
Total for federal grantor agency			<u>311,605</u>	<u>392,885</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
Basic Grant		08-4515	31,579	-
Basic Grant		09-4515	114,284	37,848
Basic Grant		10-4515	<u>-</u>	<u>117,778</u>
Total for program			<u>145,863</u>	<u>155,626</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389			
		10-4515	<u>-</u>	<u>73,402</u>
Total for cluster			<u>145,863</u>	<u>229,028</u>
Pass-Through DeKalb County Eastern Community School District				
Special Education Cluster				
ARRA - Special Education - Grants to States, Recovery Act	84.391			
		33310-046-SN01	<u>-</u>	<u>273,619</u>
Pass-Through Indiana Department of Education				
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394			
			<u>902,732</u>	<u>322,507</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186			
		05-4515	3,011	2,672
		07-4515	<u>-</u>	<u>7,206</u>
Total for program			<u>3,011</u>	<u>9,878</u>
Improving Teacher Quality State Grants	84.367			
		FY09	<u>55,167</u>	<u>7,578</u>
Total for federal grantor agency			<u>1,106,773</u>	<u>842,610</u>
Total federal awards expended			<u>\$ 1,418,378</u>	<u>\$ 1,235,495</u>

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

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Prairie Heights Community School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2009 and 2010. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2009	2010
National School Lunch Program	10.555	\$ 45,974	\$ 45,106

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
Material weaknesses identified? no
Significant deficiencies identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:
Material weaknesses identified? no
Significant deficiencies identified that are not considered to be material weaknesses? none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

Name of Federal Program or Cluster
Child Nutrition Cluster
Title I, Part A Cluster
State Fiscal Stabilization Fund Cluster

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 7, 2011, with Mike Howe, President of the School Board; Karen Eagleson, Treasurer; and Alan Middleton, Superintendent of Schools. The officials concurred with our audit findings.