

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CLINTON PRAIRIE SCHOOL CORPORATION
CLINTON COUNTY, INDIANA

July 1, 2009 to June 30, 2011



FILED
03/08/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Amanda Mitchell	07-01-09 to 6-30-12
Superintendent of Schools	Charles Fink	07-01-09 to 6-30-12
President of the School Board of Trustees	R. Craig Seager Dr. Timothy Snyder	07-01-09 to 6-30-10 07-01-10 to 6-30-12



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

We have audited the accompanying financial statement of the Clinton Prairie School Corporation (School Corporation), for the years ended June 30, 2010 and 2011. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the years ended June 30, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated January 26, 2012, 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 THE FINANCIAL STATEMENT
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. 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 financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the School Corporation's management, School Board of Trustees, others within the entity, 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

January 26, 2012



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

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

We have audited the financial statement of the Clinton Prairie School Corporation (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated January 26, 2012. 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 opinion on the financial statement, 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2011-01 to be a material weakness.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
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 statement is 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.

The School Corporation's response to the findings identified in our audit is described in the accompanying section of the report entitled Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, School Board of Trustees, others within the entity, 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

January 26, 2012

FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

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CLINTON PRAIRIE SCHOOL CORPORATION
 STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended June 30, 2010 and 2011

	Cash and Investments		Other Financing		Cash and Investments		Other Financing		Cash and Investments	
	07-01-09	Receipts	Disbursements	Sources (Uses)	06-30-10	Receipts	Disbursements	Sources (Uses)	06-30-11	
General	\$ (149,445)	\$ 9,464,805	\$ 8,359,468	\$ -	\$ 955,892	\$ 6,067,159	\$ 6,954,443	\$ (106,910)	\$ (38,302)	
Debt Service	(12,168)	1,199,720	1,425,879	(100,000)	(338,327)	2,573,147	1,399,335	(42,992)	792,493	
Retirement/Severance Bond Debt Service	(162,078)	811,279	353,839	-	295,362	418,781	355,589	-	358,554	
Capital Projects	(692,545)	1,073,052	1,129,836	-	(749,329)	1,621,455	862,230	(34,651)	(24,755)	
School Transportation	(336,202)	674,770	704,867	-	(366,299)	1,086,781	734,793	-	(14,311)	
School Bus Replacement	74,773	52,747	138,208	-	(10,688)	148,872	75,117	(28,000)	35,067	
Special Education Preschool	(54,970)	13,752	100,343	-	(141,561)	-	-	141,561	-	
Rainy Day	692,858	-	-	100,000	792,858	-	350,000	92,000	534,858	
Retirement/Severance Bond	-	79,867	109,697	-	(29,830)	226,934	284,649	-	(87,545)	
School Lunch	57,146	453,029	458,318	-	51,857	469,677	470,774	-	50,760	
Textbook Rental	(34,272)	96,478	82,907	-	(20,701)	91,459	78,708	-	(7,950)	
Levy Excess	-	-	-	-	-	22,758	-	-	22,758	
Educational License Plates	1,838	-	-	-	1,838	-	-	-	1,838	
Early Intervention Grant 2010-2011	-	-	-	-	-	33,558	9,926	-	23,632	
Early Intervention Grant 2009-2010	-	39,504	17,815	-	21,689	-	21,689	-	-	
Mattix Trust	1,586	476	-	-	2,062	-	-	-	2,062	
Indiana Next Leadership Grant	29	-	-	-	29	-	-	-	29	
High Ability 2008-2009	4,420	-	4,420	-	-	-	-	-	-	
High Ability 2010-2011	1,748	-	1,748	-	-	28,896	23,724	-	5,172	
High Ability 2009-2010	-	30,186	27,452	-	2,734	-	2,734	-	-	
Non-English Speaking	6	2,146	2,146	-	6	-	-	-	6	
Non-English Speaking 10-11	-	-	-	-	-	2,176	2,176	-	-	
Connectivity Grant	-	-	-	-	-	5,280	4,840	-	440	
PBA-Elementary	54	-	-	-	54	-	-	-	54	
CF Industries - Mini Grant	1,919	-	180	-	1,739	-	-	-	1,739	
Excess PTRC Distribution	-	21,008	-	-	21,008	-	-	(21,008)	-	
Title I 2010-2011	-	-	-	-	-	59,261	86,265	21,710	(5,294)	
Title I 2008-2009	15,007	7,200	18,759	(3,448)	-	-	-	-	-	
Title I 2009-2010	-	87,333	72,173	3,448	18,608	4,100	998	(21,710)	-	
Title V 2007-08	-	588	588	-	-	-	-	-	-	
Learning Network	-	35,000	35,000	-	-	-	-	-	-	
P.L. 94-124 2010-2011	(13,930)	15,000	1,070	-	-	172,698	179,444	-	(6,746)	
P.L. 94-124 2009-2010	-	180,444	180,444	-	-	-	-	-	-	
Title IV 2008-09	1,719	-	-	-	1,719	2,578	4,397	-	(100)	
Perkins Grants 2009-2010	-	11,424	22,849	-	(11,425)	11,425	-	-	-	
Perkins Grants 2010-2011	-	-	-	-	-	24,808	24,808	-	-	
Class Size Reduction/Title II 2008-2009	1,450	-	1,450	-	-	-	1,049	-	(1,049)	
Class Size Reduction/Title II 2009-2010	28,395	-	14,965	-	13,430	-	13,430	-	-	
Class Size Reduction/Title II 2010-2011	-	24,800	4,193	-	20,607	1,551	18,723	-	3,435	
09-10 Title III Consortium	-	2,742	2,742	-	-	-	-	-	-	
10-11 Title III Consortium	-	-	-	-	-	1,882	1,882	-	-	
Fiscal Stabilization	507,744	199,434	707,178	-	-	-	-	-	-	
Title I - Grants to LEAs	8,920	22,302	26,314	-	4,908	20,634	26,031	-	(489)	
Special Education - Part B-Stim	-	101,017	78,552	-	22,465	67,968	91,827	-	(1,394)	
Special Education - Part B - Preschool-Stim	-	5,565	5,390	-	175	816	990	-	1	
Education Jobs	-	-	-	-	-	191,325	191,325	-	-	
Totals	\$ (55,998)	\$ 14,705,668	\$ 14,088,790	\$ -	\$ 560,880	\$ 13,355,979	\$ 12,271,896	\$ -	\$ 1,644,963	

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

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. 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 accompanying financial statement presents the financial information for the School Corporation (primary government).

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The regulatory 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.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources which include distributions from the State of Indiana to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Federal sources which include distributions from the federal government to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Other financing sources and uses

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

Proceeds of long-term debt which includes money received in relation to the issuance of bonds or other long-term debt issues.

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

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

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the School Corporation by recording as a disbursement and replacement items purchased.

Note 6. Subsequent Event

The School Corporation has maintained a wastewater treatment facility to support the operation of the consolidated school buildings (High School and Elementary Buildings). Due to the age of the facility, it needs extensive repairs and the school has received notices from Indiana Department of Environmental Management (IDEM) that extensive rehabilitation is required to come into compliance with IDEM's standards or face possible fines. The School Corporation is exploring different financing options to pay for this project, including the issue of new debt.

Note 7. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is 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 Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent 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.

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

The School Corporation also contributes to additional pension plans unique to the School Corporation. Information regarding these plans may be obtained from the School Corporation.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was prepared and/or approved by management of the School Corporation. It is presented as intended by the School Corporation.

CLINTON PRAIRIE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	Retirement/ Severance Bond	School Lunch
Cash and investments - beginning	\$ (149,445)	\$ (12,168)	\$ (162,078)	\$ (692,545)	\$ (336,202)	\$ 74,773	\$ (54,970)	\$ 692,858	\$ -	\$ 57,146
Receipts:										
Local sources	(25,286)	1,199,720	811,279	1,073,052	674,770	52,747	2	-	79,867	290,504
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	5,848,119	-	-	-	-	-	13,750	-	-	5,507
Federal sources	11,972	-	-	-	-	-	-	-	-	157,018
Temporary loans	3,630,000	-	-	-	-	-	-	-	-	-
Total receipts	9,464,805	1,199,720	811,279	1,073,052	674,770	52,747	13,752	-	79,867	453,029
Disbursements:										
Current:										
Instruction	3,872,267	-	-	-	-	-	-	-	109,697	-
Support services	1,792,635	-	-	534,255	704,867	138,208	-	-	-	2,138
Noninstructional services	116,261	-	-	-	-	-	-	-	-	456,180
Facilities acquisition and construction	-	-	-	595,581	-	-	-	-	-	-
Debt services	2,500,000	1,425,879	353,839	-	-	-	-	-	-	-
Nonprogrammed charges	78,305	-	-	-	-	-	100,343	-	-	-
Total disbursements	8,359,468	1,425,879	353,839	1,129,836	704,867	138,208	100,343	-	109,697	458,318
Excess (deficiency) of receipts over disbursements	1,105,337	(226,159)	457,440	(56,784)	(30,097)	(85,461)	(86,591)	-	(29,830)	(5,289)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	100,000	-	-
Transfers out	-	(100,000)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(100,000)	-	-	-	-	-	100,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,105,337	(326,159)	457,440	(56,784)	(30,097)	(85,461)	(86,591)	100,000	(29,830)	(5,289)
Cash and investments - ending	\$ 955,892	\$ (338,327)	\$ 295,362	\$ (749,329)	\$ (366,299)	\$ (10,688)	\$ (141,561)	\$ 792,858	\$ (29,830)	\$ 51,857

CLINTON PRAIRIE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Textbook Rental	Levy Excess	Educational License Plates	Early Intervention Grant 2010-2011	Early Intervention Grant 2009-2010	Mattix Trust	Indiana Next Leadership Grant	High Ability 2008-2009	High Ability 2010-2011	High Ability 2009-2010
Cash and investments - beginning	\$ (34,272)	\$ -	\$ 1,838	\$ -	\$ -	\$ 1,586	\$ 29	\$ 4,420	\$ 1,748	\$ -
Receipts:										
Local sources	74,298	-	-	-	-	476	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	22,180	-	-	-	39,504	-	-	-	-	30,186
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>96,478</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,504</u>	<u>476</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,186</u>
Disbursements:										
Current:										
Instruction	-	-	-	-	17,815	-	-	4,420	1,748	27,452
Support services	82,907	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>82,907</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,815</u>	<u>-</u>	<u>-</u>	<u>4,420</u>	<u>1,748</u>	<u>27,452</u>
Excess (deficiency) of receipts over disbursements	<u>13,571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,689</u>	<u>476</u>	<u>-</u>	<u>(4,420)</u>	<u>(1,748)</u>	<u>2,734</u>
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>13,571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,689</u>	<u>476</u>	<u>-</u>	<u>(4,420)</u>	<u>(1,748)</u>	<u>2,734</u>
Cash and investments - ending	<u>\$ (20,701)</u>	<u>\$ -</u>	<u>\$ 1,838</u>	<u>\$ -</u>	<u>\$ 21,689</u>	<u>\$ 2,062</u>	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,734</u>

CLINTON PRAIRIE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Non-English Speaking	Non-English Speaking 10-11	Connectivity Grant	PBA - Elementary	CF Industries - Mini Grant	Excess PTRC Distribution	Title I 2010-2011	Title I 2008-2009	Title I 2009-2010
Cash and investments - beginning	\$ 6	\$ -	\$ -	\$ 54	\$ 1,919	\$ -	\$ -	\$ 15,007	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	2,146	-	-	-	-	21,008	-	-	-
Federal sources	-	-	-	-	-	-	-	7,200	87,333
Temporary loans	-	-	-	-	-	-	-	-	-
Total receipts	2,146	-	-	-	-	21,008	-	7,200	87,333
Disbursements:									
Current:									
Instruction	2,146	-	-	-	-	-	-	18,759	72,173
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	180	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	2,146	-	-	-	180	-	-	18,759	72,173
Excess (deficiency) of receipts over disbursements	-	-	-	-	(180)	21,008	-	(11,559)	15,160
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	3,448
Transfers out	-	-	-	-	-	-	-	(3,448)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	(3,448)	3,448
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	(180)	21,008	-	(15,007)	18,608
Cash and investments - ending	\$ 6	\$ -	\$ -	\$ 54	\$ 1,739	\$ 21,008	\$ -	\$ -	\$ 18,608

CLINTON PRAIRIE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Title V 2007-2008	Learning Network	P.L. 94-124 2010-11	P.L. 94-124 2009-10	Title IV 2008-09	Perkins Grants 2009-2010	Perkins Grants 2010-2011	Class Size Reduction/ Title II 2008-2009	Class Size Reduction/ Title II 2009-2010
Cash and investments - beginning	\$ -	\$ -	\$ (13,930)	\$ -	\$ 1,719	\$ -	\$ -	\$ 1,450	\$ 28,395
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	588	35,000	15,000	180,444	-	11,424	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Total receipts	588	35,000	15,000	180,444	-	11,424	-	-	-
Disbursements:									
Current:									
Instruction	-	35,000	1,070	180,444	-	-	-	1,450	14,965
Support services	588	-	-	-	-	22,849	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	588	35,000	1,070	180,444	-	22,849	-	1,450	14,965
Excess (deficiency) of receipts over disbursements	-	-	13,930	-	-	(11,425)	-	(1,450)	(14,965)
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	-	-	13,930	-	-	(11,425)	-	(1,450)	(14,965)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 1,719	\$ (11,425)	\$ -	\$ -	\$ 13,430

CLINTON PRAIRIE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Class Size Reduction/ Title II 2010-2011	09-10 Title III Consortium	10-11 Title III Consortium	Fiscal Stabilization	Title I - Grants to LEAs	Special Education - Part B Stim	Special Education - Part B - Preschool-Stim	Education Jobs	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 507,744	\$ 8,920	\$ -	\$ -	\$ -	\$ (55,998)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	4,231,429
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	5,982,400
Federal sources	24,800	2,742	-	199,434	22,302	101,017	5,565	-	861,839
Temporary loans	-	-	-	-	-	-	-	-	3,630,000
Total receipts	<u>24,800</u>	<u>2,742</u>	<u>-</u>	<u>199,434</u>	<u>22,302</u>	<u>101,017</u>	<u>5,565</u>	<u>-</u>	<u>14,705,668</u>
Disbursements:									
Current:									
Instruction	4,193	2,742	-	540,454	26,314	78,552	5,390	-	5,017,051
Support services	-	-	-	165,660	-	-	-	-	3,444,107
Noninstructional services	-	-	-	1,064	-	-	-	-	573,685
Facilities acquisition and construction	-	-	-	-	-	-	-	-	595,581
Debt services	-	-	-	-	-	-	-	-	4,279,718
Nonprogrammed charges	-	-	-	-	-	-	-	-	178,648
Total disbursements	<u>4,193</u>	<u>2,742</u>	<u>-</u>	<u>707,178</u>	<u>26,314</u>	<u>78,552</u>	<u>5,390</u>	<u>-</u>	<u>14,088,790</u>
Excess (deficiency) of receipts over disbursements	<u>20,607</u>	<u>-</u>	<u>-</u>	<u>(507,744)</u>	<u>(4,012)</u>	<u>22,465</u>	<u>175</u>	<u>-</u>	<u>616,878</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	103,448
Transfers out	-	-	-	-	-	-	-	-	(103,448)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>20,607</u>	<u>-</u>	<u>-</u>	<u>(507,744)</u>	<u>(4,012)</u>	<u>22,465</u>	<u>175</u>	<u>-</u>	<u>616,878</u>
Cash and investments - ending	<u>\$ 20,607</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,908</u>	<u>\$ 22,465</u>	<u>\$ 175</u>	<u>\$ -</u>	<u>\$ 560,880</u>

CLINTON PRAIRIE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	Retirement/ Severance Bond	School Lunch
Cash and investments - beginning	\$ 955,892	\$ (338,327)	\$ 295,362	\$ (749,329)	\$ (366,299)	\$ (10,688)	\$ (141,561)	\$ 792,858	\$ (29,830)	\$ 51,857
Receipts:										
Local sources	113,388	2,573,147	418,781	1,621,455	1,086,781	148,872	-	-	226,934	293,454
Intermediate sources	331	-	-	-	-	-	-	-	-	-
State sources	5,959,152	-	-	-	-	-	-	-	-	5,556
Federal sources	(5,712)	-	-	-	-	-	-	-	-	170,667
Total receipts	6,067,159	2,573,147	418,781	1,621,455	1,086,781	148,872	-	-	226,934	469,677
Disbursements:										
Current:										
Instruction	3,510,800	-	-	-	-	-	-	350,000	284,649	-
Support services	1,749,848	-	-	543,275	734,793	75,117	-	-	-	2,732
Noninstructional services	129,336	-	-	-	-	-	-	-	-	468,042
Facilities acquisition and construction	-	-	-	318,955	-	-	-	-	-	-
Debt services	1,480,000	1,399,335	355,589	-	-	-	-	-	-	-
Nonprogrammed charges	84,459	-	-	-	-	-	-	-	-	-
Total disbursements	6,954,443	1,399,335	355,589	862,230	734,793	75,117	-	350,000	284,649	470,774
Excess (deficiency) of receipts over disbursements	(887,284)	1,173,812	63,192	759,225	351,988	73,755	-	(350,000)	(57,715)	(1,097)
Other financing sources (uses):										
Transfers in	34,651	21,008	-	-	-	-	141,561	92,000	-	-
Transfers out	(141,561)	(64,000)	-	(34,651)	-	(28,000)	-	-	-	-
Total other financing sources (uses)	(106,910)	(42,992)	-	(34,651)	-	(28,000)	141,561	92,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(994,194)	1,130,820	63,192	724,574	351,988	45,755	141,561	(258,000)	(57,715)	(1,097)
Cash and investments - ending	\$ (38,302)	\$ 792,493	\$ 358,554	\$ (24,755)	\$ (14,311)	\$ 35,067	\$ -	\$ 534,858	\$ (87,545)	\$ 50,760

CLINTON PRAIRIE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Textbook Rental	Levy Excess	Educational License Plates	Early Intervention Grant 2010-2011	Early Intervention Grant 2009-2010	Mattix Trust	Indiana Next Leadership Grant	High Ability Grant 2008-2009	High Ability Grant 2010-2011	High Ability Grant 2009-2010
Cash and investments - beginning	\$ (20,701)	\$ -	\$ 1,838	\$ -	\$ 21,689	\$ 2,062	\$ 29	\$ -	\$ -	\$ 2,734
Receipts:										
Local sources	66,286	22,758	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	25,173	-	-	33,558	-	-	-	-	28,896	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Total receipts	91,459	22,758	-	33,558	-	-	-	-	28,896	-
Disbursements:										
Current:										
Instruction	-	-	-	9,926	21,689	-	-	-	23,724	2,734
Support services	78,708	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	78,708	-	-	9,926	21,689	-	-	-	23,724	2,734
Excess (deficiency) of receipts over disbursements	12,751	22,758	-	23,632	(21,689)	-	-	-	5,172	(2,734)
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	12,751	22,758	-	23,632	(21,689)	-	-	-	5,172	(2,734)
Cash and investments - ending	\$ (7,950)	\$ 22,758	\$ 1,838	\$ 23,632	\$ -	\$ 2,062	\$ 29	\$ -	\$ 5,172	\$ -

CLINTON PRAIRIE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Non-English Speaking	Non-English Speaking 10-11	Connectivity Grant	PBA - Elementary	CF Industries - Mini Grant	Excess PTRC Distribution	Title I 2010-2011	Title I 2008-2009	Title I 2009-2010
Cash and investments - beginning	\$ 6	\$ -	\$ -	\$ 54	\$ 1,739	\$ 21,008	\$ -	\$ -	\$ 18,608
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	2,176	5,280	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	59,261	-	4,100
Total receipts	-	2,176	5,280	-	-	-	59,261	-	4,100
Disbursements:									
Current:									
Instruction	-	2,176	-	-	-	-	76,650	-	998
Support services	-	-	4,840	-	-	-	9,615	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	2,176	4,840	-	-	-	86,265	-	998
Excess (deficiency) of receipts over disbursements	-	-	440	-	-	-	(27,004)	-	3,102
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	21,710	-	-
Transfers out	-	-	-	-	-	(21,008)	-	-	(21,710)
Total other financing sources (uses)	-	-	-	-	-	(21,008)	21,710	-	(21,710)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	440	-	-	(21,008)	(5,294)	-	(18,608)
Cash and investments - ending	\$ 6	\$ -	\$ 440	\$ 54	\$ 1,739	\$ -	\$ (5,294)	\$ -	\$ -

CLINTON PRAIRIE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Title V 2007-2008	Learning Network	P.L. 94-124 2010-11	P.L. 94-124 2009-10	Title IV 2008-09	Perkins Grants 2009-2010	Perkins Grants 2010-2011	Class Size Reduction/ Title II 2008-2009	Class Size Reduction/ Title II 2009-2010
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 1,719	\$ (11,425)	\$ -	\$ -	\$ 13,430
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	172,698	-	2,578	11,425	24,808	-	-
Total receipts	-	-	172,698	-	2,578	11,425	24,808	-	-
Disbursements:									
Current:									
Instruction	-	-	179,444	-	4,397	-	-	1,049	13,430
Support services	-	-	-	-	-	-	24,808	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	179,444	-	4,397	-	24,808	1,049	13,430
Excess (deficiency) of receipts over disbursements	-	-	(6,746)	-	(1,819)	11,425	-	(1,049)	(13,430)
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	-	-	(6,746)	-	(1,819)	11,425	-	(1,049)	(13,430)
Cash and investments - ending	\$ -	\$ -	\$ (6,746)	\$ -	\$ (100)	\$ -	\$ -	\$ (1,049)	\$ -

CLINTON PRAIRIE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Class Size Reduction/ Title II 2010-2011	09-10 Title III Consortium	10-11 Title III Consortium	Fiscal Stabilization	Title I - Grants to LEAs	Special Education - Part B Stim	Special Education - Part B - Preschool-Stim	Education Jobs	Totals
Cash and investments - beginning	\$ 20,607	\$ -	\$ -	\$ -	\$ 4,908	\$ 22,465	\$ 175	\$ -	\$ 560,880
Receipts:									
Local sources	-	-	-	-	-	-	-	-	6,571,856
Intermediate sources	-	-	-	-	-	-	-	-	331
State sources	-	-	-	-	-	-	-	-	6,059,791
Federal sources	1,551	-	1,882	-	20,634	67,968	816	191,325	724,001
Total receipts	1,551	-	1,882	-	20,634	67,968	816	191,325	13,355,979
Disbursements:									
Current:									
Instruction	18,723	-	1,882	-	26,031	91,827	990	191,325	4,812,444
Support services	-	-	-	-	-	-	-	-	3,223,736
Noninstructional services	-	-	-	-	-	-	-	-	597,378
Facilities acquisition and construction	-	-	-	-	-	-	-	-	318,955
Debt services	-	-	-	-	-	-	-	-	3,234,924
Nonprogrammed charges	-	-	-	-	-	-	-	-	84,459
Total disbursements	18,723	-	1,882	-	26,031	91,827	990	191,325	12,271,896
Excess (deficiency) of receipts over disbursements	(17,172)	-	-	-	(5,397)	(23,859)	(174)	-	1,084,083
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	310,930
Transfers out	-	-	-	-	-	-	-	-	(310,930)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(17,172)	-	-	-	(5,397)	(23,859)	(174)	-	1,084,083
Cash and investments - ending	\$ 3,435	\$ -	\$ -	\$ -	\$ (489)	\$ (1,394)	\$ 1	\$ -	\$ 1,644,963

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CLINTON PRAIRIE SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2011

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	Fund/ Department
Capital leases:			
Lease Rental Bonds	\$ 8,585,000	\$ 1,387,000	Debt Service
Notes and loans payable:			
Veteran's Memorial Loan	165,282	38,382	General Fund
Bonds payable:			
General obligation bonds:			Retirement/Severance
Retirement/Pension Bonds	<u>3,025,000</u>	<u>351,401</u>	Bond Debt Service
 Total debt	 <u>\$ 11,775,282</u>	 <u>\$ 1,776,783</u>	

CLINTON PRAIRIE SCHOOL CORPORATION
OTHER REPORT

The audit report presented herein was prepared in addition to other official report prepared for the individual School Corporation office listed below:

Clinton Prairie School Corporation Supplemental Report

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
Fax: (317) 232-4711
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 CLINTON PRAIRIE SCHOOL
CORPORATION, CLINTON COUNTY, INDIANA

Compliance

We have audited the compliance of the Clinton Prairie 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, 2010 and 2011. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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

In our opinion, the School Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011.

Internal Control Over Compliance

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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)

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there is no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2011-02 and 2001-03 to be material weaknesses.

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the School Corporation's management, School Board of Trustees, others within the entity, 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

January 26, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

CLINTON PRAIRIE SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011

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 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education Child Nutrition Cluster				
School Breakfast Program	10.553	1160	\$ 23,111	\$ 24,963
National School Lunch Program	10.555	1160	160,516	170,621
Total for federal grantor agency			<u>183,627</u>	<u>195,584</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	09-1160 10-1160 11-1160	18,759 72,173 -	- 998 86,265
Total for program			<u>90,932</u>	<u>87,263</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	10-1160	26,312	26,031
Total for cluster			<u>117,244</u>	<u>113,294</u>
Pass-Through Community Schools of Frankfort Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027	FY 09-10 FY 10-11	180,444 1,070	- 179,444
Total for program			<u>181,514</u>	<u>179,444</u>
ARRA - Special Education - Grants to States, Recovery Act	84.391	33310-SN01	78,551	91,826
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	44410-SN01	5,390	990
Total for cluster			<u>265,455</u>	<u>272,260</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	1160-09	707,178	-
Adult Education - Basic Grants to States	84.002	FY2010	35,000	-
Pass-Through Tippecanoe School Corporation Career and Technical Education - Basic Grants to States	84.048	FY 07-08 FY 09-10 FY 10-11	6,260 22,849 -	- - 24,808
Total for program			<u>29,109</u>	<u>24,808</u>
Pass-Through Indiana Department of Education Safe and Drug-Free Schools and Communities - State Grants	84.186	09-1160	-	4,396
State Grants for Innovative Programs	84.298	FY07-08	588	-
Pass-Through West Lafayette School Corporation English Language Acquisition Grants	84.365	11111-025-PN01	2,742	1,882
Pass-Through Indiana Department of Education Improving Teaching Quality State Grants	84.367	08-1160 09-1160 10-1160	1,450 14,965 4,193	1,049 13,430 18,722
Total for program			<u>20,608</u>	<u>33,201</u>
ARRA - Education Jobs Fund, Recovery Act	84.410	FY 10-11	-	191,325
Total for federal grantor agency			<u>1,177,924</u>	<u>641,166</u>
Total federal awards expended			<u>\$ 1,361,551</u>	<u>\$ 836,750</u>

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

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Clinton Prairie School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. 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 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.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2010 and 2011:

Program Title	Federal CFDA Number	2010	2011
Adult Education - Basic Grants to States	84.002	\$ 35,000	\$ -

Note 3. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2010 and 2011. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2010	2011
School Breakfast Program	10.553	\$ 3,349	\$ 3,221
National School Lunch Program	10.555	23,260	21,696

CLINTON PRAIRIE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	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?	yes

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster
Special Education Cluster (IDEA)
State Fiscal Stabilization 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

FINDING 2011-01 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the school related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

1. Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the School Corporation to reduce risks to achievement of financial reporting objectives. The School Corporation has not separated incompatible actives related to receipts, disbursements, payroll and related liabilities, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to go undetected.

CLINTON PRAIRIE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2. Monitoring of Controls: Effective internal control over financial reporting requires the School Board of Trustees to monitor and assess the quality of the School Corporation's system of internal control. The School Board of Trustees has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility place the School Corporation at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the School Corporation has no process to identify or communicate corrective actions to improve controls.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objections, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

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 Indiana Public School Corporations, Chapter 9)

Section III – Federal Award Findings and Questioned Costs

FINDING 2011-02 - (INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING)

Federal Agency: U.S. Department of Education

Federal Program: ARRA - State Fiscal Stabilization Funds (SFSF) - Education State Grants, Recovery Act
CFDA Number: 84.394

Federal Award Number and Year (or Other Identifying Number): 1160-09

Pass-Through Entity: Indiana Department of Education

The financial records, for federal funds received as part of the ARRA - State Fiscal Stabilization Fund - Education State Grants, Recovery Act program, are maintained in the School Corporations' business office. Currently, due to limited personnel in the School Corporation's business office, the School Corporation has not separated incompatible activities related to all areas of the financial statement. The School Treasurer receipts, disburses, reconciles and reports all transactions relating to the ARRA - State Fiscal Stabilization Fund - Education State Grants, Recovery Act. Without the segregation of duties related to the grant requirements, any noncompliance or misstatements could go undetected.

Circular A133 Subpart C section .300(b) states that the auditee shall:

"Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish controls and to separate incompatible activities could enable material misstatements to go undetected and uncorrected.

We recommended the School Corporation develop internal control procedures properly segregating accounting activities in the administration office.

CLINTON PRAIRIE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2011-03 - INTERNAL CONTROL OVER CASH MANAGEMENT

Federal Agency: U.S. Department of Education

Federal Program: ARRA - Special Education - Grants to States, Recovery Act and ARRA - Special Education - Preschool Grants, Recovery Act

CFDA Number: 84.391 and 84.392

Federal Award Number and Year: 33310-SN01 and 44410-SN01

Pass-Through Entity: Community Schools of Frankfort

Amounts received, by the School Corporation, for the ARRA - Special Education - Grants to States, Recovery Act and ARRA - Special Education - Preschool Grants, Recovery Act were drawn in advance. The cash balances exceeded the allowable cash balance, based on the estimated future requirements, for eleven of the first twelve months of the audit period for the ARRA - Special Education - Grants to States, Recovery Act and eight of the first twelve months of the audit period for ARRA - Special Education - Preschool Grants, Recovery Act. Cash drawdown requests were not revised to ensure there would not be excessive cash on hand. The month end cash balance in the ARRA - Special Education - Grants to States, Recovery Act ranged from \$21,625 to \$50,155 while expenses average \$6,546. The month end cash balances in the ARRA - Special Education - Preschool Grants, Recovery Act ranged from \$808 to \$3,680 when average monthly expenses were \$449.

34CFR 80.20(b)(7) states in part:

"Cash Management: Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transaction reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

Surplus cash indicates noncompliance with the cash management requirement as set forth by the grant agreement. Additionally, failure to minimize the cash on hand may cause future funding to be reduced by the pass-through agency.

We recommended that School Corporation Officials develop and implement procedures and controls to ensure that the time between the receipt and disbursement of federal funds is minimized according to the grant requirements.

CLINTON PRAIRIE SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CLINTON PRAIRIE SCHOOL CORPORATION

4431 W OLD STATE RD 28
FRANKFORT IN 46041-7129

765-659-1339

Fax765-659-5305

www.clintonprairie.com

Corrective Action Plan

Section II Financial Statement Findings

Finding 2011-01, Internal Controls Over Financial Transactions And Reporting

Lack of Segregation of Duties: The administration office will review office procedures and attempt to assign duties so there will be as much segregation of the incompatible duties as is practical. However, the school corporation is a small unit and management has determined that the costs associated with employing additional staff in order to segregate duties effectively would outweigh the benefits of a stronger internal control. Management, along with the School Board of Trustees, acknowledges and assumes the risk inherent with the current design of their administration office.

Monitoring of Controls: The School Board will perform an evaluation of the School's system of controls and will correct deficiencies if any are found. The School Board will also develop procedures for communicating corrective actions to improve internal controls.

Section III-Federal Award Findings and Questioned Costs

Finding 2011-02, Internal Controls Over Financial Transactions and Reporting

Federal Agency:	U.S Department of Education
Federal Program (CFDA Title):	State Fiscal Stabilization Fund (SFSF)-Education State Grants
CFDA Number:	84.394
Pass-Through Entity:	Indiana Department of Education
Federal Award Number and Year:	1160-09
Auditee Contact Person:	Amanda Mitchell
Title of Contact Person:	Treasurer, Clinton Prairie School Corporation
Phone Number:	765-659-1339

Lack of Segregation of Duties: The administration office will review office procedures and attempt to assign duties so there will be as much segregation of the incompatible duties as is practical. However, the school corporation is a small unit and management has determined that the costs associated with employing additional staff in order to segregate duties effectively would outweigh the benefits of a stronger internal control. Management, along with the School Board of Trustees, acknowledges and assumes the risk inherent with the current design of their administration office.

Finding 2011-03, Cash Management:

Federal Agency:	U.S Department of Education
Federal Program (CFDA Title):	Special Education Cluster
CFDA Number:	84.391, 84.392
Pass-Through Entity	Indiana Department of Education, Community Schools of Frankfort
Federal Award Number and Year:	33310-SN01; 44410-SN01
Auditee Contact Person:	Amanda Mitchell
Title of Contact Person:	Treasurer, Clinton Prairie School Corporation
Phone Number:	765-659-1339

Sharon Kelley

Secretary

sharonk@geetel.net

Charles Fink

Superintendent

cfink@geetel.net

Amanda Mitchell

Treasurer

mandi@geetel.net

The issue has already been corrected with Indiana Department of Education's change in procedures from advancing Federal funds to the reimbursement of expenses. Effective July 1, 2010, we began submitting reimbursement requests to Frankfort Community Schools.


Amanda Mitchell
Treasurer

CLINTON PRAIRIE SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 1, 2012, with Charles Fink, Superintendent of Schools; Amanda Mitchell, Treasurer; and Dr. Timothy Snyder, President of the School Board of Trustees. The officials concurred with our audit findings.