

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, 2011 to June 30, 2013



FILED
03/24/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Amanda Mitchell	07-01-11 to 06-30-14
Superintendent of Schools	Charles Fink Chris Sampson	07-01-11 to 06-30-12 07-01-12 to 06-30-14
President of the School Board	Dr. Timothy Snyder	07-01-11 to 06-30-14



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

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Clinton Prairie School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013.

Opinion on Regulatory Basis of Accounting

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 period of July 1, 2011 to June 30, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 27, 2014, 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* in considering the School Corporation's internal control over financial reporting and compliance.

Accompanying Information

Supplementary Information

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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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 Leases and Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They 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.



Paul D. Joyce, CPA
State Examiner

February 27, 2014



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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 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, 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, the financial statement of the Clinton Prairie School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement, and have issued our report thereon dated February 27, 2014, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001 and 2013-002 to be material weaknesses.

INDEPENDENT AUDITOR'S 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*.

Clinton Prairie School Corporation's Response to Findings

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

February 27, 2014

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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, 2012 and 2013

	Cash and Investments			Other Financing	Cash and Investments			Other Financing	Cash and Investments
	07-01-11	Receipts	Disbursements	Sources (Uses)	06-30-12	Receipts	Disbursements	Sources (Uses)	06-30-13
General	\$ (38,302)	\$ 6,131,681	\$ 5,766,168	\$ -	\$ 327,211	\$ 6,353,818	\$ 6,703,497	\$ 25,000	\$ 2,532
Debt Service	792,493	1,492,388	1,386,500	(29,774)	868,607	1,502,885	1,461,000	-	910,492
Retirement/Severance Bond Debt Service	358,554	186,677	351,401	-	193,830	358,835	351,726	-	200,939
Capital Projects	(24,755)	918,832	812,058	-	82,019	908,988	687,026	-	303,981
School Transportation	(14,311)	713,379	632,935	22,758	88,891	727,962	608,544	21,149	229,458
School Bus Replacement	35,067	56,383	1,979	(86,000)	3,471	110,777	155,790	42,000	458
Rainy Day	534,858	-	267,163	86,000	353,695	-	41,108	(67,000)	245,587
Retirement/Severance Bond	(87,545)	325,669	238,124	-	-	65,903	105,505	45,702	6,100
School Lunch	50,760	488,030	458,737	-	80,053	499,506	490,580	-	88,979
Textbook Rental	(7,950)	87,583	87,521	29,774	21,886	104,832	33,627	-	93,091
Levy Excess	22,758	-	-	(22,758)	-	-	-	-	-
Educational License Plates	1,838	-	-	-	1,838	-	-	-	1,838
Early Intervention Grant	23,632	-	23,632	-	-	-	-	-	-
Mattix Trust	2,062	344	-	-	2,406	-	-	-	2,406
Indiana Next Leadership Grant	29	-	-	-	29	-	-	-	29
Instruction Support	-	27,895	10,977	-	16,918	-	16,918	-	-
High Ability 2010-2011	5,172	-	5,172	-	-	28,249	15,771	-	12,478
Medicaid Reimbursement	-	38	7	-	31	-	-	-	31
Non-English Speaking Programs P.L. 273-1999	6	1,243	1,243	-	6	-	-	-	6
Non-English Speaking '10-11	-	-	-	-	-	1,414	1,414	-	-
Connectivity Fund	440	1,320	440	-	1,320	-	-	-	1,320
Connectivity Fund 2011-12	-	3,960	937	-	3,023	-	-	-	3,023
PBA - Elementary	54	-	-	-	54	-	-	-	54
CF Industries - Mini Grant	1,739	-	-	-	1,739	-	1,739	-	-
Comm Found/Mini Grant	-	-	-	-	-	5,000	2,751	-	2,249
Excess PTRC Distributions	-	11,373	-	-	11,373	9,776	-	(21,149)	-
Title I 2010-2011	(5,294)	24,589	19,295	-	-	-	-	-	-
Title I 2011-2012	-	53,734	64,988	-	(11,254)	31,010	19,756	-	-
Title I 2012-2013	-	-	-	-	-	44,343	50,002	-	(5,659)
P.L. 94-142 2012-13	(6,746)	6,746	-	-	-	201,114	212,711	-	(11,597)
P.L. 94-142 2011-2012	-	177,178	177,178	-	-	-	-	-	-
Federal Assistance Educational Preschool Handicapped	-	-	-	-	-	9,498	9,498	-	-
Title IV	(100)	154	54	-	-	-	-	-	-
Perkins	-	24,510	24,510	-	-	-	-	-	-
Perkins Grant 2010-11	-	-	-	-	-	24,158	24,158	-	-
Medicaid Reimbursement - Federal	-	62	-	-	62	-	-	-	62
Class Size Reduction/Title II 2010-2011	(1,049)	22,165	35,105	-	(13,989)	16,492	2,503	-	-
Class Size Reduction/Title II 2011-2012	-	-	273	-	(273)	28,331	28,488	-	(430)
Class Size Reduction/Title II 2009-10	3,435	-	3,435	-	-	-	425	-	(425)
Title I - Grants to LEAs	(489)	1,666	1,177	-	-	-	-	-	-
Special Education - Part B	(1,394)	47,569	46,175	-	-	-	-	-	-
Special Education - Part B - Preschool	1	1,637	1,638	-	-	-	-	-	-
Education Jobs	-	2,826	2,826	-	-	15,274	15,274	-	-
Payroll	54,308	1,569,129	1,559,943	-	63,494	1,705,501	1,693,545	-	75,450
Totals	\$ 1,699,271	\$ 12,378,760	\$ 11,981,591	\$ -	\$ 2,096,440	\$ 12,753,666	\$ 12,733,356	\$ 45,702	\$ 2,162,452

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.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana 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 basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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.

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

State sources include distributions from the State of Indiana and are 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.

Federal sources include distributions from the federal government and are 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.

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.

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.

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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 or highway use taxes are received 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.

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.

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

Note 6. 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 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.

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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.

C. Additional Pension Plans

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.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2012, and June 30, 2013.

CLINTON PRAIRIE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. *Holding Corporation*

The School Corporation has entered into a capital lease with Clinton Prairie School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years 2012 and 2013 totaled \$1,386,000 and \$1,461,000, respectively.

Note 9. *Other Postemployment Benefits*

The School Corporation provides to eligible retirees and their spouses the following benefits: health insurance. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting 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 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, 2012

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	School Lunch
Cash and investments - beginning	\$ (38,302)	\$ 792,493	\$ 358,554	\$ (24,755)	\$ (14,311)	\$ 35,067	\$ 534,858	\$ (87,545)	\$ 50,760
Receipts:									
Local sources	92,621	1,492,388	186,677	918,832	713,379	56,383	-	325,669	290,240
Intermediate sources	667	-	-	-	-	-	-	-	-
State sources	6,038,393	-	-	-	-	-	-	-	5,078
Federal sources	-	-	-	-	-	-	-	-	192,712
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>6,131,681</u>	<u>1,492,388</u>	<u>186,677</u>	<u>918,832</u>	<u>713,379</u>	<u>56,383</u>	<u>-</u>	<u>325,669</u>	<u>488,030</u>
Disbursements:									
Current:									
Instruction	3,924,283	-	-	-	-	-	121,254	238,124	-
Support services	1,715,729	-	-	470,107	632,935	1,979	145,909	-	2,287
Noninstructional services	126,156	-	-	-	-	-	-	-	456,450
Facilities acquisition and construction	-	-	-	341,951	-	-	-	-	-
Debt services	-	1,386,500	351,401	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>5,766,168</u>	<u>1,386,500</u>	<u>351,401</u>	<u>812,058</u>	<u>632,935</u>	<u>1,979</u>	<u>267,163</u>	<u>238,124</u>	<u>458,737</u>
Excess (deficiency) of receipts over disbursements	<u>365,513</u>	<u>105,888</u>	<u>(164,724)</u>	<u>106,774</u>	<u>80,444</u>	<u>54,404</u>	<u>(267,163)</u>	<u>87,545</u>	<u>29,293</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	106,000	-	-	22,758	-	192,000	-	-
Transfers out	-	(135,774)	-	-	-	(86,000)	(106,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(29,774)</u>	<u>-</u>	<u>-</u>	<u>22,758</u>	<u>(86,000)</u>	<u>86,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>365,513</u>	<u>76,114</u>	<u>(164,724)</u>	<u>106,774</u>	<u>103,202</u>	<u>(31,596)</u>	<u>(181,163)</u>	<u>87,545</u>	<u>29,293</u>
Cash and investments - ending	<u>\$ 327,211</u>	<u>\$ 868,607</u>	<u>\$ 193,830</u>	<u>\$ 82,019</u>	<u>\$ 88,891</u>	<u>\$ 3,471</u>	<u>\$ 353,695</u>	<u>\$ -</u>	<u>\$ 80,053</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, 2012
 (Continued)

	Textbook Rental	Levy Excess	Educational License Plates	Early Intervention Grant	Mattix Trust	Indiana Next Leadership Grant	Instruction Support	High Ability 2010-2011	Medicaid Reimbursement
Cash and investments - beginning	\$ (7,950)	\$ 22,758	\$ 1,838	\$ 23,632	\$ 2,062	\$ 29	\$ -	\$ 5,172	\$ -
Receipts:									
Local sources	58,654	-	-	-	344	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	28,929	-	-	-	-	-	27,895	-	38
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	87,583	-	-	-	344	-	27,895	-	38
Disbursements:									
Current:									
Instruction	-	-	-	23,632	-	-	10,977	5,172	7
Support services	87,521	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	87,521	-	-	23,632	-	-	10,977	5,172	7
Excess (deficiency) of receipts over disbursements	62	-	-	(23,632)	344	-	16,918	(5,172)	31
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	29,774	-	-	-	-	-	-	-	-
Transfers out	-	(22,758)	-	-	-	-	-	-	-
Total other financing sources (uses)	29,774	(22,758)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	29,836	(22,758)	-	(23,632)	344	-	16,918	(5,172)	31
Cash and investments - ending	\$ 21,886	\$ -	\$ 1,838	\$ -	\$ 2,406	\$ 29	\$ 16,918	\$ -	\$ 31

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, 2012
 (Continued)

	Non-English Speaking Programs P.L. 273-1999	Non-English Speaking 10-11	Connectivity Fund	Connectivity Fund 2011-12	PBA - Elementary	CF Industries - Mini Grant	Comm Found/Mini Grant	Excess PTRC Distributions	Title I 2010-2011
Cash and investments - beginning	\$ 6	\$ -	\$ 440	\$ -	\$ 54	\$ 1,739	\$ -	\$ -	\$ (5,294)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	1,243	-	1,320	3,960	-	-	-	11,373	-
Federal sources	-	-	-	-	-	-	-	-	24,589
Other	-	-	-	-	-	-	-	-	-
Total receipts	1,243	-	1,320	3,960	-	-	-	11,373	24,589
Disbursements:									
Current:									
Instruction	1,243	-	-	-	-	-	-	-	19,120
Support services	-	-	440	937	-	-	-	-	175
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	1,243	-	440	937	-	-	-	-	19,295
Excess (deficiency) of receipts over disbursements	-	-	880	3,023	-	-	-	11,373	5,294
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	880	3,023	-	-	-	11,373	5,294
Cash and investments - ending	\$ 6	\$ -	\$ 1,320	\$ 3,023	\$ 54	\$ 1,739	\$ -	\$ 11,373	\$ -

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, 2012
 (Continued)

	Title I 2011-2012	Title I 2012-2013	P.L. 94-142 2012-13	P.L. 94-142 2011-2012	Federal Assistance Educational Preschool Handicapped	Title IV	Perkins	Perkins Grant 2010-11	Medicaid Reimbursement Federal
Cash and investments - beginning	\$ -	\$ -	\$ (6,746)	\$ -	\$ -	\$ (100)	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	53,734	-	6,746	177,178	-	154	24,510	-	62
Other	-	-	-	-	-	-	-	-	-
Total receipts	53,734	-	6,746	177,178	-	154	24,510	-	62
Disbursements:									
Current:									
Instruction	61,508	-	-	177,178	-	54	-	-	-
Support services	3,480	-	-	-	-	-	24,510	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	64,988	-	-	177,178	-	54	24,510	-	-
Excess (deficiency) of receipts over disbursements	(11,254)	-	6,746	-	-	100	-	-	62
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,254)	-	6,746	-	-	100	-	-	62
Cash and investments - ending	<u>\$ (11,254)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62</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, 2012
 (Continued)

	Class Size Reduction/ Title II 2010-2011	Class Size Reduction/ Title II 2011-2012	Class Size Reduction/ Title II 2009-10	Title I - Grants to LEAs	Special Education - Part B	Special Education - Part B - Preschool	Education Jobs	Payroll	Totals
Cash and investments - beginning	\$ (1,049)	\$ -	\$ 3,435	\$ (489)	\$ (1,394)	\$ 1	\$ -	\$ 54,308	\$ 1,699,271
Receipts:									
Local sources	-	-	-	-	-	-	-	-	4,135,187
Intermediate sources	-	-	-	-	-	-	-	-	667
State sources	-	-	-	-	-	-	-	-	6,118,229
Federal sources	22,165	-	-	1,666	47,569	1,637	2,826	-	555,548
Other	-	-	-	-	-	-	-	1,569,129	1,569,129
Total receipts	22,165	-	-	1,666	47,569	1,637	2,826	1,569,129	12,378,760
Disbursements:									
Current:									
Instruction	35,105	273	3,435	(2,802)	46,175	1,638	2,826	-	4,669,202
Support services	-	-	-	3,979	-	-	-	-	3,089,988
Noninstructional services	-	-	-	-	-	-	-	-	582,606
Facilities acquisition and construction	-	-	-	-	-	-	-	-	341,951
Debt services	-	-	-	-	-	-	-	-	1,737,901
Nonprogrammed charges	-	-	-	-	-	-	-	1,559,943	1,559,943
Total disbursements	35,105	273	3,435	1,177	46,175	1,638	2,826	1,559,943	11,981,591
Excess (deficiency) of receipts over disbursements	(12,940)	(273)	(3,435)	489	1,394	(1)	-	9,186	397,169
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	350,532
Transfers out	-	-	-	-	-	-	-	-	(350,532)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(12,940)	(273)	(3,435)	489	1,394	(1)	-	9,186	397,169
Cash and investments - ending	\$ (13,989)	\$ (273)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,494	\$ 2,096,440

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, 2013

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	School Lunch
Cash and investments - beginning	\$ 327,211	\$ 868,607	\$ 193,830	\$ 82,019	\$ 88,891	\$ 3,471	\$ 353,695	\$ -	\$ 80,053
Receipts:									
Local sources	96,192	1,502,885	358,835	908,392	727,431	110,777	-	65,903	268,910
Intermediate sources	10	-	-	-	-	-	-	-	-
State sources	6,256,006	-	-	-	-	-	-	-	5,087
Federal sources	-	-	-	-	-	-	-	-	225,307
Other	1,610	-	-	596	531	-	-	-	202
Total receipts	6,353,818	1,502,885	358,835	908,988	727,962	110,777	-	65,903	499,506
Disbursements:									
Current:									
Instruction	4,505,975	-	-	-	-	-	41,108	66,743	-
Support services	2,065,364	-	-	351,464	608,544	155,790	-	-	8,315
Noninstructional services	132,158	-	-	-	-	-	-	-	482,265
Facilities acquisition and construction	-	-	-	335,562	-	-	-	-	-
Debt services	-	1,461,000	351,726	-	-	-	-	38,762	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	6,703,497	1,461,000	351,726	687,026	608,544	155,790	41,108	105,505	490,580
Excess (deficiency) of receipts over disbursements	(349,679)	41,885	7,109	221,962	119,418	(45,013)	(41,108)	(39,602)	8,926
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	45,702	-
Transfers in	25,000	-	-	-	21,149	42,000	-	-	-
Transfers out	-	-	-	-	-	-	(67,000)	-	-
Total other financing sources (uses)	25,000	-	-	-	21,149	42,000	(67,000)	45,702	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(324,679)	41,885	7,109	221,962	140,567	(3,013)	(108,108)	6,100	8,926
Cash and investments - ending	\$ 2,532	\$ 910,492	\$ 200,939	\$ 303,981	\$ 229,458	\$ 458	\$ 245,587	\$ 6,100	\$ 88,979

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, 2013
 (Continued)

	Textbook Rental	Levy Excess	Educational License Plates	Early Intervention Grant	Mattix Trust	Indiana Next Leadership Grant	Instruction Support	High Ability 2010-2011	Medicaid Reimbursement
Cash and investments - beginning	\$ 21,886	\$ -	\$ 1,838	\$ -	\$ 2,406	\$ 29	\$ 16,918	\$ -	\$ 31
Receipts:									
Local sources	71,275	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	33,053	-	-	-	-	-	-	28,249	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	504	-	-	-	-	-	-	-	-
Total receipts	104,832	-	-	-	-	-	-	28,249	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	16,918	15,771	-
Support services	33,627	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	33,627	-	-	-	-	-	16,918	15,771	-
Excess (deficiency) of receipts over disbursements	71,205	-	-	-	-	-	(16,918)	12,478	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	71,205	-	-	-	-	-	(16,918)	12,478	-
Cash and investments - ending	\$ 93,091	\$ -	\$ 1,838	\$ -	\$ 2,406	\$ 29	\$ -	\$ 12,478	\$ 31

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, 2013
 (Continued)

	Non-English Speaking Programs P.L. 273-1999	Non-English Speaking 10-11	Connectivity Fund	Connectivity Fund 2011-12	PBA - Elementary	CF Industries - Mini Grant	Comm Found/Mini Grant	Excess PTRC Distributions	Title I 2010-2011
Cash and investments - beginning	\$ 6	\$ -	\$ 1,320	\$ 3,023	\$ 54	\$ 1,739	\$ -	\$ 11,373	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	1,414	-	-	-	-	5,000	9,776	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	1,414	-	-	-	-	5,000	9,776	-
Disbursements:									
Current:									
Instruction	-	1,414	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	1,739	2,751	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,414	-	-	-	1,739	2,751	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(1,739)	2,249	9,776	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(21,149)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	(21,149)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	(1,739)	2,249	(11,373)	-
Cash and investments - ending	\$ 6	\$ -	\$ 1,320	\$ 3,023	\$ 54	\$ -	\$ 2,249	\$ -	\$ -

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, 2013
 (Continued)

	Title I 2011-2012	Title I 2012-2013	P.L. 94-142 2012-13	P.L. 94-142 2011-2012	Federal Assistance Educational Preschool Handicapped	Title IV	Perkins	Perkins Grant 2010-11	Medicaid Reimbursement Federal
Cash and investments - beginning	\$ (11,254)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	31,010	44,343	201,114	-	9,498	-	-	24,158	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>31,010</u>	<u>44,343</u>	<u>201,114</u>	<u>-</u>	<u>9,498</u>	<u>-</u>	<u>-</u>	<u>24,158</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	15,607	50,002	212,711	-	9,498	-	-	24,158	-
Support services	4,149	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>19,756</u>	<u>50,002</u>	<u>212,711</u>	<u>-</u>	<u>9,498</u>	<u>-</u>	<u>-</u>	<u>24,158</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>11,254</u>	<u>(5,659)</u>	<u>(11,597)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
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>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>11,254</u>	<u>(5,659)</u>	<u>(11,597)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (5,659)</u>	<u>\$ (11,597)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62</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, 2013
 (Continued)

	Class Size Reduction/ Title II 2010-2011	Class Size Reduction/ Title II 2011-2012	Class Size Reduction/ Title II 2009-10	Title I - Grants to LEAs	Special Education - Part B	Special Education - Part B - Preschool	Education Jobs	Payroll	Totals
Cash and investments - beginning	\$ (13,989)	\$ (273)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,494	\$ 2,096,440
Receipts:									
Local sources	-	-	-	-	-	-	-	-	4,110,600
Intermediate sources	-	-	-	-	-	-	-	-	10
State sources	-	-	-	-	-	-	-	-	6,338,585
Federal sources	16,492	28,331	-	-	-	-	15,274	-	595,527
Other	-	-	-	-	-	-	-	1,705,501	1,708,944
Total receipts	16,492	28,331	-	-	-	-	15,274	1,705,501	12,753,666
Disbursements:									
Current:									
Instruction	2,503	28,488	425	-	-	-	15,274	-	5,006,595
Support services	-	-	-	-	-	-	-	-	3,227,253
Noninstructional services	-	-	-	-	-	-	-	-	618,913
Facilities acquisition and construction	-	-	-	-	-	-	-	-	335,562
Debt services	-	-	-	-	-	-	-	-	1,851,488
Nonprogrammed charges	-	-	-	-	-	-	-	1,693,545	1,693,545
Total disbursements	2,503	28,488	425	-	-	-	15,274	1,693,545	12,733,356
Excess (deficiency) of receipts over disbursements	13,989	(157)	(425)	-	-	-	-	11,956	20,310
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	45,702
Transfers in	-	-	-	-	-	-	-	-	88,149
Transfers out	-	-	-	-	-	-	-	-	(88,149)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	45,702
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	13,989	(157)	(425)	-	-	-	-	11,956	66,012
Cash and investments - ending	\$ -	\$ (430)	\$ (425)	\$ -	\$ -	\$ -	\$ -	\$ 75,450	\$ 2,162,452

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CLINTON PRAIRIE SCHOOL CORPORATION
 SCHEDULE OF LEASES AND DEBT
 June 30, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Clinton Prairie School Building Corporation	Refinance Fieldhouse & Wastewater Treatment Plant Construction	\$ 1,535,000	06-30-13	07-15-21
Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year	
Governmental activities: Notes and loans payable	Veteran's Memorial Loan	\$ 91,824	\$ 37,648	
General obligation bonds	Retirement/Pension Bonds	2,935,000	351,790	
Totals		\$ 3,026,824	\$ 389,438	

CLINTON PRAIRIE SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

HONORS GRADUATES - INCORRECT REPORTING TO THE STATE

The information presented for audit indicates that the number of honors graduates reported on Form DOE-GR to the Indiana Department of Education was incorrect for the school year ending June 30, 2013.

The honors graduates' count for 2013 was from the graduating class of 2012. The difference between the count reported on the electronic report and the verified figures are shown below:

School Year	Grade	Count as Reported on Form DOE-GR	Actual Honors Graduates	Difference
2012-2013	Honors Graduates - 2012	15	13	2

School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment/underpayment applicable to the School Corporation because of incorrect reporting. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

FEES

The School Corporation, at the time of charging and collecting textbook rental fees, requires other fees to be paid including, but not limited to, Convocation Fees, Report Card Fees, Postage Fees, and Technology Fees. The School Corporation Officials could not always provide documentation to verify if students received consumable goods or services equal to the fee charged. These other fees ranged from \$20 to \$46 per student. The Technology Fee includes software licensing costs, automatic telephone calling, and parental access to the student software.

The Supreme Court provided in *Nagy v. Evansville-Vanderburgh School Corporation*, 844 N.E.2d 481 (Ind. 2006) Where the legislature-or through delegation of its authority the State Board has identified programs, activities, projects, services or curricula that it either mandates or permits school corporations to undertake, the legislature has made a policy decision regarding exactly what qualifies as a part of a uniform system of public education commanded by Article 8, Section 1 and thus what qualifies for funding at public expense. And of course the legislature has the authority to place appropriate conditions or limitations on any such funding. However, absent specific statutory authority, fees or charges for what are otherwise public education cost items cannot be levied directly or indirectly against students or their parents. Only programs, activities, projects, services or curricula that are outside of or expand upon those identified by the legislature-what we understand to be "extracurricular"-may be considered as not a part of a publicly-funded education. And thus a reasonable fee may be assessed, but only against those students who participate in or take advantage of them. (School Administrator, Volume 190, Page 5)

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (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
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

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

Report on Compliance for Each Major Federal Program

We have audited the Clinton Prairie School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2011 to June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2011 to June 30, 2013.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Report on Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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.

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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not 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 over compliance 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 item 2013-003 to be material weaknesses.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

February 27, 2014

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were prepared 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, 2012 and 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>U.S. Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553			
			FY2012	\$ 29,128	\$ -
			FY2013	-	39,643
Total - School Breakfast Program				29,128	39,643
National School Lunch Program					
National School Lunch Program	Indiana Department of Education	10.555			
			FY2012	197,175	-
			FY2013	-	215,847
Total - National School Lunch Program				197,175	215,847
Total - Child Nutrition Cluster				226,303	255,490
Total - Department of Agriculture				226,303	255,490
<u>U.S. Department of Education</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
			2010/2011 - 1160	24,589	-
			2011/2012 - 1160	53,734	31,010
			2012/2013 - 1160	-	44,343
Total - Title I Grants to Local Education Agencies				78,323	75,353
ARRA - Title I Grants to Local Educational Agencies, Recovery Act					
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	Indiana Department of Education	84-389			
			2010/2011 - 1160	1,666	-
Total - Title I, Part A Cluster				79,989	75,353

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

CLINTON PRAIRIE SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2012 and 2013
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>U.S. Department of Education (continued)</u>					
Special Education Cluster					
Special Education - Grants to State		84.027			
	Community Schools of Frankfort		14211-006-PN01	6,746	-
	Lebanon Community Schools		45712-099-PN01	177,178	-
	Lebanon Community Schools		14213-099-PN01	-	201,114
				<u>183,924</u>	<u>201,114</u>
Total - Special Education - Grants to State					
Special Education - Preschool Grants	Lebanon Community Schools	84.173	45713-099-PN01	-	9,498
ARRA - Special Education - Grants to States, Recovery Act	Community Schools of Frankfort	84.391	33310-006-SN01	47,569	-
ARRA - Special Education - Preschool Grants, Recovery Act	Community Schools of Frankfort	84.392	44410-SN-01	1,638	-
Total - Special Education Cluster				<u>233,131</u>	<u>210,612</u>
Career and Technical Education - Basic Grants to States	Tippecanoe School Corporation	84.048	FY 11-12	24,510	-
			FY 12-13	-	24,158
Total - Career and Technical Education - Basic Grants to States				<u>24,510</u>	<u>24,158</u>
Safe and Drug-Free Schools and Communities - State Grants	Indiana Department of Education	84.186	FY 09-10	154	-
Improving Teaching Quality State Grants	Indiana Department of Education	84.367	11-1160	22,166	16,492
			12-1160	-	28,331
Total - Improving Teaching Quality State Grants				<u>22,166</u>	<u>44,823</u>
Education Jobs Fund	Indiana Department of Education	84.410	1160	2,826	15,275
Total - Department of Education				<u>362,776</u>	<u>370,221</u>
Total federal awards expended				<u>\$ 589,079</u>	<u>\$ 625,711</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 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 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. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2012 and 2013. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2012	2013
School Breakfast Program	10.553	\$ 4,324	\$ 4,683
National School Lunch Program	10.555	29,269	25,500

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:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster
Special Education 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 2013-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the School Corporation 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 the achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts, disbursements, and payroll and related liabilities. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

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

2. Preparing Financial Statements: Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the School Corporation's audited financial statement and then determining how those identified risks should be managed. The School Corporation has not identified risks to the preparation of a reliable financial statement and as a result has failed to design effective controls over the preparation of the financial statement to prevent, or detect and correct, material misstatements, including notes to the financial statement.
3. Monitoring of Controls: Effective internal control over financial reporting requires the School Board to monitor and assess the quality of the School Corporation's system of internal control. The School Board has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility places the School Corporation at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent, or detect and correct, 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 objectives, 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)

***FINDING 2013-002 - INTERNAL CONTROLS OVER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

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 objectives, 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)

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

Section III – Federal Award Findings and Questioned Costs

FINDING 2013-003 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT ON THE SCHOOL BREAKFAST, NATIONAL SCHOOL LUNCH AND SPECIAL EDUCATION PROGRAMS

Federal Agency: U.S. Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program
CFDA Number: 10.553, 10.555
Federal Award Number and Year (or Other Identifying Number): FY 2012, FY 2013
Pass-Through Entity: Indiana Department of Education

Federal Agency: U.S. Department of Education
Federal Program: Special Education - Grants to States, Special Education - Preschool Grants,
ARRA - Special Education Grants to States, Recovery Act,
ARRA - Special Education Preschool Grants
CFDA Number: 84.027; 84.173; 84.391; 84.392
Federal Award Number and Year (or Other Identifying Number): 14211-006-PN01; 45712-099-PN01;
14213-099-PN01; 45713-099-PN01;
33310-006-SN01; 44410-SN-01
Pass-Through Entities: Indiana Department of Education, Community School of Frankfort,
Lebanon Community Schools

Due to limited personnel within the School Corporation, only one individual handles the financial transactions of each particular federal grant. Therefore, an effective internal control system, which would include segregation of duties, related to the grant agreement and all of the compliance requirements that have a direct and material effect to the program have not been established. For the School Breakfast Program and National School Lunch Program, this includes the compliance requirements for Activities Allowable, Allowable Costs, Eligibility, Program Income, Reporting and Special Tests and Provisions - Verification, School Food Account and Paid Lunch Equity. For the Special Education Programs, this includes the compliance requirements for Activities Allowable, Allowable Costs, Cash Management, Matching, Level of Effort, Earmarking, Period of Availability, Reporting and Special Tests and Provision - ARRA reporting. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

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

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) 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 internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and all compliance requirements that have a direct and material effect to the program.

CLINTON PRAIRIE SCHOOL CORPORATION

4431 W OLD STATE RD 28
FRANKFORT IN 46041-7129

Phone 765-659-1339

Fax 765-659-5305

www.clintonprairie.com

Summary Schedule of Prior Audit Findings

FEDERAL FINDING 2011-03, INTERNAL CONTROL OVER CASH MANAGEMENT

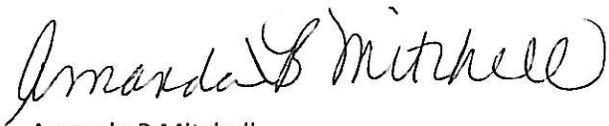
Federal Agency: U.S. Department of Education
Federal Program: Special Education Cluster
CFDA Number: 84.391 & 84.392
Award Number: 33310-SN01 & 44410-SN01
Pass-Through Entity: Community Schools of Frankfort

This has been resolved due to grants are now reimbursable.

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

Federal Agency: U.S. Department of Education
Federal Program: State Fiscal Stabilization Funds (SFSF) – Education State Grants, Recovery Act
CFDA Number: 84.394
Award Number: 1160-09
Pass-Through Entity: Indiana Department of Education

This has been resolved due to the grant is no longer available.



Amanda B Mitchell
Corporate Treasurer

Vicki Bailey
Secretary

vbailey@cpsc.k12.in.us

Chris Sampson
Superintendent

csampson@cpsc.k12.in.us

Amanda Mitchell
Treasurer

mmitchell@cpsc.k12.in.us

CLINTON PRAIRIE SCHOOL CORPORATION

4431 W OLD STATE RD 28
FRANKFORT IN 46041-7129

Phone 765-659-1339

Fax 765-659-5305

www.clintonprairie.com

Corrective Action Plan

Section II Financial Statement Findings

Finding 2013-001, Internal Controls Over Financial Transactions And Reporting

Lack of Segregation of Duties: Clinton Prairie School Corporation has implemented new internal controls subsequent to the State Board of Accounts finding referenced above. Various procedures are now in place so that documentation is given to the Superintendent for review and signature of said documentation will be retained for audit purposes.

Finding 2013-002, Internal Controls Over SEFA

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.

Section III-Federal Award Findings and Questioned Costs

Finding 2013-003, Internal Controls Over Compliance Requirements That Have A Direct And Material Effect On the School Breakfast, National School Lunch And Special Education Programs

Federal Agency: United States Department of Agriculture
Federal Program: School Breakfast Program and National School Lunch Program
CFDA Number: 10.553 and 10.555
Federal Award Number and Year: FY 2012 and FY 2013
Pass-Through Entity: Indiana Department of Education

Federal Agency: United States Department of Education
Federal Program: Special Education – Grants To States, Special Education – Preschool Grants, ARRA – Special Education Grants To States, Recovery Act, ARRA – Special Education Preschool Grants
CFDA Number: 84.027; 84.173; 84.391; 84.392
Federal Award Number and Year: 14211-006-PN01; 45712-099-PN01; 14213-099-PN01; 45713-099-PN01; 33310-006-SN01 44410-SN-01
Pass-Through Entity: Indiana Department of Education

Auditee Contact Person: Amanda Mitchell
Title of Contact Person: Treasurer, Clinton Prairie School Corporation
Phone Number: 765-659-1339

Vicki Bailey
Secretary

vbailey@cpsc.k12.in.us

Chris Sampson
Superintendent

csampson@cpsc.k12.in.us

Amanda Mitchell
Treasurer

mmitchell@cpsc.k12.in.us

CLINTON PRAIRIE SCHOOL CORPORATION

4431 W OLD STATE RD 28
FRANKFORT IN 46041-7129

Phone 765-659-1339

Fax 765-659-5305

www.clintonprairie.com

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



Amanda Mitchell
Treasurer
Clinton Prairie School Corporation

Vicki Bailey
Secretary

vbailey@cpsc.k12.in.us

Chris Sampson
Superintendent

csampson@cpsc.k12.in.us

Amanda Mitchell
Treasurer

mmitchell@cpsc.k12.in.us

CLINTON PRAIRIE SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 27, 2014, with Amanda Mitchell, Treasurer; Chris Sampson, Superintendent of Schools; and Dr. Timothy Snyder, President of the School Board. The officials concurred with our audit findings.