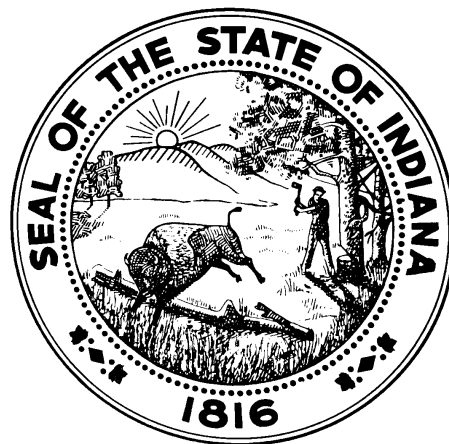


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT
OF
NEW PRAIRIE UNITED SCHOOL CORPORATION
LAPORTE COUNTY, INDIANA
July 1, 2006 to June 30, 2008



FILED
06/05/2009

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sharon K. Heirbrandt	07-01-06 to 06-30-09
Superintendent of Schools	Duane Wrightson Philip V. Bender	07-01-06 to 06-30-08 07-01-08 to 06-30-11
President of the School Board	Richard A. Shail	01-01-06 to 12-31-09



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

TO: THE OFFICIALS OF THE NEW PRAIRIE UNITED SCHOOL
CORPORATION, LAPORTE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the New Prairie United School Corporation (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2007 and 2008, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated April 16, 2009, 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 audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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

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

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

STATE BOARD OF ACCOUNTS

April 16, 2009



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

TO: THE OFFICIALS OF THE NEW PRAIRIE UNITED SCHOOL
CORPORATION, LAPORTE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the New Prairie United School Corporation (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated April 16, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

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

STATE BOARD OF ACCOUNTS

April 16, 2009

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 10,509,046	\$ -	\$ 75,710	\$ (10,433,336)
Support services	9,387,292	567,845	273,838	(8,545,609)
Community services	187,860	-	-	(187,860)
Nonprogrammed charges	1,174,100	-	-	(1,174,100)
Debt service	<u>2,423,032</u>	<u>-</u>	<u>-</u>	<u>(2,423,032)</u>
Total government	<u>\$ 23,681,330</u>	<u>\$ 567,845</u>	<u>\$ 349,548</u>	<u>(22,763,937)</u>
General receipts:				
Property taxes				8,521,664
Other local sources				1,181,907
State aid				8,347,035
Bonds and loans				1,912,416
Grants and contributions not restricted to specific programs				313,212
Sale of property, adjustments, and refunds				512,032
Investment earnings				<u>297,949</u>
Total general receipts				<u>21,086,215</u>
Change in net assets				(1,677,722)
Net assets - beginning				<u>5,108,379</u>
Net assets - ending				<u>\$ 3,430,657</u>
<u>Assets</u>				
Cash and investments				\$ 3,429,814
Restricted assets:				
Cash and investments				<u>843</u>
Total assets				<u>\$ 3,430,657</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 843
Unrestricted				<u>3,429,814</u>
Total net assets				<u>\$ 3,430,657</u>

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

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 10,377,872	\$ -	\$ 121,638	\$ (10,256,234)
Support services	9,770,087	575,719	416,906	(8,777,462)
Community services	221,434	-	-	(221,434)
Nonprogrammed charges	1,248,956	-	-	(1,248,956)
Debt service	9,385,885	-	-	(9,385,885)
Total government	\$ 31,004,234	\$ 575,719	\$ 538,544	(29,889,971)
General receipts:				
Property taxes				13,099,075
Other local sources				1,582,332
State aid				8,391,269
Bonds and loans				9,838,101
Grants and contributions not restricted to specific programs				312,038
Sale of property, adjustments, and refunds				193,915
Investment earnings				204,083
Total general receipts				33,620,813
Change in net assets				3,730,842
Net assets - beginning				3,430,657
Net assets - ending				\$ 7,161,499
<u>Assets</u>				
Cash and investments				\$ 6,533,702
Restricted assets:				
Cash and investments				627,797
Total assets				\$ 7,161,499
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 627,797
Unrestricted				6,533,702
Total net assets				\$ 7,161,499

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

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

	General	Transportation Operating	Special Education Preschool	School Lunch	Debt Service	Retirement/ Severance Bond Debt Service
Receipts:						
Local sources	\$ 4,655,568	\$ 1,097,110	\$ 14,172	\$ 576,946	\$ 1,904,012	\$ 98,680
Intermediate sources	957	-	-	-	-	-
State sources	8,408,541	-	66,895	11,853	-	-
Federal sources	-	-	-	231,964	-	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	37,800	178	-	-	-	-
Total receipts	<u>13,102,866</u>	<u>1,097,288</u>	<u>81,067</u>	<u>820,763</u>	<u>1,904,012</u>	<u>98,680</u>
Disbursements:						
Current:						
Instruction	10,189,251	-	-	-	-	-
Support services	3,032,333	1,712,218	-	778,276	-	-
Community services	186,807	-	-	-	-	-
Nonprogrammed charges	1,115,250	-	58,850	-	-	-
Debt services	-	-	-	-	2,270,450	152,582
Total disbursements	<u>14,523,641</u>	<u>1,712,218</u>	<u>58,850</u>	<u>778,276</u>	<u>2,270,450</u>	<u>152,582</u>
Excess (deficiency) of receipts over disbursements	<u>(1,420,775)</u>	<u>(614,930)</u>	<u>22,217</u>	<u>42,487</u>	<u>(366,438)</u>	<u>(53,902)</u>
Other financing sources (uses):						
Transfers in	2	-	-	-	-	-
Transfers out	-	-	-	-	(14,796)	-
Total other financing sources (uses)	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,796)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,420,773)</u>	<u>(614,930)</u>	<u>22,217</u>	<u>42,487</u>	<u>(381,234)</u>	<u>(53,902)</u>
Cash and investments - beginning	<u>1,367,812</u>	<u>862,818</u>	<u>114,800</u>	<u>379,766</u>	<u>110,194</u>	<u>54,745</u>
Cash and investments - ending	<u>\$ (52,961)</u>	<u>\$ 247,888</u>	<u>\$ 137,017</u>	<u>\$ 422,253</u>	<u>\$ (271,040)</u>	<u>\$ 843</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ (52,961)	\$ 247,888	\$ 137,017	\$ 422,253	\$ (271,040)	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	843
Total cash and investment assets - ending	<u>\$ (52,961)</u>	<u>\$ 247,888</u>	<u>\$ 137,017</u>	<u>\$ 422,253</u>	<u>\$ (271,040)</u>	<u>\$ 843</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 843
Unrestricted	(52,961)	247,888	137,017	422,253	(271,040)	-
Total cash and investment fund balance - ending	<u>\$ (52,961)</u>	<u>\$ 247,888</u>	<u>\$ 137,017</u>	<u>\$ 422,253</u>	<u>\$ (271,040)</u>	<u>\$ 843</u>

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

NEW PRAIRIE UNITED SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007
(Continued)

	Capital Projects	School Bus Replacement	Construction	Other	Totals
Receipts:					
Local sources	\$ 1,872,028	\$ 123,744	\$ -	\$ 224,026	\$ 10,566,286
Intermediate sources	-	-	-	2,119	3,076
State sources	-	-	-	97,487	8,584,776
Federal sources	-	-	-	193,057	425,021
Bonds and loans	-	-	1,912,417	-	1,912,417
Sale of property, adjustments and refunds	50,274	-	423,235	545	512,032
Total receipts	<u>1,922,302</u>	<u>123,744</u>	<u>2,335,652</u>	<u>517,234</u>	<u>22,003,608</u>
Disbursements:					
Current:					
Instruction	-	-	-	319,795	10,509,046
Support services	2,164,482	267,644	1,127,379	304,960	9,387,292
Community services	-	-	-	1,053	187,860
Nonprogrammed charges	-	-	-	-	1,174,100
Debt services	-	-	-	-	2,423,032
Total disbursements	<u>2,164,482</u>	<u>267,644</u>	<u>1,127,379</u>	<u>625,808</u>	<u>23,681,330</u>
Excess (deficiency) of receipts over disbursements	<u>(242,180)</u>	<u>(143,900)</u>	<u>1,208,273</u>	<u>(108,574)</u>	<u>(1,677,722)</u>
Other financing sources (uses):					
Transfers in	-	-	-	32,932	32,934
Transfers out	-	-	-	(18,138)	(32,934)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,794</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(242,180)</u>	<u>(143,900)</u>	<u>1,208,273</u>	<u>(93,780)</u>	<u>(1,677,722)</u>
Cash and investments - beginning	<u>2,318,882</u>	<u>117,714</u>	<u>-</u>	<u>(218,352)</u>	<u>5,108,379</u>
Cash and investments - ending	<u>\$ 2,076,702</u>	<u>\$ (26,186)</u>	<u>\$ 1,208,273</u>	<u>\$ (312,132)</u>	<u>\$ 3,430,657</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 2,076,702	\$ (26,186)	\$ 1,208,273	\$ (312,132)	\$ 3,429,814
Restricted assets:					
Cash and investments	-	-	-	-	843
Total cash and investment assets - ending	<u>\$ 2,076,702</u>	<u>\$ (26,186)</u>	<u>\$ 1,208,273</u>	<u>\$ (312,132)</u>	<u>\$ 3,430,657</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	843
Unrestricted	<u>2,076,702</u>	<u>(26,186)</u>	<u>1,208,273</u>	<u>(312,132)</u>	<u>3,429,814</u>
Total cash and investment fund balance - ending	<u>\$ 2,076,702</u>	<u>\$ (26,186)</u>	<u>\$ 1,208,273</u>	<u>\$ (312,132)</u>	<u>\$ 3,430,657</u>

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

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

	General	Transportation Operating	Special Education Preschool	School Lunch	Debt Service	Retirement/ Severance Bond Debt Service
Receipts:						
Local sources	\$ 6,308,746	\$ 1,715,995	\$ 20,644	\$ 566,598	\$ 3,301,523	\$ 145,879
Intermediate sources	263	-	-	-	-	-
State sources	8,463,596	-	61,024	13,245	-	-
Federal sources	-	-	-	345,760	-	-
Bonds and loans	6,929,427	-	-	-	2,831,986	76,688
Sale of property, adjustments and refunds	103,959	9,646	-	-	-	-
Total receipts	<u>21,805,991</u>	<u>1,725,641</u>	<u>81,668</u>	<u>925,603</u>	<u>6,133,509</u>	<u>222,567</u>
Disbursements:						
Current:						
Instruction	10,107,423	-	-	-	-	-
Support services	3,484,632	1,872,948	-	836,353	-	-
Community services	221,040	-	-	-	-	-
Nonprogrammed charges	1,149,290	-	99,666	-	-	-
Debt services	3,947,500	-	-	-	5,288,671	149,714
Total disbursements	<u>18,909,885</u>	<u>1,872,948</u>	<u>99,666</u>	<u>836,353</u>	<u>5,288,671</u>	<u>149,714</u>
Excess (deficiency) of receipts over disbursements	<u>2,896,106</u>	<u>(147,307)</u>	<u>(17,998)</u>	<u>89,250</u>	<u>844,838</u>	<u>72,853</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(19,697)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,697)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,896,106</u>	<u>(147,307)</u>	<u>(17,998)</u>	<u>89,250</u>	<u>825,141</u>	<u>72,853</u>
Cash and investments - beginning	<u>(52,961)</u>	<u>247,888</u>	<u>137,017</u>	<u>422,253</u>	<u>(271,040)</u>	<u>843</u>
Cash and investments - ending	<u>\$ 2,843,145</u>	<u>\$ 100,581</u>	<u>\$ 119,019</u>	<u>\$ 511,503</u>	<u>\$ 554,101</u>	<u>\$ 73,696</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 2,843,145	\$ 100,581	\$ 119,019	\$ 511,503	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	554,101	73,696
Total cash and investment assets - ending	<u>\$ 2,843,145</u>	<u>\$ 100,581</u>	<u>\$ 119,019</u>	<u>\$ 511,503</u>	<u>\$ 554,101</u>	<u>\$ 73,696</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 554,101	\$ 73,696
Unrestricted	2,843,145	100,581	119,019	511,503	-	-
Total cash and investment fund balance - ending	<u>\$ 2,843,145</u>	<u>\$ 100,581</u>	<u>\$ 119,019</u>	<u>\$ 511,503</u>	<u>\$ 554,101</u>	<u>\$ 73,696</u>

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

NEW PRAIRIE UNITED SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008
(Continued)

	Capital Projects	School Bus Replacement	Construction	Other	Totals
Receipts:					
Local sources	\$ 2,887,300	\$ 309,527	\$ 500	\$ 202,693	\$ 15,459,405
Intermediate sources	-	-	-	1,538	1,801
State sources	-	-	-	150,956	8,688,821
Federal sources	-	-	-	207,272	553,032
Bonds and loans	-	-	-	-	9,838,101
Sale of property, adjustments and refunds	77,210	-	-	3,102	193,917
	<u>2,964,510</u>	<u>309,527</u>	<u>500</u>	<u>565,561</u>	<u>34,735,077</u>
Total receipts					
Disbursements:					
Current:					
Instruction	-	-	-	270,450	10,377,873
Support services	2,308,686	436,147	656,544	174,777	9,770,087
Community services	-	-	-	394	221,434
Nonprogrammed charges	-	-	-	-	1,248,956
Debt services	-	-	-	-	9,385,885
	<u>2,308,686</u>	<u>436,147</u>	<u>656,544</u>	<u>445,621</u>	<u>31,004,235</u>
Total disbursements					
Excess (deficiency) of receipts over disbursements	655,824	(126,620)	(656,044)	119,940	3,730,842
Other financing sources (uses):					
Transfers in	-	-	-	64,587	64,587
Transfers out	-	-	-	(44,890)	(64,587)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,697</u>	<u>-</u>
Total other financing sources (uses)					
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	655,824	(126,620)	(656,044)	139,637	3,730,842
Cash and investments - beginning	2,076,702	(26,186)	1,208,273	(312,132)	3,430,657
Cash and investments - ending	<u>\$ 2,732,526</u>	<u>\$ (152,806)</u>	<u>\$ 552,229</u>	<u>\$ (172,495)</u>	<u>\$ 7,161,499</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 2,732,526	\$ (152,806)	\$ 552,229	\$ (172,495)	\$ 6,533,702
Restricted assets:					
Cash and investments	-	-	-	-	627,797
Total cash and investment assets - ending	<u>\$ 2,732,526</u>	<u>\$ (152,806)</u>	<u>\$ 552,229</u>	<u>\$ (172,495)</u>	<u>\$ 7,161,499</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 627,797
Unrestricted	2,732,526	(152,806)	552,229	(172,495)	6,533,702
Total cash and investment fund balance - ending	<u>\$ 2,732,526</u>	<u>\$ (152,806)</u>	<u>\$ 552,229</u>	<u>\$ (172,495)</u>	<u>\$ 7,161,499</u>

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

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

	Private-Purpose Trust Funds	Agency Funds
Additions:		
Contributions:		
Other	\$ 30,155	
Investment earnings:		
Interest	99	
Total additions	30,254	
Deductions:		
Administrative and general	41,100	
Deficiency of total additions over total deductions	(10,846)	
Cash and investment fund balance - beginning	23,702	
Cash and investment fund balance - ending	\$ 12,856	\$ 182,674
Net assets:		
Cash and investments	\$ 12,856	
Total net assets - cash and investment basis held in trust	\$ 12,856	

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

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

	Private-Purpose Trust Funds	Agency Funds
Additions:		
Contributions:		
Other	\$ 179,434	
Investment earnings:		
Interest	785	
Total additions	180,219	
Deductions:		
Administrative and general	24,420	
Excess of total additions over total deductions	155,799	
Cash and investment fund balance - beginning	12,856	
Cash and investment fund balance - ending	\$ 168,655	\$ 169,155
Net assets:		
Cash and investments	\$ 168,655	
Total net assets - cash and investment basis held in trust	\$ 168,655	

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

NEW PRAIRIE UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The School Corporation's financial reporting entity is composed of the following:

Primary Government: New Prairie United School Corporation

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Venture

The School Corporation is a participant with six other school corporations in a joint venture to operate the South LaPorte County Special Education Cooperative (Cooperative) which was created to provide appropriate public education to students identified as handicapped and legal residents of the member school corporations. The School Corporation is obligated by contract to remit a proportionate share of the Cooperatives costs based on enrollment figures. The Cooperative's continued existence depends on continued funding by the School Corporation. Complete financial statements for the South LaPorte County Special Education Cooperative can be obtained from LaPorte Community School Corporation, 1921 "A" Street, LaPorte, IN 46350.

Related Organizations

The School Corporation's officials are also responsible for appointing the members of the boards of other organizations, but the School Corporation's accountability for these organizations does not extend beyond making the appointments. The School Corporation appoints two of the board members of the New Carlisle–Olive Township Public Library Board.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

NEW PRAIRIE UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

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

The School Corporation reports the following major governmental funds:

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

The transportation operating fund accounts for financial resources for the transportation of school children to and from school.

The special education preschool fund accounts for financial resources for the operation of the preschool special education program.

The school lunch fund is used to account for receipts and disbursements for the food service program.

The debt service fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.

The retirement/severance bond debt service fund accounts for the receipt of property taxes and other sources used to retire the debt used to fund severance benefits.

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

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

The construction fund accounts for the proceeds of the general obligation bonds sold in 2006 and then the subsequent disbursement of those funds for the preliminary costs associated with the construction of the new middle school.

Additionally, the School Corporation reports the following fund types:

The private-purpose trust funds report trust arrangements under which principal and income benefit certain individual students.

Agency funds account for assets held by the School Corporation as an agent for payroll deductions and property taxes collected for future budget periods.

NEW PRAIRIE UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

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

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

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

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

NEW PRAIRIE UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Capital Assets

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

4. Long-Term Debt

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

5. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

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

F. Internal and Interfund Balances and Activities

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

NEW PRAIRIE UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

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

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

NEW PRAIRIE UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Cash and Investment Balance Deficits

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

Fund	2007	2008
General	\$ 52,961	\$ -
Debt Service	271,040	-
School Bus Replacement	26,186	152,806
Textbook Rental	383,904	294,171
Vocational and Technical Education	121	4,147
Tech Prep 2006/2007	6,668	-
Perkins Career and Technical Education	-	5,167
Life Insurance	1,176	142

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements and delays in the property tax reassessment and billing process; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2008, the School Corporation had deposit balances in the amount of \$7,338,825. Of this amount, the following was exposed to custodial credit risk:

	2007	2008
Uninsured deposits collateralized with securities held by the pledging financial institution's trust department or agent, but not in the depositor-government's name	<u>\$ 3,205,014</u>	<u>\$ 6,827,005</u>

The remaining bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

NEW PRAIRIE UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Interfund Transfers

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>2007</u>	<u>2008</u>
Debt Service Fund	Other governmental funds	\$ 14,796	\$ 19,697
Other governmental funds	General Fund	2	-
	Other governmental funds	<u>18,136</u>	<u>44,890</u>
Totals		<u>\$ 32,934</u>	<u>\$ 64,587</u>

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

C. Tax Anticipation Warrants

The School Corporation issues tax anticipation warrants for cash flow purposes in advance of property tax collections and/or state tuition support distributions, depositing the proceeds in the appropriate fund. The School Corporation did not issue any tax anticipation warrants for the year ended June 30, 2007. Short-term debt activity for the year ended June 30, 2008, was as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Retirement/ Severance Bond Debt Service</u>
Payable, July 1, 2007	\$ -	\$ -	\$ -
Warrants Issued	6,929,427	2,831,986	76,688
Warrants Repaid	<u>3,947,500</u>	<u>1,970,900</u>	<u>-</u>
Payable, June 30, 2008	<u>\$ 2,981,927</u>	<u>\$ 861,086</u>	<u>\$ 76,688</u>

IV. Other Information

A. Risk Management

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

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

NEW PRAIRIE UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Medical Benefits to Employees and Dependents (Excluding Postemployment Benefits)

During 1985, the School Corporation joined with other governmental entities to form the Midwest Area School Employees' Insurance Trust (Trust), a public entity risk pool currently operating as a common risk management and insurance program for 17 member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to employees and dependents. The School Corporation and its employees pay an annual premium to the risk pool for medical coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$175,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$175,000 per event limit to the \$2,000,000 lifetime limit.

B. Holding Corporation

The School Corporation has entered into capital leases with the New Prairie United School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the year totaled \$3,015,345.

C. Subsequent Events

In March 2009, LaPorte County billed property tax owners the second provisional property tax bill for property taxes assessed for 2007 payable in 2008. St. Joseph County billed property tax owners the final property tax bill for property taxes assessed for 2007 payable in 2008 in December 2008. It is expected that final settlement of St. Joseph County property taxes for 2008 will occur during March 2009. Under normal circumstances final settlement of these collections by each County would have occurred by December 31, 2008. Estimated General Fund property tax collections for 2008 were \$6,069,539. As of December 31, 2008, the School Corporation has received in its General Fund \$2,325,548 of property tax receipts.

Beginning in 2009, the State General Fund as part of the basic grant distribution shall pay to each School Corporation, an amount sufficient to provide all funding for the General and Special Education Pre-School Funds of local school corporations. At the local level, no property taxes will be collected for the benefit of these funds. For property taxes due and payable after December 31, 2008, the Department of Local Government Finance shall reduce the maximum permissible property tax levy of any School Corporation by the amount of the payment to be made in 2009 by the State.

D. Termination Benefits

During the current year, the School Corporation contributed 0.5% of each certified employees (teacher) base salary into a 501(c)(9) trust account plan administered by the Indiana State Teachers Association Financial Services Corporation. This contribution relieves the School Corporation of future severance benefits to be paid to teachers upon retirement. Teachers vest in this account immediately. For the 2007-2008 school year 148 employees received this benefit and the cost to the School Corporation was \$34,972.

NEW PRAIRIE UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plan

Annual required contribution	\$ 168,552
Interest on net pension obligation	(6,829)
Adjustment to annual required contribution	<u>7,782</u>
Annual pension cost	169,505
Contributions made	<u>153,071</u>
Increase in net pension obligation	16,434
Net pension obligation, beginning of year	<u>(94,188)</u>
Net pension obligation, end of year	<u><u>\$ (77,754)</u></u>

NEW PRAIRIE UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Actuarial Assumptions

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

Three Year Trend Information

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06-30-05	\$ 117,744	123%	\$ (110,368)
06-30-06	160,022	90%	(94,188)
06-30-07	169,505	90%	(77,754)

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

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' Retirement Fund (TRF), a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the TRF Board, most requirements of the system and gives the School Corporation authority

NEW PRAIRIE UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

Funding Policy and Annual Pension Costs

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

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 7.25% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2008, 2007, and 2006, were \$258,169, \$220,157, and \$211,646, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

NEW PRAIRIE UNITED SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 1,725,237	\$ 2,242,861	\$ (517,624)	77%	\$ 2,174,306	(24%)
07-01-06	1,913,088	2,347,697	(434,609)	81%	2,178,564	(20%)
07-01-07	2,202,996	2,582,401	(379,405)	85%	2,126,207	(18%)

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

	Textbook Rental	Vocational Ed Perkins Grant FY07	Afternoons R.O.C.K. Grant	Educational License Plates	Drug Free Communities Grant	Non-English Speaking Grant
Receipts:						
Local sources	\$ 182,726	\$ -	\$ 41,300	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	2,119	-	-
State sources	30,022	-	-	-	-	-
Federal sources	-	8,400	-	-	-	-
Sale of property, adjustments and refunds	145	-	-	-	-	-
Total receipts	212,893	8,400	41,300	2,119	-	-
Disbursements:						
Current:						
Instruction	-	8,400	40,110	-	3,500	785
Support services	300,039	-	1,086	694	-	-
Community services	-	-	-	-	-	-
Total disbursements	300,039	8,400	41,196	694	3,500	785
Excess (deficiency) of receipts over disbursements	(87,146)	-	104	1,425	(3,500)	(785)
Other financing sources (uses):						
Transfers in	14,796	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	14,796	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(72,350)	-	104	1,425	(3,500)	(785)
Cash and investments - beginning	(311,554)	-	859	374	3,500	785
Cash and investments - ending	\$ (383,904)	\$ -	\$ 963	\$ 1,799	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ (383,904)	\$ -	\$ 963	\$ 1,799	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Unrestricted	(383,904)	-	963	1,799	-	-
Total cash and investment fund balance - ending	\$ (383,904)	\$ -	\$ 963	\$ 1,799	\$ -	\$ -

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

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

	Non-English Speaking Program	Gifted/Talented 2005/2006	Gifted/Talented 2006/2007	Title V Innovative 2004/2005	Title V Innovative 2006/2007
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	1,368	-	14,637	-	-
Federal sources	-	-	-	-	4,043
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	1,368	-	14,637	-	4,043
Disbursements:					
Current:					
Instruction	1,368	3,046	9,995	92	8,407
Support services	-	-	-	2,189	-
Community services	-	-	-	-	-
Total disbursements	1,368	3,046	9,995	2,281	8,407
Excess (deficiency) of receipts over disbursements	-	(3,046)	4,642	(2,281)	(4,364)
Other financing sources (uses):					
Transfers in	-	-	-	-	16,000
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	16,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(3,046)	4,642	(2,281)	11,636
Cash and investments - beginning	-	3,046	-	2,281	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,642</u>	<u>\$ -</u>	<u>\$ 11,636</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,642</u>	<u>\$ -</u>	<u>\$ 11,636</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	-	-	4,642	-	11,636
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,642</u>	<u>\$ -</u>	<u>\$ 11,636</u>

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

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

	Title I 05/06	Title I FY07	Serve America High School Grant	Drug Free Schools 2005/2006	Drug Free Title IV 2006/2007
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	93,199	-	-	6,105
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	-	93,199	-	-	6,105
Disbursements:					
Current:					
Instruction	15,225	77,195	1,142	4,232	5,118
Support services	-	-	-	-	-
Community services	-	1,053	-	-	-
Total disbursements	15,225	78,248	1,142	4,232	5,118
Excess (deficiency) of receipts over disbursements	(15,225)	14,951	(1,142)	(4,232)	987
Other financing sources (uses):					
Transfers in	-	2,136	-	-	-
Transfers out	(2,136)	-	-	-	-
Total other financing sources (uses)	(2,136)	2,136	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(17,361)	17,087	(1,142)	(4,232)	987
Cash and investments - beginning	17,361	-	14,170	4,232	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ 17,087</u>	<u>\$ 13,028</u>	<u>\$ -</u>	<u>\$ 987</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ -</u>	<u>\$ 17,087</u>	<u>\$ 13,028</u>	<u>\$ -</u>	<u>\$ 987</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	-	17,087	13,028	-	987
Total cash and investment fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ 17,087</u></u>	<u><u>\$ 13,028</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 987</u></u>

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

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

	Vocational Ed High Schools That Work II	Vocational Ed High Schools That Work I	Vocational and Technical Education	Tech Prep High School Grant	Tech Prep 2006/2007
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	2,500	2,500	2,100	12,104	27,329
Federal sources	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	400	-
	<u>2,500</u>	<u>2,500</u>	<u>2,100</u>	<u>12,504</u>	<u>27,329</u>
Disbursements:					
Current:					
Instruction	1,870	2,500	2,221	13,344	33,497
Support services	-	-	-	-	500
Community services	-	-	-	-	-
	<u>1,870</u>	<u>2,500</u>	<u>2,221</u>	<u>13,344</u>	<u>33,997</u>
Excess (deficiency) of receipts over disbursements	<u>630</u>	<u>-</u>	<u>(121)</u>	<u>(840)</u>	<u>(6,668)</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(2)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	630	-	(121)	(842)	(6,668)
Cash and investments - beginning	-	-	-	842	-
Cash and investments - ending	<u>\$ 630</u>	<u>\$ -</u>	<u>\$ (121)</u>	<u>\$ -</u>	<u>\$ (6,668)</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ 630</u>	<u>\$ -</u>	<u>\$ (121)</u>	<u>\$ -</u>	<u>\$ (6,668)</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>630</u>	<u>-</u>	<u>(121)</u>	<u>-</u>	<u>(6,668)</u>
Total cash and investment fund balance - ending	<u>\$ 630</u>	<u>\$ -</u>	<u>\$ (121)</u>	<u>\$ -</u>	<u>\$ (6,668)</u>

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

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

	First Robotic Grant	Title II Part A 2006/2007	Title II Part D	Title III Language Minority Grant	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 224,026
Intermediate sources	-	-	-	-	2,119
State sources	4,927	-	-	-	97,487
Federal sources	-	59,973	-	21,337	193,057
Sale of property, adjustments and refunds	-	-	-	-	545
Total receipts	4,927	59,973	-	21,337	517,234
Disbursements:					
Current:					
Instruction	4,817	53,044	1,873	28,014	319,795
Support services	110	-	-	342	304,960
Community services	-	-	-	-	1,053
Total disbursements	4,927	53,044	1,873	28,356	625,808
Excess (deficiency) of receipts over disbursements	-	6,929	(1,873)	(7,019)	(108,574)
Other financing sources (uses):					
Transfers in	-	-	-	-	32,932
Transfers out	-	(16,000)	-	-	(18,138)
Total other financing sources (uses)	-	(16,000)	-	-	14,794
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(9,071)	(1,873)	(7,019)	(93,780)
Cash and investments - beginning	-	35,852	2,487	7,413	(218,352)
Cash and investments - ending	\$ -	\$ 26,781	\$ 614	\$ 394	\$ (312,132)
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ -	\$ 26,781	\$ 614	\$ 394	\$ (312,132)
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	-	26,781	614	394	(312,132)
Total cash and investment fund balance - ending	\$ -	\$ 26,781	\$ 614	\$ 394	\$ (312,132)

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

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

	Textbook Rental	Vocational Ed Perkins Grant FY07	Afternoons R.O.C.K. Grant	Educational License Plates	Non-English Speaking Program
Receipts:					
Local sources	\$ 178,893	\$ -	\$ 23,800	\$ -	\$ -
Intermediate sources	-	-	-	1,538	-
State sources	57,902	-	-	-	11,840
Federal sources	-	8,400	-	-	-
Sale of property, adjustments and refunds	3,102	-	-	-	-
Total receipts	239,897	8,400	23,800	1,538	11,840
Disbursements:					
Current:					
Instruction	-	8,400	20,287	-	11,840
Support services	169,861	-	1,832	2,850	-
Community services	-	-	-	-	-
Total disbursements	169,861	8,400	22,119	2,850	11,840
Excess (deficiency) of receipts over disbursements	70,036	-	1,681	(1,312)	-
Other financing sources (uses):					
Transfers in	19,697	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	19,697	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	89,733	-	1,681	(1,312)	-
Cash and investments - beginning	(383,904)	-	963	1,799	-
Cash and investments - ending	\$ (294,171)	\$ -	\$ 2,644	\$ 487	\$ -
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ (294,171)	\$ -	\$ 2,644	\$ 487	\$ -
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	(294,171)	-	2,644	487	-
Total cash and investment fund balance - ending	\$ (294,171)	\$ -	\$ 2,644	\$ 487	\$ -

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

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

	Gifted/Talented 2006/2007	High Ability Grant	Title V Innovative 2006/2007	Title V Innovative Programs	Title V Innovative 2006/2007
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	37,471	-	-	-
Federal sources	-	-	-	3,999	-
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	-	37,471	-	3,999	-
Disbursements:					
Current:					
Instruction	4,642	20,541	1,553	9,761	10,083
Support services	-	-	-	-	-
Community services	-	-	-	-	-
Total disbursements	4,642	20,541	1,553	9,761	10,083
Excess (deficiency) of receipts over disbursements	(4,642)	16,930	(1,553)	(5,762)	(10,083)
Other financing sources (uses):					
Transfers in	-	-	1,553	25,501	-
Transfers out	-	-	-	-	(1,553)
Total other financing sources (uses)	-	-	1,553	25,501	(1,553)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,642)	16,930	-	19,739	(11,636)
Cash and investments - beginning	4,642	-	-	-	11,636
Cash and investments - ending	\$ -	\$ 16,930	\$ -	\$ 19,739	\$ -
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ 16,930	\$ -	\$ 19,739	\$ -
Cash and Investment Fund Balance - Ending					
Unrestricted	-	16,930	-	19,739	-
Total cash and investment fund balance - ending	\$ -	\$ 16,930	\$ -	\$ 19,739	\$ -

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

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

	Title I FY08	Title I FY07	Title I FY08	Serve America High School Grant	Drug-Free Schools Title IV 07/08
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	48,867	-	38,832	-	6,068
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	48,867	-	38,832	-	6,068
Disbursements:					
Current:					
Instruction	46,253	12,675	29,820	3,532	6,068
Support services	-	-	-	-	-
Community services	-	-	-	-	-
Total disbursements	46,253	12,675	29,820	3,532	6,068
Excess (deficiency) of receipts over disbursements	2,614	(12,675)	9,012	(3,532)	-
Other financing sources (uses):					
Transfers in	13,424	-	4,412	-	-
Transfers out	-	(4,412)	(13,424)	-	-
Total other financing sources (uses)	13,424	(4,412)	(9,012)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	16,038	(17,087)	-	(3,532)	-
Cash and investments - beginning	-	17,087	-	13,028	-
Cash and investments - ending	<u>\$ 16,038</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,496</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ 16,038</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,496</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	16,038	-	-	9,496	-
Total cash and investment fund balance - ending	<u>\$ 16,038</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,496</u>	<u>\$ -</u>

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

	Drug Free Title IV 2006/2007	Vocational Ed High Schools That Work	Vocational and Technical Education	Tech/Prep 2006/2007	First Robotics Grant 2008
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	900	21,512	12,671	4,000
Federal sources	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	-	900	21,512	12,671	4,000
Disbursements:					
Current:					
Instruction	987	630	25,538	6,003	4,000
Support services	-	-	-	-	-
Community services	-	-	-	-	-
Total disbursements	987	630	25,538	6,003	4,000
Excess (deficiency) of receipts over disbursements	(987)	270	(4,026)	6,668	-
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	(987)	270	(4,026)	6,668	-
Cash and investments - beginning	987	630	(121)	(6,668)	-
Cash and investments - ending	\$ -	\$ 900	\$ (4,147)	\$ -	\$ -
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ -	\$ 900	\$ (4,147)	\$ -	\$ -
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	-	900	(4,147)	-	-
Total cash and investment fund balance - ending	\$ -	\$ 900	\$ (4,147)	\$ -	\$ -

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

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

	Perkins Career and Technical Education	Title II Part A 2006/2007	Title II Part D	Title III Language Minority Grant	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 202,693
Intermediate sources	-	-	-	-	1,538
State sources	4,660	-	-	-	150,956
Federal sources	-	89,416	-	11,690	207,272
Sale of property, adjustments and refunds	-	-	-	-	3,102
Total receipts	4,660	89,416	-	11,690	565,561
Disbursements:					
Current:					
Instruction	9,827	28,143	614	9,253	270,450
Support services	-	-	-	234	174,777
Community services	-	-	-	394	394
Total disbursements	9,827	28,143	614	9,881	445,621
Excess (deficiency) of receipts over disbursements	(5,167)	61,273	(614)	1,809	119,940
Other financing sources (uses):					
Transfers in	-	-	-	-	64,587
Transfers out	-	(25,501)	-	-	(44,890)
Total other financing sources (uses)	-	(25,501)	-	-	19,697
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,167)	35,772	(614)	1,809	139,637
Cash and investments - beginning	-	26,781	614	394	(312,132)
Cash and investments - ending	<u>\$ (5,167)</u>	<u>\$ 62,553</u>	<u>\$ -</u>	<u>\$ 2,203</u>	<u>\$ (172,495)</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ (5,167)</u>	<u>\$ 62,553</u>	<u>\$ -</u>	<u>\$ 2,203</u>	<u>\$ (172,495)</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	(5,167)	62,553	-	2,203	(172,495)
Total cash and investment fund balance - ending	<u>\$ (5,167)</u>	<u>\$ 62,553</u>	<u>\$ -</u>	<u>\$ 2,203</u>	<u>\$ (172,495)</u>

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

NEW PRAIRIE UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007

	Memorial Scholarship	Science Fair Gifts and Donations	Bridges Grant Olive Elementary	Unity Grant Rolling Prairie	Junior High/ High School Unity Grant	Elementary R.O.C.K.S.	Mentor Training Program	Totals
Additions:								
Contributions:								
Other	\$ 2,175	\$ 694	\$ -	\$ -	\$ 25,500	\$ 1,086	\$ 700	\$ 30,155
Investment earnings:								
Interest	99	-	-	-	-	-	-	99
Total additions	<u>2,274</u>	<u>694</u>	<u>-</u>	<u>-</u>	<u>25,500</u>	<u>1,086</u>	<u>700</u>	<u>30,254</u>
Deductions:								
Administrative and general	<u>3,025</u>	<u>1,162</u>	<u>15,134</u>	<u>2,500</u>	<u>17,607</u>	<u>1,257</u>	<u>415</u>	<u>41,100</u>
Excess (deficiency) of total additions over total deductions	(751)	(468)	(15,134)	(2,500)	7,893	(171)	285	(10,846)
Cash and investment fund balance - beginning	<u>6,355</u>	<u>1,965</u>	<u>17,663</u>	<u>2,500</u>	<u>(7,893)</u>	<u>3,035</u>	<u>77</u>	<u>23,702</u>
Cash and Investments - June 30	<u>\$ 5,604</u>	<u>\$ 1,497</u>	<u>\$ 2,529</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,864</u>	<u>\$ 362</u>	<u>\$ 12,856</u>
Net assets:								
Cash and investments	<u>\$ 5,604</u>	<u>\$ 1,497</u>	<u>\$ 2,529</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,864</u>	<u>\$ 362</u>	<u>\$ 12,856</u>
Total net assets - cash and investment basis held in trust	<u>\$ 5,604</u>	<u>\$ 1,497</u>	<u>\$ 2,529</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,864</u>	<u>\$ 362</u>	<u>\$ 12,856</u>

NEW PRAIRIE UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	Memorial Scholarship	Science Fair Gifts and Donations	Bridges Grant Olive Elementary	Elementary R.O.C.K.S.	Mentor Training Program	Totals
Additions:						
Contributions:						
Other	\$ 161,553	\$ 2,849	\$ 12,500	\$ 1,832	\$ 700	\$ 179,434
Investment earnings:						
Interest	785	-	-	-	-	785
Total additions	<u>162,338</u>	<u>2,849</u>	<u>12,500</u>	<u>1,832</u>	<u>700</u>	<u>180,219</u>
Deductions:						
Administrative and general	6,600	545	12,585	4,525	165	24,420
Excess (deficiency) of total additions over total deductions	155,738	2,304	(85)	(2,693)	535	155,799
Cash and investment fund balance - beginning	5,604	1,497	2,529	2,864	362	12,856
Cash and investments - June 30	<u>\$ 161,342</u>	<u>\$ 3,801</u>	<u>\$ 2,444</u>	<u>\$ 171</u>	<u>\$ 897</u>	<u>\$ 168,655</u>
Net assets:						
Cash and investments	<u>\$ 161,342</u>	<u>\$ 3,801</u>	<u>\$ 2,444</u>	<u>\$ 171</u>	<u>\$ 897</u>	<u>\$ 168,655</u>
Total net assets - cash and investment basis held in trust	<u>\$ 161,342</u>	<u>\$ 3,801</u>	<u>\$ 2,444</u>	<u>\$ 171</u>	<u>\$ 897</u>	<u>\$ 168,655</u>

NEW PRAIRIE UNITED SCHOOL CORPORATION
COMBINING SCHEDULE OF CASH AND INVESTMENT BALANCES
AGENCY FUNDS
For the Year Ended June 30, 2007

	<u>Payroll</u>	<u>Life Insurance</u>	<u>Totals</u>
Cash and investments fund balance - ending	<u>\$ 183,850</u>	<u>\$ (1,176)</u>	<u>\$ 182,674</u>

NEW PRAIRIE UNITED SCHOOL CORPORATION
COMBINING SCHEDULE OF CASH AND INVESTMENT BALANCES
AGENCY FUNDS
For the Year Ended June 30, 2008

	<u>Payroll</u>	<u>Life Insurance</u>	<u>Totals</u>
Cash and investments fund balance - ending	<u>\$ 169,297</u>	<u>\$ (142)</u>	<u>\$ 169,155</u>

NEW PRAIRIE UNITED SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2008

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 538,136
Buildings	60,327,596
Improvements other than buildings	3,450,219
Machinery and equipment	<u>7,925,040</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 72,240,991</u></u>

NEW PRAIRIE UNITED SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2008

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Elementary, Junior/Senior High, Central Office Construction and Renovations of 1995	\$ 19,670,000	\$ 2,056,713
Middle School Construction of 2006	24,165,000	-
Bonds payable:		
General obligation bonds:		
Severance Bonds of 2004	1,340,000	151,580
Middle School Preliminary Costs of 2006	1,020,000	1,047,630
Junior/Senior High School Improvements of 1998	<u>185,000</u>	<u>189,163</u>
Total governmental activities debt	<u>\$ 46,380,000</u>	<u>\$ 3,445,086</u>

NEW PRAIRIE UNITED SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

Several funds have overdrawn cash balances.

The cash balance of the Textbook Rental Fund has been overdrawn for over four years. The schedule below illustrates the cash balances over the past five years.

	<u>Textbook Rental Fund</u>
06-30-04	\$ (119,443)
06-30-05	(147,005)
06-30-06	(311,554)
06-30-07	(383,905)
06-30-08	(294,172)
12-31-08	(621,552)

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

PAYROLL FUND

The Payroll Fund held a cash balance of \$169,297 at June 30, 2008. The cash balance should represent the amount of withholdings made from employees paychecks not yet disbursed to withholding agencies and/or vendors, a liability. The School Corporation could not verify that the amount of cash in this fund is equal to, more, or less than the actual liability owed to withholding agencies and/or vendors. Audit tests performed for June 30, 2004, June 30, 2006, and June 30, 2008, reveal that the cash balance in the fund most likely exceeds the liability by \$23,670 to \$51,237.

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)

NEW PRAIRIE UNITED SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

OUTSIDE ORGANIZATIONS (Applies to the High School)

Financial records indicate that monies from a Travel Club were accounted for in the Extra-Curricular Athletic Boys Basketball Account. The balance in the fund at fiscal year ending June 30, 2008, was \$1,646.85.

IC 20-41-1-7 states in part: "The treasurer has charge of the custody and disbursement of any funds . . . incurred in conducting any athletic, social, or other school function (other than functions conducted solely by any organization of parents and teachers) . . ."Therefore, activities and organizations which are not extra-curricular in nature should be responsible for their own accounting and cash handling systems. The extra-curricular account should not collect, receipt, remit, or disburse outside organization's monies. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

CONDITION OF RECORDS (Applies to the High School)

We noted that there were a considerable number of posting errors, and several transactions were recorded as "negative" receipts and disbursements.

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

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

ECA DEPOSITS (Applies to the Middle School)

Receipts were not always deposited within a reasonable time. Receipts, in some instances, were held for periods in excess of twenty days before depositing. A receipt dated August 2, 2007, for example, in the amount of \$165.00 was not deposited until August 21, 2007.

IC 20-41-1-9 states in part: ". . . receipts shall be deposited without unreasonable delay."

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 NEW PRAIRIE UNITED SCHOOL
CORPORATION, LAPORTE COUNTY, INDIANA

Compliance

We have audited the compliance of the New Prairie United 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 its major federal program for the years ended June 30, 2007 and 2008. The School Corporation's major federal program is 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 its major federal program 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 its major federal program for the years ended June 30, 2007 and 2008.

Internal Control Over Compliance

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

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

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

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

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

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

STATE BOARD OF ACCOUNTS

April 16, 2009

NEW PRAIRIE UNITED SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2007 and 2008

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 06-30-07	Total Federal Awards Expended 06-30-08
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 29,754	\$ 52,467
National School Lunch Program	10.555		<u>268,550</u>	<u>305,116</u>
Total for federal grantor agency			<u>298,304</u>	<u>357,583</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Title I Grants to Local Educational Agencies	84.010			
		06-4805	15,225	-
		07-4805	78,248	12,675
		08-4805	<u>-</u>	<u>76,073</u>
Total for program			<u>93,473</u>	<u>88,748</u>
Career and Technical Education - Basic Grants to States	84.048			
		06-1303-4805	2,500	-
		07-1303-4805	1,870	630
Pass-Through Indiana Workforce Development				
Career and Technical Education - Basic Grants to States	84.048			
		CPR6-207	4,927	-
		SPL BIO-6-207	2,221	25,538
		CPR7-207	<u>-</u>	<u>4,000</u>
Pass-Through Michigan City Area Schools				
Career and Technical Education - Basic Grants to States	84.048			
		FY 07	8,400	-
		FY 08	<u>-</u>	<u>8,400</u>
Total for program			<u>19,918</u>	<u>38,568</u>
Pass-Through Indiana Department of Education				
Safe and Drug Free Schools and Communities - State Grants	84.186			
		05/06	4,232	-
		06/07	5,118	987
		07/08	<u>-</u>	<u>6,068</u>
Total for program			<u>9,350</u>	<u>7,055</u>
Pass-Through Indiana Workforce Development				
Tech-Prep Education	84.243			
		TP-5-207	13,344	-
		TP-6-207	<u>33,997</u>	<u>6,003</u>
Total for program			<u>47,341</u>	<u>6,003</u>
Pass-Through Indiana Department of Education				
State Grants for Innovative Programs	84.298			
		05-06	2,281	-
		06-07	8,407	10,083
		06-07	-	1,553
		07-08	<u>-</u>	<u>9,761</u>
Total for program			<u>10,688</u>	<u>21,397</u>
Education Technology State Grants	84.318			
		S318X050014	<u>1,873</u>	<u>614</u>
English Language Acquisition Grants	84.365			
		06/07	28,356	-
		07/08	<u>-</u>	<u>9,881</u>
Total for program			<u>28,356</u>	<u>9,881</u>
Improving Teacher Quality State Grants	84.367			
		06-4805	53,044	-
		07-4805	<u>-</u>	<u>28,143</u>
Total for program			<u>53,044</u>	<u>28,143</u>
Total for federal grantor agency			<u>264,043</u>	<u>200,409</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Pass-Through Indiana Department of Education				
Learn and Serve America - School and Community Based Programs	94.004			
		46-4805	<u>1,142</u>	<u>3,532</u>
Total federal awards expended			<u>\$ 563,489</u>	<u>\$ 561,524</u>

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

NEW PRAIRIE UNITED SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the New Prairie United School Corporation (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2007 and 2008. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2007	2008
Child Nutrition Cluster	10.555	\$ 31,952	\$ 42,845

NEW PRAIRIE UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

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

Noncompliance material to financial statements noted? no

Federal Awards:

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

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

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

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

NEW PRAIRIE UNITED SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

NEW PRAIRIE UNITED SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on April 16, 2009, with Sharon K. Heirbrandt, Treasurer; Kathryn Smith, Deputy Treasurer; Keith Dennis, Director of Finance; Philip V. Bender, Superintendent of Schools; and LuAnn Schwingendorf, School Board Secretary. The official response has been made a part of this report and may be found on pages 53 and 54.

New Prairie United School Corporation



Dr. Philip V. Bender, Superintendent
Mrs. Joann Evans, Administrative Assistant
5327 North Cougar Road, New Carlisle, Indiana 46552
574-654-7273 219-778-2814 FAX 574-654-7274
www.npusc.k12.in.us

April 17, 2009

State Board of Accounts
Attn: John Pajakowski
227 W. Jefferson Blvd Room 806
South Bend, Indiana

Dear Mr. Pajakowski:

New Prairie United School Corporation provides the following responses to the Audit Results and Comments for the period ending June 30, 2008:

OUTSIDE ORGANIZATIONS (Applies to the High School)

Management response:

We concur with this finding. The High School Treasurer has been instructed to comply with the cited regulations.

CONDITIONS OF RECORDS (Applies to the High School)

Management response:

We concur with the finding. The High School Treasurer has been instructed on the procedures for recording receipts and disbursements. We are attempting to increase the hours of the Treasurer so that posting errors can be eliminated.

ECA DEPOSITS (Applies to the Middle School)

Management response:

We concur with the finding. The Middle School Treasurer has been instructed to deposit funds daily.

OVERDRAWN CASH BALANCES

Management response:

We concur with the finding. We have sent two collection letters to each parent with an outstanding balance. We have so far collected approximately \$30,000 in past due accounts. We have also contracted with a collection agency to begin collection on the remaining past due accounts. The school's Treasurers have been very aggressive with current year accounts and we will pursue collections on these during the summer months.

New Prairie United School Corporation

NP

Dr. Philip V. Bender, Superintendent
Mrs. Joann Evans, Administrative Assistant
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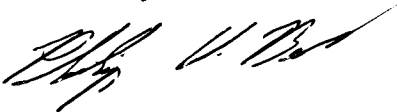
PAYROLL FUND

Management response:

We concur with the finding. We will conduct a review of the outstanding liabilities of the account and transfer any excess cash to the General Fund.

We appreciate the opportunity to respond to these results and comments.

Sincerely,



Dr. Philip Bender, Superintendent