B41913

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

NEW PRAIRIE UNITED SCHOOL CORPORATION
LAPORTE COUNTY, INDIANA

July 1, 2010 to June 30, 2012

FILED
03/01/2013

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SCHEDULE OF OFFICIALS

Office	Official	Term
Treasurer	Sharon Heirbrandt	07-01-10 to 08-14-11
	Kelley Kitchen	08-15-11 to 06-30-13
Superintendent of Schools	Jim Dermody	07-01-10 to 06-30-15
President of the School Board	Richard Shail	01-01-10 to 12-31-13

STATE OF INDIANA

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statement of the New Prairie United School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis of accounting noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated February 14, 2013, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting

and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

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

The School Corporation's response to the Audit Results and Comments identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

February 14, 2013

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

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

We have audited the financial statement of the New Prairie United School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated February 14, 2013. 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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

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

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

Compliance and Other Matters

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

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

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

STATE BOARD OF ACCOUNTS

February 14, 2013

FINANCIAL STATEMENT

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

NEW PRAIRIE UNITED SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2011, and 2012

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
General	$ 2,359,089	$ 15,714,921	$ 15,440,065	$ (63,000)	$ 2,570,945	$ 19,358,157	$ 18,674,048	$ 664	$ 3,255,718
Debt Service	648,024	2,398,341	2,648,444	(387,915)	10,006	103,348	9,257	(28,037)	76,060
Retirement/Severance Bond Debt Service	55,482	97,269	130,050	(22,701)	-	-	-	-	-
Exempt Debt	-	934,770	1,846,500	364,977	(546,753)	8,843,968	8,761,236	-	(464,021)
Exempt Retirement/Severance Bond Debt Service	-	35,995	74,024	22,701	(15,328)	208,423	182,364	-	10,731
Capital Projects	1,289,710	2,552,990	3,078,401	-	764,299	4,894,377	3,072,712	-	2,585,964
School Transportation	278,692	1,616,341	2,226,420	12,575	(318,812)	2,942,785	2,274,508	-	349,465
School Bus Replacement	227,012	352,070	385,010	-	194,072	522,733	-	-	716,805
Post-Retirement/Severance Future Benefits	-	-	63,000	63,000	-	-	-	-	-
School Lunch	710,968	1,151,314	1,052,175	-	810,107	1,247,588	1,113,867	-	943,828
Textbook Rental	(391,889)	285,128	102,054	22,938	(185,877)	283,316	280,585	28,037	(155,109)
Levy Excess	-	12,575	-	(12,575)	-	-	-	-	-
Child Care Program	1,083	16,930	21,819	(1,151)	(4,957)	16,484	9,266	(901)	1,360
Prairie View ROCK	-	-	-	-	-	-	926	926	-
Educational License Plates	694	956	-	(1,313)	337	731	-	(975)	93
Scholarships and Awards	4,969	1,010	-	-	5,979	3	1,000	-	4,982
Miscellaneous Programs	830	-	830	-	-	-	-	-	-
Gifts and Donations Science Fair	4,804	-	2,810	1,313	3,307	-	3,611	975	671
Target Corp Educ Grant Rolling Prairie	-	-	-	-	-	100,000	6,400	-	93,600
Activity Center	-	-	-	-	-	1,910	504	-	1,406
Arcelor Mittal Grant	4,965	320	4,924	-	361	-	361	-	-
Robotics Donation	-	-	-	-	-	4,000	4,000	-	-
McDonalds Grant	-	-	-	-	-	400	111	-	289
Duneland Health Grant	-	-	-	-	-	3,603	3,267	-	336
Teaching Garden	-	-	-	-	-	500	-	-	500
Bridges Grant Olive Elem	1,759	18,000	13,174	-	6,585	9,100	13,315	-	2,370
Rolling Prairie Garden Club	1,350	-	1,350	-	-	-	-	-	-
Alcoa Grant	-	-	-	-	-	2,940	3,546	-	(606)
RP Lowe's Toolbox for Ed Grant	-	5,000	-	-	5,000	-	5,000	-	-
Prairie View/Rol Prairie/Olive	1,285	-	1,645	1,151	791	-	442	(24)	325
Unity Foundation Grant	-	2,378	-	-	2,378	20,000	14,276	-	8,102
Unity Grant MS	-	-	-	-	-	2,400	1,178	-	1,222

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

NEW PRAIRIE UNITED SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2011, and 2012
(Continued)

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
St Joe County Comm Grant	-	-	-	-	-	2,400	1,671	-	729
Drug Free Communities	4,332	-	4,332	-	-	-	-	-	-
MS Mentor Grant	-	2,324	2,224	-	100	9,165	6,906	-	2,359
Non-English Speaking Programs P.L. 273-1999	-	-	-	-	-	-	-	-	-
Non-English Speaking Grant	-	10,293	10,293	-	-	-	-	-	-
Non English Spk Grant 2011/2012	-	-	-	-	-	6,647	1,550	-	5,097
School Technology	-	5,426	5,426	-	-	6,083	6,083	-	-
High Ability Grant 2009/2010	15,259	-	15,259	-	-	-	-	-	-
High Ability Grant 2010/2011	-	36,369	36,369	-	-	-	-	-	-
H/A Making a Difference Grant	-	-	-	-	-	14,280	14,280	-	-
High Ability 2011/2012	-	-	-	-	-	35,607	27,607	-	8,000
Title I PL 107-110 IASA 2009/2010	9,411	41,000	50,411	-	-	-	-	-	-
Title I PL 107-110 IASA 2010/2011	-	159,992	162,307	-	(2,315)	58,834	56,519	-	-
Title I Grant 2011/2012	-	-	-	-	-	137,248	161,360	-	(24,112)
Drug Free Title IV 2009/2010	604	-	1,750	-	(1,146)	1,146	-	-	-
Vocational and Technical Board Grants	-	7,858	10,000	-	(2,142)	2,142	-	-	-
Robotics Grant Jan/May 2011	-	3,600	3,600	-	-	-	-	-	-
Title II Part A 2008/2009	11,900	-	11,900	-	-	-	-	-	-
Title II Part A 2009/2010	57,059	-	57,059	-	-	-	-	-	-
Title II Part A 2010/2011	-	20,970	26,944	-	(5,974)	62,999	57,024	-	1
Title II A 2011/2013	-	-	-	-	-	198	1,379	-	(1,181)
Title III, Language Instruction	-	11,900	11,900	-	-	-	-	-	-
Title III 2012	-	-	-	-	-	5,633	7,886	-	(2,253)
Title I - Grants to LEAs	(4,083)	19,600	15,517	-	-	-	-	-	-
Education Jobs	-	123,888	123,893	-	(5)	285,969	324,067	-	(38,103)
Lunch EFT State	-	531,125	531,125	-	-	594,095	594,300	-	(205)
Lunch Clearing Net Pay	-	293,929	293,929	-	-	203,515	203,515	-	-
Payroll Deductions	156,606	3,728,985	3,724,698	-	160,893	3,660,152	3,848,699	-	(27,654)
Life Insurance Fringe Benefits	-	2,322	2,322	-	-	1,578	1,699	-	(121)
Totals	$ 5,449,915	$ 30,195,889	$ 32,193,953	$ -	$ 3,451,851	$ 43,654,457	$ 39,750,325	$ 665	$ 7,356,648

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

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

The accompanying financial statement presents the financial information for the School Corporation.

B. Basis of Accounting

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

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts may include, but are not limited to, the following sources:

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

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

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

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

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

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

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

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements may include, but are not limited to, the following uses:

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses may include, but are not limited to, the following:

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

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

B. Teacher's Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. 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 years 2011 and 2012 totaled $3,672,000 and $4,623,000, respectively.

Note 8. Termination Benefits

The School Corporation annually contributes 1 percent of each certified employee's (teacher's) base salary into a 501(c)(9) trust account plan that the teacher may use upon retirement for health related costs. During the 2010-2011 and 2011-2012 school years, the School Corporation paid $71,507 and $70,060, respectively, on behalf of teachers into these trust accounts. The School Corporation offered, and seven teachers accepted, an additional severance benefit of $18,000 payable over two years if the teacher retired during the 2009-2010 school year. Half of this amount or $63,000 was paid in the 2009-2010 school year and the remainder was paid during the 2010-2011 school year.

Note 9. Cash Balance Deficits

The financial statement contains funds with deficits in cash. For most funds this is the result of the funds being set up for reimbursable grants.

The Textbook Rental Fund accounts for the receipt of rental fees from students for textbooks and reimbursement from the state for students that are eligible for free textbooks. Disbursements from this fund are for textbooks and related materials. This fund has a large receivable balance and in recent years there have been purchases of new required textbooks. The negative cash balance of this fund at June 30, 2012 was $155,109. At December 31, 2012 this fund has a negative cash balance of $98,055.

Three funds, Exempt Debt, Exempt Pension Debt, and Transportation, have negative cash balances as a result of the delays in receiving tax distributions from LaPorte County government.

Note 10. Temporary Loans

The School Corporation has temporary loans outstanding at June 30, 2012, for cash flow purposes in advance of property tax collections and/or state tuition support distributions in the following funds and amounts:

Fund	June 30, 2012
General	$ 125,230
Debt Service	638,236
Capital Projects	796,890
Transportation Operating	671,938
Total	$ 2,232,294

Note 11. Subsequent Events

LaPorte County has been unable to establish approved assessment amounts for county-wide properties for the past several years. This has caused delays in the billing and collection of property taxes. The billing of property taxes over the past several years has been on a "provisional" type basis. Once approved assessment amounts are established then "reconciling" type bills are distributed and a final settlement of taxes to governmental units is made. The County has

distributed 10 Pay 11 reconciling property tax bills in January 2013 and has established a February 14, 2013, due date for final payment from taxpayers. The County is expecting to settle these taxes to governmental units by March 2013.

These delays and uncertainties have resulted in a lower than budgeted property tax collection rate for units of government within LaPorte County. It is undetermined how much property tax collections the County will receive once all the reconciliation bills have been distributed and the collections received.

SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

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

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Exempt Debt	Exempt Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Post Retirement/ Severance Future Benefits
Cash and investments - beginning	$ 2,359,089	$ 648,024	$ 55,482	$ -	$ -	$ 1,289,710	$ 278,692	$ 227,012	$ -
Receipts:									
Local sources	262,268	2,398,341	97,269	934,770	35,995	2,545,650	1,615,963	352,070	-
Intermediate sources	47,810	-	-	-	-	-	-	-	-
State sources	15,338,461	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	66,382	-	-	-	-	7,340	378	-	-
Total receipts	15,714,921	2,398,341	97,269	934,770	35,995	2,552,990	1,616,341	352,070	-
Disbursements:									
Current:									
Instruction	11,228,268	-	-	-	-	-	-	-	63,000
Support services	3,990,116	-	-	-	-	1,051,508	1,962,430	385,010	-
Noninstructional services	221,681	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	1,002,722	-	-	-
Debt services	-	2,648,444	130,050	1,846,500	74,024	1,024,171	263,990	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	15,440,065	2,648,444	130,050	1,846,500	74,024	3,078,401	2,226,420	385,010	63,000
Excess (deficiency) of receipts over disbursements	274,856	(250,103)	(32,781)	(911,730)	(38,029)	(525,411)	(610,079)	(32,940)	(63,000)
Other financing sources (uses):									
Transfers in	1	-	-	364,977	22,701	-	12,575	-	63,000
Transfers out	(63,001)	(387,915)	(22,701)	-	-	-	-	-	-
Total other financing sources (uses)	(63,000)	(387,915)	(22,701)	364,977	22,701	-	12,575	-	63,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	211,856	(638,018)	(55,482)	(546,753)	(15,328)	(525,411)	(597,504)	(32,940)	-
Cash and investments - ending	$ 2,570,945	$ 10,006	$ -	$ (546,753)	$ (15,328)	$ 764,299	$ (318,812)	$ 194,072	$ -

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

	School Lunch	Textbook Rental	Levy Excess	Child Care Program	Prairie View ROCK	Educational License Plates	Scholarships and Awards	Miscellaneous Programs	Gifts and Donations Science Fair
Cash and investments - beginning	$ 710,968	$ (391,889)	$ -	$ 1,083	$ -	$ 694	$ 4,969	$ 830	$ 4,804
Receipts:									
Local sources	624,228	199,763	12,575	16,930	-	-	1,010	-	-
Intermediate sources	-	-	-	-	-	956	-	-	-
State sources	15,289	85,365	-	-	-	-	-	-	-
Federal sources	511,797	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	1,151,314	285,128	12,575	16,930	-	956	1,010	-	-
Disbursements:									
Current:									
Instruction	-	-	-	21,819	-	-	-	830	2,810
Support services	2,627	102,054	-	-	-	-	-	-	-
Noninstructional services	1,049,548	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	1,052,175	102,054	-	21,819	-	-	-	830	2,810
Excess (deficiency) of receipts over disbursements	99,139	183,074	12,575	(4,889)	-	956	1,010	(830)	(2,810)
Other financing sources (uses):									
Transfers in	-	22,938	-	-	-	-	-	-	1,313
Transfers out	-	-	(12,575)	(1,151)	-	(1,313)	-	-	-
Total other financing sources (uses)	-	22,938	(12,575)	(1,151)	-	(1,313)	-	-	1,313
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	99,139	206,012	-	(6,040)	-	(357)	1,010	(830)	(1,497)
Cash and investments - ending	$ 810,107	$ (185,877)	$ -	$ (4,957)	$ -	$ 337	$ 5,979	$ -	$ 3,307

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

	Target Corp Educ Grant Rolling Prairie	Activity Center	Arcelor Mittal Grant	Robotics Donation	McDonalds Grant	Duneland Health Grant	Teaching Garden	Bridges Grant Olive Elem	Rolling Prairie Garden Club
Cash and investments - beginning	$ -	$ -	$ 4,965	$ -	$ -	$ -	$ -	$ 1,759	$ 1,350
Receipts:									
Local sources	-	-	320	-	-	-	-	18,000	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	320	-	-	-	-	18,000	-
Disbursements:									
Current:									
Instruction	-	-	4,924	-	-	-	-	13,174	612
Support services	-	-	-	-	-	-	-	-	738
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	4,924	-	-	-	-	13,174	1,350
Excess (deficiency) of receipts over disbursements	-	-	(4,604)	-	-	-	-	4,826	(1,350)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(4,604)	-	-	-	-	4,826	(1,350)
Cash and investments - ending	$ -	$ -	$ 361	$ -	$ -	$ -	$ -	$ 6,585	$ -

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

	Alcoa Grant	RP Lowe's Toolbox for Ed Grant	Prairie View Rol Prairie Olive	Unity Foundation Grant	Unity Grant MS	St Joe County Comm Grant	Drug Free Communities	MS Mentor Grant	Non-English Speaking Programs P.L. 273-1999
Cash and investments - beginning	$ -	$ -	$ 1,285	$ -	$ -	$ -	$ 4,332	$ -	$ -
Receipts:									
Local sources	-	5,000	-	2,378	-	-	-	2,324	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	5,000	-	2,378	-	-	-	2,324	-
Disbursements:									
Current:									
Instruction	-	-	1,645	-	-	-	4,332	2,224	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	1,645	-	-	-	4,332	2,224	-
Excess (deficiency) of receipts over disbursements	-	5,000	(1,645)	2,378	-	-	(4,332)	100	-
Other financing sources (uses):									
Transfers in	-	-	1,151	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	1,151	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	5,000	(494)	2,378	-	-	(4,332)	100	-
Cash and investments - ending	$ -	$ 5,000	$ 791	$ 2,378	$ -	$ -	$ -	$ 100	$ -

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

	Non-English Speaking Grant	Non-English Spk Grant 2011/2012	School Technology	High Ability Grant 2009/2010	High Ability Grant 2010/2011	H/A Making a Difference Grant	High Ability 2011/2012	Title I PL 107-110 IASA 2009/2010	Title I PL 107-110 IASA 2010/2011
Cash and investments - beginning	$ -	$ -	$ -	$ 15,259	$ -	$ -	$ -	$ 9,411	$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	10,293	-	5,426	-	36,369	-	-	-	-
Federal sources	-	-	-	-	-	-	-	41,000	159,992
Other	-	-	-	-	-	-	-	-	-
Total receipts	10,293	-	5,426	-	36,369	-	-	41,000	159,992
Disbursements:									
Current:									
Instruction	10,293	-	-	5,739	36,369	-	-	50,411	144,757
Support services	-	-	5,426	9,520	-	-	-	-	17,550
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	10,293	-	5,426	15,259	36,369	-	-	50,411	162,307
Excess (deficiency) of receipts over disbursements	-	-	-	(15,259)	-	-	-	(9,411)	(2,315)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(15,259)	-	-	-	(9,411)	(2,315)
Cash and investments - ending	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (2,315)

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

	Title I Grant 2011/2012	Drug Free Title IV 2009/2010	Vocational and Technical Board Grants	Robotics Grant Jan/May 2011	Title II Part A 2008/2009	Title II Part A 2009/2010	Title II Part A 2010/2011	Title II A 2011/2013	Title III Language Instruction
Cash and investments - beginning	$ -	$ 604	$ -	$ -	$ 11,900	$ 57,059	$ -	$ -	$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	3,600	-	-	-	-	-
Federal sources	-	-	7,858	-	-	-	20,970	-	11,900
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	7,858	3,600	-	-	20,970	-	11,900
Disbursements:									
Current:									
Instruction	-	1,750	10,000	3,600	11,900	56,851	26,944	-	11,900
Support services	-	-	-	-	-	208	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,750	10,000	3,600	11,900	57,059	26,944	-	11,900
Excess (deficiency) of receipts over disbursements	-	(1,750)	(2,142)	-	(11,900)	(57,059)	(5,974)	-	-
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	-	(1,750)	(2,142)	-	(11,900)	(57,059)	(5,974)	-	-
Cash and investments - ending	$ -	$ (1,146)	$ (2,142)	$ -	$ -	$ -	$ (5,974)	$ -	$ -

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

	Title III 2012	Title I Grants to LEAs	Education Jobs	Lunch EFT State	Lunch Clearing Net Pay	Payroll Deductions	Life Insurance Fringe Benefit	Totals
Cash and investments - beginning	$ -	$ (4,083)	$ -	$ -	$ -	$ 156,606	$ -	$ 5,449,915
Receipts:								
Local sources	-	-	-	-	-	-	-	9,124,854
Intermediate sources	-	-	-	-	-	-	-	48,766
State sources	-	-	-	-	-	-	-	15,494,803
Federal sources	-	19,600	123,888	-	-	-	-	897,005
Other	-	-	-	531,125	293,929	3,728,985	2,322	4,630,461
Total receipts	-	19,600	123,888	531,125	293,929	3,728,985	2,322	30,195,889
Disbursements:								
Current:								
Instruction	-	5,804	85,726	-	-	-	-	11,805,682
Support services	-	9,713	36,951	-	-	-	-	7,573,851
Noninstructional services	-	-	1,216	-	-	-	-	1,272,445
Facilities acquisition and construction	-	-	-	-	-	-	-	1,002,722
Debt services	-	-	-	-	-	-	-	5,987,179
Nonprogrammed charges	-	-	-	531,125	293,929	3,724,698	2,322	4,552,074
Total disbursements	-	15,517	123,893	531,125	293,929	3,724,698	2,322	32,193,953
Excess (deficiency) of receipts over disbursements	-	4,083	(5)	-	-	4,287	-	(1,998,064)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	488,656
Transfers out	-	-	-	-	-	-	-	(488,656)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	4,083	(5)	-	-	4,287	-	(1,998,064)
Cash and investments - ending	$ -	$ -	$ (5)	$ -	$ -	$ 160,893	$ -	$ 3,451,851

NEW PRAIRIE UNITED SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2012

	General	Debt Service	Retirement/ Severance Bond Debt Service	Exempt Debt	Exempt Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Post Retirement/ Severance Future Benefits
Cash and investments - beginning	$ 2,570,945	$ 10,006	$ -	$ (546,753)	$ (15,328)	$ 764,299	$ (318,812)	$ 194,072	$ -
Receipts:									
Local sources	649,955	103,348	-	4,067,496	180,923	3,326,007	2,148,641	522,733	-
Intermediate sources	51,803	-	-	-	-	-	-	-	-
State sources	15,711,850	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	125,230	-	-	1,276,472	-	796,890	794,144	-	-
Interfund loans	2,777,500	-	-	3,500,000	27,500	750,000	-	-	-
Other	41,819	-	-	-	-	21,480	-	-	-
Total receipts	19,358,157	103,348	-	8,843,968	208,423	4,894,377	2,942,785	522,733	-
Disbursements:									
Current:									
Instruction	11,410,001	-	-	-	-	-	-	-	-
Support services	4,254,540	-	-	-	-	1,136,913	2,152,302	-	-
Noninstructional services	232,007	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	1,185,799	-	-	-
Debt services	-	9,257	-	5,261,236	154,864	-	122,206	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	2,777,500	-	-	3,500,000	27,500	750,000	-	-	-
Total disbursements	18,674,048	9,257	-	8,761,236	182,364	3,072,712	2,274,508	-	-
Excess (deficiency) of receipts over disbursements	684,109	94,091	-	82,732	26,059	1,821,665	668,277	522,733	-
Other financing sources (uses):									
Sale of capital assets	664	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(28,037)	-	-	-	-	-	-	-
Total other financing sources (uses)	664	(28,037)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	684,773	66,054	-	82,732	26,059	1,821,665	668,277	522,733	-
Cash and investments - ending	$ 3,255,718	$ 76,060	$ -	$ (464,021)	$ 10,731	$ 2,585,964	$ 349,465	$ 716,805	$ -

NEW PRAIRIE UNITED SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	School Lunch	Textbook Rental	Levy Excess	Child Care Program	Prairie View ROCK	Educational License Plates	Scholarships and Awards	Miscellaneous Programs	Gifts and Donations Science Fair
Cash and investments - beginning	$ 810,107	$ (185,877)	$ -	$ (4,957)	$ -	$ 337	$ 5,979	$ -	$ 3,307
Receipts:									
Local sources	704,787	204,538	-	16,484	-	-	3	-	-
Intermediate sources	-	-	-	-	-	731	-	-	-
State sources	16,711	78,778	-	-	-	-	-	-	-
Federal sources	525,677	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	413	-	-	-	-	-	-	-	-
Total receipts	1,247,588	283,316	-	16,484	-	731	3	-	-
Disbursements:									
Current:									
Instruction	-	-	-	9,266	926	-	-	-	3,611
Support services	1,493	280,585	-	-	-	-	-	-	-
Noninstructional services	1,112,374	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	1,000	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	1,113,867	280,585	-	9,266	926	-	1,000	-	3,611
Excess (deficiency) of receipts over disbursements	133,721	2,731	-	7,218	(926)	731	(997)	-	(3,611)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	28,037	-	-	926	-	-	-	975
Transfers out	-	-	-	(901)	-	(975)	-	-	-
Total other financing sources (uses)	-	28,037	-	(901)	926	(975)	-	-	975
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	133,721	30,768	-	6,317	-	(244)	(997)	-	(2,636)
Cash and investments - ending	$ 943,828	$ (155,109)	$ -	$ 1,360	$ -	$ 93	$ 4,982	$ -	$ 671

NEW PRAIRIE UNITED SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	Target Corp Educ Grant Rolling Prairie	Activity Center	Arcelor Mittal Grant	Robotics Donation	McDonalds Grant	Duneland Health Grant	Teaching Garden	Bridges Grant Olive Elem	Rolling Prairie Garden Club
Cash and investments - beginning	$ -	$ -	$ 361	$ -	$ -	$ -	$ -	$ 6,585	$ -
Receipts:									
Local sources	100,000	1,910	-	4,000	400	3,603	500	9,100	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	100,000	1,910	-	4,000	400	3,603	500	9,100	-
Disbursements:									
Current:									
Instruction	6,400	504	361	4,000	111	3,267	-	13,315	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	6,400	504	361	4,000	111	3,267	-	13,315	-
Excess (deficiency) of receipts over disbursements	93,600	1,406	(361)	-	289	336	500	(4,215)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	93,600	1,406	(361)	-	289	336	500	(4,215)	-
Cash and investments - ending	$ 93,600	$ 1,406	$ -	$ -	$ 289	$ 336	$ 500	$ 2,370	$ -

NEW PRAIRIE UNITED SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	Alcoa Grant	RP Lowe's Toolbox for Ed Grant	Prairie View Rol Prairie Olive	Unity Foundation Grant	Unity Grant MS	St Joe County Comm Grant	Drug Free Communities	MS Mentor Grant	Non-English Speaking Programs P.L. 273-1999
Cash and investments - beginning	$ -	$ 5,000	$ 791	$ 2,378	$ -	$ -	$ -	$ 100	$ -
Receipts:									
Local sources	2,940	-	-	20,000	2,400	2,400	-	9,165	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	2,940	-	-	20,000	2,400	2,400	-	9,165	-
Disbursements:									
Current:									
Instruction	3,546	5,000	442	14,276	1,178	1,671	-	6,906	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	3,546	5,000	442	14,276	1,178	1,671	-	6,906	-
Excess (deficiency) of receipts over disbursements	(606)	(5,000)	(442)	5,724	1,222	729	-	2,259	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	263	-	-	-	-	-	-
Transfers out	-	-	(287)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(24)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(606)	(5,000)	(466)	5,724	1,222	729	-	2,259	-
Cash and investments - ending	$ (606)	$ -	$ 325	$ 8,102	$ 1,222	$ 729	$ -	$ 2,359	$ -

NEW PRAIRIE UNITED SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	Non-English Speaking Grant	Non-English Spk Grant 2011/2012	School Technology	High Ability Grant 2009/2010	High Ability Grant 2010/2011	H/A Making a Difference Grant	High Ability 2011/2012	Title I PL 107-110 IASA 2009/2010	Title I PL 107-110 IASA 2010/2011
Cash and investments - beginning	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (2,315)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	6,647	6,083	-	-	14,280	35,607	-	-
Federal sources	-	-	-	-	-	-	-	-	58,834
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	6,647	6,083	-	-	14,280	35,607	-	58,834
Disbursements:									
Current:									
Instruction	-	1,550	-	-	-	14,280	27,607	-	50,069
Support services	-	-	6,083	-	-	-	-	-	6,450
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,550	6,083	-	-	14,280	27,607	-	56,519
Excess (deficiency) of receipts over disbursements	-	5,097	-	-	-	-	8,000	-	2,315
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	5,097	-	-	-	-	8,000	-	2,315
Cash and investments - ending	$ -	$ 5,097	$ -	$ -	$ -	$ -	$ 8,000	$ -	$ -

NEW PRAIRIE UNITED SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	Title I Grant 2011/2012	Drug Free Title IV 2009/2010	Vocational and Technical Board Grants	Robotics Grant Jan/May 2011	Title II Part A 2008/2009	Title II Part A 2009/2010	Title II Part A 2010/2011	Title II A 2011/2013	Title III Language Instruction
Cash and investments - beginning	$ -	$ (1,146)	$ (2,142)	$ -	$ -	$ -	$ (5,974)	$ -	$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	137,248	1,146	2,142	-	-	-	62,999	198	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	137,248	1,146	2,142	-	-	-	62,999	198	-
Disbursements:									
Current:									
Instruction	144,410	-	-	-	-	-	57,024	39	-
Support services	16,950	-	-	-	-	-	-	1,340	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	161,360	-	-	-	-	-	57,024	1,379	-
Excess (deficiency) of receipts over disbursements	(24,112)	1,146	2,142	-	-	-	5,975	(1,181)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(24,112)	1,146	2,142	-	-	-	5,975	(1,181)	-
Cash and investments - ending	$ (24,112)	$ -	$ -	$ -	$ -	$ -	$ 1	$ (1,181)	$ -

NEW PRAIRIE UNITED SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2012
(Continued)

	Title III 2012	Title I Grants to LEAs	Education Jobs	Lunch EFT State	Lunch Clearing Net Pay	Payroll Deductions	Life Insurance Fringe Benefit	Totals
Cash and investments - beginning	$ -	$ -	$ (5)	$ -	$ -	$ 160,893	$ -	$ 3,451,851
Receipts:								
Local sources	-	-	-	-	-	-	-	12,081,333
Intermediate sources	-	-	-	-	-	-	-	52,534
State sources	-	-	-	-	-	-	-	15,869,956
Federal sources	5,633	-	285,969	-	-	-	-	1,079,846
Temporary loans	-	-	-	-	-	-	-	2,992,736
Interfund loans	-	-	-	-	-	-	-	7,055,000
Other	-	-	-	594,095	203,515	3,660,152	1,578	4,523,052
Total receipts	5,633	-	285,969	594,095	203,515	3,660,152	1,578	43,654,457
Disbursements:								
Current:								
Instruction	7,886	-	252,837	-	-	-	-	12,040,483
Support services	-	-	63,058	-	-	-	-	7,919,714
Noninstructional services	-	-	8,172	-	-	-	-	1,352,553
Facilities acquisition and construction	-	-	-	-	-	-	-	1,185,799
Debt services	-	-	-	-	-	-	-	5,547,563
Nonprogrammed charges	-	-	-	594,300	203,515	3,848,699	1,699	4,649,213
Interfund loans	-	-	-	-	-	-	-	7,055,000
Total disbursements	7,886	-	324,067	594,300	203,515	3,848,699	1,699	39,750,325
Excess (deficiency) of receipts over disbursements	(2,253)	-	(38,098)	(205)	-	(188,547)	(121)	3,904,132
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	664
Transfers in	-	-	-	-	-	-	-	30,201
Transfers out	-	-	-	-	-	-	-	(30,200)
Total other financing sources (uses)	-	-	-	-	-	-	-	665
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,253)	-	(38,098)	(205)	-	(188,547)	(121)	3,904,797
Cash and investments - ending	$ (2,253)	$ -	$ (38,103)	$ (205)	$ -	$ (27,654)	$ (121)	$ 7,356,648

NEW PRAIRIE UNITED SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
JUNE 30, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
New Prairie United School Building Corporation	Elementary, Junior/Senior High, Central Office Construction and Renovations of 1995	$ 2,055,000	01-01-05	06-25-21
New Prairie United School Building Corporation	Middle School Construction 2006	1,773,000	01-15-07	01-15-24
Total of annual lease payments		$ 3,828,000		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General Obligation Bonds	Pension	$ 975,000	$ 150,189
Qualified School Construction Bond	Cafeteria Remodel 2011	1,990,000	227,110
Totals		$ 2,965,000	$ 377,299

NEW PRAIRIE UNITED SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
JUNE 30, 2012

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.

	Ending Balance
Governmental activities:	
Land	$ 538,136
Buildings	61,294,032
Improvements other than buildings	3,642,157
Construction in progress	9,543,749
Total capital assets	$ 75,018,074

NEW PRAIRIE UNITED SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

OVERDRAWN FUND BALANCES

The fund balance of the following funds were overdrawn at June 30, 2011: Exempt Debt, $546,753, Exempt Retirement/Severance Bond Debt Service, $15,328, School Transportation, $318,812, Textbook Rental, $185,877.

The fund balance of the following funds were overdrawn at June 30, 2012: Exempt Debt, $464,021, Textbook Rental, $155,109.

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

SUPPLEMENTAL AUDIT OF

FEDERAL AWARDS

STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON 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 New Prairie United School Corporation's (School Corporation) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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

In our opinion, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012.

Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

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

STATE BOARD OF ACCOUNTS

February 14, 2013

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

NEW PRAIRIE UNITED SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2011 and 2012

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 06-30-11	Total Federal Awards Expended 06-30-12
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		$ 69,984	$ 84,848
National School Lunch Program	10.555		437,493	483,153
Summer Food Service Program for Children	10.559		8,359	9,321
Total for federal grantor agency			515,836	577,322
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010	10-4805	50,411	-
		11-4805	162,307	56,519
		12-4805	-	161,360
Total for program			212,718	217,879
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389		15,517	-
Total for cluster			228,235	217,879
Pass-Through Michigan City Area Schools				
Career and Technical Education - Basic Grants to States	84.048	08-1303-4805	3,600	-
Pass-Through Indiana Department of Education				
Safe and Drug-Free Schools and Communities - State Grants	84.186	FY 10-11	1,146	-
Pass-Through Indiana Department of Workforce Development				
Tech-Prep Education	84.243	TP-8-207	10,000	-
Pass-Through Indiana Department of Education				
English Language Acquisition State Grants	84.365	FY 10-11	11,900	-
		FY 11-12	-	7,886
Total for program			11,900	7,886
Improving Teacher Quality State Grants	84.367	09-4805	11,900	-
		10-4805	57,059	57,024
		11-4805	26,945	29,301
		12-4805	-	1,380
Total for program			95,904	87,705
Education Jobs Funds	84.410	FY10-11	123,888	-
		FY 11-12	-	324,067
Total for program			123,888	324,067
Total for federal grantor agency			474,673	637,537
Total federal awards expended			$ 990,509	$ 1,214,859

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

Note 1. 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 cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2011 and 2012. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2011	2012
School Breakfast Program	10.553	$ 9,102	$ 13,203
National School Lunch Program	10.555	57,458	68,969

NEW PRAIRIE UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unqualified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	Child Nutrition Cluster
84.410	Education Jobs Fund

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
EXIT CONFERENCE

The contents of this report were discussed on February 14, 2013, with Kelley Kitchen, Treasurer; Jim Dermody, Superintendent of Schools; and Al Williamson, Vice President of the School Board. The Official Response has been made a part of this report and may be found on page 44.

NEW PRAIRIE UNITED SCHOOL CORPORATION
Mr. Jim Dermody, Superintendent
5327 N. Cougar Road
New Carlisle, IN 46552
574-654-7273, 219-778-2814
FAX 574-654-7274
www.npusc.k12.in.us

State Board of Accounts
Attn: John Pajkowski
227 W Jefferson Blvd
Room 806
South Bend, IN 46601

Dear Mr. Pajakowski:

New Prairie United School Corporation provides the following responses to the Audit Results and Comments for the period ending June 30, 2012

Overdrawn balances:
Management response:
We concur with the finding. However, it is important to note that the outstanding fees due to Textbook rental fund has been submitted to collections and continuously actively pursued. This due diligence has resulted in a reduction of the outstanding balances; thus, bringing the fund closer to the required positive balance.

The property tax supported funds with overdrawn balances have been a direct result of LaPorte County billing property taxes on a provisional basis for the last several years. In November 2010, LaPorte County completed an approved assessment of property values for the 2006 payable 2007 property tax year. On April 1, 2011, the County sent to tax payers a reconciling bill for the 2006 payable 2007 property tax year which was due April 21, 2011, and then subsequently settled by the County to local units of government. The county has since also completed the above process for the 2007 payable 2008 property tax year, the 2008 payable 2009 property tax year, the 2009 payable 2010 property tax year, and the 2010 payable 2011 tax year. Receipts through these years are expected in the spring of 2013. These delays and uncertainties have resulted in a lower than budget property tax collection rate for the County. It is undeterminable how much property tax collections the County will receive once all the reconciliation bills have been distributed and the collections received.

Sincerely,

J.D.

Jim Dermody
Superintendent