

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

PRAIRIE HEIGHTS COMMUNITY
SCHOOL CORPORATION
LAGRANGE COUNTY, INDIANA

July 1, 2016 to June 30, 2018



FILED
04/10/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Karen S. Eagleson	07-01-16 to 06-30-19
Superintendent of Schools	Jeff Reed	07-01-16 to 06-30-19
President of the School Board	Robert Ledgerwood	07-01-16 to 12-31-19



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Prairie Heights Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2016 to June 30, 2018.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2016 to June 30, 2018, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.


Other Information

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 Payables and Receivables, 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 21, 2019, 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 solely 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 effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

March 21, 2019



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Prairie Heights Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated March 21, 2019, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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 School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


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

Compliance and Other Matters

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

March 21, 2019

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2017 and 2018

Fund	Cash and Investments 07-01-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18
General	\$ 255,217	\$ 8,440,487	\$ 8,536,474	\$ 146	\$ 159,376	\$ 8,671,516	\$ 8,397,596	\$ -	\$ 433,296
Debt Service	172,040	886,901	1,076,827	17,886	-	945,463	753,654	(17,887)	173,922
Capital Projects	754,029	1,702,548	1,546,832	(16,220)	893,525	1,765,295	1,658,191	(395,048)	605,581
School Transportation	851,641	1,709,912	1,293,899	(377,725)	889,929	1,806,491	1,443,956	(725,000)	527,464
School Bus Replacement	197,483	361,228	248,657	(69,174)	240,880	388,656	205,799	(211,000)	212,737
Rainy Day	1,868,699	-	400,636	446,900	1,914,963	-	552,503	1,350,000	2,712,460
Construction 2014	12,072	-	12,072	-	-	-	-	-	-
Construction 2016	1,662,020	-	1,638,656	-	23,364	-	19,565	-	3,799
School Lunch	140,758	585,582	570,729	-	155,611	595,311	579,130	-	171,792
Textbook Rental	351,169	235,656	167,181	-	419,644	230,530	304,905	-	345,269
Educational License Plates	-	150	-	-	150	150	225	-	75
Comprehensive Counseling Grant	-	25,886	1,896	-	23,990	-	23,364	-	626
Extra-Curricular Activities	-	11,855	11,855	-	-	10,445	10,445	-	-
Milford Programming Agreement	78,116	-	51,073	-	27,043	57,498	80,509	-	4,032
Damage Reimbursement	1,042	-	-	-	1,042	10,539	10,539	-	1,042
UST Financial Requirement	30,000	-	-	-	30,000	-	-	-	30,000
Instructional Support	-	7,706	5,190	-	2,516	3,679	6,195	-	-
Formative Assessment	-	13,085	8,815	-	4,270	12,482	16,752	-	-
High Ability Grant FY 13-14	14,240	-	-	-	14,240	-	14,240	-	-
High Ability Grant FY 15-16	11,441	-	11,441	-	-	-	-	-	-
High Ability Grant FY 16-17	-	30,691	16,500	-	14,191	-	14,191	-	-
High Ability Grant FY 17-18	-	-	-	-	-	30,159	22,818	-	7,341
Secured Schools Safety Grant	-	95,239	95,239	-	-	54,657	54,657	-	-
Extra-Curricular Activities	2,597	-	201	-	2,396	200	32	-	2,564
Scholarships and Awards	1,879	7	500	-	1,386	7,005	2,680	-	5,711
Non - English Speaking FY 16-17	-	4,603	4,403	-	200	-	200	-	-
Non - English Speaking FY 17-18	-	-	-	-	-	3,750	3,750	-	-
School Technology	564	8,468	564	-	8,468	11,010	10,088	-	9,390
Career and Technical Performance Grant	-	28,062	15,991	-	12,071	15,015	21,402	-	5,684
Comm. Foundation Grants	-	4,000	4,000	-	-	-	-	-	-
Wellness Grant	8,983	7,710	15,965	-	728	10,000	5,004	-	5,724
Title I, Part A FY 15-16	(80,743)	166,053	85,310	-	-	-	-	-	-
Title I, Part A FY 16-17	-	205,357	337,303	-	(131,946)	145,486	13,540	-	-
Title I, Part A FY 17-18	-	-	-	-	-	200,517	213,759	-	(13,242)
Title II, Part A 15-17	(1,246)	43,311	42,065	-	-	-	-	-	-
Title II, Part A 17-19	-	-	-	-	-	43,763	43,763	-	-
Title II Part A 17-18	-	-	3,427	-	(3,427)	40,427	37,000	-	-
Title III, English Proficiency FY 15-16	1,931	-	1,931	-	-	-	-	-	-
Title III, English Proficiency FY 16-17	-	3,801	3,239	-	562	-	562	-	-
Title III, English Proficiency FY 17-18	-	-	-	-	-	2,524	2,145	-	379
Meal Deposits	7,097	60,034	58,315	-	8,816	85,712	85,650	-	8,878
Payroll Withholdings	-	2,459,267	2,455,169	-	4,098	2,340,818	2,342,152	-	2,764
Totals	<u>\$ 6,341,029</u>	<u>\$ 17,097,599</u>	<u>\$ 18,722,355</u>	<u>\$ 1,813</u>	<u>\$ 4,718,086</u>	<u>\$ 17,489,098</u>	<u>\$ 16,950,961</u>	<u>\$ 1,065</u>	<u>\$ 5,257,288</u>

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

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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

C. Cash and Investments

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

D. Receipts

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

Local sources. Amounts received from taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community service activities, and other revenue from local sources.

Intermediate sources. Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

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

State sources. Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Other receipts. Amounts received from various sources, including, but not limited to, the following: return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

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

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

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services. Amounts disbursed for food service operations and community service operations.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, self-insurance payments, and other disbursements not listed in another category above.

F. Other Financing Sources and Uses

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

Sale of capital assets. Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

Transfers in. Amounts 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.

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

Transfers out. Amounts 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 amounts 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 amounts 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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) 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, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

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

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 a cost-sharing 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
One North Capitol, 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.

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

B. Teachers' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
One North Capitol, 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. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2017 and 2018.

OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the School Corporation's Financial Reports 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 other information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction 2014	Construction 2016	School Lunch
Cash and investments - beginning	\$ 255,217	\$ 172,040	\$ 754,029	\$ 851,641	\$ 197,483	\$ 1,868,699	\$ 12,072	\$ 1,662,020	\$ 140,758
Receipts:									
Local sources	19,005	886,901	1,697,611	1,709,912	361,228	-	-	-	256,388
Intermediate sources	43	-	-	-	-	-	-	-	-
State sources	8,421,458	-	4,937	-	-	-	-	-	321,825
Federal sources	-	-	-	-	-	-	-	-	7,369
Other receipts	(19)	-	-	-	-	-	-	-	-
Total receipts	8,440,487	886,901	1,702,548	1,709,912	361,228	-	-	-	585,582
Disbursements:									
Instruction	6,054,751	-	-	-	-	395,136	-	-	-
Support services	2,368,870	-	946,298	1,293,899	248,657	5,500	-	-	-
Noninstructional services	112,853	-	-	-	-	-	-	-	570,729
Facilities acquisition and construction	-	-	600,534	-	-	-	12,072	1,638,656	-
Debt service	-	1,076,827	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	8,536,474	1,076,827	1,546,832	1,293,899	248,657	400,636	12,072	1,638,656	570,729
Excess (deficiency) of receipts over disbursements	(95,987)	(189,926)	155,716	416,013	112,571	(400,636)	(12,072)	(1,638,656)	14,853
Other financing sources (uses):									
Sale of capital assets	146	-	1,667	-	-	-	-	-	-
Transfers in	-	17,886	-	-	-	446,900	-	-	-
Transfers out	-	-	(17,887)	(377,725)	(69,174)	-	-	-	-
Total other financing sources (uses)	146	17,886	(16,220)	(377,725)	(69,174)	446,900	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(95,841)	(172,040)	139,496	38,288	43,397	46,264	(12,072)	(1,638,656)	14,853
Cash and investments - ending	\$ 159,376	\$ -	\$ 893,525	\$ 889,929	\$ 240,880	\$ 1,914,963	\$ -	\$ 23,364	\$ 155,611

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	Textbook Rental	Educational License Plates	Comprehensive Counseling Grant	Extra- Curricular Activities	Milford Programming Agreement	Damage Reimbursement	UST Financial Requirement	Instructional Support	Formative Assessment
Cash and investments - beginning	\$ 351,169	\$ -	\$ -	\$ -	\$ 78,116	\$ 1,042	\$ 30,000	\$ -	\$ -
Receipts:									
Local sources	127,907	-	25,886	11,855	-	-	-	7,706	-
Intermediate sources	-	150	-	-	-	-	-	-	-
State sources	107,749	-	-	-	-	-	-	-	13,085
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	235,656	150	25,886	11,855	-	-	-	7,706	13,085
Disbursements:									
Instruction	-	-	-	11,855	-	-	-	-	-
Support services	167,181	-	1,896	-	51,073	-	-	5,190	8,815
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	167,181	-	1,896	11,855	51,073	-	-	5,190	8,815
Excess (deficiency) of receipts over disbursements	68,475	150	23,990	-	(51,073)	-	-	2,516	4,270
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	68,475	150	23,990	-	(51,073)	-	-	2,516	4,270
Cash and investments - ending	\$ 419,644	\$ 150	\$ 23,990	\$ -	\$ 27,043	\$ 1,042	\$ 30,000	\$ 2,516	\$ 4,270

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	High Ability Grant FY 13-14	High Ability Grant FY 15-16	High Ability Grant FY 16-17	High Ability Grant FY 17-18	Secured Schools Safety Grant	Extra- Curricular Activities	Scholarships and Awards	Non - English Speaking FY 16-17	Non - English Speaking FY 17-18
Cash and investments - beginning	\$ 14,240	\$ 11,441	\$ -	\$ -	\$ -	\$ 2,597	\$ 1,879	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	7	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	30,691	-	95,239	-	-	4,603	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	30,691	-	95,239	-	7	4,603	-
Disbursements:									
Instruction	-	11,441	16,500	-	-	201	-	4,403	-
Support services	-	-	-	-	95,239	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	500	-	-
Total disbursements	-	11,441	16,500	-	95,239	201	500	4,403	-
Excess (deficiency) of receipts over disbursements	-	(11,441)	14,191	-	-	(201)	(493)	200	-
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	-	(11,441)	14,191	-	-	(201)	(493)	200	-
Cash and investments - ending	\$ 14,240	\$ -	\$ 14,191	\$ -	\$ -	\$ 2,396	\$ 1,386	\$ 200	\$ -

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	School Technology	Career and Technical Performance Grant	Comm. Foundation Grants	Wellness Grant	Title I, Part A FY 15-16	Title I, Part A FY 16-17	Title I, Part A FY 17-18	Title II, Part A 15-17
Cash and investments - beginning	\$ 564	\$ -	\$ -	\$ 8,983	\$ (80,743)	\$ -	\$ -	\$ (1,246)
Receipts:								
Local sources	-	-	4,000	7,710	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	8,468	28,062	-	-	-	-	-	-
Federal sources	-	-	-	-	166,053	205,357	-	43,311
Other receipts	-	-	-	-	-	-	-	-
Total receipts	8,468	28,062	4,000	7,710	166,053	205,357	-	43,311
Disbursements:								
Instruction	-	15,991	4,000	-	65,233	267,559	-	-
Support services	564	-	-	15,965	19,925	69,744	-	42,065
Noninstructional services	-	-	-	-	152	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	564	15,991	4,000	15,965	85,310	337,303	-	42,065
Excess (deficiency) of receipts over disbursements	7,904	12,071	-	(8,255)	80,743	(131,946)	-	1,246
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	7,904	12,071	-	(8,255)	80,743	(131,946)	-	1,246
Cash and investments - ending	\$ 8,468	\$ 12,071	\$ -	\$ 728	\$ -	\$ (131,946)	\$ -	\$ -

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	Title II, Part A 17-19	Title II Part A 17-18	Title III, English Proficiency FY 15-16	Title III, English Proficiency FY 16-17	Title III, English Proficiency FY 17-18	Meal Deposits	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 1,931	\$ -	\$ -	\$ 7,097	\$ -	\$ 6,341,029
Receipts:								
Local sources	-	-	-	-	-	-	-	5,116,116
Intermediate sources	-	-	-	-	-	-	-	193
State sources	-	-	-	-	-	-	-	9,036,117
Federal sources	-	-	-	3,801	-	-	-	425,891
Other receipts	-	-	-	-	-	60,034	2,459,267	2,519,282
Total receipts	-	-	-	3,801	-	60,034	2,459,267	17,097,599
Disbursements:								
Instruction	-	-	1,931	3,239	-	-	-	6,852,240
Support services	-	3,427	-	-	-	-	-	5,344,308
Noninstructional services	-	-	-	-	-	-	-	683,734
Facilities acquisition and construction	-	-	-	-	-	-	-	2,251,262
Debt service	-	-	-	-	-	-	-	1,076,827
Nonprogrammed charges	-	-	-	-	-	58,315	2,455,169	2,513,984
Total disbursements	-	3,427	1,931	3,239	-	58,315	2,455,169	18,722,355
Excess (deficiency) of receipts over disbursements	-	(3,427)	(1,931)	562	-	1,719	4,098	(1,624,756)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	1,813
Transfers in	-	-	-	-	-	-	-	464,786
Transfers out	-	-	-	-	-	-	-	(464,786)
Total other financing sources (uses)	-	-	-	-	-	-	-	1,813
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(3,427)	(1,931)	562	-	1,719	4,098	(1,622,943)
Cash and investments - ending	\$ -	\$ (3,427)	\$ -	\$ 562	\$ -	\$ 8,816	\$ 4,098	\$ 4,718,086

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction 2014	Construction 2016	School Lunch
Cash and investments - beginning	\$ 159,376	\$ -	\$ 893,525	\$ 889,929	\$ 240,880	\$ 1,914,963	\$ -	\$ 23,364	\$ 155,611
Receipts:									
Local sources	27,915	945,463	1,765,262	1,806,491	388,656	-	-	-	263,427
Intermediate sources	46	-	-	-	-	-	-	-	-
State sources	8,643,500	-	33	-	-	-	-	-	324,879
Federal sources	-	-	-	-	-	-	-	-	7,005
Other receipts	55	-	-	-	-	-	-	-	-
Total receipts	8,671,516	945,463	1,765,295	1,806,491	388,656	-	-	-	595,311
Disbursements:									
Instruction	5,898,629	-	-	-	-	552,503	-	-	-
Support services	2,373,653	-	964,517	1,443,956	205,799	-	-	-	-
Noninstructional services	125,314	-	-	-	-	-	-	-	579,130
Facilities acquisition and construction	-	-	693,674	-	-	-	-	19,565	-
Debt service	-	753,654	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	8,397,596	753,654	1,658,191	1,443,956	205,799	552,503	-	19,565	579,130
Excess (deficiency) of receipts over disbursements	273,920	191,809	107,104	362,535	182,857	(552,503)	-	(19,565)	16,181
Other financing sources (uses):									
Sale of capital assets	-	-	1,065	-	-	-	-	-	-
Transfers in	-	-	17,887	-	-	1,350,000	-	-	-
Transfers out	-	(17,887)	(414,000)	(725,000)	(211,000)	-	-	-	-
Total other financing sources (uses)	-	(17,887)	(395,048)	(725,000)	(211,000)	1,350,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	273,920	173,922	(287,944)	(362,465)	(28,143)	797,497	-	(19,565)	16,181
Cash and investments - ending	\$ 433,296	\$ 173,922	\$ 605,581	\$ 527,464	\$ 212,737	\$ 2,712,460	\$ -	\$ 3,799	\$ 171,792

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	Textbook Rental	Educational License Plates	Comprehensive Counseling Grant	Extra- Curricular Activities	Milford Programming Agreement	Damage Reimbursement	UST Financial Requirement	Instructional Support	Formative Assessment
Cash and investments - beginning	\$ 419,644	\$ 150	\$ 23,990	\$ -	\$ 27,043	\$ 1,042	\$ 30,000	\$ 2,516	\$ 4,270
Receipts:									
Local sources	114,299	-	-	10,445	57,498	-	-	3,679	-
Intermediate sources	-	150	-	-	-	-	-	-	-
State sources	116,231	-	-	-	-	-	-	-	12,482
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	10,539	-	-	-
Total receipts	230,530	150	-	10,445	57,498	10,539	-	3,679	12,482
Disbursements:									
Instruction	-	-	-	10,445	-	-	-	-	-
Support services	304,905	225	23,364	-	69,033	10,539	-	6,195	16,752
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	11,476	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	304,905	225	23,364	10,445	80,509	10,539	-	6,195	16,752
Excess (deficiency) of receipts over disbursements	(74,375)	(75)	(23,364)	-	(23,011)	-	-	(2,516)	(4,270)
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	(74,375)	(75)	(23,364)	-	(23,011)	-	-	(2,516)	(4,270)
Cash and investments - ending	\$ 345,269	\$ 75	\$ 626	\$ -	\$ 4,032	\$ 1,042	\$ 30,000	\$ -	\$ -

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	High Ability Grant FY 13-14	High Ability Grant FY 15-16	High Ability Grant FY 16-17	High Ability Grant FY 17-18	Secured Schools Safety Grant	Extra- Curricular Activities	Scholarships and Awards	Non - English Speaking FY 16-17	Non - English Speaking FY 17-18
Cash and investments - beginning	\$ 14,240	\$ -	\$ 14,191	\$ -	\$ -	\$ 2,396	\$ 1,386	\$ 200	\$ -
Receipts:									
Local sources	-	-	-	-	-	200	7,005	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	30,159	54,657	-	-	-	3,750
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	30,159	54,657	200	7,005	-	3,750
Disbursements:									
Instruction	14,240	-	14,191	22,818	-	32	-	(3)	3,750
Support services	-	-	-	-	54,657	-	-	203	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	2,680	-	-
Total disbursements	14,240	-	14,191	22,818	54,657	32	2,680	200	3,750
Excess (deficiency) of receipts over disbursements	(14,240)	-	(14,191)	7,341	-	168	4,325	(200)	-
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	(14,240)	-	(14,191)	7,341	-	168	4,325	(200)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 7,341	\$ -	\$ 2,564	\$ 5,711	\$ -	\$ -

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	School Technology	Career and Technical Performance Grant	Comm. Foundation Grants	Wellness Grant	Title I, Part A FY 15-16	Title I, Part A FY 16-17	Title I, Part A FY 17-18	Title II, Part A 15-17
Cash and investments - beginning	\$ 8,468	\$ 12,071	\$ -	\$ 728	\$ -	\$ (131,946)	\$ -	\$ -
Receipts:								
Local sources	-	-	-	10,000	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	11,010	15,015	-	-	-	-	-	-
Federal sources	-	-	-	-	-	145,486	200,517	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	11,010	15,015	-	10,000	-	145,486	200,517	-
Disbursements:								
Instruction	-	21,402	-	-	-	494	213,759	-
Support services	10,088	-	-	5,004	-	13,046	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	10,088	21,402	-	5,004	-	13,540	213,759	-
Excess (deficiency) of receipts over disbursements	922	(6,387)	-	4,996	-	131,946	(13,242)	-
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	922	(6,387)	-	4,996	-	131,946	(13,242)	-
Cash and investments - ending	\$ 9,390	\$ 5,684	\$ -	\$ 5,724	\$ -	\$ -	\$ (13,242)	\$ -

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	Title II, Part A 17-19	Title II Part A 17-18	Title III, English Proficiency FY 15-16	Title III, English Proficiency FY 16-17	Title III, English Proficiency FY 17-18	Meal Deposits	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ (3,427)	\$ -	\$ 562	\$ -	\$ 8,816	\$ 4,098	\$ 4,718,086
Receipts:								
Local sources	-	-	-	-	-	-	-	5,400,340
Intermediate sources	-	-	-	-	-	-	-	196
State sources	-	-	-	-	-	-	-	9,211,716
Federal sources	43,763	40,427	-	-	2,524	-	-	439,722
Other receipts	-	-	-	-	-	85,712	2,340,818	2,437,124
Total receipts	43,763	40,427	-	-	2,524	85,712	2,340,818	17,489,098
Disbursements:								
Instruction	-	-	-	291	2,145	-	-	6,754,696
Support services	43,763	37,000	-	271	-	-	-	5,582,970
Noninstructional services	-	-	-	-	-	-	-	704,444
Facilities acquisition and construction	-	-	-	-	-	-	-	724,715
Debt service	-	-	-	-	-	-	-	753,654
Nonprogrammed charges	-	-	-	-	-	85,650	2,342,152	2,430,482
Total disbursements	43,763	37,000	-	562	2,145	85,650	2,342,152	16,950,961
Excess (deficiency) of receipts over disbursements	-	3,427	-	(562)	379	62	(1,334)	538,137
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	1,065
Transfers in	-	-	-	-	-	-	-	1,367,887
Transfers out	-	-	-	-	-	-	-	(1,367,887)
Total other financing sources (uses)	-	-	-	-	-	-	-	1,065
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	3,427	-	(562)	379	62	(1,334)	539,202
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 379	\$ 8,878	\$ 2,764	\$ 5,257,288

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PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2018

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 24,710</u>	<u>\$ -</u>

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF LEASES AND DEBT
 June 30, 2018

Description of Debt		Ending	Principal and
Type	Purpose	Principal	Interest Due
		Balance	Within One
			Year
Governmental activities:			
General obligation bonds	GOB Series 2016	\$ 1,180,000	\$ 802,750
Notes and loans payable	Common School Loans	10,900	10,955
Notes and loans payable	Common School Loans	<u>33,020</u>	<u>22,288</u>
Totals		<u>\$ 1,223,920</u>	<u>\$ 835,993</u>

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2018

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>Ending Balance</u>
Governmental activities:	
Land	\$ 320,000
Buildings	13,241,963
Improvements other than buildings	945,746
Machinery, equipment, and vehicles	5,095,740
Books and other	<u>624,538</u>
Total capital assets	<u>\$ 20,227,987</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

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

Report on Compliance for Each Major Federal Program

We have audited the Prairie Heights Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2016 to June 30, 2018. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2016 to June 30, 2018.

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


Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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


Paul D. Joyce, CPA
State Examiner

March 21, 2019

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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.

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PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2017 and 2018

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
			FY2017	\$ -	\$ 49,181	\$ -	\$ -
			FY2018	-	-	-	45,106
Total - School Breakfast Program				-	49,181	-	45,106
National School Lunch Program	Indiana Department of Education	10.555					
			FY2017	-	272,643	-	-
			FY2018	-	-	-	279,773
School Lunch - Commodities			FY2017	-	76,689	-	-
School Lunch - Commodities			FY2018	-	-	-	72,340
Total - National School Lunch Program				-	349,332	-	352,113
Total - Child Nutrition Cluster				-	398,513	-	397,219
Total - Department of Agriculture				-	398,513	-	397,219
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
			14216-044-PN01	-	52,976	-	-
			14217-044-PN01	-	261,467	-	44,182
			18611-044-PN01	-	-	-	265,812
Total - Special Education Grants to States				-	314,443	-	309,994
Special Education Preschool Grants	Indiana Department of Education	84.173					
			45717-044-PN01	-	7,069	-	-
			18619-044-PN01	-	-	-	6,942
Total - Special Education Preschool Grants				-	7,069	-	6,942
Total - Special Education Cluster (IDEA)				-	321,512	-	316,936
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
			16-4515	-	179,486	-	-
			17-4515	-	191,924	-	145,486
			18-4515	-	-	-	200,517
Total - Title I Grants to Local Educational Agencies				-	371,410	-	346,003
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
			15-4515	-	43,311	-	-
			16-4515	-	-	-	40,427
			17-4515	-	-	-	43,763
Total - Supporting Effective Instruction State Grants				-	43,311	-	84,190
Total - Department of Education				-	736,233	-	747,129
Total federal awards expended				\$ -	\$ 1,134,746	\$ -	\$ 1,144,348

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

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2017 and 2018. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Special Education Cooperative

The School Corporation is a member of the Northeast Indiana Special Education Cooperative (Cooperative) which operates the special education program for the School Corporation. As a result, some activity for the Special Education Cluster (IDEA) that is presented on the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the Cooperative.

PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weakness identified?	no
Significant deficiency identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	no

Identification of Major Programs and type of auditor's report issued on compliance for each:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
84.010	Special Education Cluster (IDEA) Title I Grants to Local Educational Agencies	Unmodified Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

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AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the School Corporation. The document is presented as intended by the School Corporation.



Prairie Heights Community School Corporation

Jeff Reed, Superintendent

0305S 1150E, LaGrange, IN 46761

Phone: (260) 351-3214 or (800) 800-9596

Fax: (260) 351-3614

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-001

Fiscal year in which the finding initially occurred: 2015-16

Contact Person Responsible for Corrective Action: Karen Eagleson (Treasurer)

Contact Phone Number: 260-351-2067

Status of Audit Finding:

1. The CFO includes the commodities information located on the IDOE School and Nutrition website on the annual report.
2. The school district contacts DeKalb County Eastern, the LEA for the NEISEC, to obtain the federal amounts to include on the annual report.
3. The CFO reviews the grant information and includes the amounts on the annual report.

FINDING 2016-002

Fiscal year in which the finding initially occurred: 2015-16

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Karen Eagleson (Treasurer)

Contact Phone Number: 260-351-2067

Status of Audit Finding:

A copy of the Corrective Action Plan from DeKalb County Eastern, the LEA for the NEISEC, states "Payroll records for each individual employee show funding allocation from IDEA part B grant and IDEA Preschool grant. NEISEC Director will print and sign all Semi-Annual Certifications semi-annually."

Karen S. Eagleson
(Signature)

CFO

(Title)

2-19-2019

(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.