

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

AUDIT REPORT

OF

GREENCASTLE COMMUNITY SCHOOL CORPORATION

PUTNAM COUNTY, INDIANA

July 1, 2005 to June 30, 2007



FILED

03/31/2008

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Nancy Marlow	07-01-05 to 06-30-08
Superintendent of Schools	Dr. Robert Green	07-01-05 to 06-30-08
President of the School Board	Jack Berry Michael Dean	07-01-05 to 06-30-07 07-01-07 to 06-30-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE GREENCASTLE COMMUNITY
SCHOOL CORPORATION, PUTNAM COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greencastle Community School Corporation (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2006 and 2007, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated February 14, 2008, 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 and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

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

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

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

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

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

STATE BOARD OF ACCOUNTS

February 14, 2008



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

TO: THE OFFICIALS OF THE GREENCASTLE COMMUNITY
SCHOOL CORPORATION, PUTNAM COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greencastle Community School Corporation (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated February 14, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

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

STATE BOARD OF ACCOUNTS

February 14, 2008

GREENCASTLE COMMUNITY SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2006

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net Disbursement Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 5,823,965	\$ -	\$ 79,772	\$ (5,744,193)
Support services	10,746,956	524,605	295,876	(9,926,475)
Community services	163,591	-	-	(163,591)
Nonprogrammed charges	2,841,922	1,297,084	-	(1,544,838)
Debt service	4,008,668	-	-	(4,008,668)
Total governmental activities	<u>\$ 23,585,102</u>	<u>\$ 1,821,689</u>	<u>\$ 375,648</u>	<u>(21,387,765)</u>
General receipts:				
Property taxes				10,367,490
Other local sources				1,634,914
State aid				6,906,873
Grants and contributions not restricted to specific programs				443,158
Sale of property, adjustments, and refunds				358,832
Investment earnings				65,931
Total general receipts				<u>19,777,198</u>
Change in net assets				(1,610,567)
Net assets - beginning				<u>6,372,812</u>
Net assets - ending				<u>\$ 4,762,245</u>
<u>Assets</u>				
Cash and investments				\$ 3,104,059
Restricted assets:				
Cash and investments				1,655,857
Cash with fiscal agent				2,329
Total assets				<u>\$ 4,762,245</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 1,655,857
Other purposes				2,329
Unrestricted				<u>3,104,059</u>
Total net assets				<u>\$ 4,762,245</u>

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

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net Disbursement Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 6,079,492	\$ -	\$ 64,669	\$ (6,014,823)
Support services	10,725,935	551,387	317,063	(9,857,485)
Community services	149,801	-	-	(149,801)
Nonprogrammed charges	2,168,943	1,355,649	-	(813,294)
Debt service	3,367,041	-	-	(3,367,041)
	<u>\$ 22,491,212</u>	<u>\$ 1,907,036</u>	<u>\$ 381,732</u>	<u>(20,202,444)</u>
General receipts:				
Property taxes				4,847,674
Other local sources				1,208,199
State aid				7,043,341
Bonds and loans				3,000,000
Grants and contributions not restricted to specific programs				501,273
Sale of property, adjustments, and refunds				862,477
Investment earnings				54,625
				<u>17,517,589</u>
Total general receipts				<u>17,517,589</u>
Change in net assets				(2,684,855)
Net assets - beginning				<u>4,762,245</u>
Net assets - ending				<u>\$ 2,077,390</u>
<u>Assets</u>				
Cash and investments				\$ 1,753,375
Restricted assets:				
Cash and investments				56,229
Cash with fiscal agent				267,786
				<u>267,786</u>
Total assets				<u>\$ 2,077,390</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 56,229
Other purposes				267,786
Unrestricted				<u>1,753,375</u>
Total net assets				<u>\$ 2,077,390</u>

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

GREENCASTLE COMMUNITY SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2006

	General	Transportation Operating	Rainy Day Fund	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 5,272,732	\$ 761,100	\$ -	\$ 3,389,233	\$ 2,173,966	\$ 170,001	\$ 824,118	\$ 12,591,150
Intermediate sources	1,129	-	-	-	-	-	657	1,786
State sources	6,972,559	-	-	-	-	-	126,060	7,098,619
Federal sources	-	-	-	-	-	-	627,064	627,064
Sale of property, adjustments and refunds	37,815	11,998	-	-	309,019	-	-	358,832
Total receipts	12,284,235	773,098	-	3,389,233	2,482,985	170,001	1,577,899	20,677,451
Disbursements:								
Current:								
Instruction	5,449,164	-	-	-	-	-	374,801	5,823,965
Support services	5,323,779	731,885	1,435,667	-	2,136,865	225,318	893,442	10,746,956
Community services	162,591	-	-	-	-	-	1,000	163,591
Nonprogrammed charges	1,174,049	-	-	-	-	-	81,958	1,256,007
Debt services	862,236	-	-	2,875,421	-	-	271,011	4,008,668
Total disbursements	12,971,819	731,885	1,435,667	2,875,421	2,136,865	225,318	1,622,212	21,999,187
Excess (deficiency) of receipts over disbursements	(687,584)	41,213	(1,435,667)	513,812	346,120	(55,317)	(44,313)	(1,321,736)
Other financing sources (uses):								
Transfers in	118,000	-	724,000	-	-	-	253,235	1,095,235
Transfers out	(65,526)	(9,708)	-	(448,489)	(503,205)	(2,972)	(65,335)	(1,095,235)
Total other financing sources (uses)	52,474	(9,708)	724,000	(448,489)	(503,205)	(2,972)	187,900	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(635,110)	31,505	(711,667)	65,323	(157,085)	(58,289)	143,587	(1,321,736)
Cash and investments - beginning	1,787,464	331,161	1,368,850	1,455,120	450,550	196,225	492,282	6,081,652
Cash and investments - ending	\$ 1,152,354	\$ 362,666	\$ 657,183	\$ 1,520,443	\$ 293,465	\$ 137,936	\$ 635,869	4,759,916
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:								
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.								
								2,329
Net assets of governmental activities								\$ 4,762,245
Cash and Investment Assets - Ending								
Cash and investments	\$ 1,152,354	\$ 362,666	\$ 657,183	\$ -	\$ 293,465	\$ 137,936	\$ 500,455	\$ 3,104,059
Restricted assets:								
Cash and investments	-	-	-	1,520,443	-	-	135,414	1,655,857
Total cash and investment assets - ending	\$ 1,152,354	\$ 362,666	\$ 657,183	\$ 1,520,443	\$ 293,465	\$ 137,936	\$ 635,869	\$ 4,759,916
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 1,520,443	\$ -	\$ -	\$ 135,414	\$ 1,655,857
Unrestricted	1,152,354	362,666	657,183	-	293,465	137,936	500,455	3,104,059
Total cash and investment fund balance - ending	\$ 1,152,354	\$ 362,666	\$ 657,183	\$ 1,520,443	\$ 293,465	\$ 137,936	\$ 635,869	\$ 4,759,916

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

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

	General	Transportation Operating	Rainy Day Fund	Debt Service	Capital Projects	School Bus Replacement	Construction	Other	Totals
Receipts:									
Local sources	\$ 2,755,606	\$ 399,783	\$ -	\$ 1,582,956	\$ 1,146,203	\$ 60,787	\$ 249	\$ 715,460	\$ 6,661,044
Intermediate sources	-	-	-	-	-	-	-	844	844
State sources	7,096,810	-	-	-	-	-	-	219,795	7,316,605
Federal sources	-	-	-	-	-	-	-	609,738	609,738
Bonds and loans	3,000,000	-	-	-	-	-	-	-	3,000,000
Sale of property, adjustments and refunds	177,263	146	-	-	175,068	-	510,000	-	862,477
Total receipts	13,029,679	399,929	-	1,582,956	1,321,271	60,787	510,249	1,545,837	18,450,708
Disbursements:									
Current:									
Instruction	5,625,557	-	-	-	-	-	-	453,935	6,079,492
Support services	5,906,013	795,505	164,181	-	2,679,416	317,095	35,359	828,366	10,725,935
Community services	149,801	-	-	-	-	-	-	-	149,801
Nonprogrammed charges	992,006	-	-	-	-	-	-	86,745	1,078,751
Debt services	-	-	-	3,100,771	-	-	-	266,270	3,367,041
Total disbursements	12,673,377	795,505	164,181	3,100,771	2,679,416	317,095	35,359	1,635,316	21,401,020
Excess (deficiency) of receipts over disbursements	356,302	(395,576)	(164,181)	(1,517,815)	(1,358,145)	(256,308)	474,890	(89,479)	(2,950,312)
Other financing sources (uses):									
Transfers in	65,526	9,708	-	48,489	28,205	2,972	-	4,127	159,027
Transfers out	-	-	-	-	-	-	-	(159,027)	(159,027)
Total other financing sources (uses)	65,526	9,708	-	48,489	28,205	2,972	-	(154,900)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	421,828	(385,868)	(164,181)	(1,469,326)	(1,329,940)	(253,336)	474,890	(244,379)	(2,950,312)
Cash and investments - beginning	1,152,354	362,666	657,183	1,520,443	293,465	137,936	-	635,869	4,759,916
Cash and investments - ending	\$ 1,574,182	\$ (23,202)	\$ 493,002	\$ 51,117	\$ (1,036,475)	\$ (115,400)	\$ 474,890	\$ 391,490	1,809,604
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:									
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.									
									267,786
Net assets of governmental activities									\$ 2,077,390
Cash and Investment Assets - Ending									
Cash and investments	\$ 1,574,182	\$ (23,202)	\$ 493,002	\$ -	\$ (1,036,475)	\$ (115,400)	\$ 474,890	\$ 386,378	\$ 1,753,375
Restricted assets:									
Cash and investments	-	-	-	51,117	-	-	-	5,112	56,229
Total cash and investment assets - ending	\$ 1,574,182	\$ (23,202)	\$ 493,002	\$ 51,117	\$ (1,036,475)	\$ (115,400)	\$ 474,890	\$ 391,490	\$ 1,809,604
Cash and Investment Fund Balance - Ending									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ 51,117	\$ -	\$ -	\$ -	\$ 5,112	\$ 56,229
Unrestricted	1,574,182	(23,202)	493,002	-	(1,036,475)	(115,400)	474,890	386,378	1,753,375
Total cash and investment fund balance - ending	\$ 1,574,182	\$ (23,202)	\$ 493,002	\$ 51,117	\$ (1,036,475)	\$ (115,400)	\$ 474,890	\$ 391,490	\$ 1,809,604

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

GREENCASTLE COMMUNITY SCHOOL CORPORATION
 STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
 AND CHANGES IN FUND BALANCES - CASH AND INVESTMENTS BASIS
 PROPRIETARY FUND
 For the Year Ended June 30, 2006

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 1,297,084
Operating disbursements:	
Insurance claims and expense	1,585,915
Change in net assets	(288,831)
Cash and investment fund balance - beginning	291,160
Cash and investment fund balance - ending	\$ 2,329
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash with fiscal agent	\$ 2,329
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 2,329

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

GREENCASTLE COMMUNITY SCHOOL CORPORATION
 STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
 AND CHANGES IN FUND BALANCES - CASH AND INVESTMENTS BASIS
 PROPRIETARY FUND
 For the Year Ended June 30, 2007

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 1,355,649
Operating disbursements:	
Insurance claims and expense	1,090,192
Change in net assets	265,457
Cash and investment fund balance - beginning	2,329
Cash and investment fund balance - ending	\$ 267,786
 <u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash with fiscal agent	\$ 267,786
 <u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 267,786

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

GREENCASTLE COMMUNITY SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2006

	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:		
Contributions:		
Other	\$ <u>26,671</u>	
Deductions:		
Administrative and general	<u>25,853</u>	
Excess of total additions over total deductions	818	
Cash and investment fund balance - beginning	<u>43,806</u>	
Cash and investment fund balance - ending	<u><u>\$ 44,624</u></u>	
Net assets:		
Cash and investments	<u>\$ 44,624</u>	<u>\$ 171,285</u>
Total net assets - cash and investment basis held in trust	<u><u>\$ 44,624</u></u>	<u><u>\$ 171,285</u></u>

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

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

	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:		
Contributions:		
Other	\$ <u>21,616</u>	
Deductions:		
Administrative and general	<u>27,560</u>	
Deficiency of total additions over total deductions	(5,944)	
Cash and investment fund balance - beginning	<u>44,624</u>	
Cash and investment fund balance - ending	<u>\$ 38,680</u>	
Net assets:		
Cash and investments	<u>\$ 38,680</u>	<u>\$ 176,225</u>
Total net assets - cash and investment basis held in trust	<u>\$ 38,680</u>	<u>\$ 176,225</u>

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

GREENCASTLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: Greencastle Community School Corporation

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

Joint Venture

The School Corporation is a participant with Cloverdale Community School Corporation, Eminence Consolidated School Corporation, North Putnam Community School Corporation, Mill Creek Community School Corporation, and South Putnam Community School Corporation in a joint venture to operate the Old National Trail Special Education Cooperative which was created to provide instruction for handicapped children. The School Corporation is obligated by contract to remit annually an amount depending upon the number of its participating students to supplement the Old National Trail Special Education Cooperative. Complete financial statements for the Old National Trail Special Education Cooperative can be obtained from the Old National Trail Special Education Cooperative at 522 Anderson Street, Greencastle IN 46135.

The School Corporation is a participant with Cloverdale Community School Corporation, Eminence Consolidated School Corporation, North Putnam Community School Corporation, Spencer-Owen Community School Corporation and South Putnam Community School Corporation in a joint venture to operate the Area 30 Career Center which was created to provide vocational instruction for students. The School Corporation is obligated by contract to remit annually an amount depending upon the number of its participating students to supplement the Area 30 Career Center. Complete financial statements for the Area 30 Career Center can be obtained from the Area 30 Career Center at 1 North Calbert Way, Suite A, Greencastle IN 46135.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statements of Activities and Net Assets – Cash and Investment Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

GREENCASTLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

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

The School Corporation reports the following major governmental funds:

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

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

The rainy day fund accounts for unused and unencumbered funds and other funding sources not prohibited by law and may be expended for purposes established by the School Corporation. The rainy day fund is subject to the same appropriation process as other funds that receive tax money.

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

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

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

The construction fund is used to account for capital outlay disbursements made from receipts derived from the sale of general obligation bonds or from other outside sources.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for the receipts and disbursements of the self-insurance fund.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the general fund.

Agency funds serve as a control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

GREENCASTLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

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

GREENCASTLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Compensated Absences

a. Sick Leave

Employees earn sick leave at the rate of 7 days to 10 days per year. Unused sick leave may be accumulated to a maximum of 70 days for certified staff and 150 days for non-certified staff. Accumulated sick leave is paid to certified staff through cash payments to the employee's 401(a) retirement plan account for sick days accumulated over 70 days.

b. Vacation Leave

Nonteaching or administrative and noncertified School Corporation employees earn vacation leave at rates from 5 days to 20 days per year based upon the number of years of service. Vacation leave does not accumulate from year to year.

c. Personal Leave

School Corporation employees earn personal leave at the rate of 4 days per year. Personal leave does not accumulate from year to year.

4. Capital Assets

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

5. Long-Term Debt

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

6. Equity Classification

Government-Wide Statements

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

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

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

GREENCASTLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds and the similar discretely presented component unit result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

Government-Wide Financial Statements

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

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

GREENCASTLE COMMUNITY SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. Cash and Investment Balance Deficits

At June 30, 2006 and 2007, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	June 30, 2007
Transportation	\$ (23,202)
Capital Projects	(1,036,475)
School Bus Replacement	(115,400)
Safe-Haven Grant	(4,960)
Title I 2006-2007	(2,191)

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a

GREENCASTLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13.

Investment Policies

Indiana Code 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the School Corporation to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The School Corporation does not have a formal investment policy for custodial credit risk for investments.

GREENCASTLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School Corporation must follow state statute and limit the stated final maturities of the investments to no more than two years.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School Corporation does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

Foreign Currency Risk

The School Corporation does not have a formal policy in regards to foreign currency risk.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2006 and 2007 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2005-2006</u>	<u>2006-2007</u>
General Fund	All others	\$ 65,526	\$ -
Transportation Operating Fund	All others	9,708	-
Debt Service Fund	Rainy Day Fund	400,000	-
	All others	48,489	-
Capital Projects Fund	General Fund	118,000	-
	Rainy Day Fund	324,000	-
	Other governmental	33,000	-
	All others	28,205	-
School Bus Replacement Fund	All others	2,972	-
Other governmental	Other governmental	61,208	-
	All others	4,127	-
All others	General Fund	-	65,526
	Transportation Operating Fund	-	9,708
	Debt Service Fund	-	48,489
	Capital Projects Fund	-	28,205
	School Bus Replacement Fund	-	2,972
	Other governmental	-	4,127
Totals		<u>\$ 1,095,235</u>	<u>\$ 159,027</u>

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

GREENCASTLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

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

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

Medical Benefits to Employees

The School Corporation has chosen to establish a risk financing fund for risks associated with medical benefits to employees. The risk financing fund is accounted for in the Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$100,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all funds with payroll transactions and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each fund's payroll and are reported as quasi-external interfund transactions.

B. Holding Corporations

The School Corporation has entered into a capital lease with the Greencastle Middle School Building Corporation, the Greencastle Northeast Elementary School Building Corporation, the Greencastle Multi-School Building Corporation, and the Greencastle High School Building Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be a related party of the School Corporation. Lease payments during the 2005-2006 year and the 2006-2007 year totaled \$2,791,500 and \$3,060,500, respectively.

C. Subsequent Events

The School Corporation has entered into a capital lease on December 19, 2007, with Oce North America, Inc., for the lease of new copy machines. The lease requires monthly lease payments of \$15,911 for 36 months at an annual rate of interest of 7.86%.

D. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health benefits, as authorized by Indiana Code 5-10-8, to teachers employed or on an approved leave of absence in the 2003-2004 school year who will be eligible for Teachers' Retirement Fund (TRF) unreduced retirement benefits on or before June 30, 2018. The School Corporation has established a voluntary employees' beneficiary association (VEBA) trust account.

GREENCASTLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

The School Corporation agrees to deposit into that VEBA account an amount determined by the present value of each eligible teacher's supplemental medical insurance premium as of June 30, 2003, using a 5% discount rate and the average retirement age of teachers of 59 and a maximum of \$6,800 as the value of the annual benefit. All teachers who retire from the School Corporation on or after attaining age 55 and the earlier of (a) age 55 plus TRF service equal to 85, (b) age 60 plus 15 years of TRF service, or (c) age 65 plus 10 years of TRF service are eligible to participate. Currently, 29 retirees meet these eligibility requirements. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2007, disbursements of \$153,114 were recognized for postemployment benefits.

E. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

GREENCASTLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 100,667
Interest on net pension obligation	(11,049)
Adjustment to annual required contribution	12,591
Annual pension cost	102,209
Contributions made	104,929
Decrease in net pension obligation	(2,720)
Net pension obligation, beginning of year	(152,403)
Net pension obligation, end of year	\$ (155,123)
Contribution rates:	
School Corporation	5.63%
Plan members	3%
Actuarial valuation date	07-01-06
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 70,061	156%	\$ (129,898)
	06-30-05	86,202	126%	(152,403)
	06-30-06	102,209	122%	(155,123)

GREENCASTLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' Retirement Fund (TRF), a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (Indiana Code 5-10.2) governs, through the TRF 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 member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

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

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

Funding Policy and Annual Pension Costs

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

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2005, 2006, and 2007, were \$181,429, \$201,129, and \$215,153, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

GREENCASTLE COMMUNITY SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 1,639,054	\$ 1,694,455	\$ (55,401)	97%	\$ 1,690,651	(3%)
07-01-05	1,725,463	1,894,697	(169,234)	91%	1,754,699	(10%)
07-01-06	1,728,069	1,936,000	(207,931)	89%	1,882,662	(11%)

GREENCASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006

	Special Education Pre-School Fund	School Lunch Fund	Textbook Rental Fund	Levy Excess Fund	Education License Plates	Safe-Haven Grant	Early Intervention Grant
Receipts:							
Local sources	\$ 18,630	\$ 407,456	\$ 88,137	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	657	-	-
State sources	53,042	9,741	23,167	-	-	4,027	1,500
Federal sources	-	262,968	-	-	-	-	-
Total receipts	<u>71,672</u>	<u>680,165</u>	<u>111,304</u>	<u>-</u>	<u>657</u>	<u>4,027</u>	<u>1,500</u>
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	-	665,827	160,825	-	-	5,298	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	81,958	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	<u>81,958</u>	<u>665,827</u>	<u>160,825</u>	<u>-</u>	<u>-</u>	<u>5,298</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(10,286)</u>	<u>14,338</u>	<u>(49,521)</u>	<u>-</u>	<u>657</u>	<u>(1,271)</u>	<u>1,500</u>
Other financing sources (uses):							
Transfers in	-	-	61,000	159,027	-	-	-
Transfers out	<u>(28,248)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(28,248)</u>	<u>-</u>	<u>61,000</u>	<u>159,027</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(38,534)</u>	<u>14,338</u>	<u>11,479</u>	<u>159,027</u>	<u>657</u>	<u>(1,271)</u>	<u>1,500</u>
Cash and investments - beginning	<u>131,558</u>	<u>55,549</u>	<u>14,915</u>	<u>-</u>	<u>2,656</u>	<u>2,724</u>	<u>-</u>
Cash and investments - ending	<u>\$ 93,024</u>	<u>\$ 69,887</u>	<u>\$ 26,394</u>	<u>\$ 159,027</u>	<u>\$ 3,313</u>	<u>\$ 1,453</u>	<u>\$ 1,500</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 93,024	\$ 69,887	\$ 26,394	\$ 159,027	\$ 3,313	\$ 1,453	\$ 1,500
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 93,024</u>	<u>\$ 69,887</u>	<u>\$ 26,394</u>	<u>\$ 159,027</u>	<u>\$ 3,313</u>	<u>\$ 1,453</u>	<u>\$ 1,500</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>93,024</u>	<u>69,887</u>	<u>26,394</u>	<u>159,027</u>	<u>3,313</u>	<u>1,453</u>	<u>1,500</u>
Total cash and investment fund balance - ending	<u>\$ 93,024</u>	<u>\$ 69,887</u>	<u>\$ 26,394</u>	<u>\$ 159,027</u>	<u>\$ 3,313</u>	<u>\$ 1,453</u>	<u>\$ 1,500</u>

GREENCASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	College Connection Grant	Donation Fund	Alpha Phi Supply Donations	Area Safe-Haven Grant	K12 Bridge Grant	Ridpath Teacher of The Year	Tech Prep Staff Development
Receipts:							
Local sources	\$ 2,700	\$ -	\$ -	\$ 4,795	\$ 1,200	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Total receipts	<u>2,700</u>	<u>-</u>	<u>-</u>	<u>4,795</u>	<u>1,200</u>	<u>-</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	2,700	1,119	-	-	-	-	22
Support services	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	<u>2,700</u>	<u>1,119</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(1,119)</u>	<u>-</u>	<u>4,795</u>	<u>1,200</u>	<u>-</u>	<u>(22)</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>(1,119)</u>	<u>-</u>	<u>4,795</u>	<u>1,200</u>	<u>-</u>	<u>(22)</u>
Cash and investments - beginning	<u>-</u>	<u>1,125</u>	<u>507</u>	<u>-</u>	<u>-</u>	<u>434</u>	<u>129</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 507</u>	<u>\$ 4,795</u>	<u>\$ 1,200</u>	<u>\$ 434</u>	<u>\$ 107</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 6	\$ 507	\$ 4,795	\$ 1,200	\$ 434	\$ 107
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 507</u>	<u>\$ 4,795</u>	<u>\$ 1,200</u>	<u>\$ 434</u>	<u>\$ 107</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>-</u>	<u>6</u>	<u>507</u>	<u>4,795</u>	<u>1,200</u>	<u>434</u>	<u>107</u>
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 507</u>	<u>\$ 4,795</u>	<u>\$ 1,200</u>	<u>\$ 434</u>	<u>\$ 107</u>

GREENCASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Gifted and Talented 2004-2005	Gifted and Talented 2005-2006	Drug-Testing Fund	Technology Grants- Buddy System	School Technology Fund	Technology Grants- Buddy System	Coordinated School Health
Receipts:							
Local sources	\$ -	\$ -	\$ 10,877	\$ 495	\$ 13,000	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	13,779	-	307	-	-	-
Federal sources	-	-	-	-	-	-	-
Total receipts	-	13,779	10,877	802	13,000	-	-
Disbursements:							
Current:							
Instruction	(887)	13,745	3,930	35	-	-	-
Support services	197	519	-	-	804	-	98
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	(690)	14,264	3,930	35	804	-	98
Excess (deficiency) of receipts over disbursements	690	(485)	6,947	767	12,196	-	(98)
Other financing sources (uses):							
Transfers in	-	2,313	-	-	-	-	-
Transfers out	(2,313)	-	-	-	-	-	-
Total other financing sources (uses)	(2,313)	2,313	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,623)	1,828	6,947	767	12,196	-	(98)
Cash and investments - beginning	1,623	-	1,852	-	1,368	2	274
Cash and investments - ending	\$ -	\$ 1,828	\$ 8,799	\$ 767	\$ 13,564	\$ 2	\$ 176
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 1,828	\$ 8,799	\$ 767	\$ 13,564	\$ 2	\$ 176
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 1,828	\$ 8,799	\$ 767	\$ 13,564	\$ 2	\$ 176
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	1,828	8,799	767	13,564	2	176
Total cash and investment fund balance - ending	\$ -	\$ 1,828	\$ 8,799	\$ 767	\$ 13,564	\$ 2	\$ 176

GREENCASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Title I Part D 2005-2006	Title I 2005-2006	Title I 2004-2005	Title I Part D 2004-2005	Title V Part A	Title V Part A 2005-2006
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	43,400	185,365	20,626	9,173	-	6,507
Total receipts	43,400	185,365	20,626	9,173	-	6,507
Disbursements:						
Current:						
Instruction	43,400	149,451	45,429	9,173	-	-
Support services	-	30,345	8,287	-	-	8,550
Community services	-	-	1,000	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	43,400	179,796	54,716	9,173	-	8,550
Excess (deficiency) of receipts over disbursements	-	5,569	(34,090)	-	-	(2,043)
Other financing sources (uses):						
Transfers in	-	30,895	-	-	-	-
Transfers out	-	-	(30,895)	-	-	-
Total other financing sources (uses)	-	30,895	(30,895)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	36,464	(64,985)	-	-	(2,043)
Cash and investments - beginning	-	-	64,985	-	20	2,043
Cash and investments - ending	<u>\$ -</u>	<u>\$ 36,464</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 36,464	\$ -	\$ -	\$ 20	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 36,464</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	36,464	-	-	20	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 36,464</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ -</u>

GREENCASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Title V Part A 2004-2005	Homeless Assistance Grant	Homeless Grant	Drug Free Schools 2005-2006	Drug Free Schools 2004-2005	Drug Free Schools 2003-2004
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	20,497	-	-	-
Federal sources	-	-	-	9,025	5,000	-
Total receipts	-	-	20,497	9,025	5,000	-
Disbursements:						
Current:						
Instruction	-	-	18,000	-	-	-
Support services	637	-	-	55	2,647	5,885
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	637	-	18,000	55	2,647	5,885
Excess (deficiency) of receipts over disbursements	(637)	-	2,497	8,970	2,353	(5,885)
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	(637)	-	2,497	8,970	2,353	(5,885)
Cash and investments - beginning	1,972	18,100	18,000	-	4,785	5,885
Cash and investments - ending	<u>\$ 1,335</u>	<u>\$ 18,100</u>	<u>\$ 20,497</u>	<u>\$ 8,970</u>	<u>\$ 7,138</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,335	\$ 18,100	\$ 20,497	\$ 8,970	\$ 7,138	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,335</u>	<u>\$ 18,100</u>	<u>\$ 20,497</u>	<u>\$ 8,970</u>	<u>\$ 7,138</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,335	18,100	20,497	8,970	7,138	-
Total cash and investment fund balance - ending	<u>\$ 1,335</u>	<u>\$ 18,100</u>	<u>\$ 20,497</u>	<u>\$ 8,970</u>	<u>\$ 7,138</u>	<u>\$ -</u>

GREENCASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Insurance Reimbursement Fund	Team Nutrition Grant	Title II Part A	Title II Part D Technology	Retirement/ Severance Bond Fund	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 276,828	\$ 824,118
Intermediate sources	-	-	-	-	-	657
State sources	-	-	-	-	-	126,060
Federal sources	-	500	79,982	4,518	-	627,064
Total receipts	-	500	79,982	4,518	276,828	1,577,899
Disbursements:						
Current:						
Instruction	-	-	84,647	4,037	-	374,801
Support services	-	425	3,043	-	-	893,442
Community services	-	-	-	-	-	1,000
Nonprogrammed charges	-	-	-	-	-	81,958
Debt services	-	-	-	-	271,011	271,011
Total disbursements	-	425	87,690	4,037	271,011	1,622,212
Excess (deficiency) of receipts over disbursements	-	75	(7,708)	481	5,817	(44,313)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	253,235
Transfers out	-	-	-	-	(3,879)	(65,335)
Total other financing sources (uses)	-	-	-	-	(3,879)	187,900
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	75	(7,708)	481	1,938	143,587
Cash and investments - beginning	776	-	25,563	1,961	133,476	492,282
Cash and investments - ending	<u>776</u>	<u>75</u>	<u>17,855</u>	<u>2,442</u>	<u>135,414</u>	<u>635,869</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 776	\$ 75	\$ 17,855	\$ 2,442	\$ -	\$ 500,455
Restricted assets:						
Cash and investments	-	-	-	-	135,414	135,414
Total cash and investment assets - ending	<u>\$ 776</u>	<u>\$ 75</u>	<u>\$ 17,855</u>	<u>\$ 2,442</u>	<u>\$ 135,414</u>	<u>\$ 635,869</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 135,414	\$ 135,414
Unrestricted	776	75	17,855	2,442	-	500,455
Total cash and investment fund balance - ending	<u>\$ 776</u>	<u>\$ 75</u>	<u>\$ 17,855</u>	<u>\$ 2,442</u>	<u>\$ 135,414</u>	<u>\$ 635,869</u>

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

	Special Education Pre-School Fund	School Lunch Fund	Textbook Rental Fund	Levy Excess Fund	Education License Plates	Safe-Haven Grant	Early Intervention Grant
Receipts:							
Local sources	\$ 9,329	\$ 434,747	\$ 100,795	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	844	-	-
State sources	48,274	10,686	20,288	-	-	-	-
Federal sources	-	283,652	-	-	-	-	-
Total receipts	57,603	729,085	121,083	-	844	-	-
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	1,500
Support services	-	694,571	78,449	-	-	6,413	-
Nonprogrammed charges	83,301	-	-	-	3,444	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	83,301	694,571	78,449	-	3,444	6,413	1,500
Excess (deficiency) of receipts over disbursements	(25,698)	34,514	42,634	-	(2,600)	(6,413)	(1,500)
Other financing sources (uses):							
Transfers in	248	-	-	-	-	-	-
Transfers out	-	-	-	(159,027)	-	-	-
Total other financing sources (uses)	248	-	-	(159,027)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(25,450)	34,514	42,634	(159,027)	(2,600)	(6,413)	(1,500)
Cash and investments - beginning	93,024	69,887	26,394	159,027	3,313	1,453	1,500
Cash and investments - ending	<u>\$ 67,574</u>	<u>\$ 104,401</u>	<u>\$ 69,028</u>	<u>\$ -</u>	<u>\$ 713</u>	<u>\$ (4,960)</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 67,574	\$ 104,401	\$ 69,028	\$ -	\$ 713	\$ (4,960)	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 67,574</u>	<u>\$ 104,401</u>	<u>\$ 69,028</u>	<u>\$ -</u>	<u>\$ 713</u>	<u>\$ (4,960)</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	67,574	104,401	69,028	-	713	(4,960)	-
Total cash and investment fund balance - ending	<u>\$ 67,574</u>	<u>\$ 104,401</u>	<u>\$ 69,028</u>	<u>\$ -</u>	<u>\$ 713</u>	<u>\$ (4,960)</u>	<u>\$ -</u>

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

	Donation Fund	Alpha Phi Supply Donations	Area Safe-Haven Grant	K12 Bridge Grant	Ridpath Teacher of The Year	Tech Prep Staff Development	Gifted and Talented 2006-2007
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	13,778
Federal sources	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	13,778
Disbursements:							
Current:							
Instruction	-	-	-	-	434	15	12,185
Support services	-	-	-	-	-	-	705
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	434	15	12,890
Excess (deficiency) of receipts over disbursements	-	-	-	-	(434)	(15)	888
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	-	-	-	-	(434)	(15)	888
Cash and investments - beginning	6	507	4,795	1,200	434	107	-
Cash and investments - ending	<u>\$ 6</u>	<u>\$ 507</u>	<u>\$ 4,795</u>	<u>\$ 1,200</u>	<u>\$ -</u>	<u>\$ 92</u>	<u>\$ 888</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 6	\$ 507	\$ 4,795	\$ 1,200	\$ -	\$ 92	\$ 888
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 6</u>	<u>\$ 507</u>	<u>\$ 4,795</u>	<u>\$ 1,200</u>	<u>\$ -</u>	<u>\$ 92</u>	<u>\$ 888</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	6	507	4,795	1,200	-	92	888
Total cash and investment fund balance - ending	<u>\$ 6</u>	<u>\$ 507</u>	<u>\$ 4,795</u>	<u>\$ 1,200</u>	<u>\$ -</u>	<u>\$ 92</u>	<u>\$ 888</u>

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

	Gifted and Talented 2005-2006	Drug-Testing Fund	Technology Grants- Buddy System	School Technology Fund	Technology Grants- Buddy System	In Access Fund	Coordinated School Health
Receipts:							
Local sources	\$ -	\$ 11,000	\$ -	\$ 27,500	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	156	-	-	106,116	-
Federal sources	-	-	-	-	-	-	-
Total receipts	-	11,000	156	27,500	-	106,116	-
Disbursements:							
Current:							
Instruction	1,863	3,026	923	-	2	104,785	-
Support services	(35)	-	-	17,507	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	1,828	3,026	923	17,507	2	104,785	-
Excess (deficiency) of receipts over disbursements	(1,828)	7,974	(767)	9,993	(2)	1,331	-
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	(1,828)	7,974	(767)	9,993	(2)	1,331	-
Cash and investments - beginning	1,828	8,799	767	13,564	2	-	176
Cash and investments - ending	\$ -	\$ 16,773	\$ -	\$ 23,557	\$ -	\$ 1,331	\$ 176
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 16,773	\$ -	\$ 23,557	\$ -	\$ 1,331	\$ 176
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 16,773	\$ -	\$ 23,557	\$ -	\$ 1,331	\$ 176
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	16,773	-	23,557	-	1,331	176
Total cash and investment fund balance - ending	\$ -	\$ 16,773	\$ -	\$ 23,557	\$ -	\$ 1,331	\$ 176

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

	Title I Part D 2005-2006	Title I 2005-2006	Title I 2006-2007	Title I Part D 2006-2007	Title V Part A	Title V 2006-2007
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	14,487	16,801	145,157	60,082	-	3,151
Total receipts	<u>14,487</u>	<u>16,801</u>	<u>145,157</u>	<u>60,082</u>	<u>-</u>	<u>3,151</u>
Disbursements:						
Current:						
Instruction	14,467	36,961	147,348	45,062	20	-
Support services	-	16,304	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>14,467</u>	<u>53,265</u>	<u>147,348</u>	<u>45,062</u>	<u>20</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>20</u>	<u>(36,464)</u>	<u>(2,191)</u>	<u>15,020</u>	<u>(20)</u>	<u>3,151</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>20</u>	<u>(36,464)</u>	<u>(2,191)</u>	<u>15,020</u>	<u>(20)</u>	<u>3,151</u>
Cash and investments - beginning	<u>-</u>	<u>36,464</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>-</u>
Cash and investments - ending	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ (2,191)</u>	<u>\$ 15,020</u>	<u>\$ -</u>	<u>\$ 3,151</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 20	\$ -	\$ (2,191)	\$ 15,020	\$ -	\$ 3,151
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ (2,191)</u>	<u>\$ 15,020</u>	<u>\$ -</u>	<u>\$ 3,151</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>20</u>	<u>-</u>	<u>(2,191)</u>	<u>15,020</u>	<u>-</u>	<u>3,151</u>
Total cash and investment fund balance - ending	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ (2,191)</u>	<u>\$ 15,020</u>	<u>\$ -</u>	<u>\$ 3,151</u>

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

	Title V Part A 2004-2005	Homeless Assistance Grant	Homeless Grant	Drug Free Schools 2005-2006	Drug Free Schools 2004-2005	Drug Free Schools 2006-2007
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	20,497	-	-	-	-
Federal sources	-	-	-	-	-	6,556
Total receipts	-	20,497	-	-	-	6,556
Disbursements:						
Current:						
Instruction	-	17,275	32	-	-	-
Support services	1,335	825	-	2,876	7,138	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	1,335	18,100	32	2,876	7,138	-
Excess (deficiency) of receipts over disbursements	(1,335)	2,397	(32)	(2,876)	(7,138)	6,556
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	(1,335)	2,397	(32)	(2,876)	(7,138)	6,556
Cash and investments - beginning	1,335	18,100	20,497	8,970	7,138	-
Cash and investments - ending	\$ -	\$ 20,497	\$ 20,465	\$ 6,094	\$ -	\$ 6,556
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 20,497	\$ 20,465	\$ 6,094	\$ -	\$ 6,556
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 20,497	\$ 20,465	\$ 6,094	\$ -	\$ 6,556
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	20,497	20,465	6,094	-	6,556
Total cash and investment fund balance - ending	\$ -	\$ 20,497	\$ 20,465	\$ 6,094	\$ -	\$ 6,556

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

	Insurance Reimbursement Fund	Team Nutrition Grant	Title II Part A	Title II Part D Technology	Retirement/ Severance Bond Fund	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 132,089	\$ 715,460
Intermediate sources	-	-	-	-	-	844
State sources	-	-	-	-	-	219,795
Federal sources	-	-	79,852	-	-	609,738
Total receipts	-	-	79,852	-	132,089	1,545,837
Disbursements:						
Current:						
Instruction	-	-	68,495	(458)	-	453,935
Support services	-	19	2,259	-	-	828,366
Nonprogrammed charges	-	-	-	-	-	86,745
Debt services	-	-	-	-	266,270	266,270
Total disbursements	-	19	70,754	(458)	266,270	1,635,316
Excess (deficiency) of receipts over disbursements	-	(19)	9,098	458	(134,181)	(89,479)
Other financing sources (uses):						
Transfers in	-	-	-	-	3,879	4,127
Transfers out	-	-	-	-	-	(159,027)
Total other financing sources (uses)	-	-	-	-	3,879	(154,900)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(19)	9,098	458	(130,302)	(244,379)
Cash and investments - beginning	776	75	17,855	2,442	135,414	635,869
Cash and investments - ending	<u>776</u>	<u>56</u>	<u>26,953</u>	<u>2,900</u>	<u>5,112</u>	<u>391,490</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 776	\$ 56	\$ 26,953	\$ 2,900	\$ -	\$ 386,378
Restricted assets:						
Cash and investments	-	-	-	-	5,112	5,112
Total cash and investment assets - ending	<u>\$ 776</u>	<u>\$ 56</u>	<u>\$ 26,953</u>	<u>\$ 2,900</u>	<u>\$ 5,112</u>	<u>\$ 391,490</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 5,112	\$ 5,112
Unrestricted	776	56	26,953	2,900	-	386,378
Total cash and investment fund balance - ending	<u>\$ 776</u>	<u>\$ 56</u>	<u>\$ 26,953</u>	<u>\$ 2,900</u>	<u>\$ 5,112</u>	<u>\$ 391,490</u>

GREENCASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2006

	Deer Meadow PTO Fund	Tzouanakis PTO Fund	Team Nutrition Mini-Grant	Peace Initiative Coordinator	Elementary Tutoring	Ridpath PTO Fund
Additions:						
Contributions:						
Other	\$ 2,815	\$ 3,000	\$ -	\$ -	\$ 2,403	\$ 2,100
Deductions:						
Administrative and general	2,166	2,091	1,109	-	-	1,927
Excess (deficiency) of total additions over total deductions	649	909	(1,109)	-	2,403	173
Cash and investment fund balance - beginning	3,801	551	1,109	868	317	8,811
Cash and investments - June 30	<u>\$ 4,450</u>	<u>\$ 1,460</u>	<u>\$ -</u>	<u>\$ 868</u>	<u>\$ 2,720</u>	<u>\$ 8,984</u>
Net assets:						
Cash and investments	\$ 4,450	\$ 1,460	\$ -	\$ 868	\$ 2,720	\$ 8,984
Total net assets - cash and investment basis held in trust	<u>\$ 4,450</u>	<u>\$ 1,460</u>	<u>\$ -</u>	<u>\$ 868</u>	<u>\$ 2,720</u>	<u>\$ 8,984</u>

GREENCASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	<u>Ridpath Library Fund</u>	<u>Mini-Grant Wilson</u>	<u>Anthem Grant- Weatherford</u>	<u>Liston Memorial Library Fund</u>	<u>Elementary Dental Program</u>	<u>Tzouanakis Library Grant</u>
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ -	\$ -	\$ 560	\$ -
Deductions:						
Administrative and general	-	-	53	4	520	-
Excess (deficiency) of total additions over total deductions	-	-	(53)	(4)	40	-
Cash and investment fund balance - beginning	<u>187</u>	<u>200</u>	<u>53</u>	<u>4</u>	<u>213</u>	<u>2</u>
Cash and investments - June 30	<u>\$ 187</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 253</u>	<u>\$ 2</u>
Net assets:						
Cash and investments	<u>\$ 187</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 253</u>	<u>\$ 2</u>
Total net assets - cash and investment basis held in trust	<u>\$ 187</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 253</u>	<u>\$ 2</u>

GREENCASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Channel Two Cable Fund	Winston Thompson Bequest	Tzouanakis Technology Grant	Capital Mini-Grant E. Wilson	Coca-Cola Contract Receipts	Totals
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ 1,500	\$ -	\$ 14,293	\$ 26,671
Deductions:						
Administrative and general	-	-	1,500	12	16,471	25,853
Excess (deficiency) of total additions over total deductions	-	-	-	(12)	(2,178)	818
Cash and investment fund balance - beginning	4,197	8,510	-	85	14,898	43,806
Cash and investments - June 30	<u>\$ 4,197</u>	<u>\$ 8,510</u>	<u>\$ -</u>	<u>\$ 73</u>	<u>\$ 12,720</u>	<u>\$ 44,624</u>
Net assets:						
Cash and investments	<u>\$ 4,197</u>	<u>\$ 8,510</u>	<u>\$ -</u>	<u>\$ 73</u>	<u>\$ 12,720</u>	<u>\$ 44,624</u>
Total net assets - cash and investment basis held in trust	<u>\$ 4,197</u>	<u>\$ 8,510</u>	<u>\$ -</u>	<u>\$ 73</u>	<u>\$ 12,720</u>	<u>\$ 44,624</u>

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

	Deer Meadow PTO Fund	Tzouanakis PTO Fund	Peace Initiative Coordinator	Elementary Tutoring	Ridpath PTO Fund	Ridpath Library Fund	Mini-Grant Wilson
Additions:							
Contributions:							
Other	\$ 2,300	\$ 3,000	\$ -	\$ 701	\$ 1,000	\$ -	\$ -
Deductions:							
Administrative and general	4,356	2,777	75	-	1,151	-	-
Excess (deficiency) of total additions over total deductions	(2,056)	223	(75)	701	(151)	-	-
Cash and investment fund balance - beginning	4,450	1,460	868	2,720	8,984	187	200
Cash and investments - June 30	<u>\$ 2,394</u>	<u>\$ 1,683</u>	<u>\$ 793</u>	<u>\$ 3,421</u>	<u>\$ 8,833</u>	<u>\$ 187</u>	<u>\$ 200</u>
Net assets:							
Cash and investments	<u>\$ 2,394</u>	<u>\$ 1,683</u>	<u>\$ 793</u>	<u>\$ 3,421</u>	<u>\$ 8,833</u>	<u>\$ 187</u>	<u>\$ 200</u>
Total net assets - cash and investment basis held in trust	<u>\$ 2,394</u>	<u>\$ 1,683</u>	<u>\$ 793</u>	<u>\$ 3,421</u>	<u>\$ 8,833</u>	<u>\$ 187</u>	<u>\$ 200</u>

GREENCASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Elementary Dental Program	Tzouanakis Library Grant	Channel Two Cable Fund	Winston Thompson Bequest	Capital Mini-Grant E. Wilson	Coca-Cola Contract Receipts	Totals
Additions:							
Contributions:							
Other	\$ 454	\$ -	\$ -	\$ -	\$ -	\$ 14,161	\$ 21,616
Deductions:							
Administrative and general	489	-	-	8,493	-	10,219	27,560
Excess (deficiency) of total additions over total deductions	(35)	-	-	(8,493)	-	3,942	(5,944)
Cash and investment fund balance - beginning	253	2	4,197	8,510	73	12,720	44,624
Cash and investments - June 30	<u>\$ 218</u>	<u>\$ 2</u>	<u>\$ 4,197</u>	<u>\$ 17</u>	<u>\$ 73</u>	<u>\$ 16,662</u>	<u>\$ 38,680</u>
Net assets:							
Cash and investments	<u>\$ 218</u>	<u>\$ 2</u>	<u>\$ 4,197</u>	<u>\$ 17</u>	<u>\$ 73</u>	<u>\$ 16,662</u>	<u>\$ 38,680</u>
Total net assets - cash and investment basis held in trust	<u>\$ 218</u>	<u>\$ 2</u>	<u>\$ 4,197</u>	<u>\$ 17</u>	<u>\$ 73</u>	<u>\$ 16,662</u>	<u>\$ 38,680</u>

GREENCASTLE COMMUNITY SCHOOL CORPORATION

*Miller Education Center
522 Anderson Street/P.O. Box 480
Greencastle, IN 46135*

GREENCASTLE COMMUNITY SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended June 30, 2007

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 209,325
Buildings	34,401,253
Improvements other than buildings	3,517,785
Machinery and equipment	4,255,294
Construction in progress	<u>3,055,000</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 45,438,657</u>

**TOGETHER
WE LEARN WE ACHIEVE WE EXCEL**

GREENCASTLE COMMUNITY SCHOOL CORPORATION

Miller Education Center
522 Anderson Street/P.O. Box 480
Greencastle, IN 46135

GREENCASTLE COMMUNITY SCHOOL CORPORATION SUPPLEMENTARY INFORMATION SCHEDULE OF LONG-TERM DEBT June 30, 2007

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Greencastle Middle School Building Corporation	\$ 5,250,000	\$ 974,500
Greencastle Northeast Elementary School Building Corporation	3,300,000	542,000
Greencastle Multi-School Building Corporation	18,350,000	1,551,000
Greencastle High School Building Corporation	3,055,000	-
Common School Loan A0241	79,888	85,481
Bonds payable:		
General obligation bonds:		
Funding of existing retirement or severance liability	2,905,000	272,240
Total governmental activities debt	<u>\$ 32,939,888</u>	<u>\$ 3,425,221</u>

**TOGETHER
WE LEARN WE ACHIEVE WE EXCEL**

GREENCASTLE COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The cash balances of the Transportation Fund, Capital Projects Fund, School Bus Replacement Fund, Safe-Haven Grant Fund, and Title I 2006-2007 Fund were overdrawn as of June 30, 2007.

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

OLD OUTSTANDING WARRANTS (Applies to Greencastle High School)

Our review of the bank reconcilements as of June 30, 2007, revealed 14 warrants outstanding in excess of 2 years.

Indiana Code 5-11-10.5-2 states in part:

"All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

Indiana Code 5-11-10.5-3 states in part:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the: (1) board of finance of the political subdivision; or (2) the fiscal body of a city or town. The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

Indiana Code 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

GREENCASTLE COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

PERSONAL CHECKS CASHED (Applies to Greencastle High School)

Some personal checks were cashed by the junior class sponsor from daily collections of a fundraiser conducted. As a result, cash collections were not deposited in the same form as the collections were received.

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited...shall be deposited in the same form in which they were received."

VENDING, CONCESSIONS OR OTHER SALES CONTROLS (Applies to Greencastle High School)

Information was not presented for audit to indicate that inventories and reconcilements to purchases and sales concerning athletic event concession sales were performed by the junior class sponsor. As a result, the accounting for receipts from sales of concession items could not be verified.

Internal controls over vending operations, concessions, or other sales should include, at a minimum, a regular reconciliation of the beginning inventory, purchases, distribution, items sold and ending inventory to the amount received. Any discrepancies noted should be immediately documented in writing to proper officials. The reconciliation should provide an accurate accounting.

Persons with access to vending should be properly designated and access should be limited to those designated. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDIANAPOLIS, INDIANA 46204-2769

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

TO: THE OFFICIALS OF THE GREENCASTLE COMMUNITY
SCHOOL CORPORATION, PUTNAM COUNTY, INDIANA

Compliance

We have audited the compliance of the Greencastle Community School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007.

Internal Control Over Compliance

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

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

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

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

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

The School Corporation's response to the findings identified in our audit is described in the accompanying Official Response section of the report. 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 and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 14, 2008

GREENCASTLE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2006 and 2007

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 06-30-06	Total Federal Awards Expended 06-30-07
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 47,011	\$ 58,256
National School Lunch Program	10.555		239,828	288,155
Total for Program			<u>286,839</u>	<u>346,411</u>
Team Nutrition Grants	10.574		425	19
Total for federal grantor agency			<u>287,264</u>	<u>346,430</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title 1 Grants to Local Educational Agencies				
	84.010			
		05-6755	85,610	-
		06-6755	179,795	53,266
		07-6755	-	<u>147,348</u>
Total for Program			<u>265,405</u>	<u>200,614</u>
Prevention and Intervention Programs for Children and Youths Who Are Neglected, Delinquent, or At Risk				
	84.013			
		05-6755	9,173	-
		06-6755	43,400	14,467
		07-6755	-	<u>45,062</u>
Total for Program			<u>52,573</u>	<u>59,529</u>
Drug Free Schools and Communities-State Grants				
	84.186			
		03-025	5,885	-
		04-103	2,647	7,138
		05-064	55	<u>2,876</u>
Total for Program			<u>8,587</u>	<u>10,014</u>
Education for Homeless Children				
	84.196			
		04-05	18,000	-
		05-06	-	18,100
		06-07	-	<u>32</u>
Total for Program			<u>18,000</u>	<u>18,132</u>

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

GREENCASTLE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2006 and 2007
(Continued)

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 06-30-06	Total Federal Awards Expended 06-30-07
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Workforce Development Tech-Prep Education	84.243			
		TP-4-205	27,214	-
		TP-5-205	-	24,737
		TP-6-205	-	5,955
Total for Program			<u>27,214</u>	<u>30,692</u>
Pass-Through Indiana Department of Education Innovative Education Program Strategies	84.298			
		03-016	2,043	-
		04-006	637	753
		05-014	6,507	-
Total for Program			<u>9,187</u>	<u>753</u>
Enhancing Education Through Technology	84.318			
		SY 2004-2005	1,961	-
		SY 2005-2006	1,595	23
Total for Program			<u>3,556</u>	<u>23</u>
Improving Teacher Quality State Grants	84.367			
		04-048	25,563	-
		05-022	62,128	17,855
		06-6755	-	52,899
Total for Program			<u>87,691</u>	<u>70,754</u>
Total for Federal Grantor Agency			<u>472,213</u>	<u>390,511</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Pass-Through Indiana Department of Homeland Security Public Assistance Grants	97.036			
		Snow Emergency 3274	-	2,440
Total Federal Awards Expended			<u>\$ 759,477</u>	<u>\$ 739,381</u>

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

GREENCASTLE COMMUNITY SCHOOL CORPORATION
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

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

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2006 and 2007. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2005-06	2006-07
School Breakfast Program	10.553	\$ 3,912	\$ 10,554
National School Lunch Program	10.555	19,958	52,204

GREENCASTLE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

GREENCASTLE COMMUNITY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

GREENCASTLE COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The extracurricular findings of this report were discussed on February 14, 2008, with Jim Church, Greencastle High School Principal; and Gwen Hutchings, Greencastle High School Extra-Curricular Account Treasurer. The officials concurred with our extracurricular audit findings.

The contents of this report were discussed on February 14, 2008, with Dr. Robert Green, Superintendent of Schools; and Nancy Marlow, Treasurer. The official response has been made a part of this report and may be found on page 58.

GREENCASTLE COMMUNITY SCHOOL CORPORATION

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CENTRAL OFFICE

February 15, 2008

Dr. Robert Green
SUPERINTENDENT

Official Response

Dr. Kirk Freeman
ASSISTANT
SUPERINTENDENT

State Board of Accounts
302 W. Washington Street
Room E 418
Indianapolis, IN 46204

Ruth A. Schroeder
DIRECTOR OF
PERSONNEL

To Whom It May Concern:

Nancy Marlow
TREASURER

Rosie O'Neal
DEPUTY
TREASURER

In regards to the audit comment concerning overdrawn cash balances as of June 30, 2007, in the Transportation, Capital Projects Fund, and School Bus replacement funds for Greencastle Schools, I would like call to the attention of anyone reading this audit report that the above funds listed are taxable funds and get the bulk of their income from the collection of property taxes. Greencastle Community Schools did not receive their June draw of property tax from the County Auditor until August 21, 2007, therefore creating these negative balances.

Renee Miller
BOARD SECRETARY

In regards to the Safe Haven Grant Fund, it is a reimbursable fund, meaning that we had to expend the funds, and then make a claim to the Dept of Criminal Justice, State of Indiana, to be reimbursed for those expenditures. The reimbursement did not occur until after the close of the books on June 30, 2007, but was received before the end of the calendar year 2007.

BOARD OF SCHOOL TRUSTEES

Title I funds received are based on 1/12th of the amount of the grant, with distributions made on a monthly basis. Actual expenditures could often exceed the amount of money received for that period, so that fund does overdraw at times, until the monthly draw arrives from the State Auditor.

Michael Dean
PRESIDENT



Robert Green, Supt.

Barry Fisher
VICE PRESIDENT

Dr. Mark Kannowski
SECRETARY



Nancy Marlow, Treasurer

Jack Berry
MEMBER

Monica Fennell
MEMBER

TOGETHER
WE LEARN WE ACHIEVE WE EXCEL