

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

AUDIT REPORT

OF

NEW CASTLE COMMUNITY SCHOOL CORPORATION

HENRY COUNTY, INDIANA

July 1, 2005 to June 30, 2007



FILED

03/31/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards.....	3-4
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	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets - Cash and Investment Basis.....	7-8
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances - Cash and Investment Basis – Governmental Funds	9-10
Proprietary Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances - Cash and Investments Basis – Proprietary Fund	11-12
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds	13-14
Notes to Financial Statements	15-28
Required Supplementary Information:	
Schedule of Funding Progress	29
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	30-49
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Internal Service Funds	50-51
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Pension Trust Fund	52-53
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds	54-60
Schedule of Capital Assets.....	61
Schedule of Long-Term Debt	62
Audit Results and Comments:	
Overdrawn Cash Balances.....	63
Receipt Issuance and Internal Controls	63-64
Outside Organizations	64
Compensation – Nonemployees	64
Supplemental Audit of Federal Awards:	
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.....	66-67
Schedule of Expenditures of Federal Awards	68-70
Notes to Schedule of Expenditures of Federal Awards.....	71
Schedule of Findings and Questioned Costs	72
Auditee Prepared Schedules:	
Summary Schedule of Prior Audit Findings	73
Exit Conference.....	74

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jane Kellam-Tollett, C.P.A.	07-01-05 to 6-30-08
Superintendent of Schools	Dr. John Newby	07-01-05 to 6-30-08
President of the School Board	Stephen Walls Michael Fleming Marilyn J. Bowman	07-01-05 to 6-30-06 07-01-06 to 6-30-07 07-01-07 to 6-30-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE NEW CASTLE COMMUNITY
SCHOOL CORPORATION, HENRY COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the New Castle 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, the business-type 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 January 22, 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

January 22, 2008



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE NEW CASTLE COMMUNITY
SCHOOL CORPORATION, HENRY COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the New Castle 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 January 22, 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.

This report is intended solely for the information and use of the School Corporation's management, the board of school trustees, 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

January 22, 2008

NEW CASTLE 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) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 16,603,048	\$ -	\$ 172,955	\$ (16,430,093)
Support services	15,104,387	1,042,783	943,870	(13,117,734)
Community services	453,371	-	-	(453,371)
Nonprogrammed charges	8,569,399	-	-	(8,569,399)
Debt service	<u>2,877,085</u>	<u>-</u>	<u>-</u>	<u>(2,877,085)</u>
Total governmental activities	<u>\$ 43,607,290</u>	<u>\$ 1,042,783</u>	<u>\$ 1,116,825</u>	<u>(41,447,682)</u>
General receipts:				
Property taxes				9,845,164
Other local sources				7,827,823
State aid				19,360,409
Grants and contributions not restricted to specific programs				4,269,087
Sale of property, adjustments, and refunds				1,090,753
Investment earnings				<u>671,593</u>
Total general receipts				<u>43,064,829</u>
Change in net assets				1,617,147
Net assets - beginning				<u>13,167,003</u>
Net assets - ending				<u>\$ 14,784,150</u>
 <u>Assets</u>				
Cash and investments				\$ 8,129,973
Restricted assets:				
Cash and investments				<u>6,654,177</u>
Total assets				<u>\$ 14,784,150</u>
 <u>Net Assets</u>				
Restricted for:				
Debt service				\$ 464,954
Other purposes				6,189,223
Unrestricted				<u>8,129,973</u>
Total net assets				<u>\$ 14,784,150</u>

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

NEW CASTLE 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) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 16,972,448	\$ -	\$ 148,618	\$ (16,823,830)
Support services	16,386,554	941,811	903,002	(14,541,741)
Community services	434,045	-	-	(434,045)
Nonprogrammed charges	9,505,361	-	-	(9,505,361)
Debt service	<u>2,662,689</u>	<u>-</u>	<u>-</u>	<u>(2,662,689)</u>
Total governmental activities	<u>\$ 45,961,097</u>	<u>\$ 941,811</u>	<u>\$ 1,051,620</u>	<u>(43,967,666)</u>
General receipts:				
Property taxes				10,026,951
Other local sources				8,803,702
State aid				18,951,010
Bonds and loans				-
Grants and contributions not restricted to specific programs				4,653,664
Sale of property, adjustments, and refunds				380,755
Investment earnings				1,007,052
Transfers				<u>25,590</u>
Total general receipts and transfers				<u>43,848,724</u>
Change in net assets				(118,942)
Net assets - beginning				<u>14,784,150</u>
Net assets - ending				<u>\$ 14,665,208</u>
<u>Assets</u>				
Cash and investments				\$ 7,691,477
Restricted assets:				
Cash and investments				<u>6,973,731</u>
Total assets				<u>\$ 14,665,208</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 251,370
Other purposes				6,722,361
Unrestricted				<u>7,691,477</u>
Total net assets				<u>\$ 14,665,208</u>

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

NEW CASTLE 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	Special Education Cooperative	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 6,098,873	\$ 1,378,317	\$ 4,786,662	\$ 1,890,803	\$ 1,804,138	\$ 93,994	\$ 3,332,739	\$ 19,385,526
Intermediate sources	298	-	-	-	-	-	1,538	1,836
State sources	19,536,066	-	98,948	-	-	-	702,106	20,337,120
Federal sources	-	-	-	-	-	-	4,409,202	4,409,202
Sale of property, adjustments and refunds	114,052	18,377	1,854	-	850,000	-	106,470	1,090,753
Total receipts	25,749,289	1,396,694	4,887,464	1,890,803	2,654,138	93,994	8,552,055	45,224,437
Disbursements:								
Current:								
Instruction	9,820,539	-	2,441,645	-	-	-	4,340,864	16,603,048
Support services	11,308,165	1,737,306	1,492,356	-	2,371,336	162,778	4,213,340	21,285,281
Community services	336,106	-	-	-	-	-	117,265	453,371
Nonprogrammed charges	2,872,802	-	25,440	-	-	-	486,530	3,384,772
Debt services	-	-	-	2,245,866	-	-	631,219	2,877,085
Total disbursements	24,337,612	1,737,306	3,959,441	2,245,866	2,371,336	162,778	9,789,218	44,603,557
Excess (deficiency) of receipts over disbursements	1,411,677	(340,612)	928,023	(355,063)	282,802	(68,784)	(1,237,163)	620,880
Other financing sources (uses):								
Transfers in	19,582	-	17,633	-	-	-	1,852,876	1,890,091
Transfers out	(48,234)	-	(1,675,000)	(30,132)	-	-	(136,725)	(1,890,091)
Total other financing sources (uses)	(28,652)	-	(1,657,367)	(30,132)	-	-	1,716,151	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,383,025	(340,612)	(729,344)	(385,195)	282,802	(68,784)	478,988	620,880
Cash and investments - beginning	3,307,674	695,081	1,462,616	1,145,140	2,402,803	106,440	(1,145,707)	7,974,047
Cash and investments - ending	\$ 4,690,699	\$ 354,469	\$ 733,272	\$ 759,945	\$ 2,685,605	\$ 37,656	\$ (666,719)	8,594,927
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.								
								6,189,223
Net assets of governmental activities								\$ 14,784,150
Cash and Investment Assets - Ending								
Cash and investments	\$ 4,690,699	\$ 354,469	\$ 733,272	\$ -	\$ 2,685,605	\$ 37,656	\$ (371,728)	\$ 8,129,973
Restricted assets:								
Cash and investments	-	-	-	759,945	-	-	(294,991)	464,954
Total cash and investment assets - ending	\$ 4,690,699	\$ 354,469	\$ 733,272	\$ 759,945	\$ 2,685,605	\$ 37,656	\$ (666,719)	\$ 8,594,927
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 759,945	\$ -	\$ -	\$ (294,991)	\$ 464,954
Unrestricted	4,690,699	354,469	733,272	-	2,685,605	37,656	(371,728)	8,129,973
Total cash and investment fund balance - ending	\$ 4,690,699	\$ 354,469	\$ 733,272	\$ 759,945	\$ 2,685,605	\$ 37,656	\$ (666,719)	\$ 8,594,927

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

NEW CASTLE 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	Special Education Cooperative	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 6,825,676	\$ 1,551,866	\$ 4,917,968	\$ 1,791,477	\$ 2,014,503	\$ 182,165	\$ 3,494,568	\$ 20,778,223
Intermediate sources	-	-	-	-	-	-	1,294	1,294
State sources	19,087,029	-	20,010	-	-	-	1,128,580	20,235,619
Federal sources	-	-	-	-	-	-	4,420,674	4,420,674
Sale of property, adjustments and refunds	165,088	9,565	1,040	-	-	-	205,062	380,755
Total receipts	26,077,793	1,561,431	4,939,018	1,791,477	2,014,503	182,165	9,250,178	45,816,565
Disbursements:								
Current:								
Instruction	10,221,779	-	2,426,928	-	-	-	4,323,741	16,972,448
Support services	11,020,302	1,641,959	1,452,275	-	3,277,940	187,323	4,576,463	22,156,262
Community services	324,411	-	-	-	-	-	109,634	434,045
Nonprogrammed charges	2,899,368	-	25,080	-	-	-	496,429	3,420,877
Debt services	-	-	-	2,034,272	-	-	628,417	2,662,689
Total disbursements	24,465,860	1,641,959	3,904,283	2,034,272	3,277,940	187,323	10,134,684	45,646,321
Excess (deficiency) of receipts over disbursements	1,611,933	(80,528)	1,034,735	(242,795)	(1,263,437)	(5,158)	(884,506)	170,244
Other financing sources (uses):								
Transfers in	15,215	-	1,290	-	-	-	1,007,076	1,023,581
Transfers out	(592,867)	(46,764)	(983,274)	-	(6,233)	-	(216,767)	(1,845,905)
Total other financing sources (uses)	(577,652)	(46,764)	(981,984)	-	(6,233)	-	790,309	(822,324)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,034,281	(127,292)	52,751	(242,795)	(1,269,670)	(5,158)	(94,197)	(652,080)
Cash and investments - beginning	4,690,699	354,469	733,272	759,945	2,685,605	37,656	(666,719)	8,594,927
Cash and investments - ending	\$ 5,724,980	\$ 227,177	\$ 786,023	\$ 517,150	\$ 1,415,935	\$ 32,498	\$ (760,916)	7,942,847
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.								
								6,722,361
Net assets of governmental activities								\$ 14,665,208
Cash and Investment Assets - Ending								
Cash and investments	\$ 5,724,980	\$ 227,177	\$ 786,023	\$ -	\$ 1,415,935	\$ 32,498	\$ (495,136)	\$ 7,691,477
Restricted assets:								
Cash and investments	-	-	-	517,150	-	-	(265,780)	251,370
Total cash and investment assets - ending	\$ 5,724,980	\$ 227,177	\$ 786,023	\$ 517,150	\$ 1,415,935	\$ 32,498	\$ (760,916)	\$ 7,942,847
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 517,150	\$ -	\$ -	\$ (265,780)	\$ 251,370
Unrestricted	5,724,980	227,177	786,023	-	1,415,935	32,498	(495,136)	7,691,477
Total cash and investment fund balance - ending	\$ 5,724,980	\$ 227,177	\$ 786,023	\$ 517,150	\$ 1,415,935	\$ 32,498	\$ (760,916)	\$ 7,942,847

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

NEW CASTLE 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	\$ 6,151,775
Miscellaneous	29,119
Total operating receipts	6,180,894
Operating disbursements:	
Insurance claims and expense	5,102,720
Other	81,907
Total operating disbursements	5,184,627
Excess of operating receipts over operating disbursements	996,267
Change in net assets	996,267
Cash and investment fund balance - beginning	5,192,956
Cash and investment fund balance - ending	\$ 6,189,223
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 6,189,223
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 6,189,223

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

NEW CASTLE 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	\$ 5,421,242
Miscellaneous	348,466
Total operating receipts	5,769,708
Operating disbursements:	
Insurance claims and expense	6,084,484
Deficiency of operating receipts over operating disbursements	(314,776)
Transfers in	6,229,299
Transfers out	(5,381,385)
Change in net assets	533,138
Cash and investment fund balance - beginning	6,189,222
Cash and investment fund balance - ending	\$ 6,722,360
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 6,722,360
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 6,722,360

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

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

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ 145,000	\$ 22,789
	<u> </u>	<u> </u>
Deductions:		
Benefits	179,289	-
Administrative and general	<u> </u>	<u>14,515</u>
	<u> </u>	<u> </u>
Total deductions	179,289	14,515
	<u> </u>	<u> </u>
Excess (deficiency) of total additions over total deductions	(34,289)	8,274
Cash and investment fund balance - beginning	<u>2,045,483</u>	<u>31,487</u>
Cash and investment fund balance - ending	<u>\$ 2,011,194</u>	<u>\$ 39,761</u>
	<u> </u>	<u> </u>
Net assets:		
Cash and investments	\$ 2,011,194	\$ 39,761
	<u> </u>	<u> </u>
Total net assets - cash and investment basis held in trust	<u>\$ 2,011,194</u>	<u>\$ 39,761</u>
	<u> </u>	<u> </u>

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

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

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ 58,805	\$ 43,261
Deductions:		
Benefits	131,561	-
Administrative and general	-	14,205
Total deductions	<u>131,561</u>	<u>14,205</u>
Excess (deficiency) of total additions over total deductions	(72,756)	29,056
Cash and investment fund balance - beginning	<u>2,011,194</u>	<u>23,968</u>
Cash and investment fund balance - ending	<u>\$ 1,938,438</u>	<u>\$ 53,024</u>
Net assets:		
Cash and investments	<u>\$ 1,938,438</u>	<u>\$ 53,024</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,938,438</u>	<u>\$ 53,024</u>

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

NEW CASTLE 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: New Castle 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 the administrator and a participant with Charles A. Beard School Corporation, Nettle Creek School Corporation, Shenandoah School Corporation, South Henry School Corporation, and Union School Corporation in a joint venture to operate New Castle Area Program for Exceptional Children (Co-op) which was created to provide instruction for handicapped children. The School Corporation is obligated by contract to remit a proportion of the total service and supply budget based on the percentage of its ADM, kindergarten through grade 12, as of the previous year, annually to supplement the joint services and supply fund. The Co-op's continued existence depends on continued funding by the School Corporation. The School Corporation is obligated for its respective share of the debts of the Co-op. Complete financial statements for the Co-op can be obtained from the New Castle Community School Corporation.

The School Corporation is the administrator and a participant with Blue River School Corporation, Charles A. School Corporation, Eastern Wayne School Corporation, Nettle Creek School Corporation, Rush County School Corporation, Shenandoah School Corporation, South Henry School Corporation, Union School Corporation, and Western Wayne School Corporation in a joint venture to operate the New Castle Area Vocational School which was created to provide instruction for vocational students. The School Corporation is obligated by contract to remit the cost determined in accordance with the procedures set forth in the Statement of Monies Owing on Account of Charges for Area Vocational Education annually to supplement the joint services and supply fund. The joint service program's continued existence depends on continued funding by the School Corporation. The School Corporation is obligated for its respective share of the debts of the joint venture. Complete financial statements for the New Castle Area Vocational School can be obtained from the New Castle Community School Corporation.

NEW CASTLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

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.

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.

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

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

The special education cooperative fund accounts for member revenues and related expenses for the education of handicapped children.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for the acquisition of materials and supplies for the various schools in the School Corporation (central stores fund), and for the collection of premiums and payments of medical claims (self-insurance fund), which are provided to other departments on a cost-reimbursement basis.

The pension trust funds account for the activities of the retirement severance future fund, which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the School Corporation students through college scholarships.

NEW CASTLE 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The School Corporation has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

NEW CASTLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

3. Compensated Absences

a. Sick Leave

Certified employees earn sick leave at the rate of 10 days per for the first year of employment and 8 days per year thereafter. Unused sick leave may be accumulated indefinitely. Accumulated sick leave is not paid to certified employees.

Noncertified employees earn sick leave at the rate of 11 days per for the first year of employment and 8 days per year thereafter. Unused sick leave may be accumulated indefinitely. A maximum of 187 days of accumulated sick leave is paid to noncertified employees through cash payments upon retirement.

b. Vacation Leave

Administrative on extended contracts earn 20 days of vacation leave annually. Vacation leave may be accumulated to a maximum of 50 days. Accumulated vacation leave is paid to administrators on extended contracts through cash payments upon termination or retirement.

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. A maximum of 7 days vacation leave may be carried forward to the next year. Accumulated vacation leave is paid to employees through cash payments upon termination or retirement.

c. Personal Leave

School Corporation employees earn personal leave at the rate of 3 days per year. Unused personal leave may be accumulated to a maximum of 4 days. A maximum of 1 day of personal leave may be carried forward to the next year; and unused personal leave is converted to sick leave at the end of the school year. Personal leave is paid to employees through cash payments upon termination or retirement.

NEW CASTLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

NEW CASTLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

NEW CASTLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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	2006	2007
School Lunch	\$ (458,666)	\$ (335,192)
Preschool Cooperative	(179,628)	(2,718)
Special Education Intensive Service	(346,025)	(927,863)
Area Vocation School	(39,778)	(179,871)
Henry County Youth Center	(117,566)	(86,997)
Healthy Families 2006-2007	-	(910)
Tech Prep 2005-2006	(12,221)	-
Title I Delinquent 2005-2006	(294)	-
Title I School Improvement - Eastwood	-	(593)
Preschool Handicap FY 2005-2006	(8,025)	-
Tech Prep 2006-2007	-	(4,509)
Awards for Excellence 2006	-	(3,087)
Awards for Excellence	(139)	-
Title IV-B Grant 2005-2006	(1,488)	-
Perkins Grant 2005-2006	(1,982)	-
Retirement/Severance Bond Debt	(294,991)	(265,780)

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 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.

NEW CASTLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Investments

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.

NEW CASTLE 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 and is not invested in foreign currency at June 30, 2007.

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>2006</u>	<u>2007</u>
General Fund	Nonmajor governmental funds	\$ 48,234	\$ 53,788
Special Education			
Cooperataive Fund	Nonmajor governmental funds	1,675,000	906,871
Debt Service Fund	General Fund	5,751	-
	Nonmajor governmental funds	24,381	-
Nonmajor governmental funds	General Fund	13,830	15,215
	Special Education		
	Cooperataive Fund	17,634	1,290
	Nonmajor governmental funds	105,261	46,417
Totals		<u>\$ 1,890,091</u>	<u>\$ 1,023,581</u>

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

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

C. Restatements and Reclassifications

For the year ended June 30, 2007, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit. Prior period adjustments represent payroll clearing accounts not reported on Form 9 and not to be included in Financial Statement Reporting.

Opinion Unit	Balance as Reported December 31, 2005	Prior Period Adjustments	Balance as Restated January 1, 2006
Fiduciary - Agency Funds	\$ 1,284,439	\$ (1,284,439)	\$ -

IV. Other Information

A. Risk Management

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

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

The School Corporation has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees and dependents. The risk financing fund is accounted for in the Health 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 \$125,000 per covered person per year to a maximum of \$7,021,435 in the aggregate 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 affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon the actual costs for medical care for a specific employee which is applied to each affected fund and are reported as quasi-external interfund transactions.

B. Holding Corporations

The School Corporation has entered into capital leases with New Castle Elementary Building Corporation and New Castle High School Building Corporation (the lessor). The lessors were organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. Payments under the

NEW CASTLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

capital lease with the New Castle Elementary Building Corporation were completed at year ending June 30, 2006, and the School Corporation has taken title to the buildings. The lessor has been determined to be a related party of the School Corporation. Lease payments during the year ended June 30, 2006, and June 30, 2007, totaled \$1,015,000 and \$731,500, respectively.

C. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 50 with at least 15 years of service. Currently, 36 retirees meet these eligibility requirements. The School Corporation and retirees provides 60% and 40%, respectively, of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2007, disbursements of \$158,323 were recognized for postemployment benefits. As of July 1, 2005, the School Corporation will allow the retirees to participate in the health insurance plan, but the retiree is required to pay 100% of the premium.

D. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

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

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

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

NEW CASTLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Information to segregate the assets/liabilities and the actuarial study figures between the School Corporation and the Utilities is not available.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 264,046
Interest on net pension obligation	(44,857)
Adjustment to annual required contribution	51,118
Annual pension cost	270,307
Contributions made	303,924
Decrease in net pension obligation	(33,617)
Net pension obligation, beginning of year	(618,711)
Net pension obligation, end of year	\$ (652,328)
Net pension obligation, end of year	\$ (652,328)
Contribution rates:	
School Corporation	5.125%
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

NEW CASTLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Assumptions	PERF
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	\$ 174,832	183%	\$ (532,607)
	06-30-05	217,973	140%	(618,711)
	06-30-06	270,307	112%	(652,328)

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

Teachers' Retirement Fund

Plan Description

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

NEW CASTLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Plan members are required to contribute 7% of their salary and 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, 2007, 2006, and 2005, were \$428,236, \$401,536, and \$359,645, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

NEW CASTLE 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)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 5,995,283	\$ 5,501,857	\$ 493,426	109%	\$ 5,044,614	10%
07-01-05	6,236,546	6,096,083	140,463	102%	5,246,471	3%
07-01-06	6,221,637	6,255,284	(33,647)	99%	5,800,380	(1%)

NEW CASTLE 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 Preschool	School Lunch Fund	Textbook Rental Fund	Preschool Cooperative Fund	Special Education Intensive Service Fund	Kids Corner Lease Fund	New Castle Area Vocation School Fund
Receipts:							
Local sources	\$ 9,983	\$ 744,197	\$ 296,306	\$ 497,783	\$ 60,230	\$ -	\$ 950,910
Intermediate sources	-	-	-	-	-	-	-
State sources	229,220	18,034	68,400	-	-	-	-
Federal sources	-	824,662	-	-	-	-	-
Sale of property, adjustments and refunds	-	10,597	-	2	-	-	1,065
Total receipts	239,203	1,597,490	364,706	497,785	60,230	-	951,975
Disbursements:							
Current:							
Instruction	-	-	-	432,714	689,729	-	430,082
Support services	-	1,356,356	252,454	244,318	236,678	22,723	357,913
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	249,694	651	-	6,560	9,125	-	165,409
Debt services	-	-	-	-	-	-	-
Total disbursements	249,694	1,357,007	252,454	683,592	935,532	22,723	953,404
Excess (deficiency) of receipts over disbursements	(10,491)	240,483	112,252	(185,807)	(875,302)	(22,723)	(1,429)
Other financing sources (uses):							
Transfers in	-	-	24,381	100,000	1,500,000	25,000	-
Transfers out	-	-	(11,871)	-	-	-	-
Total other financing sources (uses)	-	-	12,510	100,000	1,500,000	25,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,491)	240,483	124,762	(85,807)	624,698	2,277	(1,429)
Cash and investments - beginning	139,274	(699,149)	(84,589)	(93,820)	(970,723)	-	(38,349)
Cash and investments - ending	\$ 128,783	\$ (458,666)	\$ 40,173	\$ (179,627)	\$ (346,025)	\$ 2,277	\$ (39,778)
Cash and Investment Assets - Ending							
Cash and investments	\$ 128,783	\$ (458,666)	\$ 40,173	\$ (179,627)	\$ (346,025)	\$ 2,277	\$ (39,778)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 128,783	\$ (458,666)	\$ 40,173	\$ (179,627)	\$ (346,025)	\$ 2,277	\$ (39,778)
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	128,783	(458,666)	40,173	(179,627)	(346,025)	2,277	(39,778)
Total cash and investment fund balance - ending	\$ 128,783	\$ (458,666)	\$ 40,173	\$ (179,627)	\$ (346,025)	\$ 2,277	\$ (39,778)

NEW CASTLE 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)

	New Castle Area Vocation Building Trade Fund	Welding Special Projects Fund	Area Vocation School Preschool Program Fund	Machine Trades Special Project Fund	Area Vocation School CAD Program Fund	Area Vocation School Youth Center Fund	Henry County Youth Center Fund
Receipts:							
Local sources	\$ 14,711	\$ 1,898	\$ 1,440	\$ -	\$ -	\$ 320	\$ 263,074
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	600	6,375	-	2,002	600	-	45
Total receipts	15,311	8,273	1,440	2,002	600	320	263,119
Disbursements:							
Current:							
Instruction	15,216	-	-	-	-	154	166,398
Support services	-	-	-	-	-	-	60,827
Community services	-	6,586	1,232	908	632	-	-
Nonprogrammed charges	-	-	-	-	-	-	12,648
Debt services	-	-	-	-	-	-	-
Total disbursements	15,216	6,586	1,232	908	632	154	239,873
Excess (deficiency) of receipts over disbursements	95	1,687	208	1,094	(32)	166	23,246
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	95	1,687	208	1,094	(32)	166	23,246
Cash and investments - beginning	4,725	3,474	805	27	248	-	(140,812)
Cash and investments - ending	<u>\$ 4,820</u>	<u>\$ 5,161</u>	<u>\$ 1,013</u>	<u>\$ 1,121</u>	<u>\$ 216</u>	<u>\$ 166</u>	<u>\$ (117,566)</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 4,820	\$ 5,161	\$ 1,013	\$ 1,121	\$ 216	\$ 166	\$ (117,566)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 4,820	\$ 5,161	\$ 1,013	\$ 1,121	\$ 216	\$ 166	\$ (117,566)
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	4,820	5,161	1,013	1,121	216	166	(117,566)
Total cash and investment fund balance - ending	\$ 4,820	\$ 5,161	\$ 1,013	\$ 1,121	\$ 216	\$ 166	\$ (117,566)

NEW CASTLE 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)

	Cradles Child Care Program Fund	Education Plate Fee Fund	Alternative Education Grant Fund	Safe Haven Grant Fund	Professional Development (IDOE) Fund	Health Families - OFC 2004-2005 Fund	Health Families - TANF 2004-2005 Fund
Receipts:							
Local sources	\$ 50,550	\$ -	\$ 12,167	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	1,538	-	-	-	-	-
State sources	-	-	24,335	7,856	-	277	53,107
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	21,292	-	-	-	-	-	-
Total receipts	71,842	1,538	36,502	7,856	-	277	53,107
Disbursements:							
Current:							
Instruction	-	-	24,925	-	-	8,753	30,734
Support services	7,544	375	2,246	521	54,214	3,157	4,604
Community services	69,804	656	-	7,335	-	-	-
Nonprogrammed charges	-	-	-	-	-	468	-
Debt services	-	-	-	-	-	-	-
Total disbursements	77,348	1,031	27,171	7,856	54,214	12,378	35,338
Excess (deficiency) of receipts over disbursements	(5,506)	507	9,331	-	(54,214)	(12,101)	17,769
Other financing sources (uses):							
Transfers in	-	-	-	-	48,234	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	48,234	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,506)	507	9,331	-	(5,980)	(12,101)	17,769
Cash and investments - beginning	6,247	-	54,405	-	68,338	12,101	(17,769)
Cash and investments - ending	\$ 741	\$ 507	\$ 63,736	\$ -	\$ 62,358	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 741	\$ 507	\$ 63,736	\$ -	\$ 62,358	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 741	\$ 507	\$ 63,736	\$ -	\$ 62,358	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	741	507	63,736	-	62,358	-	-
Total cash and investment fund balance - ending	\$ 741	\$ 507	\$ 63,736	\$ -	\$ 62,358	\$ -	\$ -

NEW CASTLE 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)

	Healthy Families - Ofc 2005-2006 Fund	Health Families - TANF 2005-2006 Fund	Gifted and Talented 2005-2006 Fund	Tech Prep Fund	Tech Prep 2005-2006 Fund	In Child Trust 2004-2005 Fund	Homemaker Contract 2007 Fund
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	24,800	153,764	17,488	77,884	16,772	2,125	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	24,800	153,764	17,488	77,884	16,772	2,125	-
Disbursements:							
Current:							
Instruction	14,198	99,787	16,933	50,927	14,040	1,967	2,030
Support services	2,588	40,423	555	25,160	14,952	393	329
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	16,786	140,210	17,488	76,087	28,992	2,360	2,359
Excess (deficiency) of receipts over disbursements	8,014	13,554	-	1,797	(12,220)	(235)	(2,359)
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	8,014	13,554	-	1,797	(12,220)	(235)	(2,359)
Cash and investments - beginning	-	-	-	(1,798)	-	235	2,359
Cash and investments - ending	<u>\$ 8,014</u>	<u>\$ 13,554</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (12,220)</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 8,014	\$ 13,554	\$ -	\$ (1)	\$ (12,220)	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 8,014</u>	<u>\$ 13,554</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (12,220)</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	8,014	13,554	-	(1)	(12,220)	-	-
Total cash and investment fund balance - ending	<u>\$ 8,014</u>	<u>\$ 13,554</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (12,220)</u>	<u>\$ -</u>	<u>\$ -</u>

NEW CASTLE 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)

	Homemaker Contract 2006 Fund	Homemaker Contract 2005 Fund	Non-English Speaking Grant Fund	Technology Fund	Bundy Auditorium Fund	GED Testing Fund	Alternative Education Fund
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 25,564	\$ 9,816	\$ 59,690
Intermediate sources	-	-	-	-	-	-	-
State sources	8,000	-	44	-	-	-	-
Federal sources	-	24,500	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	53,885	10,007	-	-
Total receipts	8,000	24,500	44	53,885	35,571	9,816	59,690
Disbursements:							
Current:							
Instruction	-	19,223	-	-	-	10,282	1,087
Support services	88	2,543	-	19,128	2,835	1,030	63,978
Community services	-	-	-	-	20,230	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	88	21,766	-	19,128	23,065	11,312	65,065
Excess (deficiency) of receipts over disbursements	7,912	2,734	44	34,757	12,506	(1,496)	(5,375)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	50,000
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	50,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,912	2,734	44	34,757	12,506	(1,496)	44,625
Cash and investments - beginning	-	-	573	14,320	7,343	17,372	(12,514)
Cash and investments - ending	\$ 7,912	\$ 2,734	\$ 617	\$ 49,077	\$ 19,849	\$ 15,876	\$ 32,111
Cash and Investment Assets - Ending							
Cash and investments	\$ 7,912	\$ 2,734	\$ 617	\$ 49,077	\$ 19,849	\$ 15,876	\$ 32,111
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 7,912	\$ 2,734	\$ 617	\$ 49,077	\$ 19,849	\$ 15,876	\$ 32,111
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	7,912	2,734	617	49,077	19,849	15,876	32,111
Total cash and investment fund balance - ending	\$ 7,912	\$ 2,734	\$ 617	\$ 49,077	\$ 19,849	\$ 15,876	\$ 32,111

NEW CASTLE 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 Delinquent 2004-2005 Fund	Title I FY 2004-2005 Fund	Title I FY 2005-2006 Fund	Title I Delinquent 2005-2006 Fund	Title I Improve Eastwood 2005-2006 Fund	Title I School Improvement Eastwood Fund	Title V 2004-2005 Fund
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	5,847	25,000	510,806	9,443	45,416	4,000	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	5,847	25,000	510,806	9,443	45,416	4,000	-
Disbursements:							
Current:							
Instruction	9,508	117,806	304,362	7,776	13,951	7,108	-
Support services	2,489	56,836	151,602	1,721	18,333	5,100	4,606
Community services	-	2,123	4,296	-	-	-	-
Nonprogrammed charges	526	10,000	-	239	-	-	244
Debt services	-	-	-	-	-	-	-
Total disbursements	12,523	186,765	460,260	9,736	32,284	12,208	4,850
Excess (deficiency) of receipts over disbursements	(6,676)	(161,765)	50,546	(293)	13,132	(8,208)	(4,850)
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	(6,676)	(161,765)	50,546	(293)	13,132	(8,208)	(4,850)
Cash and investments - beginning	6,676	161,765	-	-	-	8,208	4,850
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,546</u>	<u>\$ (293)</u>	<u>\$ 13,132</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ 50,546	\$ (293)	\$ 13,132	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,546</u>	<u>\$ (293)</u>	<u>\$ 13,132</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	50,546	(293)	13,132	-	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,546</u>	<u>\$ (293)</u>	<u>\$ 13,132</u>	<u>\$ -</u>	<u>\$ -</u>

NEW CASTLE 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 Innovative Program 2005-2006 Fund	IDEA Sliver Grant 2004-2005 Fund	IDEA Sliver Grant 2005-2006 Fund	IDEA PL 101-476 FY 2005-2006 Fund	IDEA PL 101-476 2006-2007 Fund	Preschool Handicapped 2003-2004 Fund	Preschool Handicapped 2004-2005 Fund
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	13,700	-	38,548	1,970,201	240,000	123,606	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	13,700	-	38,548	1,970,201	240,000	123,606	-
Disbursements:							
Current:							
Instruction	34,363	6,489	32,853	1,191,561	179,565	94,196	9,617
Support services	15,421	(4,118)	1,865	748,309	87,027	37,435	298
Community services	-	-	-	-	2,463	-	-
Nonprogrammed charges	3,000	-	-	-	21,309	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	52,784	2,371	34,718	1,939,870	290,364	131,631	9,915
Excess (deficiency) of receipts over disbursements	(39,084)	(2,371)	3,830	30,331	(50,364)	(8,025)	(9,915)
Other financing sources (uses):							
Transfers in	65,168	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	65,168	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	26,084	(2,371)	3,830	30,331	(50,364)	(8,025)	(9,915)
Cash and investments - beginning	-	2,371	-	-	50,364	-	9,915
Cash and investments - ending	\$ 26,084	\$ -	\$ 3,830	\$ 30,331	\$ -	\$ (8,025)	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 26,084	\$ -	\$ 3,830	\$ 30,331	\$ -	\$ (8,025)	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 26,084	\$ -	\$ 3,830	\$ 30,331	\$ -	\$ (8,025)	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	26,084	-	3,830	30,331	-	(8,025)	-
Total cash and investment fund balance - ending	\$ 26,084	\$ -	\$ 3,830	\$ 30,331	\$ -	\$ (8,025)	\$ -

NEW CASTLE 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)

	Adult Basic Education 2005-8026 Fund	Adult Basic Education 2006-8026 Fund	Impact 2005-2006 Fund	Impact 2003-2004 Fund	Drug Free Schools 2004-2005 Fund	Drug Free Schools 2005-2006 Fund
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	211,101	8,000	-	4,000	21,881
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	211,101	8,000	-	4,000	21,881
Disbursements:						
Current:						
Instruction	47,454	124,060	-	17,707	-	-
Support services	10,990	31,551	-	2,442	13,579	12,620
Community services	-	-	-	-	1,000	-
Nonprogrammed charges	-	-	-	-	482	438
Debt services	-	-	-	-	-	-
Total disbursements	58,444	155,611	-	20,149	15,061	13,058
Excess (deficiency) of receipts over disbursements	(58,444)	55,490	8,000	(20,149)	(11,061)	8,823
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	(58,444)	55,490	8,000	(20,149)	(11,061)	8,823
Cash and investments - beginning	58,444	-	-	34,363	11,061	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ 55,490</u>	<u>\$ 8,000</u>	<u>\$ 14,214</u>	<u>\$ -</u>	<u>\$ 8,823</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 55,490	\$ 8,000	\$ 14,214	\$ -	\$ 8,823
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 55,490</u>	<u>\$ 8,000</u>	<u>\$ 14,214</u>	<u>\$ -</u>	<u>\$ 8,823</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	55,490	8,000	14,214	-	8,823
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 55,490</u>	<u>\$ 8,000</u>	<u>\$ 14,214</u>	<u>\$ -</u>	<u>\$ 8,823</u>

NEW CASTLE 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)

	Drug Free Schools <u>2003-2004 Fund</u>	Awards for Excellence <u>2003-2004 Fund</u>	Medicaid Reimb - Federal Fund	Title IV-B, Part II <u>2004-2005 Fund</u>	Title IV-B, Part II <u>2005-2006 Fund</u>	Perkins Grant <u>2003-2004 Fund</u>
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	15,088	19,593	1,064	8,603	101,750
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>15,088</u>	<u>19,593</u>	<u>1,064</u>	<u>8,603</u>	<u>101,750</u>
Disbursements:						
Current:						
Instruction	-	13,194	-	1,849	8,925	11,113
Support services	895	880	-	191	990	92,619
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	112	176	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>895</u>	<u>14,074</u>	<u>-</u>	<u>2,152</u>	<u>10,091</u>	<u>103,732</u>
Excess (deficiency) of receipts over disbursements	<u>(895)</u>	<u>1,014</u>	<u>19,593</u>	<u>(1,088)</u>	<u>(1,488)</u>	<u>(1,982)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(19,593)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(19,593)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(895)</u>	<u>1,014</u>	<u>-</u>	<u>(1,088)</u>	<u>(1,488)</u>	<u>(1,982)</u>
Cash and investments - beginning	<u>895</u>	<u>(1,153)</u>	<u>-</u>	<u>1,088</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (139)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,488)</u>	<u>\$ (1,982)</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ (139)	\$ -	\$ -	\$ (1,488)	\$ (1,982)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ (139)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,488)</u>	<u>\$ (1,982)</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	(139)	-	-	(1,488)	(1,982)
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ (139)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,488)</u>	<u>\$ (1,982)</u>

NEW CASTLE 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)

	Perkins Grant 2006-2007 Fund	Title II Fund	Title II Education Tech 2005-2006 Fund	Retirement Severance Bond Debt Fund	Construction Fund	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 334,100	\$ -	\$ 3,332,739
Intermediate sources	-	-	-	-	-	1,538
State sources	-	-	-	-	-	702,106
Federal sources	34,124	130,522	17,747	-	-	4,409,202
Sale of property, adjustments and refunds	-	-	-	-	-	106,470
Total receipts	<u>34,124</u>	<u>130,522</u>	<u>17,747</u>	<u>334,100</u>	<u>-</u>	<u>8,552,055</u>
Disbursements:						
Current:						
Instruction	4,317	73,911	-	-	-	4,340,864
Support services	37,881	63,902	39,944	-	-	4,213,340
Community services	-	-	-	-	-	117,265
Nonprogrammed charges	-	4,331	1,118	-	-	486,530
Debt services	-	-	-	631,219	-	631,219
Total disbursements	<u>42,198</u>	<u>142,144</u>	<u>41,062</u>	<u>631,219</u>	<u>-</u>	<u>9,789,218</u>
Excess (deficiency) of receipts over disbursements	<u>(8,074)</u>	<u>(11,622)</u>	<u>(23,315)</u>	<u>(297,119)</u>	<u>-</u>	<u>(1,237,163)</u>
Other financing sources (uses):						
Transfers in	-	-	40,093	-	-	1,852,876
Transfers out	-	(105,261)	-	-	-	(136,725)
Total other financing sources (uses)	<u>-</u>	<u>(105,261)</u>	<u>40,093</u>	<u>-</u>	<u>-</u>	<u>1,716,151</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(8,074)</u>	<u>(116,883)</u>	<u>16,778</u>	<u>(297,119)</u>	<u>-</u>	<u>478,988</u>
Cash and investments - beginning	<u>8,074</u>	<u>130,094</u>	<u>13,777</u>	<u>2,128</u>	<u>79,050</u>	<u>(1,145,707)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 13,211</u>	<u>\$ 30,555</u>	<u>\$ (294,991)</u>	<u>\$ 79,050</u>	<u>\$ (666,719)</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 13,211	\$ 30,555	\$ -	\$ 79,050	\$ (371,728)
Restricted assets:						
Cash and investments	-	-	-	(294,991)	-	(294,991)
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 13,211</u>	<u>\$ 30,555</u>	<u>\$ (294,991)</u>	<u>\$ 79,050</u>	<u>\$ (666,719)</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ (294,991)	\$ -	\$ (294,991)
Unrestricted	-	13,211	30,555	-	79,050	(371,728)
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 13,211</u>	<u>\$ 30,555</u>	<u>\$ (294,991)</u>	<u>\$ 79,050</u>	<u>\$ (666,719)</u>

NEW CASTLE 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 Preschool	School Lunch Fund	Textbook Rental Fund	Preschool Cooperative Fund	Special Education Intensive Service Fund	Kids Corner Lease Fund	New Castle Area Vocation School Fund
Receipts:							
Local sources	\$ 18,045	\$ 713,617	\$ 222,661	\$ 489,169	\$ 68,130	\$ -	\$ 936,043
Intermediate sources	-	-	-	-	-	-	-
State sources	200,135	17,730	76,039	-	-	-	-
Federal sources	-	806,836	-	-	-	-	-
Sale of property, adjustments and refunds	-	13,676	-	-	-	-	68,789
Total receipts	218,180	1,551,859	298,700	489,169	68,130	-	1,004,832
Disbursements:							
Current:							
Instruction	-	-	-	472,199	814,053	-	491,887
Support services	-	1,414,545	198,312	208,870	303,612	4,798	410,785
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	221,191	934	-	8,752	20,995	-	217,779
Debt services	-	-	-	-	-	-	-
Total disbursements	221,191	1,415,479	198,312	689,821	1,138,660	4,798	1,120,451
Excess (deficiency) of receipts over disbursements	(3,011)	136,380	100,388	(200,652)	(1,070,530)	(4,798)	(115,619)
Other financing sources (uses):							
Transfers in	-	-	-	400,000	504,345	2,521	-
Transfers out	-	(12,907)	(15,072)	(22,438)	(15,653)	-	(24,474)
Total other financing sources (uses)	-	(12,907)	(15,072)	377,562	488,692	2,521	(24,474)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,011)	123,473	85,316	176,910	(581,838)	(2,277)	(140,093)
Cash and investments - beginning	128,783	(458,666)	40,173	(179,627)	(346,025)	2,277	(39,778)
Cash and investments - ending	\$ 125,772	\$ (335,193)	\$ 125,489	\$ (2,717)	\$ (927,863)	\$ -	\$ (179,871)
Cash and Investment Assets - Ending							
Cash and investments	\$ 125,772	\$ (335,193)	\$ 125,489	\$ (2,717)	\$ (927,863)	\$ -	\$ (179,871)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 125,772	\$ (335,193)	\$ 125,489	\$ (2,717)	\$ (927,863)	\$ -	\$ (179,871)
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	125,772	(335,193)	125,489	(2,717)	(927,863)	-	(179,871)
Total cash and investment fund balance - ending	\$ 125,772	\$ (335,193)	\$ 125,489	\$ (2,717)	\$ (927,863)	\$ -	\$ (179,871)

NEW CASTLE 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)

	New Castle Area Vocation Building Trade Fund	Welding Special Projects Fund	Area Vocation School Preschool Program Fund	Machine Trades Special Project Fund	Area Vocation School CAD Program Fund	Area Vocation School Youth Center Fund	Henry County Youth Center Fund
Receipts:							
Local sources	\$ 9,621	\$ 1,920	\$ 2,090	\$ -	\$ 240	\$ -	\$ 255,770
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	5,451	8,199	-	1,403	-	-	-
Total receipts	15,072	10,119	2,090	1,403	240	-	255,770
Disbursements:							
Current:							
Instruction	18,540	-	-	-	-	87	174,322
Support services	-	-	-	-	-	-	41,931
Community services	-	9,069	2,244	1,931	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	5,428
Debt services	-	-	-	-	-	-	-
Total disbursements	18,540	9,069	2,244	1,931	-	87	221,681
Excess (deficiency) of receipts over disbursements	(3,468)	1,050	(154)	(528)	240	(87)	34,089
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(3,520)
Total other financing sources (uses)	-	-	-	-	-	-	(3,520)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,468)	1,050	(154)	(528)	240	(87)	30,569
Cash and investments - beginning	4,820	5,161	1,013	1,121	216	166	(117,566)
Cash and investments - ending	<u>\$ 1,352</u>	<u>\$ 6,211</u>	<u>\$ 859</u>	<u>\$ 593</u>	<u>\$ 456</u>	<u>\$ 79</u>	<u>\$ (86,997)</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,352	\$ 6,211	\$ 859	\$ 593	\$ 456	\$ 79	\$ (86,997)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,352	\$ 6,211	\$ 859	\$ 593	\$ 456	\$ 79	\$ (86,997)
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,352	6,211	859	593	456	79	(86,997)
Total cash and investment fund balance - ending	\$ 1,352	\$ 6,211	\$ 859	\$ 593	\$ 456	\$ 79	\$ (86,997)

NEW CASTLE 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)

	Cradles Child Care Program Fund	Education Plate Fee Fund	Alternative Education Grant Fund	Early Intervention Fund	Professional Development (IDOE) Fund	Health Families - OFC 2004-2005 Fund	Health Families - TANF 2004-2005 Fund
Receipts:							
Local sources	\$ 43,971	\$ -	\$ 11,662	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	1,294	-	-	-	-	-
State sources	-	-	23,323	500	-	14,868	138,588
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	49,347	-	-	-	-	-	-
Total receipts	93,318	1,294	34,985	500	-	14,868	138,588
Disbursements:							
Current:							
Instruction	-	-	27,965	-	-	14,020	92,591
Support services	7,236	-	1,075	182	53,796	1,758	34,038
Community services	65,905	1,238	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	73,141	1,238	29,040	182	53,796	15,778	126,629
Excess (deficiency) of receipts over disbursements	20,177	56	5,945	318	(53,796)	(910)	11,959
Other financing sources (uses):							
Transfers in	-	-	-	-	53,788	-	-
Transfers out	-	-	-	-	-	-	(5,218)
Total other financing sources (uses)	-	-	-	-	53,788	-	(5,218)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	20,177	56	5,945	318	(8)	(910)	6,741
Cash and investments - beginning	741	507	63,736	-	62,358	-	-
Cash and investments - ending	<u>\$ 20,918</u>	<u>\$ 563</u>	<u>\$ 69,681</u>	<u>\$ 318</u>	<u>\$ 62,350</u>	<u>\$ (910)</u>	<u>\$ 6,741</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 20,918	\$ 563	\$ 69,681	\$ 318	\$ 62,350	\$ (910)	\$ 6,741
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 20,918</u>	<u>\$ 563</u>	<u>\$ 69,681</u>	<u>\$ 318</u>	<u>\$ 62,350</u>	<u>\$ (910)</u>	<u>\$ 6,741</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	20,918	563	69,681	318	62,350	(910)	6,741
Total cash and investment fund balance - ending	<u>\$ 20,918</u>	<u>\$ 563</u>	<u>\$ 69,681</u>	<u>\$ 318</u>	<u>\$ 62,350</u>	<u>\$ (910)</u>	<u>\$ 6,741</u>

NEW CASTLE 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)

	Healthy Families - Ofc 2005-2006 Fund	Health Families - TANF 2005-2006 Fund	Gifted and Talented 2004-2005 Fund	Tech Prep Fund	Tech Prep 2005-2006 Fund	Computer Technology Loan Fund	Homemaker Contract 2007 Fund
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	1,812	51,967	17,488	-	78,792	360,000	-
Federal sources	-	-	-	-	-	-	8,000
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	<u>1,812</u>	<u>51,967</u>	<u>17,488</u>	<u>-</u>	<u>78,792</u>	<u>360,000</u>	<u>8,000</u>
Disbursements:							
Current:							
Instruction	4,898	54,186	16,918	-	44,119	-	-
Support services	4,460	6,927	570	-	26,961	360,000	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	468	4,408	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	<u>9,826</u>	<u>65,521</u>	<u>17,488</u>	<u>-</u>	<u>71,080</u>	<u>360,000</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(8,014)</u>	<u>(13,554)</u>	<u>-</u>	<u>-</u>	<u>7,712</u>	<u>-</u>	<u>8,000</u>
Other financing sources (uses):							
Transfers in	-	-	-	1	-	-	-
Transfers out	-	-	-	-	(1)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(8,014)</u>	<u>(13,554)</u>	<u>-</u>	<u>1</u>	<u>7,711</u>	<u>-</u>	<u>8,000</u>
Cash and investments - beginning	<u>8,014</u>	<u>13,554</u>	<u>-</u>	<u>(1)</u>	<u>(12,220)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,509)</u>	<u>\$ -</u>	<u>\$ 8,000</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ (4,509)	\$ -	\$ 8,000
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,509)</u>	<u>\$ -</u>	<u>\$ 8,000</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-	(4,509)	-	8,000
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,509)</u>	<u>\$ -</u>	<u>\$ 8,000</u>

NEW CASTLE 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)

	Homemaker Contract 2006 Fund	Homemaker Contract 2005 Fund	Non-English Speaking Grant Fund	Technology Fund	Technology Plan Grant 2006-2007 Fund	Bundy Auditorium Fund	GED Testing Fund
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,820	\$ 10,121
Intermediate sources	-	-	-	-	-	-	-
State sources	16,500	-	-	-	130,838	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	28,189	-	8	-
Total receipts	16,500	-	-	28,189	130,838	5,828	10,121
Disbursements:							
Current:							
Instruction	17,581	2,563	-	-	-	-	11,488
Support services	2,463	172	-	77,087	66,312	2,599	953
Community services	-	-	-	-	-	20,159	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	20,044	2,735	-	77,087	66,312	22,758	12,441
Excess (deficiency) of receipts over disbursements	(3,544)	(2,735)	-	(48,898)	64,526	(16,930)	(2,320)
Other financing sources (uses):							
Transfers in	-	1	-	-	-	-	-
Transfers out	(1)	-	-	-	-	-	-
Total other financing sources (uses)	(1)	1	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,545)	(2,734)	-	(48,898)	64,526	(16,930)	(2,320)
Cash and investments - beginning	7,912	2,734	617	49,077	-	19,849	15,876
Cash and investments - ending	<u>\$ 4,367</u>	<u>\$ -</u>	<u>\$ 617</u>	<u>\$ 179</u>	<u>\$ 64,526</u>	<u>\$ 2,919</u>	<u>\$ 13,556</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 4,367	\$ -	\$ 617	\$ 179	\$ 64,526	\$ 2,919	\$ 13,556
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 4,367</u>	<u>\$ -</u>	<u>\$ 617</u>	<u>\$ 179</u>	<u>\$ 64,526</u>	<u>\$ 2,919</u>	<u>\$ 13,556</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	4,367	-	617	179	64,526	2,919	13,556
Total cash and investment fund balance - ending	<u>\$ 4,367</u>	<u>\$ -</u>	<u>\$ 617</u>	<u>\$ 179</u>	<u>\$ 64,526</u>	<u>\$ 2,919</u>	<u>\$ 13,556</u>

NEW CASTLE 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)

	Alternative Education Fund	Title I FY 2004-2005 Fund	Title I FY 2005-2006 Fund	Title I Delinquent 2006-2007 Fund	Title I Delinquent 2005-2006 Fund	Title I Improve Eastwood 2005-2006 Fund	Title I School Improvement Eastwood Fund
Receipts:							
Local sources	\$ 48,060	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	484,144	120,000	52,945	1,931	-	39,441
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	48,060	484,144	120,000	52,945	1,931	-	39,441
Disbursements:							
Current:							
Instruction	890	303,899	89,553	24,916	1,710	11,843	34,335
Support services	57,653	161,264	67,453	3,125	(73)	1,289	5,699
Community services	-	4,720	3,868	500	-	-	-
Nonprogrammed charges	-	-	9,671	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	58,543	469,883	170,545	28,541	1,637	13,132	40,034
Excess (deficiency) of receipts over disbursements	(10,483)	14,261	(50,545)	24,404	294	(13,132)	(593)
Other financing sources (uses):							
Transfers in	-	1	-	1	-	-	-
Transfers out	-	(12,912)	(1)	-	(1)	-	-
Total other financing sources (uses)	-	(12,911)	(1)	1	(1)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,483)	1,350	(50,546)	24,405	293	(13,132)	(593)
Cash and investments - beginning	32,111	-	50,546	-	(293)	13,132	-
Cash and investments - ending	\$ 21,628	\$ 1,350	\$ -	\$ 24,405	\$ -	\$ -	\$ (593)
Cash and Investment Assets - Ending							
Cash and investments	\$ 21,628	\$ 1,350	\$ -	\$ 24,405	\$ -	\$ -	\$ (593)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 21,628	\$ 1,350	\$ -	\$ 24,405	\$ -	\$ -	\$ (593)
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	21,628	1,350	-	24,405	-	-	(593)
Total cash and investment fund balance - ending	\$ 21,628	\$ 1,350	\$ -	\$ 24,405	\$ -	\$ -	\$ (593)

NEW CASTLE 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 2004-2005 Fund	Title V Innovative Program 2005-2006 Fund	IDEA Sliver Grant 2005-2006 Fund	IDEA PL 101-476 FY 2005-2006 Fund	IDEA PL 101-476 2006-2007 Fund	Preschool Handicapped 2003-2004 Fund	Preschool Handicapped 2004-2005 Fund
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	6,776	-	-	200,000	1,982,354	11,000	133,444
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	6,776	-	-	200,000	1,982,354	11,000	133,444
Disbursements:							
Current:							
Instruction	812	16,109	3,830	185,560	1,071,165	2,783	80,036
Support services	3,421	9,975	-	38,300	699,623	192	40,849
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	6,472	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	4,233	26,084	3,830	230,332	1,770,788	2,975	120,885
Excess (deficiency) of receipts over disbursements	2,543	(26,084)	(3,830)	(30,332)	211,566	8,025	12,559
Other financing sources (uses):							
Transfers in	46,417	-	-	1	-	-	-
Transfers out	-	-	-	-	(54,373)	-	(1,173)
Total other financing sources (uses)	46,417	-	-	1	(54,373)	-	(1,173)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	48,960	(26,084)	(3,830)	(30,331)	157,193	8,025	11,386
Cash and investments - beginning	-	26,084	3,830	30,331	-	(8,025)	-
Cash and investments - ending	<u>\$ 48,960</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157,193</u>	<u>\$ -</u>	<u>\$ 11,386</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 48,960	\$ -	\$ -	\$ -	\$ 157,193	\$ -	\$ 11,386
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 48,960</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157,193</u>	<u>\$ -</u>	<u>\$ 11,386</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	48,960	-	-	-	157,193	-	11,386
Total cash and investment fund balance - ending	<u>\$ 48,960</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157,193</u>	<u>\$ -</u>	<u>\$ 11,386</u>

NEW CASTLE 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)

	Adult Basic Education 2007-8026 Fund	Adult Basic Education 2006-8026 Fund	Impact 2005-2006 Fund	Impact 2003-2004 Fund	Drug Free Project Peace NCMS Fund	Drug Free Schools 2005-2006 Fund	Drug Free Schools 2003-2004 Fund
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	200,214	-	800	-	500	-	16,533
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	200,214	-	800	-	500	-	16,533
Disbursements:							
Current:							
Instruction	71,026	49,277	280	684	-	-	-
Support services	70,176	6,213	-	211	500	8,823	12,903
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	331
Debt services	-	-	-	-	-	-	-
Total disbursements	141,202	55,490	280	895	500	8,823	13,234
Excess (deficiency) of receipts over disbursements	59,012	(55,490)	520	(895)	-	(8,823)	3,299
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(1,173)	-	-	-	-	-	-
Total other financing sources (uses)	(1,173)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	57,839	(55,490)	520	(895)	-	(8,823)	3,299
Cash and investments - beginning	-	55,490	8,000	14,214	-	8,823	-
Cash and investments - ending	\$ 57,839	\$ -	\$ 8,520	\$ 13,319	\$ -	\$ -	\$ 3,299
Cash and Investment Assets - Ending							
Cash and investments	\$ 57,839	\$ -	\$ 8,520	\$ 13,319	\$ -	\$ -	\$ 3,299
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 57,839	\$ -	\$ 8,520	\$ 13,319	\$ -	\$ -	\$ 3,299
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	57,839	-	8,520	13,319	-	-	3,299
Total cash and investment fund balance - ending	\$ 57,839	\$ -	\$ 8,520	\$ 13,319	\$ -	\$ -	\$ 3,299

NEW CASTLE 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)

	Awards for Excellence 2006 Fund	Awards for Excellence 2003-2004 Fund	Medicaid Reimb - Federal Fund	Title IV-B, Part II 2004-2005 Fund	Title IV-B, Part II 2005-2006 Fund	Perkins Grant 2003-2004 Fund
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	6,595	276	1,433	3,372	1,627	33,729
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	<u>6,595</u>	<u>276</u>	<u>1,433</u>	<u>3,372</u>	<u>1,627</u>	<u>33,729</u>
Disbursements:						
Current:						
Instruction	9,153	137	-	2,388	62	1,698
Support services	529	-	-	296	77	30,049
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>9,682</u>	<u>137</u>	<u>-</u>	<u>2,684</u>	<u>139</u>	<u>31,747</u>
Excess (deficiency) of receipts over disbursements	<u>(3,087)</u>	<u>139</u>	<u>1,433</u>	<u>688</u>	<u>1,488</u>	<u>1,982</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(1,433)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,433)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(3,087)</u>	<u>139</u>	<u>-</u>	<u>688</u>	<u>1,488</u>	<u>1,982</u>
Cash and investments - beginning	<u>-</u>	<u>(139)</u>	<u>-</u>	<u>-</u>	<u>(1,488)</u>	<u>(1,982)</u>
Cash and investments - ending	<u>\$ (3,087)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 688</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ (3,087)	\$ -	\$ -	\$ 688	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (3,087)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 688</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(3,087)	-	-	688	-	-
Total cash and investment fund balance - ending	<u>\$ (3,087)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 688</u>	<u>\$ -</u>	<u>\$ -</u>

NEW CASTLE 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)

	Perkins Grant 2006-2007 Fund	Title II Fund	Title II Education Tech 2005-2006 Fund	Retirement Severance Bond Debt Fund	Construction Fund	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 657,628	\$ -	\$ 3,494,568
Intermediate sources	-	-	-	-	-	1,294
State sources	-	-	-	-	-	1,128,580
Federal sources	92,478	216,246	-	-	-	4,420,674
Sale of property, adjustments and refunds	-	-	-	-	30,000	205,062
Total receipts	<u>92,478</u>	<u>216,246</u>	<u>-</u>	<u>657,628</u>	<u>30,000</u>	<u>9,250,178</u>
Disbursements:						
Current:						
Instruction	18,816	85,362	-	-	-	4,323,741
Support services	49,084	48,835	30,555	-	-	4,576,463
Community services	-	-	-	-	-	109,634
Nonprogrammed charges	-	-	-	-	-	496,429
Debt services	-	-	-	628,417	-	628,417
Total disbursements	<u>67,900</u>	<u>134,197</u>	<u>30,555</u>	<u>628,417</u>	<u>-</u>	<u>10,134,684</u>
Excess (deficiency) of receipts over disbursements	<u>24,578</u>	<u>82,049</u>	<u>(30,555)</u>	<u>29,211</u>	<u>30,000</u>	<u>(884,506)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	1,007,076
Transfers out	-	(46,417)	-	-	-	(216,767)
Total other financing sources (uses)	<u>-</u>	<u>(46,417)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>790,309</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>24,578</u>	<u>35,632</u>	<u>(30,555)</u>	<u>29,211</u>	<u>30,000</u>	<u>(94,197)</u>
Cash and investments - beginning	<u>-</u>	<u>13,211</u>	<u>30,555</u>	<u>(294,991)</u>	<u>79,050</u>	<u>(666,719)</u>
Cash and investments - ending	<u>\$ 24,578</u>	<u>\$ 48,843</u>	<u>\$ -</u>	<u>\$ (265,780)</u>	<u>\$ 109,050</u>	<u>\$ (760,916)</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 24,578	\$ 48,843	\$ -	\$ -	\$ 109,050	\$ (495,136)
Restricted assets:						
Cash and investments	-	-	-	(265,780)	-	(265,780)
Total cash and investment assets - ending	<u>\$ 24,578</u>	<u>\$ 48,843</u>	<u>\$ -</u>	<u>\$ (265,780)</u>	<u>\$ 109,050</u>	<u>\$ (760,916)</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	(265,780)	\$ -	\$ (265,780)
Unrestricted	<u>24,578</u>	<u>48,843</u>	<u>-</u>	<u>-</u>	<u>109,050</u>	<u>(495,136)</u>
Total cash and investment fund balance - ending	<u>\$ 24,578</u>	<u>\$ 48,843</u>	<u>\$ -</u>	<u>\$ (265,780)</u>	<u>\$ 109,050</u>	<u>\$ (760,916)</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
 AND CHANGES IN FUND BALANCES - CASH AND INVESTMENTS BASIS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2006

	<u>Self- Insurance</u>	<u>Central Stores</u>	<u>Totals</u>
Operating receipts:			
Charges for services	\$ 6,064,431	\$ 87,344	\$ 6,151,775
Miscellaneous	29,119	-	29,119
	<u>6,093,550</u>	<u>87,344</u>	<u>6,180,894</u>
Total operating receipts			
Operating disbursements:			
Insurance claims and expense	5,102,720	-	5,102,720
Other	-	81,907	81,907
	<u>5,102,720</u>	<u>81,907</u>	<u>5,184,627</u>
Total operating disbursements			
Change in net assets	990,830	5,437	996,267
Cash and investment fund balance - beginning	<u>5,144,832</u>	<u>48,124</u>	<u>5,192,956</u>
Cash and investment fund balance - ending	<u>\$ 6,135,662</u>	<u>\$ 53,561</u>	<u>\$ 6,189,223</u>
<u>Cash and Investment Assets - Ending</u>			
Restricted assets:			
Cash and investments	<u>\$ 6,135,662</u>	<u>\$ 53,561</u>	<u>\$ 6,189,223</u>
<u>Cash and Investment Fund Balance - Ending</u>			
Restricted for:			
Other purposes	<u>\$ 6,135,662</u>	<u>\$ 53,561</u>	<u>\$ 6,189,223</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
 AND CHANGES IN FUND BALANCES - CASH AND INVESTMENTS BASIS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2007

	<u>Self- Insurance</u>	<u>Central Stores</u>	<u>Totals</u>
Operating receipts:			
Charges for services	\$ 5,321,613	\$ 99,629	\$ 5,421,242
Miscellaneous	<u>348,466</u>	<u>-</u>	<u>348,466</u>
Total operating receipts	<u>5,670,079</u>	<u>99,629</u>	<u>5,769,708</u>
Operating disbursements:			
Insurance claims and expense	<u>5,993,188</u>	<u>91,296</u>	<u>6,084,484</u>
Excess (deficiency) of operating receipts over operating disbursements	(323,109)	8,333	(314,776)
Transfers in	6,229,299	-	6,229,299
Transfers out	<u>(5,381,385)</u>	<u>-</u>	<u>(5,381,385)</u>
Change in net assets	524,805	8,333	533,138
Cash and investment fund balance - beginning	<u>6,135,661</u>	<u>53,561</u>	<u>6,189,222</u>
Cash and investment fund balance - ending	<u>\$ 6,660,466</u>	<u>\$ 61,894</u>	<u>\$ 6,722,360</u>
<u>Cash and Investment Assets - Ending</u>			
Restricted assets:			
Cash and investments	<u>\$ 6,660,466</u>	<u>\$ 61,894</u>	<u>\$ 6,722,360</u>
<u>Cash and Investment Fund Balance - Ending</u>			
Restricted for:			
Other purposes	<u>\$ 6,660,466</u>	<u>\$ 61,894</u>	<u>\$ 6,722,360</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUND
 For the Year Ended June 30, 2006

	<u>Postretirement/ Severance Future Benefit</u>
Additions: Contributions: Other	\$ <u>145,000</u>
Deductions: Benefits	<u>179,289</u>
Deficiency of total additions over total deductions	(34,289)
Cash and investment fund balance - beginning	<u>2,045,483</u>
Cash and investment fund balance - ending	\$ <u><u>2,011,194</u></u>
Net assets: Cash and investments	\$ <u>2,011,194</u>
Total net assets - cash and investment basis held in trust	\$ <u><u>2,011,194</u></u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUND
 For the Year Ended June 30, 2007

	<u>Postretirement/ Severance Future Benefit</u>
Additions: Contributions: Other	\$ 58,805
Deductions: Benefits	<u>131,561</u>
Deficiency of total additions over total deductions	(72,756)
Cash and investment fund balance - beginning	<u>2,011,194</u>
Cash and investment fund balance - ending	<u><u>\$ 1,938,438</u></u>
Net assets: Cash and investments	<u><u>\$ 1,938,438</u></u>
Total net assets - cash and investment basis held in trust	<u><u>\$ 1,938,438</u></u>

NEW CASTLE 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

	<u>Scholarship Memorial Fund</u>	<u>AVS Foundation and Other Grants Fund</u>	<u>NCMS Foundation and Other Grants Fund</u>	<u>Grants Elementary Library Fund</u>	<u>Alternative School Fund</u>	<u>Grants Foundation Elementary K/First Fund</u>	<u>Grants CHS Donations Fund</u>
Additions:							
Contributions:							
Other	\$ -	\$ 6,790	\$ 5,850	\$ -	\$ 200	\$ -	\$ -
Deductions:							
Administrative and general	<u>78</u>	<u>3,724</u>	<u>10,713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	(78)	3,066	(4,863)	-	200	-	-
Cash and investment fund balance - beginning	<u>-</u>	<u>7,855</u>	<u>7,912</u>	<u>2,871</u>	<u>-</u>	<u>386</u>	<u>-</u>
Cash and investments - June 30	<u>\$ (78)</u>	<u>\$ 10,921</u>	<u>\$ 3,049</u>	<u>\$ 2,871</u>	<u>\$ 200</u>	<u>\$ 386</u>	<u>\$ -</u>
Net assets:							
Cash and investments	<u>\$ (78)</u>	<u>\$ 10,921</u>	<u>\$ 3,049</u>	<u>\$ 2,871</u>	<u>\$ 200</u>	<u>\$ 386</u>	<u>\$ -</u>
Total net assets - cash and investment basis held in trust	<u>\$ (78)</u>	<u>\$ 10,921</u>	<u>\$ 3,049</u>	<u>\$ 2,871</u>	<u>\$ 200</u>	<u>\$ 386</u>	<u>\$ -</u>

NEW CASTLE 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)

	Grants Eastwood Fund	Grants Wilbur Wright Fund	Grants Westwood Fund	Foundation Grant Greenstreet Fund	Foundation Grant Sunnyside Fund	Grants Riley Fund	Grants Parker Fund
Additions:							
Contributions:							
Other	\$ 200	\$ 200	\$ 7,010	\$ 200	\$ 1,269	\$ 688	\$ 382
Deductions:							
Administrative and general	-	-	-	-	-	-	-
Excess (deficiency) of total additions over total deductions	200	200	7,010	200	1,269	688	382
Cash and investment fund balance - beginning	-	155	-	294	3,300	-	-
Cash and Investments - June 30	<u>\$ 200</u>	<u>\$ 355</u>	<u>\$ 7,010</u>	<u>\$ 494</u>	<u>\$ 4,569</u>	<u>\$ 688</u>	<u>\$ 382</u>
Net assets:							
Cash and investments	<u>\$ 200</u>	<u>\$ 355</u>	<u>\$ 7,010</u>	<u>\$ 494</u>	<u>\$ 4,569</u>	<u>\$ 688</u>	<u>\$ 382</u>
Total net assets - cash and investment basis held in trust	<u>\$ 200</u>	<u>\$ 355</u>	<u>\$ 7,010</u>	<u>\$ 494</u>	<u>\$ 4,569</u>	<u>\$ 688</u>	<u>\$ 382</u>

NEW CASTLE 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)

	Phyllis Klipsch Scholarship Fund	Andy Winter Memorial Fund	Wright Memorial Donations Fund	Arlie Harp Scholarship Fund	Williams Stairs Memorial Fund	William Walker Memorial Fund	Derek Clark Memorial Fund
Additions:							
Contributions:							
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deductions:							
Administrative and general	-	-	-	-	-	-	-
Excess (deficiency) of total additions over total deductions	-	-	-	-	-	-	-
Cash and investment fund balance - beginning	1,080	30	465	1,228	257	1,878	174
Cash and Investments - June 30	<u>\$ 1,080</u>	<u>\$ 30</u>	<u>\$ 465</u>	<u>\$ 1,228</u>	<u>\$ 257</u>	<u>\$ 1,878</u>	<u>\$ 174</u>
Net assets:							
Cash and investments	<u>\$ 1,080</u>	<u>\$ 30</u>	<u>\$ 465</u>	<u>\$ 1,228</u>	<u>\$ 257</u>	<u>\$ 1,878</u>	<u>\$ 174</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,080</u>	<u>\$ 30</u>	<u>\$ 465</u>	<u>\$ 1,228</u>	<u>\$ 257</u>	<u>\$ 1,878</u>	<u>\$ 174</u>

NEW CASTLE 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)

	Rolland McDonald Memorial Fund	Chely Snedigar Memorial Fund	Veach/Kirby Memorial Fund	Dickerson Memorial Fund	Geozeff Memorial Fund	Totals
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,789
Deductions:						
Administrative and general	-	-	-	-	-	14,515
Excess (deficiency) of total additions over total deductions	-	-	-	-	-	8,274
Cash and investment fund balance - beginning	1,078	38	1,335	610	541	31,487
Cash and Investments - June 30	<u>\$ 1,078</u>	<u>\$ 38</u>	<u>\$ 1,335</u>	<u>\$ 610</u>	<u>\$ 541</u>	<u>\$ 39,761</u>
Net assets:						
Cash and investments	<u>\$ 1,078</u>	<u>\$ 38</u>	<u>\$ 1,335</u>	<u>\$ 610</u>	<u>\$ 541</u>	<u>\$ 39,761</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,078</u>	<u>\$ 38</u>	<u>\$ 1,335</u>	<u>\$ 610</u>	<u>\$ 541</u>	<u>\$ 39,761</u>

NEW CASTLE 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

	Scholarship Memorial Fund	AVS Foundation and Other Grants Fund	NCMS Foundation and Other Grants Fund	Grants Elementary Library Fund	Alternative School Fund	Grants Foundation Elementary K/First Fund
Additions:						
Contributions:						
Other	\$ -	\$ 5,000	\$ 8,076	\$ 2,750	\$ 6,992	\$ -
Deductions:						
Administrative and general	-	2,337	8,369	670	2,829	-
Excess (deficiency) of total additions over total deductions	-	2,663	(293)	2,080	4,163	-
Cash and investment fund balance - beginning	8,637	8,494	2,207	131	100	386
Cash and investments - June 30	<u>\$ 8,637</u>	<u>\$ 11,157</u>	<u>\$ 1,914</u>	<u>\$ 2,211</u>	<u>\$ 4,263</u>	<u>\$ 386</u>
Net assets:						
Cash and investments	<u>\$ 8,637</u>	<u>\$ 11,157</u>	<u>\$ 1,914</u>	<u>\$ 2,211</u>	<u>\$ 4,263</u>	<u>\$ 386</u>
Total net assets - cash and investment basis held in trust	<u>\$ 8,637</u>	<u>\$ 11,157</u>	<u>\$ 1,914</u>	<u>\$ 2,211</u>	<u>\$ 4,263</u>	<u>\$ 386</u>

NEW CASTLE 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)

	Grants CHS Donations Fund	Grants Eastwood Fund	Grants Wilbur Wright Fund	Grants Westwood Fund	Foundation Grant Greenstreet Fund
Additions:					
Contributions:					
Other	\$ 411	\$ 6,847	\$ 4,790	\$ 700	\$ 100
Deductions:					
Administrative and general	-	-	-	-	-
Excess (deficiency) of total additions over total deductions	411	6,847	4,790	700	100
Cash and investment fund balance - beginning	-	125	140	2,254	100
Cash and investments - June 30	<u>\$ 411</u>	<u>\$ 6,972</u>	<u>\$ 4,930</u>	<u>\$ 2,954</u>	<u>\$ 200</u>
Net assets:					
Cash and investments	<u>\$ 411</u>	<u>\$ 6,972</u>	<u>\$ 4,930</u>	<u>\$ 2,954</u>	<u>\$ 200</u>
Total net assets - cash and investment basis held in trust	<u>\$ 411</u>	<u>\$ 6,972</u>	<u>\$ 4,930</u>	<u>\$ 2,954</u>	<u>\$ 200</u>

NEW CASTLE 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)

	Foundation Grant Sunnyside Fund	Grants Riley Fund	Grants Parker Fund	Literacy Coalition Fund	Totals
Additions:					
Contributions:					
Other	\$ 787	\$ 100	\$ 100	\$ 6,608	\$ 43,261
Deductions:					
Administrative and general	-	-	-	-	14,205
Excess (deficiency) of total additions over total deductions	787	100	100	6,608	29,056
Cash and investment fund balance - beginning	706	688	-	-	23,968
Cash and investments - June 30	<u>\$ 1,493</u>	<u>\$ 788</u>	<u>\$ 100</u>	<u>\$ 6,608</u>	<u>\$ 53,024</u>
Net assets:					
Cash and investments	<u>\$ 1,493</u>	<u>\$ 788</u>	<u>\$ 100</u>	<u>\$ 6,608</u>	<u>\$ 53,024</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,493</u>	<u>\$ 788</u>	<u>\$ 100</u>	<u>\$ 6,608</u>	<u>\$ 53,024</u>

NEW CASTLE 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	\$ 291,924
Buildings	52,728,440
Improvements other than buildings	1,514,176
Machinery and equipment	<u>7,344,697</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 61,879,237</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 For the Year Ended 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:		
High School	\$ 5,790,000	\$ 732,500
Notes and loans payable	10,969,263	1,208,668
Bonds payable:		
General obligation bonds:		
Retirement Bond	<u>3,950,000</u>	<u>628,331</u>
Total governmental activities debt	<u>\$ 20,709,263</u>	<u>\$ 2,569,499</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The cash balance of the School Lunch Fund, Preschool Cooperative Fund, Special Education Intensive Service Fund, Area Vocation School Fund, Henry County Youth Center Fund, Tech Prep 2005-2006 Fund, Title I Delinquent 2005-2006 Fund, Preschool Handicap FY 2005-2006 Fund, Awards for Excellence, Title IV-B Grant 2005-2006 Fund, Perkins Grant 2003-2004, and the Retirement/ Severance Bond Debt Fund was overdrawn at June 30, 2006.

The cash balance of the School Lunch Fund, Preschool Cooperative Fund, Special Education Intensive Service Fund, Area Vocation School Fund, Henry County Youth Center Fund, Healthy Families 2004-2005 Fund, Title I School Improvement - Eastwood Fund, Tech Prep 2006-2007 Fund, Award for Excellence 2006, and the Retirement/Severance Bond Debt Fund was overdrawn at 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)

RECEIPT ISSUANCE AND INTERNAL CONTROLS – (Applies to New Castle High School)

Extra-curricular sponsors are preparing a prenumbered Summary of Collection Form (SA-8) as a transmittal document every time money is reported from the sponsor to the Extra Curricular Treasurer. An Official Receipt Form (SA-3) is not being issued or recorded at the time the Summary of Collection Form (SA-8) is presented. Also the prenumbered Summary of Collection Form (SA-8) is not being used in sequential order but is being filed in numerical order, resulting in difficulty matching Receipt Form (SA-3) to the corresponding Summary of Collection Form (SA-8).

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

The official receipt (SA-3) is to be issued for any and all money received. A separate receipt shall be issued for each amount of money received. The duplicate serves as a register of receipts from which all receipts are posted to the proper activity funds and the control account. The receipt, to be properly issued, shall show the date, the name of the person from whom the money was received, the payment type, the activity fund for which it was received, the amount and the source of the receipt. The receipt form must be signed by the treasurer of the extra-curricular account or collecting authority. The cash receipts collected by and for the benefit of any activity fund should be in charge of some designated official or sponsor of the activity, until turned over to the treasurer of the extra-curricular account. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

NEW CASTLE COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

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

OUTSIDE ORGANIZATIONS – (Applies to New Castle High School)

Financial records indicate that monies from booster clubs and off season clubs may have been co-mingled and accounted for within the Extra-Curricular Accounts (ECA). We could not always determine which organization was sponsoring fund raisers. The ECA accounts may have paid some expenses of the Booster Club. Whichever organization is having a fundraiser, the sponsor should be clearly identified.

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

COMPENSATION - NONEMPLOYEES – (Applies to New Castle High School)

The volleyball team purchased cookie dough to sell as a fundraiser. The proceeds from the sale of the cookie dough were \$18,608.58 and the cost of the cookie dough was \$11,918.85, resulting in fundraiser income from the sale of the cookie dough of \$6,691.73. School Corporation policy allows for nominal incentive amounts to be given to students.

Fundraiser incentive payments were made directly to six students totaling \$2,500, (37% of the fundraiser income). The incentive payments were made from the Volleyball Fund. One student received \$1,500 and the other 5 received \$200 each. None of the payments were reported to the School Corporation business offices for reporting to the Internal Revenue Service and there were no record of the payments being processed through the School Corporation's payroll function.

Any compensation, premium, bonus, or product earned as a result of the purchase of goods or services by the governmental unit becomes the property of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Payments for services provided by an organization should go directly to the organization and not to an individual employee of the organization. All payments for services should be supported by a written contract. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 11)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE NEW CASTLE COMMUNITY
SCHOOL CORPORATION, HENRY COUNTY, INDIANA

Compliance

We have audited the compliance of the New Castle 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

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)

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.

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

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

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

This report is intended solely for the information and use of the School Corporation's management, school board of trustees, 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

January 22, 2008

NEW CASTLE 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		\$ 171,051	\$ -
FY 2005-2006			-	170,724
FY 2006-2007			-	-
Total for program			<u>171,051</u>	<u>170,724</u>
National School Lunch Program				
FY 2005-2006	10.555		689,734	-
FY 2006-2007			-	713,237
Total for program			<u>689,734</u>	<u>713,237</u>
Total for cluster			<u>860,785</u>	<u>883,961</u>
Food Stamp Program Cluster				
State Administrative Matching Grant	10.561			
		33-06-SY-0989-01	-	127
		33-06-SY-0989-02	-	153
Total for program			<u>-</u>	<u>280</u>
Total for federal grantor agency			<u>860,785</u>	<u>884,241</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Special Education Cluster				
Special Education Grants to States	84.027A			
		14205-044-SN01	2,371	-
		14205-044-DY01	35,962	2,586
		14206-044-PN01	1,981,637	188,564
		14207-044-PN01	-	1,862,215
Total for program			<u>2,019,970</u>	<u>2,053,365</u>
Special Education Preschool Grant				
	84.173			
		45706-044-PN01	134,683	2,975
		45707-044-PN01	-	124,453
Total for program			<u>134,683</u>	<u>127,428</u>
Total for cluster			<u>2,154,653</u>	<u>2,180,793</u>
Adult Education - State Grant Program				
	84.002			
		FY2006-8026	157,812	53,289
		FY2007-8026	-	145,037
Total for program			<u>157,812</u>	<u>198,326</u>
Title I Grants to Local Education Agencies				
	84.010			
Delinquent		05-3445	12,523	-
Eastwood Elementary		05-3445	11,600	-
		06-3445	469,326	161,480
Delinquent		06-3445	10,014	1,360
Eastwood Elementary		06-3445	33,202	12,214
		07-3445	-	492,983

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

NEW CASTLE 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 Education (continued)				
Title I Grants to Local Education Agencies (continued)				
Delinquent		07-3445	-	28,541
		3445 FY 2006-2007	<u>-</u>	<u>40,180</u>
Total for program			<u>536,665</u>	<u>736,758</u>
Vocation Education - Basic Grants to States				
	84.048			
		C1-3-SPL-04-10	14,170	41
		05-4700-3445-FY06	42,198	-
		06-4700-3445	104,950	30,529
		SLP-6-25	-	14,502
		07-4700-3	-	68,755
Total for program		07-4700-3445	<u>161,318</u>	<u>113,827</u>
Safe and Drug Free School and Communities - State Grants				
	84.186			
		03-119	895	-
		04-137	15,061	-
		05-217	13,616	8,265
		3445-06 ST06-07	-	13,296
Project Peace			<u>-</u>	<u>500</u>
Total for program			<u>29,572</u>	<u>22,061</u>
Pass-Through Indiana Department of Work Force Development				
Tech Prep Education				
	84.243			
			76,086	-
		TP-5-25	29,325	64,533
		TP-6-25	<u>-</u>	<u>6,605</u>
Total for program			<u>105,411</u>	<u>71,138</u>
Pass-Through Indiana Department of Education				
State Grants for Innovative Programs				
Tech Prep	84.298			
		05-017	52,850	26,424
		06-3445	<u>-</u>	<u>4,859</u>
Total for program			<u>52,850</u>	<u>31,283</u>
Education Technology State Grants				
	84.318			
		107-110 SY02-03	18,617	-
		107-110 SY05-06	22,979	30,021
Total for program			<u>41,596</u>	<u>30,021</u>
Elementary and Secondary Education - Improving				
Teacher Quality State Grants				
	84.367			
		04-085	132,171	403
		05-144	119,150	93,321
		06-3445	<u>-</u>	<u>90,373</u>
Total for program			<u>251,321</u>	<u>184,097</u>
Total for federal grantor agency			<u>3,491,198</u>	<u>3,568,304</u>

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

NEW CASTLE 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 HEALTH AND HUMAN SERVICES</u>				
Pass-Through Indiana Department of Education Promoting Safe and Stable Families	93.556			
		33-05-64-0989-01	2,152	-
		33-03-64-0989-01	10,147	83
		97-07-64-0989	-	<u>2,684</u>
Total for program			<u>12,299</u>	<u>2,767</u>
Temporary Assistance for Needy Families (TANF)	93.558	33-04-SY-0989	<u>20,457</u>	<u>586</u>
Total for federal grantor agency			<u>32,756</u>	<u>3,353</u>
Total federal awards expended			<u>\$ 4,384,739</u>	<u>\$ 4,455,898</u>

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

NEW CASTLE 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 New Castle 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	2006	2007
School Breakfast Program	10.553	\$ 7,178	\$ 14,662
National School Lunch Program	10.555	28,945	62,462

NEW CASTLE 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?	no

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
84.367	Child Nutrition Cluster Special Education Cluster Improving Teacher Quality State Grants

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.

NEW CASTLE COMMUNITY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

NEW CASTLE COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on January 22, 2008, with Marilyn J. Bowman, President of the School Board; Jane Kellam-Tollett, C.P.A., Treasurer; and Dr. John Newby, Superintendent of Schools.