

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

EXAMINATION REPORT
OF
NORTH NEWTON SCHOOL CORPORATION
NEWTON COUNTY, INDIANA
July 1, 2006 to June 30, 2008



FILED

03/05/2009

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|----------------------------------|------------------------------|--|
| Treasurer | Karen Zackfia | 07-01-06 to 06-30-09 |
| Superintendent of Schools | Dr. Terry E. Barker | 07-01-06 to 06-30-09 |
| President of the School Board | David Hayes Nathan Gibson | 07-01-06 to 06-30-08 07-01-08 to 06-30-09 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE NORTH NEWTON SCHOOL
CORPORATION, NEWTON COUNTY, INDIANA

We have examined the financial information presented herein of the North Newton School Corporation (School Corporation), for the period of July 1, 2006 to June 30, 2008. The School Corporation's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

January 12, 2009

NORTH NEWTON 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> | Program Receipts | | <u>Totals</u> |
|--|----------------------|-------------------------|--|---|
| | | Charges for Services | Operating Grants and Contributions | Net (Disbursement) Receipts and Changes in Net Assets |
| Governmental activities: | | | | |
| Instruction | \$ 6,840,191 | \$ - | \$ 57,775 | \$ (6,782,416) |
| Support services | 7,044,589 | 1,175,224 | 246,772 | (5,622,593) |
| Community services | 130,547 | - | - | (130,547) |
| Nonprogrammed charges | 160,894 | - | - | (160,894) |
| Debt service | 1,287,807 | - | - | (1,287,807) |
| Total governmental activities | \$ 15,464,028 | \$ 1,175,224 | \$ 304,547 | (13,984,257) |
| General receipts: | | | | |
| Property taxes | | | | 6,364,115 |
| Other local sources | | | | 1,195,026 |
| State aid | | | | 6,301,964 |
| Bonds and loans | | | | - |
| Grants and contributions not restricted to specific programs | | | | 313,306 |
| Sale of property, adjustments, and refunds | | | | 41,802 |
| Investment earnings | | | | 72,529 |
| Total general receipts | | | | 14,288,742 |
| Change in net assets | | | | 304,485 |
| Net assets - beginning | | | | 3,659,874 |
| Net assets - ending | | | | \$ 3,964,359 |
| <u>Assets</u> | | | | |
| Cash and investments | | | | \$ 2,956,127 |
| Restricted assets: | | | | |
| Cash and investments | | | | 1,008,232 |
| Total assets | | | | \$ 3,964,359 |
| <u>Net Assets</u> | | | | |
| Restricted for: | | | | |
| Debt service | | | | \$ 615,424 |
| Other Purposes | | | | 392,808 |
| Unrestricted | | | | 2,956,127 |
| Total net assets | | | | \$ 3,964,359 |

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

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

| <u>Functions/Programs</u> | <u>Disbursements</u> | Program Receipts | | <u>Totals</u> |
|--|----------------------|-------------------------|--|--|
| | | Charges for Services | Operating Grants and Contributions | <u>Net (Disbursement) Receipts and Changes in Net Assets</u> |
| Governmental activities: | | | | |
| Instruction | \$ 6,716,159 | \$ - | \$ 91,812 | \$ (6,624,347) |
| Support services | 8,233,730 | 1,721,694 | 266,923 | (6,245,113) |
| Community services | 142,628 | - | - | (142,628) |
| Nonprogrammed charges | 287,074 | - | - | (287,074) |
| Debt service | 1,198,925 | - | - | (1,198,925) |
| Total governmental activities | \$ 16,578,516 | \$ 1,721,694 | \$ 358,735 | (14,498,087) |
| General receipts: | | | | |
| Property taxes | | | | 3,159,270 |
| Other local sources | | | | 1,059,296 |
| State aid | | | | 5,813,568 |
| Bonds and loans | | | | 2,595,500 |
| Grants and contributions not restricted to specific programs | | | | 336,120 |
| Sale of property, adjustments, and refunds | | | | 123,310 |
| Investment earnings | | | | 60,770 |
| Total general receipts | | | | 13,147,834 |
| Change in net assets | | | | (1,350,253) |
| Net assets - beginning | | | | 3,964,359 |
| Net assets - ending | | | | \$ 2,614,106 |
| <u>Assets</u> | | | | |
| Cash and investments | | | | \$ 2,169,642 |
| Restricted assets: | | | | |
| Cash and investments | | | | 444,464 |
| Total assets | | | | \$ 2,614,106 |
| <u>Net Assets</u> | | | | |
| Restricted for: | | | | |
| Debt service | | | | \$ 46,684 |
| Other purposes | | | | 397,780 |
| Unrestricted | | | | 2,169,642 |
| Total net assets | | | | \$ 2,614,106 |

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

NORTH NEWTON 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 | Debt Service | Capital Projects | School Bus Replacement | Other | Totals |
|---|-------------------|-----------------------------|-------------------|---------------------|---------------------------|-------------------|---------------------|
| Receipts: | | | | | | | |
| Local sources | \$ 3,588,420 | \$ 1,049,798 | \$ 1,029,689 | \$ 1,268,917 | \$ 218,951 | \$ 849,897 | \$ 8,005,672 |
| Intermediate sources | 13,317 | - | - | - | - | 506 | 13,823 |
| State sources | 6,345,911 | - | - | - | - | 93,223 | 6,439,134 |
| Federal sources | 2,315 | - | - | - | - | 478,367 | 480,682 |
| Sale of property, adjustments and refunds | 34,597 | 4,950 | - | 687 | 1,000 | 568 | 41,802 |
| Interfund loans | 250,000 | 50,000 | - | - | 200,000 | - | 500,000 |
| Total receipts | <u>10,234,560</u> | <u>1,104,748</u> | <u>1,029,689</u> | <u>1,269,604</u> | <u>419,951</u> | <u>1,422,561</u> | <u>15,481,113</u> |
| Disbursements: | | | | | | | |
| Current: | | | | | | | |
| Instruction | 6,516,879 | - | - | - | - | 323,312 | 6,840,191 |
| Support services | 2,878,751 | 986,661 | - | 1,786,819 | 272,008 | 725,758 | 6,649,997 |
| Community services | 118,084 | - | - | - | - | 12,463 | 130,547 |
| Nonprogrammed charges | 145,316 | - | - | - | - | 15,578 | 160,894 |
| Debt services | 75,477 | - | 911,780 | - | - | 300,550 | 1,287,807 |
| Interfund loans | 250,000 | 50,000 | - | - | 200,000 | - | 500,000 |
| Total disbursements | <u>9,984,507</u> | <u>1,036,661</u> | <u>911,780</u> | <u>1,786,819</u> | <u>472,008</u> | <u>1,377,661</u> | <u>15,569,436</u> |
| Excess (deficiency) of receipts over disbursements | <u>250,053</u> | <u>68,087</u> | <u>117,909</u> | <u>(517,215)</u> | <u>(52,057)</u> | <u>44,900</u> | <u>(88,323)</u> |
| Other financing sources (uses): | | | | | | | |
| Transfers in | 71,271 | 75,358 | 19,290 | 19,357 | 5,204 | 117,531 | 308,011 |
| Transfers out | <u>(71,328)</u> | <u>(5,099)</u> | <u>(78,861)</u> | <u>(6,294)</u> | <u>(1,008)</u> | <u>(145,421)</u> | <u>(308,011)</u> |
| Total other financing sources (uses) | <u>(57)</u> | <u>70,259</u> | <u>(59,571)</u> | <u>13,063</u> | <u>4,196</u> | <u>(27,890)</u> | <u>-</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 249,996 | 138,346 | 58,338 | (504,152) | (47,861) | 17,010 | (88,323) |
| Cash and investments - beginning | <u>601,551</u> | <u>602,203</u> | <u>401,597</u> | <u>1,132,239</u> | <u>366,201</u> | <u>556,083</u> | <u>3,659,874</u> |
| Cash and investments - ending | <u>\$ 851,547</u> | <u>\$ 740,549</u> | <u>\$ 459,935</u> | <u>\$ 628,087</u> | <u>\$ 318,340</u> | <u>\$ 573,093</u> | <u>\$ 3,571,551</u> |
| 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. | | | | | | | |
| | | | | | | | <u>392,808</u> |
| Net assets of governmental activities | | | | | | | <u>\$ 3,964,359</u> |
| Cash and Investment Assets - Ending | | | | | | | |
| Cash and investments | \$ 851,547 | \$ 740,549 | \$ - | \$ 628,087 | \$ 318,340 | \$ 417,604 | \$ 2,956,127 |
| Restricted assets: | | | | | | | |
| Cash and investments | - | - | 459,935 | - | - | 155,489 | 615,424 |
| Total cash and investment assets - ending | <u>\$ 851,547</u> | <u>\$ 740,549</u> | <u>\$ 459,935</u> | <u>\$ 628,087</u> | <u>\$ 318,340</u> | <u>\$ 573,093</u> | <u>\$ 3,571,551</u> |
| Cash and Investment Fund Balance - Ending | | | | | | | |
| Restricted for: | | | | | | | |
| Debt service | \$ - | \$ - | \$ 459,935 | \$ - | \$ - | \$ 155,489 | \$ 615,424 |
| Unrestricted | <u>851,547</u> | <u>740,549</u> | <u>-</u> | <u>628,087</u> | <u>318,340</u> | <u>417,604</u> | <u>2,956,127</u> |
| Total cash and investment fund balance - ending | <u>\$ 851,547</u> | <u>\$ 740,549</u> | <u>\$ 459,935</u> | <u>\$ 628,087</u> | <u>\$ 318,340</u> | <u>\$ 573,093</u> | <u>\$ 3,571,551</u> |

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

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

| | General | Transportation Operating | Debt Service | Capital Projects | School Bus Replacement | Other | Totals |
|--|-------------------|-----------------------------|------------------|---------------------|---------------------------|-------------------|---------------------|
| Receipts: | | | | | | | |
| Local sources | \$ 2,136,120 | \$ 571,372 | \$ 483,990 | \$ 675,194 | \$ 128,394 | \$ 718,993 | \$ 4,714,063 |
| Intermediate sources | 13,317 | - | - | - | - | 412 | 13,729 |
| State sources | 5,867,094 | - | - | - | - | 125,197 | 5,992,291 |
| Federal sources | - | - | - | - | - | 516,133 | 516,133 |
| Bonds and loans | 1,699,295 | - | - | 896,205 | - | - | 2,595,500 |
| Sale of property, adjustments and refunds | 113,112 | 9,069 | - | 629 | - | 500 | 123,310 |
| Interfund loans | 400,000 | - | 300,000 | 250,000 | 200,000 | 150,000 | 1,300,000 |
| Total receipts | 10,228,938 | 580,441 | 783,990 | 1,822,028 | 328,394 | 1,511,235 | 15,255,026 |
| Disbursements: | | | | | | | |
| Current: | | | | | | | |
| Instruction | 6,386,902 | - | - | - | - | 329,257 | 6,716,159 |
| Support services | 3,206,606 | 1,094,647 | - | 1,606,776 | 215,895 | 841,541 | 6,965,465 |
| Community services | 131,672 | - | - | - | - | 10,956 | 142,628 |
| Nonprogrammed charges | 208,377 | - | - | - | - | 78,697 | 287,074 |
| Debt services | 5,663 | - | 893,720 | - | - | 299,542 | 1,198,925 |
| Interfund loans | 400,000 | - | 300,000 | 250,000 | 200,000 | 150,000 | 1,300,000 |
| Total disbursements | 10,339,220 | 1,094,647 | 1,193,720 | 1,856,776 | 415,895 | 1,709,993 | 16,610,251 |
| Deficiency of receipts over disbursements | (110,282) | (514,206) | (409,730) | (34,748) | (87,501) | (198,758) | (1,355,225) |
| Other financing sources (uses): | | | | | | | |
| Transfers in | 14,966 | 5,099 | 5,650 | 6,294 | 1,008 | 167,147 | 200,164 |
| Transfers out | (66,355) | - | (22,638) | - | - | (111,171) | (200,164) |
| Total other financing sources (uses) | (51,389) | 5,099 | (16,988) | 6,294 | 1,008 | 55,976 | - |
| Deficiency of receipts and other financing sources over disbursements and other financing uses | (161,671) | (509,107) | (426,718) | (28,454) | (86,493) | (142,782) | (1,355,225) |
| Cash and investments - beginning | 851,547 | 740,549 | 459,935 | 628,087 | 318,340 | 573,093 | 3,571,551 |
| Cash and investments - ending | \$ 689,876 | \$ 231,442 | \$ 33,217 | \$ 599,633 | \$ 231,847 | \$ 430,311 | \$ 2,216,326 |
| 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. | | | | | | | |
| | | | | | | | 397,780 |
| Net assets of governmental activities | | | | | | | \$ 2,614,106 |
| Cash and Investment Assets - Ending | | | | | | | |
| Cash and investments | \$ 689,876 | \$ 231,442 | \$ - | \$ 599,633 | \$ 231,847 | \$ 416,844 | \$ 2,169,642 |
| Restricted assets: | | | | | | | |
| Cash and investments | - | - | 33,217 | - | - | 13,467 | 46,684 |
| Total cash and investment assets - ending | \$ 689,876 | \$ 231,442 | \$ 33,217 | \$ 599,633 | \$ 231,847 | \$ 430,311 | \$ 2,216,326 |
| Cash and Investment Fund Balance - Ending | | | | | | | |
| Restricted for: | | | | | | | |
| Debt service | \$ - | \$ - | \$ 33,217 | \$ - | \$ - | \$ 13,467 | \$ 46,684 |
| Unrestricted | 689,876 | 231,442 | - | 599,633 | 231,847 | 416,844 | 2,169,642 |
| Total cash and investment fund balance - ending | \$ 689,876 | \$ 231,442 | \$ 33,217 | \$ 599,633 | \$ 231,847 | \$ 430,311 | \$ 2,216,326 |

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

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

| | Internal Service Fund |
|---|-----------------------------|
| Operating receipts: | |
| Charges for services | \$ 331,848 |
| Miscellaneous | 455,552 |
| Total operating receipts | 787,400 |
| Operating disbursements: | |
| Insurance claims and expense | 394,592 |
| Excess of operating receipts over operating disbursements | 392,808 |
| Cash and investment fund balance - beginning | - |
| Cash and investment fund balance - ending | \$ 392,808 |
| <u>Cash and Investment Assets - Ending</u> | |
| Restricted assets: | |
| Cash and investments | \$ 392,808 |
| <u>Cash and Investment Fund Balance - Ending</u> | |
| Restricted for: | |
| Other purposes | \$ 392,808 |

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

NORTH NEWTON SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
For the Year Ended June 30, 2008

| | <u>Internal Service Fund</u> |
|---|--------------------------------------|
| Operating receipts: | |
| Charges for services | \$ 823,978 |
| Miscellaneous | <u>449,259</u> |
| Total operating receipts | <u>1,273,237</u> |
| Operating disbursements: | |
| Insurance claims and expense | 663,967 |
| Other | <u>604,298</u> |
| Total operating disbursements | <u>1,268,265</u> |
| Excess of operating receipts over operating disbursements | 4,972 |
| Cash and investment fund balance - beginning | <u>392,808</u> |
| Cash and investment fund balance - ending | <u>\$ 397,780</u> |
| <u>Cash and Investment Assets - Ending</u> | |
| Restricted assets: | |
| Cash and investments | <u>\$ 397,780</u> |
| <u>Cash and Investment Fund Balance - Ending</u> | |
| Restricted for: | |
| Other purposes | <u>\$ 397,780</u> |

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

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

| | Pension Trust Funds | Private-Purpose Trust Funds | Agency Funds |
|--|---------------------------|-----------------------------------|------------------|
| Additions: | | | |
| Other | \$ - | \$ 22,865 | |
| Deductions: | | | |
| Benefits | 72,918 | - | |
| Administrative and general | - | 31,679 | |
| Total deductions | <u>72,918</u> | <u>31,679</u> | |
| Deficiency of total additions over total deductions | (72,918) | (8,814) | |
| Cash and investment fund balance - beginning | <u>306,241</u> | <u>23,908</u> | |
| Cash and investment fund balance - ending | <u>\$ 233,323</u> | <u>\$ 15,094</u> | |
| Net assets: | | | |
| Cash and investments | <u>\$ 233,323</u> | <u>\$ 15,094</u> | <u>\$ 33,979</u> |
| Total net assets - cash and investment basis held in trust | <u>\$ 233,323</u> | <u>\$ 15,094</u> | <u>\$ 33,979</u> |

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

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

| | Pension Trust Funds | Private-Purpose Trust Funds | Agency Funds |
|---|---------------------------|-----------------------------------|-----------------|
| Additions: | | | |
| Contributions: | | | |
| Other | \$ - | \$ 26,877 | |
| Deductions: | | | |
| Benefits | 74,114 | - | |
| Administrative and general | - | 14,741 | |
| Total deductions | 74,114 | 14,741 | |
| Excess (deficiency) of total additions over total deductions | (74,114) | 12,136 | |
| Cash and investment fund balance - beginning | 233,323 | 15,094 | |
| Cash and investment fund balance - ending | \$ 159,209 | \$ 27,230 | |
| Net assets: | | | |
| Cash and investments | \$ 159,209 | \$ 27,230 | \$ 39,372 |
| Total net assets - cash and investment basis held in trust | \$ 159,209 | \$ 27,230 | \$ 39,372 |

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

NORTH NEWTON 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.

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

Joint Venture

The School Corporation is a participant with several other schools in a joint venture to operate the Cooperative School Services for Special Education (the Coop) which was created to provide special education services to handicapped children. The School Corporation is obligated by contract to remit annually the actual direct cost necessary to operate the program. The Coop pays its surplus to the participants. The Coop's continued existence depends on continued funding by the School Corporations. The School Corporations are obligated for the debts of the Coop's. Complete financial statements for the Coop can be obtained from the local education agency (West Central School Corporation) at 117 East Montgomery Street, Box 578, Francesville, Indiana, 47946.

The School Corporation is a participant with several other schools in a joint venture to operate the Northwest Indiana Educational Center which was created to engage in joint programs for purchases. The School Corporation is obligated by contract to remit an amount (rate determined annually) per student to supplement Northwest Indiana Educational Center. The Northwest Indiana Educational Center pays its surplus to the participants. The Northwest Indiana Educational Center's continued existence depends on continued funding by the School Corporations. The participating School Corporations are obligated for the debts of the Northwest Indiana Educational Center. Complete financial statements for the Northwest Indiana Educational Center can be obtained from the administrative office at 2939 41st Street, Highland, Indiana, 46322.

The School Corporation is a participant with several other schools in a joint venture to operate the Indian Trails Career Cooperative (the Coop) which was created to engage in the joint employment of personnel and joint purchases of supplies, equipment, and facilities to provide programs and services for vocational education. The Coop's continued existence depends on continued funding by the School Corporations. Complete financial statements for the Coop can be obtained from the local educational agency (Twin Lakes School Corporation) at 565 South Main Street, Monticello, Indiana, 47960.

NORTH NEWTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange 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, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

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

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

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

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

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

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for the transactions of the Medical Self-Insurance Fund which provides medical insurance coverage to corporation employees.

The pension trust funds account for bonds and payments anticipated to be made to employees on or after the termination of employment or to pay postretirement or severance benefits held by the School Corporation in a trust capacity.

The private-purpose trust funds report an arrangement under which the funds benefit a specific purpose.

NORTH NEWTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Agency funds account for assets held by the School Corporation as an agent for state and federal taxing authorities, various employee benefit providers and serve as control of accounts for certain cash transactions during the time they are a liability to the school corporation.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

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

NORTH NEWTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Capital Assets

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

4. Long-Term Debt

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

5. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance. 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 and (2) operating grants and contributions. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds 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.

NORTH NEWTON 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 not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

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.

NORTH NEWTON 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.

III. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision.

The 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.

B. Interfund Transfers

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

| Transfer From | Transfer To | 2007 | 2008 |
|-------------------------------|-------------------------------|-------------------|-------------------|
| General Fund | Other governmental funds | \$ 71,328 | \$ 66,355 |
| Debt Service Fund | Transportating Operating Fund | 57,854 | - |
| Debt Service Fund | Other governmental funds | 21,007 | 22,638 |
| Capital Projects Fund | Other governmental funds | 6,294 | - |
| Transportating Operating Fund | Other governmental funds | 5,099 | - |
| School Bus Replacement Fund | Other governmental funds | 1,008 | - |
| Other governmental funds | Other governmental funds | 12,795 | 78,154 |
| Other governmental funds | General Fund | 71,271 | 14,966 |
| Other governmental funds | School Bus Replacement Fund | 5,204 | 1,008 |
| Other governmental funds | Transportating Operating Fund | 17,504 | 5,099 |
| Other governmental funds | Capital Projects Fund | 19,357 | 6,294 |
| Other governmental funds | Debt Service Fund | 19,290 | 5,650 |
| Totals | | <u>\$ 308,011</u> | <u>\$ 200,164</u> |

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

NORTH NEWTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

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

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

The School Corporation has chosen to establish a risk financing fund for risks associated with medical benefits to employees. The risk financing fund is accounted for in the Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$60,000 per employee 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 employees paid from the fund.

B. Holding Corporation

The School Corporation has entered into a capital lease with North Newton Jr./Sr. High School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. Lease payments during the year totaled \$555,000.

C. Subsequent Events

North Newton School Corporation has received approval for a building project which includes renovation and improvements to Morocco, Lake Village, and Lincoln Elementary School buildings as well as North Newton Jr./Sr. High School buildings. The estimated cost of this project is \$16,200,000.

This project will be funded with a Building Corporation Bond Issue. The North Newton School Corporation will have a projected lease obligation of \$730,000 semiannually for 21 years. The projected start date for the beginning of construction is May 2009.

NORTH NEWTON SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

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

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plan

| | PERF |
|--|-------------|
| Annual required contribution | \$ 73,152 |
| Interest on net pension obligation | (6,825) |
| Adjustment to annual required contribution | 7,778 |
| Annual pension cost | 74,105 |
| Contributions made | 41,405 |
| Increase in net pension obligation | 32,700 |
| Net pension obligation, beginning of year | (94,141) |
| Net pension obligation, end of year | \$ (61,441) |

NORTH NEWTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

| | PERF |
|---------------------------------|---|
| Contribution rates: | |
| School Corporation | 3.25% |
| Plan members | 3% |
| Actuarial valuation date | 07-01-07 |
| Actuarial cost method | Entry age |
| Amortization method | Level percentage of projected payroll, closed |
| Amortization period | 30 years |
| Amortization period (from date) | 07-01-97 |
| Asset valuation method | 75% of expected actuarial value plus 25% of market value |

Actuarial Assumptions

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

Three Year Trend Information

| | Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|------|----------------|---------------------------------|-------------------------------------|------------------------------|
| PERF | 06-30-05 | \$ 36,999 | 128% | \$ (84,628) |
| | 06-30-06 | 30,820 | 131% | (94,141) |
| | 06-30-07 | 74,105 | 56% | (61,441) |

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.

NORTH NEWTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

Funding Policy and Annual Pension Costs

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

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2008, 2007, and 2006, were \$167,434, \$163,009, and \$164,579, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

NORTH NEWTON 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) |
|--------------------------------|--|---|--|--------------------------|---------------------------|--|
| 07-01-05 | \$ 1,073,792 | \$ 863,878 | \$ 209,914 | 124% | \$ 938,333 | 22% |
| 07-01-06 | 769,857 | 888,979 | (119,122) | 87% | 1,023,951 | (12%) |
| 07-01-07 | 780,122 | 883,621 | (103,499) | 88% | 1,015,577 | (10%) |

NORTH NEWTON 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 Ed Pre School Fund | School Lunch Fund | Textbook Rental Fund | Levy Excess Fund | Historical Society Fund | Special License Plates Fund |
|---|----------------------------------|--------------------------|----------------------------|-------------------------|-------------------------------|-----------------------------------|
| Receipts: | | | | | | |
| Local sources | \$ 9,981 | \$ 344,647 | \$ 147,586 | \$ - | \$ - | \$ - |
| Intermediate sources | - | - | - | - | - | 506 |
| State sources | 23,947 | 9,170 | 32,273 | - | - | - |
| Federal sources | - | 203,014 | - | - | - | - |
| Sale of property, adjustments and refunds | - | 568 | - | - | - | - |
| Total receipts | 33,928 | 557,399 | 179,859 | - | - | 506 |
| Disbursements: | | | | | | |
| Current: | | | | | | |
| Instruction | - | - | - | - | - | - |
| Support services | - | 511,463 | 184,363 | - | - | - |
| Community services | - | - | - | - | - | - |
| Nonprogrammed charges | 15,578 | - | - | - | - | - |
| Debt services | - | - | - | - | - | - |
| Total disbursements | 15,578 | 511,463 | 184,363 | - | - | - |
| Excess (deficiency) of receipts over disbursements | 18,350 | 45,936 | (4,504) | - | - | 506 |
| Other financing sources (uses): | | | | | | |
| Transfers in | 201 | - | 15,357 | 32,306 | - | - |
| Transfers out | (3,958) | - | - | (135,203) | - | - |
| Total other financing sources (uses) | (3,757) | - | 15,357 | (102,897) | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 14,593 | 45,936 | 10,853 | (102,897) | - | 506 |
| Cash and investments - beginning | 55,591 | 78,390 | 56,727 | 135,203 | 500 | 6,788 |
| Cash and investments - ending | <u>\$ 70,184</u> | <u>\$ 124,326</u> | <u>\$ 67,580</u> | <u>\$ 32,306</u> | <u>\$ 500</u> | <u>\$ 7,294</u> |
| <u>Cash and Investment Assets - Ending</u> | | | | | | |
| Cash and investments | \$ 70,184 | \$ 124,326 | \$ 67,580 | \$ 32,306 | \$ 500 | \$ 7,294 |
| Restricted assets: | | | | | | |
| Cash and investments | - | - | - | - | - | - |
| Total cash and investment assets - ending | <u>\$ 70,184</u> | <u>\$ 124,326</u> | <u>\$ 67,580</u> | <u>\$ 32,306</u> | <u>\$ 500</u> | <u>\$ 7,294</u> |
| <u>Cash and Investment Fund Balance - Ending</u> | | | | | | |
| Restricted for: | | | | | | |
| Debt service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unrestricted | 70,184 | 124,326 | 67,580 | 32,306 | 500 | 7,294 |
| Total cash and investment fund balance - ending | <u>\$ 70,184</u> | <u>\$ 124,326</u> | <u>\$ 67,580</u> | <u>\$ 32,306</u> | <u>\$ 500</u> | <u>\$ 7,294</u> |

NORTH NEWTON 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 | Safe School Haven Fund | Gifted & Talented 06/07 Fund | Gifted & Talented 05/06 Fund | Step Ahead Fund | Non-English Speaking Program Fund |
|---|----------------------------------|------------------------------|------------------------------------|------------------------------------|--------------------|--|
| Receipts: | | | | | | |
| Local sources | \$ 26,248 | \$ - | \$ - | \$ - | \$ 14,088 | \$ - |
| Intermediate sources | - | - | - | - | - | - |
| State sources | 5,457 | 8,048 | 13,183 | - | - | 645 |
| Federal sources | - | - | - | - | - | - |
| Sale of property, adjustments and refunds | - | - | - | - | - | - |
| Total receipts | 31,705 | 8,048 | 13,183 | - | 14,088 | 645 |
| Disbursements: | | | | | | |
| Current: | | | | | | |
| Instruction | 73,104 | - | 9,670 | 4,693 | 1,445 | 208 |
| Support services | 2,896 | 8,048 | - | - | - | - |
| Community services | - | - | - | - | 12,394 | - |
| Nonprogrammed charges | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - |
| Total disbursements | 76,000 | 8,048 | 9,670 | 4,693 | 13,839 | 208 |
| Excess (deficiency) of receipts over disbursements | (44,295) | - | 3,513 | (4,693) | 249 | 437 |
| Other financing sources (uses): | | | | | | |
| Transfers in | 40,000 | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | 40,000 | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (4,295) | - | 3,513 | (4,693) | 249 | 437 |
| Cash and investments - beginning | 9,940 | - | - | 4,693 | 1,377 | 208 |
| Cash and investments - ending | \$ 5,645 | \$ - | \$ 3,513 | \$ - | \$ 1,626 | \$ 645 |
| <u>Cash and Investment Assets - Ending</u> | | | | | | |
| Cash and investments | \$ 5,645 | \$ - | \$ 3,513 | \$ - | \$ 1,626 | \$ 645 |
| Restricted assets: | | | | | | |
| Cash and investments | - | - | - | - | - | - |
| Total cash and investment assets - ending | \$ 5,645 | \$ - | \$ 3,513 | \$ - | \$ 1,626 | \$ 645 |
| <u>Cash and Investment Fund Balance - Ending</u> | | | | | | |
| Restricted for: | | | | | | |
| Debt service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unrestricted | 5,645 | - | 3,513 | - | 1,626 | 645 |
| Total cash and investment fund balance - ending | \$ 5,645 | \$ - | \$ 3,513 | \$ - | \$ 1,626 | \$ 645 |

NORTH NEWTON 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)

| | Technology Grant Fund | NREA Mini Grant Fund | ECIA Title I 05/06 Fund | ECIA Title I 06/07 Fund | Title V 06/07 Fund | Drug Free Grant 05/06 Fund |
|---|-----------------------------|----------------------------|-------------------------------|-------------------------------|--------------------------|-------------------------------------|
| Receipts: | | | | | | |
| Local sources | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intermediate sources | - | - | - | - | - | - |
| State sources | - | 500 | - | - | - | - |
| Federal sources | - | - | - | 166,828 | 5,290 | - |
| Sale of property, adjustments and refunds | - | - | - | - | - | - |
| Total receipts | - | 500 | - | 166,828 | 5,290 | - |
| Disbursements: | | | | | | |
| Current: | | | | | | |
| Instruction | - | 500 | 20,993 | 102,213 | 5,026 | 5,265 |
| Support services | 4,558 | - | - | 14,430 | - | - |
| Community services | - | - | - | 69 | - | - |
| Nonprogrammed charges | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - |
| Total disbursements | 4,558 | 500 | 20,993 | 116,712 | 5,026 | 5,265 |
| Excess (deficiency) of receipts over disbursements | (4,558) | - | (20,993) | 50,116 | 264 | (5,265) |
| Other financing sources (uses): | | | | | | |
| Transfers in | 18,718 | - | - | 1,770 | - | - |
| Transfers out | - | - | (1,770) | - | (264) | - |
| Total other financing sources (uses) | 18,718 | - | (1,770) | 1,770 | (264) | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 14,160 | - | (22,763) | 51,886 | - | (5,265) |
| Cash and investments - beginning | 10,221 | - | 22,763 | - | - | 5,265 |
| Cash and investments - ending | <u>\$ 24,381</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 51,886</u> | <u>\$ -</u> | <u>\$ -</u> |
| <u>Cash and Investment Assets - Ending</u> | | | | | | |
| Cash and investments | \$ 24,381 | \$ - | \$ - | \$ 51,886 | \$ - | \$ - |
| Restricted assets: | | | | | | |
| Cash and investments | - | - | - | - | - | - |
| Total cash and investment assets - ending | <u>\$ 24,381</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 51,886</u> | <u>\$ -</u> | <u>\$ -</u> |
| <u>Cash and Investment Fund Balance - Ending</u> | | | | | | |
| Restricted for: | | | | | | |
| Debt service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unrestricted | 24,381 | - | - | 51,886 | - | - |
| Total cash and investment fund balance - ending | <u>\$ 24,381</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 51,886</u> | <u>\$ -</u> | <u>\$ -</u> |

NORTH NEWTON 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)

| | Drug Free Grant 06/07 Fund | Medicaid Reimbursement Fund | Other Fed Programs Voc Ag Fund | Federal Programs Team Nutrition Fund | Afternoon Rocks Fund | Other Fed Programs Library Fund |
|---|-------------------------------------|-----------------------------------|---|---|-------------------------|--|
| Receipts: | | | | | | |
| Local sources | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intermediate sources | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - |
| Federal sources | - | - | - | 500 | 19,500 | 1,795 |
| Sale of property, adjustments and refunds | - | - | - | - | - | - |
| Total receipts | - | - | - | 500 | 19,500 | 1,795 |
| Disbursements: | | | | | | |
| Current: | | | | | | |
| Instruction | 3,674 | - | - | 500 | 19,917 | - |
| Support services | - | - | - | - | - | - |
| Community services | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - |
| Total disbursements | 3,674 | - | - | 500 | 19,917 | - |
| Excess (deficiency) of receipts over disbursements | (3,674) | - | - | - | (417) | 1,795 |
| Other financing sources (uses): | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | (147) | - | - | - | - | - |
| Total other financing sources (uses) | (147) | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (3,821) | - | - | - | (417) | 1,795 |
| Cash and investments - beginning | 7,370 | 1,149 | 1,961 | - | 3,378 | (1,795) |
| Cash and investments - ending | <u>\$ 3,549</u> | <u>\$ 1,149</u> | <u>\$ 1,961</u> | <u>\$ -</u> | <u>\$ 2,961</u> | <u>\$ -</u> |
| <u>Cash and Investment Assets - Ending</u> | | | | | | |
| Cash and investments | \$ 3,549 | \$ 1,149 | \$ 1,961 | \$ - | \$ 2,961 | \$ - |
| Restricted assets: | | | | | | |
| Cash and investments | - | - | - | - | - | - |
| Total cash and investment assets - ending | <u>\$ 3,549</u> | <u>\$ 1,149</u> | <u>\$ 1,961</u> | <u>\$ -</u> | <u>\$ 2,961</u> | <u>\$ -</u> |
| <u>Cash and Investment Fund Balance - Ending</u> | | | | | | |
| Restricted for: | | | | | | |
| Debt service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unrestricted | 3,549 | 1,149 | 1,961 | - | 2,961 | - |
| Total cash and investment fund balance - ending | <u>\$ 3,549</u> | <u>\$ 1,149</u> | <u>\$ 1,961</u> | <u>\$ -</u> | <u>\$ 2,961</u> | <u>\$ -</u> |

NORTH NEWTON 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 II Part A Fund | Title II Part D Fund | Title III English Proficiency Fund | School Wellness Fund | Retirement/ Severance Bond Fund | Totals |
|---|----------------------------|----------------------------|---|----------------------------|---------------------------------------|-------------------|
| Receipts: | | | | | | |
| Local sources | \$ - | \$ - | \$ - | \$ - | \$ 307,347 | \$ 849,897 |
| Intermediate sources | - | - | - | - | - | 506 |
| State sources | - | - | - | - | - | 93,223 |
| Federal sources | 76,650 | - | 4,660 | 130 | - | 478,367 |
| Sale of property, adjustments and refunds | - | - | - | - | - | 568 |
| Total receipts | 76,650 | - | 4,660 | 130 | 307,347 | 1,422,561 |
| Disbursements: | | | | | | |
| Current: | | | | | | |
| Instruction | 71,248 | 3,177 | 1,679 | - | - | 323,312 |
| Support services | - | - | - | - | - | 725,758 |
| Community services | - | - | - | - | - | 12,463 |
| Nonprogrammed charges | - | - | - | - | - | 15,578 |
| Debt services | - | - | - | - | 300,550 | 300,550 |
| Total disbursements | 71,248 | 3,177 | 1,679 | - | 300,550 | 1,377,661 |
| Excess (deficiency) of receipts over disbursements | 5,402 | (3,177) | 2,981 | 130 | 6,797 | 44,900 |
| Other financing sources (uses): | | | | | | |
| Transfers in | - | - | - | - | 9,179 | 117,531 |
| Transfers out | (2,299) | (186) | - | - | (1,594) | (145,421) |
| Total other financing sources (uses) | (2,299) | (186) | - | - | 7,585 | (27,890) |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 3,103 | (3,363) | 2,981 | 130 | 14,382 | 17,010 |
| Cash and investments - beginning | 10,205 | 3,363 | 1,679 | - | 141,107 | 556,083 |
| Cash and investments - ending | \$ 13,308 | \$ - | \$ 4,660 | \$ 130 | \$ 155,489 | \$ 573,093 |
| <u>Cash and Investment Assets - Ending</u> | | | | | | |
| Cash and investments | \$ 13,308 | \$ - | \$ 4,660 | \$ 130 | \$ - | \$ 417,604 |
| Restricted assets: | | | | | | |
| Cash and investments | - | - | - | - | 155,489 | 155,489 |
| Total cash and investment assets - ending | \$ 13,308 | \$ - | \$ 4,660 | \$ 130 | \$ 155,489 | \$ 573,093 |
| <u>Cash and Investment Fund Balance - Ending</u> | | | | | | |
| Restricted for: | | | | | | |
| Debt service | \$ - | \$ - | \$ - | \$ - | \$ 155,489 | \$ 155,489 |
| Unrestricted | 13,308 | - | 4,660 | 130 | - | 417,604 |
| Total cash and investment fund balance - ending | \$ 13,308 | \$ - | \$ 4,660 | \$ 130 | \$ 155,489 | \$ 573,093 |

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

| | Special Ed Pre School Fund | School Lunch Fund | Textbook Rental Fund | Levy Excess Fund | Historical Society Fund | Special License Plates Fund | Alternative Education Fund |
|---|----------------------------------|-------------------------|----------------------------|------------------------|-------------------------------|-----------------------------------|----------------------------------|
| Receipts: | | | | | | | |
| Local sources | \$ 5,201 | \$ 366,271 | \$ 148,297 | \$ - | \$ - | \$ - | \$ 27,304 |
| Intermediate sources | - | - | - | - | - | 412 | - |
| State sources | 25,311 | 9,209 | 43,222 | - | - | - | 5,817 |
| Federal sources | - | 214,492 | - | - | - | - | - |
| Sale of property, adjustments and refunds | - | 500 | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - |
| Total receipts | 30,512 | 590,472 | 191,519 | - | - | 412 | 33,121 |
| Disbursements: | | | | | | | |
| Current: | | | | | | | |
| Instruction | - | - | - | - | - | - | 71,737 |
| Support services | - | 597,508 | 175,338 | - | - | - | 8,524 |
| Community services | - | - | - | - | - | - | - |
| Nonprogrammed charges | 78,697 | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - |
| Total disbursements | 78,697 | 597,508 | 175,338 | - | - | - | 80,261 |
| Excess (deficiency) of receipts over disbursements | (48,185) | (7,036) | 16,181 | - | - | 412 | (47,140) |
| Other financing sources (uses): | | | | | | | |
| Transfers in | 51 | - | 22,638 | - | - | - | 47,500 |
| Transfers out | - | - | - | (32,306) | - | - | - |
| Total other financing sources (uses) | 51 | - | 22,638 | (32,306) | - | - | 47,500 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (48,134) | (7,036) | 38,819 | (32,306) | - | 412 | 360 |
| Cash and investments - beginning | 70,184 | 124,326 | 67,580 | 32,306 | 500 | 7,294 | 5,645 |
| Cash and investments - ending | \$ 22,050 | \$ 117,290 | \$ 106,399 | \$ - | \$ 500 | \$ 7,706 | \$ 6,005 |
| Cash and Investment Assets - Ending | | | | | | | |
| Cash and investments | \$ 22,050 | \$ 117,290 | \$ 106,399 | \$ - | \$ 500 | \$ 7,706 | \$ 6,005 |
| Restricted assets: | | | | | | | |
| Cash and investments | - | - | - | - | - | - | - |
| Total cash and investment assets - ending | \$ 22,050 | \$ 117,290 | \$ 106,399 | \$ - | \$ 500 | \$ 7,706 | \$ 6,005 |
| Cash and Investment Fund Balance - Ending | | | | | | | |
| Restricted for: | | | | | | | |
| Debt service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unrestricted | 22,050 | 117,290 | 106,399 | - | 500 | 7,706 | 6,005 |
| Total cash and investment fund balance - ending | \$ 22,050 | \$ 117,290 | \$ 106,399 | \$ - | \$ 500 | \$ 7,706 | \$ 6,005 |

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

| | Safe School Haven Fund | Gifted & Talented 06/07 Fund | Step Ahead Fund | Non-English Speaking Program Fund | Technology Grant Fund | Miscellaneous Program School Wellness Fund | G/T 07/08 Fund |
|---|------------------------------|------------------------------------|--------------------|--|-----------------------------|---|----------------------|
| Receipts: | | | | | | | |
| Local sources | \$ - | \$ - | \$ 15,994 | \$ - | \$ - | \$ - | \$ - |
| Intermediate sources | - | - | - | - | - | - | - |
| State sources | 3,352 | - | - | 6,001 | - | - | 32,285 |
| Federal sources | - | - | - | - | - | - | - |
| Sale of property, adjustments and refunds | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - |
| Total receipts | 3,352 | - | 15,994 | 6,001 | - | - | 32,285 |
| Disbursements: | | | | | | | |
| Current: | | | | | | | |
| Instruction | - | 3,513 | 686 | - | - | - | 23,317 |
| Support services | 3,352 | - | - | - | 31,480 | - | - |
| Community services | - | - | 10,455 | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - | - |
| Total disbursements | 3,352 | 3,513 | 11,141 | - | 31,480 | - | 23,317 |
| Excess (deficiency) of receipts over disbursements | - | (3,513) | 4,853 | 6,001 | (31,480) | - | 8,968 |
| Other financing sources (uses): | | | | | | | |
| Transfers in | - | - | - | - | 18,855 | 130 | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | 18,855 | 130 | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | (3,513) | 4,853 | 6,001 | (12,625) | 130 | 8,968 |
| Cash and investments - beginning | - | 3,513 | 1,626 | 645 | 24,381 | - | - |
| Cash and investments - ending | \$ - | \$ - | \$ 6,479 | \$ 6,646 | \$ 11,756 | \$ 130 | \$ 8,968 |
| Cash and Investment Assets - Ending | | | | | | | |
| Cash and investments | \$ - | \$ - | \$ 6,479 | \$ 6,646 | \$ 11,756 | \$ 130 | \$ 8,968 |
| Restricted assets: | | | | | | | |
| Cash and investments | - | - | - | - | - | - | - |
| Total cash and investment assets - ending | \$ - | \$ - | \$ 6,479 | \$ 6,646 | \$ 11,756 | \$ 130 | \$ 8,968 |
| Cash and Investment Fund Balance - Ending | | | | | | | |
| Restricted for: | | | | | | | |
| Debt service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unrestricted | - | - | 6,479 | 6,646 | 11,756 | 130 | 8,968 |
| Total cash and investment fund balance - ending | \$ - | \$ - | \$ 6,479 | \$ 6,646 | \$ 11,756 | \$ 130 | \$ 8,968 |

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

| | School Wellness Fund | ECIA Title I 05/06 Fund | ECIA Title I 06/07 Fund | ECIA Title I 07/08 Fund | Title V 07/08 Fund | Drug Free Schools Title IV 07/08 Fund |
|---|----------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------|--|
| Receipts: | | | | | | |
| Local sources | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intermediate sources | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - |
| Federal sources | - | 135,001 | - | 56,570 | 2,532 | - |
| Sale of property, adjustments and refunds | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - |
| Total receipts | - | 135,001 | - | 56,570 | 2,532 | - |
| Disbursements: | | | | | | |
| Current: | | | | | | |
| Instruction | - | 57,405 | 28,361 | 28,095 | 2,532 | 1,245 |
| Support services | - | 17,276 | - | 8,063 | - | - |
| Community services | - | 19 | 482 | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - |
| Total disbursements | - | 74,700 | 28,843 | 36,158 | 2,532 | 1,245 |
| Excess (deficiency) of receipts over disbursements | - | 60,301 | (28,843) | 20,412 | - | (1,245) |
| Other financing sources (uses): | | | | | | |
| Transfers in | 130 | 43,455 | - | 23,043 | - | 4,705 |
| Transfers out | (130) | - | (23,043) | (43,455) | - | - |
| Total other financing sources (uses) | - | 43,455 | (23,043) | (20,412) | - | 4,705 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | 103,756 | (51,886) | - | - | 3,460 |
| Cash and investments - beginning | - | - | 51,886 | - | - | - |
| Cash and investments - ending | <u>\$ -</u> | <u>\$ 103,756</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,460</u> |
| Cash and Investment Assets - Ending | | | | | | |
| Cash and investments | \$ - | \$ 103,756 | \$ - | \$ - | \$ - | \$ 3,460 |
| Restricted assets: | | | | | | |
| Cash and investments | - | - | - | - | - | - |
| Total cash and investment assets - ending | <u>\$ -</u> | <u>\$ 103,756</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,460</u> |
| Cash and Investment Fund Balance - Ending | | | | | | |
| Restricted for: | | | | | | |
| Debt service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unrestricted | - | 103,756 | - | - | - | 3,460 |
| Total cash and investment fund balance - ending | <u>\$ -</u> | <u>\$ 103,756</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,460</u> |

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

| | Drug Free Grant 06/07 Fund | Drug Free Grant 07/08 Fund | Medicaid Reimbursement Fund | Other Fed Programs Voc Ag Fund | Afternoon Rocks Fund | Other Federal Rocks Fund |
|---|-------------------------------------|-------------------------------------|-----------------------------------|---|-------------------------|--------------------------------|
| Receipts: | | | | | | |
| Local sources | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intermediate sources | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - |
| Federal sources | - | 5,156 | - | - | 2,550 | 19,200 |
| Sale of property, adjustments and refunds | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - |
| Total receipts | - | 5,156 | - | - | 2,550 | 19,200 |
| Disbursements: | | | | | | |
| Current: | | | | | | |
| Instruction | 3,549 | 351 | 1,149 | 1,708 | 2,988 | 18,981 |
| Support services | - | - | - | - | - | - |
| Community services | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - |
| Interfund loans | - | - | - | - | - | - |
| Total disbursements | 3,549 | 351 | 1,149 | 1,708 | 2,988 | 18,981 |
| Excess (deficiency) of receipts over disbursements | (3,549) | 4,805 | (1,149) | (1,708) | (438) | 219 |
| Other financing sources (uses): | | | | | | |
| Transfers in | - | - | - | - | - | 2,523 |
| Transfers out | - | (4,805) | - | - | (2,523) | - |
| Total other financing sources (uses) | - | (4,805) | - | - | (2,523) | 2,523 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (3,549) | - | (1,149) | (1,708) | (2,961) | 2,742 |
| Cash and investments - beginning | 3,549 | - | 1,149 | 1,961 | 2,961 | - |
| Cash and investments - ending | \$ - | \$ - | \$ - | \$ 253 | \$ - | \$ 2,742 |
| Cash and Investment Assets - Ending | | | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ 253 | \$ - | \$ 2,742 |
| Restricted assets: | | | | | | |
| Cash and investments | - | - | - | - | - | - |
| Total cash and investment assets - ending | \$ - | \$ - | \$ - | \$ 253 | \$ - | \$ 2,742 |
| Cash and Investment Fund Balance - Ending | | | | | | |
| Restricted for: | | | | | | |
| Debt service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unrestricted | - | - | - | 253 | - | 2,742 |
| Total cash and investment fund balance - ending | \$ - | \$ - | \$ - | \$ 253 | \$ - | \$ 2,742 |

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

| | Title III Language Instruction Fund | Title II Part A Fund | Title III English Proficiency Fund | School Wellness Fund | Retirement/ Severance Bond Fund | Totals |
|---|--|----------------------------|---|----------------------------|---------------------------------------|-------------------|
| Receipts: | | | | | | |
| Local sources | \$ - | \$ - | \$ - | \$ - | \$ 155,926 | \$ 718,993 |
| Intermediate sources | - | - | - | - | - | 412 |
| State sources | - | - | - | - | - | 125,197 |
| Federal sources | - | 75,231 | 5,401 | - | - | 516,133 |
| Sale of property, adjustments and refunds | - | - | - | - | - | 500 |
| Interfund loans | - | - | - | - | 150,000 | 150,000 |
| Total receipts | - | 75,231 | 5,401 | - | 305,926 | 1,511,235 |
| Disbursements: | | | | | | |
| Current: | | | | | | |
| Instruction | - | 78,980 | 4,660 | - | - | 329,257 |
| Support services | - | - | - | - | - | 841,541 |
| Community services | - | - | - | - | - | 10,956 |
| Nonprogrammed charges | - | - | - | - | - | 78,697 |
| Debt services | - | - | - | - | 299,542 | 299,542 |
| Interfund loans | - | - | - | - | 150,000 | 150,000 |
| Total disbursements | - | 78,980 | 4,660 | - | 449,542 | 1,709,993 |
| Excess (deficiency) of receipts over disbursements | - | (3,749) | 741 | - | (143,616) | (198,758) |
| Other financing sources (uses): | | | | | | |
| Transfers in | 2,523 | - | - | - | 1,594 | 167,147 |
| Transfers out | (2,523) | (2,256) | - | (130) | - | (111,171) |
| Total other financing sources (uses) | - | (2,256) | - | (130) | 1,594 | 55,976 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | (6,005) | 741 | (130) | (142,022) | (142,782) |
| Cash and investments - beginning | - | 13,308 | 4,660 | 130 | 155,489 | 573,093 |
| Cash and investments - ending | \$ - | \$ 7,303 | \$ 5,401 | \$ - | \$ 13,467 | \$ 430,311 |
| <u>Cash and Investment Assets - Ending</u> | | | | | | |
| Cash and investments | \$ - | \$ 7,303 | \$ 5,401 | \$ - | \$ - | \$ 416,844 |
| Restricted assets: | | | | | | |
| Cash and investments | - | - | - | - | 13,467 | 13,467 |
| Total cash and investment assets - ending | \$ - | \$ 7,303 | \$ 5,401 | \$ - | \$ 13,467 | \$ 430,311 |
| <u>Cash and Investment Fund Balance - Ending</u> | | | | | | |
| Restricted for: | | | | | | |
| Debt service | \$ - | \$ - | \$ - | \$ - | \$ 13,467 | \$ 13,467 |
| Unrestricted | - | 7,303 | 5,401 | - | - | 416,844 |
| Total cash and investment fund balance - ending | \$ - | \$ 7,303 | \$ 5,401 | \$ - | \$ 13,467 | \$ 430,311 |

NORTH NEWTON 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

| | Donations Library Books Morocco | Donations After School Program | Donation Exxon Supplies | Donations Morocco Elem | Donations Reading Books |
|---|---------------------------------------|-----------------------------------|----------------------------|---------------------------|----------------------------|
| Additions: | | | | | |
| Contributions: | | | | | |
| Other | \$ 3,500 | \$ 1,200 | \$ - | \$ - | \$ - |
| Deductions: | | | | | |
| Administrative and general | 1,704 | 3,665 | 694 | 1,179 | - |
| Excess (deficiency) of total additions over total deductions | 1,796 | (2,465) | (694) | (1,179) | - |
| Cash and investment fund balance - beginning | 300 | 9,421 | 800 | 1,228 | 21 |
| Cash and Investments - June 30 | <u>\$ 2,096</u> | <u>\$ 6,956</u> | <u>\$ 106</u> | <u>\$ 49</u> | <u>\$ 21</u> |
| Net assets: | | | | | |
| Cash and investments | \$ 2,096 | \$ 6,956 | \$ 106 | \$ 49 | \$ 21 |
| Total net assets - cash and investment basis held in trust | <u>\$ 2,096</u> | <u>\$ 6,956</u> | <u>\$ 106</u> | <u>\$ 49</u> | <u>\$ 21</u> |

NORTH NEWTON 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)

| | <u>Donations High School</u> | <u>Donation HS Weight Equipment</u> | <u>Donations Lake Village</u> | <u>Totals</u> |
|---|----------------------------------|---|-----------------------------------|------------------|
| Additions: | | | | |
| Contributions: | | | | |
| Other | \$ 15,665 | \$ 2,500 | \$ - | \$ 22,865 |
| Deductions: | | | | |
| Administrative and general | 21,248 | 2,765 | 424 | 31,679 |
| Excess (deficiency) of total additions over total deductions | (5,583) | (265) | (424) | (8,814) |
| Cash and investment fund balance - beginning | 8,200 | 3,188 | 750 | 23,908 |
| Cash and Investments - June 30 | <u>\$ 2,617</u> | <u>\$ 2,923</u> | <u>\$ 326</u> | <u>\$ 15,094</u> |
| Net assets: | | | | |
| Cash and investments | \$ 2,617 | \$ 2,923 | \$ 326 | \$ 15,094 |
| Total net assets - cash and investment basis held in trust | <u>\$ 2,617</u> | <u>\$ 2,923</u> | <u>\$ 326</u> | <u>\$ 15,094</u> |

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

| | Donations Library Books Morocco | Donations After School Program | Donations Exxon Supplies | Donations Library Books Lake Village | Donations Morocco Elem | Donations Tippecanoe Arts Lincoln |
|---|---------------------------------------|-----------------------------------|-----------------------------|--|---------------------------|---|
| Additions: | | | | | | |
| Contributions: | | | | | | |
| Other | \$ 100 | \$ 961 | \$ 500 | \$ 63 | \$ - | \$ 1,400 |
| Deductions: | | | | | | |
| Administrative and general | 1,776 | 5,637 | 106 | - | 49 | 900 |
| Excess (deficiency) of total additions over total deductions | (1,676) | (4,676) | 394 | 63 | (49) | 500 |
| Cash and investment fund balance - beginning | 2,096 | 6,956 | 106 | - | 49 | - |
| Cash and Investments - June 30 | <u>\$ 420</u> | <u>\$ 2,280</u> | <u>\$ 500</u> | <u>\$ 63</u> | <u>\$ -</u> | <u>\$ 500</u> |
| Net assets: | | | | | | |
| Cash and investments | <u>\$ 420</u> | <u>\$ 2,280</u> | <u>\$ 500</u> | <u>\$ 63</u> | <u>\$ -</u> | <u>\$ 500</u> |
| Total net assets - cash and investment basis held in trust | <u>\$ 420</u> | <u>\$ 2,280</u> | <u>\$ 500</u> | <u>\$ 63</u> | <u>\$ -</u> | <u>\$ 500</u> |

NORTH NEWTON SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008
 (Continued)

| | Donations Library Books Lincoln | Donations Reading Books | Donations High School | Donations IT Supplies | Donations Trophy Cases | Donations Science Labs |
|---|---------------------------------------|----------------------------|--------------------------|--------------------------|---------------------------|---------------------------|
| Additions: | | | | | | |
| Contributions: | | | | | | |
| Other | \$ 63 | \$ - | \$ 1,050 | \$ - | \$ 1,794 | \$ 20,000 |
| Deductions: | | | | | | |
| Administrative and general | - | - | 3,399 | 498 | - | - |
| Excess (deficiency) of total additions over total deductions | 63 | - | (2,349) | (498) | 1,794 | 20,000 |
| Cash and investment fund balance - beginning | - | 21 | 2,617 | - | - | - |
| Cash and Investments - June 30 | <u>\$ 63</u> | <u>\$ 21</u> | <u>\$ 268</u> | <u>\$ (498)</u> | <u>\$ 1,794</u> | <u>\$ 20,000</u> |
| Net assets: | | | | | | |
| Cash and investments | <u>\$ 63</u> | <u>\$ 21</u> | <u>\$ 268</u> | <u>\$ (498)</u> | <u>\$ 1,794</u> | <u>\$ 20,000</u> |
| Total net assets - cash and investment basis held in trust | <u>\$ 63</u> | <u>\$ 21</u> | <u>\$ 268</u> | <u>\$ (498)</u> | <u>\$ 1,794</u> | <u>\$ 20,000</u> |

NORTH NEWTON SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008
 (Continued)

| | Donations Conditioning | Donations Prom | Donation HS Library Books | Donation HS Weight Equipment | Donations Lake Village | Totals |
|---|---------------------------|-------------------|------------------------------|---------------------------------|---------------------------|------------------|
| Additions: | | | | | | |
| Contributions: | | | | | | |
| Other | \$ 200 | \$ 683 | \$ 63 | \$ - | \$ - | \$ 26,877 |
| Deductions: | | | | | | |
| Administrative and general | - | 683 | - | 1,693 | - | 14,741 |
| Excess (deficiency) of total additions over total deductions | 200 | - | 63 | (1,693) | - | 12,136 |
| Cash and investment fund balance - beginning | - | - | - | 2,923 | 326 | 15,094 |
| Cash and Investments - June 30 | <u>\$ 200</u> | <u>\$ -</u> | <u>\$ 63</u> | <u>\$ 1,230</u> | <u>\$ 326</u> | <u>\$ 27,230</u> |
| Net assets: | | | | | | |
| Cash and investments | <u>\$ 200</u> | <u>\$ -</u> | <u>\$ 63</u> | <u>\$ 1,230</u> | <u>\$ 326</u> | <u>\$ 27,230</u> |
| Total net assets - cash and investment basis held in trust | <u>\$ 200</u> | <u>\$ -</u> | <u>\$ 63</u> | <u>\$ 1,230</u> | <u>\$ 326</u> | <u>\$ 27,230</u> |

NORTH NEWTON SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended June 30, 2008

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

| <u>Primary Government</u> | <u>Ending Balance</u> |
|--|---------------------------|
| Governmental activities: | |
| Capital assets, not being depreciated: | |
| Land | \$ 62,750 |
| Buildings | 18,225,160 |
| Improvements other than buildings | 1,878,868 |
| Machinery and equipment | <u>4,294,350</u> |
| Total governmental activities, capital assets not being depreciated | <u>\$ 24,461,128</u> |

NORTH NEWTON SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2008

The School Corporation has entered into the following debt:

| Description of Debt | Ending Principal Balance | Principal and Interest Due Within One Year |
|---|--------------------------------|---|
| Governmental Activities: | | |
| Capital leases: | | |
| Building Lease with Holding Corporation | \$ 3,165,000 | \$ 385,000 |
| Notes and loans payable | 3,032,952 | 2,695,452 |
| Bonds payable: | | |
| General obligation bonds: | | |
| Retirement/Severance Bonds | <u>2,560,000</u> | <u>170,000</u> |
| Total governmental activities debt | <u>\$ 8,757,952</u> | <u>\$ 3,250,452</u> |

NORTH NEWTON SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on January 12, 2009, with Karen Zackfia, Treasurer; Dr. Terry E. Barker, Superintendent of Schools; and Nathan Gibson, President of the School Board. Our examination disclosed no material items that warrant comment at this time.