

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

NEW CASTLE COMMUNITY SCHOOL CORPORATION
HENRY COUNTY, INDIANA

July 1, 2009 to June 30, 2011



FILED
03/02/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jane E. Kellam-Tollett Megan Bell	07-01-09 to 06-30-10 07-01-10 to 12-31-12
Superintendent of Schools	Stephen Fisher	07-01-09 to 06-30-12
President of the School Board	Stephen Walls Michael D. Fleming Dr. Mark Davidson	07-01-09 to 06-30-10 07-01-10 to 12-31-11 01-01-12 to 12-31-12



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT
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 statement of the New Castle Community School Corporation (School Corporation), for the years ended June 30, 2010 and 2011. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the years ended June 30, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated January 17, 2012, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, 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 financial statement and, accordingly, we express no opinion on them.

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

STATE BOARD OF ACCOUNTS

January 17, 2012



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

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

We have audited the financial statement of the New Castle Community School Corporation (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated January 17, 2012. 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 opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

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

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

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

Compliance and Other Matters

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

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

STATE BOARD OF ACCOUNTS

January 17, 2012

FINANCIAL STATEMENT

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

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended June 30, 2010 and 2011

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
General	5,340,908	24,609,428	24,691,651	32,335	5,291,020	24,030,641	24,614,367	64,918	4,772,212
Debt Service	221,494	2,901,813	2,080,888	87,605	1,130,024	2,010,231	2,026,990	-	1,113,265
Retirement/Severance Bond Debt Service	(306,793)	601,618	626,431	-	(331,606)	1,121,570	626,237	-	163,727
Capital Projects	1,826,912	3,606,331	2,970,329	-	2,462,914	2,221,399	2,234,177	-	2,450,136
School Transportation	393,923	2,827,872	1,663,660	-	1,558,135	1,935,838	1,649,918	36,285	1,880,340
School Bus Replacement	14,986	374,022	196,264	-	192,744	283,846	265,069	-	211,521
Special Education Preschool	98,188	129,250	129,250	(98,188)	-	-	-	-	-
Post-Retirement/Severance Future Benefits	1,728,967	9,686	101,910	-	1,636,743	50,000	278,307	-	1,408,436
Construction	184,050	-	-	-	184,050	-	-	-	184,050
School Lunch	(30,877)	1,773,087	1,589,968	-	152,242	1,595,990	1,532,408	-	215,824
Textbook Rental	348,611	342,544	189,470	(33,002)	468,683	275,110	82,262	(49,972)	611,559
Self-Insurance	6,513,644	7,258,800	7,918,095	-	5,854,349	5,626,005	7,040,635	-	4,439,719
Joint Services and Supply - Special Education Cooperative	259,679	6,086,618	4,640,781	(1,900,000)	(194,484)	5,391,827	3,620,789	(100,000)	1,476,554
Preschool Special Education Cooperative	(24,295)	243,378	702,081	-	(482,998)	-	501,653	-	(984,651)
Special Education Intensive Service	(505,543)	4,555	1,526,595	1,900,000	(127,583)	-	546,025	-	(673,608)
Joint Services and Supply - Area Vocational School	24,221	1,382,949	1,224,735	-	182,435	1,260,309	1,268,492	-	174,252
Building Trades Vocational School	2,525	16,344	18,529	-	340	12,392	11,359	-	1,373
Welding Special Projects	8,506	9,152	11,183	-	6,475	8,790	11,782	-	3,483
AVS Preschool Program	926	1,349	1,628	-	647	1,471	1,295	-	823
Machine Trades Special Projects	138	50	-	-	188	463	418	-	233
AVS-CAD Program	804	940	1,030	-	714	4,415	3,319	-	1,810
AVS Youth Center	79	-	-	-	79	-	-	-	79
Culinary Arts	-	2,697	2,630	-	67	5,669	4,770	-	966
AVS Broadcasting	-	750	196	-	554	2,350	932	-	1,972
Veterinary Science	-	-	-	-	-	1,470	1,026	-	444
AVS Graphic Arts	-	-	-	-	-	1,326	983	-	343
AVS Cosmetology	-	6,753	4,774	-	1,979	11,744	5,485	-	8,238
NCACP Dental Assisting	-	3,442	1,957	-	1,485	6,998	4,179	-	4,304
AVS Computer Operations	-	-	-	-	-	511	393	-	118
Henry County Youth Center	(103,345)	215,649	118,750	-	(6,446)	31,111	150,175	-	(125,510)
Cradles Child Care Program	2,455	103,969	100,640	-	5,784	99,798	96,830	-	8,752
Educational License Plates	56	319	150	-	225	244	356	-	113
Alternative Education	118,592	10,566	71,443	-	57,715	12,060	64,646	-	5,129
Scholarships/Memorial Funds	9,082	-	390	-	8,692	-	490	-	8,202
Carmichael Scholarship Trust	1,734,172	129,589	25,886	-	1,837,875	84,401	22,500	-	1,899,776
AVS Grants	10,007	1,000	2,857	-	8,150	1,000	145	-	9,005
Grants NCMS	342	1,000	500	-	842	2,600	2,499	-	943
Grants Elementary Library	128	-	-	-	128	-	-	-	128
Grants Alternative & Special Education	223	900	81	-	1,042	99	688	-	453
Grants CHS	828	-	-	-	828	5,750	5,860	-	718
Grants Eastwood	102	1,231	877	-	456	607	606	-	457
Grants Wilbur Wright	1,876	1,311	838	-	2,349	4,086	905	-	5,530
Grants Westwood	3,589	200	3,595	-	194	699	462	-	431
Professional Development DOE	65,888	-	39,203	11,250	37,935	-	16,215	-	21,720
Grants Greenstreet	129	279	207	-	201	-	121	-	80
Grants Sunnyside	2,208	350	1,090	-	1,468	599	898	-	1,169
Grants Riley	489	300	250	-	539	150	-	-	689

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

NEW CASTLE COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2010 and 2011
(Continued)

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
Grants Parker	100	421	-	-	521	688	100	-	1,109
Literacy Coalition	1,414	2,664	1,855	-	2,223	1,119	1,772	-	1,570
Bundy Auditorium Fund	12,930	36,387	22,429	-	26,888	3,336	24,086	-	6,138
GED Testing Fund	15,029	17,959	16,848	-	16,140	29,484	22,726	-	22,898
Alternative Education	5,750	44,879	123,841	-	(73,212)	52,894	46,834	100,000	32,848
Health Families 2009-2010	-	115,596	76,289	-	39,307	-	12,443	-	26,864
Healthy Families 2008-2009	(7,411)	65,436	58,025	-	-	-	-	-	-
Gifted & Talented 2009-2010	-	42,154	40,026	-	2,128	-	2,128	-	-
Gifted & Talented 2008-2009	-	-	-	-	-	41,523	38,415	-	3,108
Adult and Continuing Education	-	-	-	-	-	12,675	-	-	12,675
Non-English Speaking Programs P.L. 273-1999	617	-	-	-	617	-	-	-	617
School Technology	51,902	88,702	91,496	-	49,108	60,726	41,065	-	68,769
Access Indiana	2,500	-	1,298	-	1,202	-	-	-	1,202
Excess PTRC Distributions	-	-	-	-	-	36,285	-	(36,285)	-
Title I 2008-2009	190,911	80,461	183,677	(87,695)	-	471,122	691,604	134,299	(86,183)
Title I 2009-2010	-	486,759	498,731	87,695	75,723	136,789	78,213	(134,299)	-
Title I Delinquent 2009-2010	-	86,362	56,563	5,743	35,542	28,700	56,831	(7,411)	-
Title I Delinquent 2008-2009	39,942	26,999	61,198	(5,743)	-	44,305	63,645	7,411	(11,929)
Title I School Improvement 2008-2009	(145)	-	(145)	-	-	64,763	71,770	-	(7,007)
Title I School Improvement 2009-2010	-	97,741	66,501	-	31,240	10,901	42,141	-	-
Title V 2007-2008	-	2,532	2,532	-	-	-	-	-	-
Title V 2008-2009	-	-	18,058	18,058	-	-	-	-	-
IDEA PL 101-476 2009-2010	-	1,886,095	1,549,088	-	337,007	400,002	737,009	-	-
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	(58,419)	180,001	121,582	-	-	1,647,003	1,914,652	-	(267,649)
Preschool Handicapped 2009-2010	-	112,734	105,692	-	7,042	19,999	27,041	-	-
Preschool Handicapped 2008-2009	(10,511)	11,001	490	-	-	84,622	114,160	-	(29,538)
Adult Basic Education 2010-2011	-	-	-	-	-	368,805	307,801	-	61,004
Adult Basic Education 2008-2009	51,963	-	51,963	-	-	68,972	80,569	-	(11,597)
Adult Basic Education 2009-2010	35,858	206,469	168,538	-	73,789	-	43,413	-	30,376
Drug Free Schools 2009-2010	-	14,084	6,970	11,972	19,086	1,000	17,584	-	2,502
Drug Free Schools 2008-2009	8,249	-	8,249	-	-	-	-	-	-
Awards for Excellence 2007-2009	(2,366)	2,835	469	-	-	-	9,104	-	(9,104)
Awards for Excellence 2009-2010	-	8,615	9,382	-	(767)	768	1	-	-
Perkins Grant 2008-2009	46,815	31,751	78,566	-	-	64,029	84,022	-	(19,993)
Perkins Grant 2009-2010	-	96,122	71,190	-	24,932	31,994	56,926	-	-
Perkins Moving Forward	1,622	13,093	14,715	-	-	-	-	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	23,968	192,937	105,694	(30,030)	81,181	46,711	162,664	-	(34,772)
ITQ, Enhanced Education Through Technology, Title II, Part D	4,645	25,045	13,193	-	16,497	-	16,497	-	-
Fiscal Stabilization - Education	1,981,665	778,558	2,760,223	-	-	-	-	-	-
Title I Grants ARRA	-	377,691	345,267	-	32,424	(4,166)	28,258	-	-
ARRA Special Education Part B	-	1,394,399	1,460,573	-	(66,174)	668,032	604,110	-	(2,252)
ARRA Special Education Part B Preschool	-	38,740	40,353	-	(1,613)	7,481	5,868	-	-
ARRA Education Technology	-	189,992	191,453	-	(1,461)	51,848	55,828	-	(5,441)
ARRA School Lunch Equipment	-	15,000	15,000	-	-	-	-	-	-
ARRA Title I Part D Subpart 2	-	47,582	66,656	-	(19,074)	24,001	4,927	-	-
Education Jobs	-	-	-	-	-	30,233	577,289	-	(547,056)
Totals	\$ 20,344,902	\$ 59,477,887	\$ 59,165,320	\$ -	\$ 20,657,469	\$ 50,610,213	\$ 52,738,162	\$ 14,946	\$ 18,544,466

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

NEW CASTLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

The accompanying financial statement presents the financial information for the School Corporation (primary government).

Joint Venture

The School Corporation is 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 New Castle Community School Corporation.

The School Corporation is a participant with Blue River School Corporation, Charles A. Beard School Corporation, Eastern Hancock School Corporation, Nettle Creek School Corporation, Rush County School Corporation, Shenandoah School Corporation, South Henry School Corporation, and Western Wayne School Corporation in a joint venture to operate 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 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 New Castle Community School Corporation.

The School Corporation is a participant with many other member school corporations in a joint venture to operate East Central Indiana Educational Service Center (Co-op), which was created to take advantage of bulk purchasing power, centralized repairs of equipment, and joint in-service training programs. The Co-op's governing board consists of a member selected by each participating school corporation. The board has full authority to manage the Co-op's operations, and also maintains the treasury functions. Complete financial statements for the East Central Indiana Educational Service Center (Co-op) may be obtained by contacting East Central Indiana Educational Service Center, 1601 Indiana Avenue, Connersville, IN 47331.

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

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

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

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

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

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

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

E. Disbursements

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

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

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

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

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

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

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

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

F. Other financing sources and uses

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

Proceeds of long-term debt which includes money received in relation to the issuance of bonds or other long-term debt issues.

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

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

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Restatement – Textbook Rental Fund

The Textbook Rental Fund July 1, 2009 balance of \$348,611 was restated from the previously reported June 30, 2009, balance of \$208,612. The restatement was needed due to an error in the reporting of the high school Textbook Rental Fund in the prior textbook rental ending balance.

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SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

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

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Post- Retirement/ Severance Future Benefits
Cash and investments - beginning	\$ 5,340,908	\$ 221,494	\$ (306,793)	\$ 1,826,912	\$ 393,923	\$ 14,986	\$ 98,188	\$ 1,728,967
Receipts:								
Local sources	675,637	2,901,813	601,618	3,606,066	2,817,536	374,022	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	23,908,058	-	-	-	-	-	129,250	-
Federal sources	-	-	-	-	-	-	-	-
Other	25,733	-	-	265	10,336	-	-	9,686
Total receipts	<u>24,609,428</u>	<u>2,901,813</u>	<u>601,618</u>	<u>3,606,331</u>	<u>2,827,872</u>	<u>374,022</u>	<u>129,250</u>	<u>9,686</u>
Disbursements:								
Current:								
Instruction	13,024,490	-	-	-	-	-	-	-
Support services	8,171,164	-	-	1,366,897	1,663,660	196,264	-	101,910
Noninstructional services	434,875	-	-	-	-	-	-	-
Facilities acquisition and construction	616	-	-	1,603,432	-	-	-	-
Debt services	-	2,080,888	626,431	-	-	-	-	-
Nonprogrammed charges	3,060,506	-	-	-	-	-	129,250	-
Total disbursements	<u>24,691,651</u>	<u>2,080,888</u>	<u>626,431</u>	<u>2,970,329</u>	<u>1,663,660</u>	<u>196,264</u>	<u>129,250</u>	<u>101,910</u>
Excess (deficiency) of receipts over disbursements	<u>(82,223)</u>	<u>820,925</u>	<u>(24,813)</u>	<u>636,002</u>	<u>1,164,212</u>	<u>177,758</u>	<u>-</u>	<u>(92,224)</u>
Other financing sources (uses):								
Transfers in	132,585	89,000	-	-	-	-	-	-
Transfers out	(100,250)	(1,395)	-	-	-	-	(98,188)	-
Total other financing sources (uses)	<u>32,335</u>	<u>87,605</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(98,188)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(49,888)</u>	<u>908,530</u>	<u>(24,813)</u>	<u>636,002</u>	<u>1,164,212</u>	<u>177,758</u>	<u>(98,188)</u>	<u>(92,224)</u>
Cash and investments - ending	<u>\$ 5,291,020</u>	<u>\$ 1,130,024</u>	<u>\$ (331,606)</u>	<u>\$ 2,462,914</u>	<u>\$ 1,558,135</u>	<u>\$ 192,744</u>	<u>\$ -</u>	<u>\$ 1,636,743</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Construction	School Lunch	Textbook Rental	Self-Insurance	Joint Services and Supply - Special Education Cooperative	Preschool Special Education Cooperative	Special Education Intensive Service	Joint Services and Supply - Area Vocational School
Cash and investments - beginning	\$ 184,050	\$ (30,877)	\$ 348,611	\$ 6,513,644	\$ 259,679	\$ (24,295)	\$ (505,543)	\$ 24,221
Receipts:								
Local sources	-	652,701	197,519	6,712,979	6,055,086	243,378	-	1,373,788
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	14,346	145,025	-	29,561	-	-	-
Federal sources	-	1,105,290	-	-	-	-	-	-
Other	-	750	-	545,821	1,971	-	4,555	9,161
Total receipts	-	1,773,087	342,544	7,258,800	6,086,618	243,378	4,555	1,382,949
Disbursements:								
Current:								
Instruction	-	-	-	-	3,808,658	688,033	1,290,043	999,184
Support services	-	28	189,470	-	832,123	14,048	236,552	225,551
Noninstructional services	-	1,589,149	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	791	-	7,918,095	-	-	-	-
Total disbursements	-	1,589,968	189,470	7,918,095	4,640,781	702,081	1,526,595	1,224,735
Excess (deficiency) of receipts over disbursements	-	183,119	153,074	(659,295)	1,445,837	(458,703)	(1,522,040)	158,214
Other financing sources (uses):								
Transfers in	-	-	2,084	-	-	-	1,900,000	-
Transfers out	-	-	(35,086)	-	(1,900,000)	-	-	-
Total other financing sources (uses)	-	-	(33,002)	-	(1,900,000)	-	1,900,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	183,119	120,072	(659,295)	(454,163)	(458,703)	377,960	158,214
Cash and investments - ending	\$ 184,050	\$ 152,242	\$ 468,683	\$ 5,854,349	\$ (194,484)	\$ (482,998)	\$ (127,583)	\$ 182,435

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Building Trades Vocational School	Welding Special Projects	AVS Preschool Program	Machine Trades Special Projects	AVS-CAD Program	AVS Youth Center	Culinary Arts	AVS Broadcasting
Cash and investments - beginning	\$ 2,525	\$ 8,506	\$ 926	\$ 138	\$ 804	\$ 79	\$ -	\$ -
Receipts:								
Local sources	-	3,377	1,349	-	810	-	1,241	750
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	16,344	5,775	-	50	130	-	1,456	-
Total receipts	<u>16,344</u>	<u>9,152</u>	<u>1,349</u>	<u>50</u>	<u>940</u>	<u>-</u>	<u>2,697</u>	<u>750</u>
Disbursements:								
Current:								
Instruction	18,529	-	-	-	-	-	2,630	196
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	11,183	1,628	-	1,030	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>18,529</u>	<u>11,183</u>	<u>1,628</u>	<u>-</u>	<u>1,030</u>	<u>-</u>	<u>2,630</u>	<u>196</u>
Excess (deficiency) of receipts over disbursements	<u>(2,185)</u>	<u>(2,031)</u>	<u>(279)</u>	<u>50</u>	<u>(90)</u>	<u>-</u>	<u>67</u>	<u>554</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,185)</u>	<u>(2,031)</u>	<u>(279)</u>	<u>50</u>	<u>(90)</u>	<u>-</u>	<u>67</u>	<u>554</u>
Cash and investments - ending	<u>\$ 340</u>	<u>\$ 6,475</u>	<u>\$ 647</u>	<u>\$ 188</u>	<u>\$ 714</u>	<u>\$ 79</u>	<u>\$ 67</u>	<u>\$ 554</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	AVS Cosmetology	NCACP Dental Assisting	Henry County Youth Center	Cradles Child Care Program	Educational License Plates	Alternative Education	Scholarship/ Memorial Funds	Carmichael Scholarship Trust
Cash and investments - beginning	\$ -	\$ -	\$ (103,345)	\$ 2,455	\$ 56	\$ 118,592	\$ 9,082	\$ 1,734,172
Receipts:								
Local sources	3,722	3,442	215,649	103,969	-	3,522	-	129,589
Intermediate sources	-	-	-	-	319	-	-	-
State sources	-	-	-	-	-	7,044	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	3,031	-	-	-	-	-	-	-
Total receipts	<u>6,753</u>	<u>3,442</u>	<u>215,649</u>	<u>103,969</u>	<u>319</u>	<u>10,566</u>	<u>-</u>	<u>129,589</u>
Disbursements:								
Current:								
Instruction	4,774	1,957	118,750	-	-	71,443	-	-
Support services	-	-	-	-	-	-	-	3,386
Noninstructional services	-	-	-	100,640	150	-	390	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	22,500
Total disbursements	<u>4,774</u>	<u>1,957</u>	<u>118,750</u>	<u>100,640</u>	<u>150</u>	<u>71,443</u>	<u>390</u>	<u>25,886</u>
Excess (deficiency) of receipts over disbursements	<u>1,979</u>	<u>1,485</u>	<u>96,899</u>	<u>3,329</u>	<u>169</u>	<u>(60,877)</u>	<u>(390)</u>	<u>103,703</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,979</u>	<u>1,485</u>	<u>96,899</u>	<u>3,329</u>	<u>169</u>	<u>(60,877)</u>	<u>(390)</u>	<u>103,703</u>
Cash and investments - ending	<u>\$ 1,979</u>	<u>\$ 1,485</u>	<u>\$ (6,446)</u>	<u>\$ 5,784</u>	<u>\$ 225</u>	<u>\$ 57,715</u>	<u>\$ 8,692</u>	<u>\$ 1,837,875</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	AVS Grants	Grants NCMS	Grants Elementary Library	Grants Alternative & Special Education	Grants CHS	Grants Eastwood	Grants Wilbur Wright	Grants Westwood
Cash and investments - beginning	\$ 10,007	\$ 342	\$ 128	\$ 223	\$ 828	\$ 102	\$ 1,876	\$ 3,589
Receipts:								
Local sources	1,000	1,000	-	900	-	1,231	1,311	200
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>900</u>	<u>-</u>	<u>1,231</u>	<u>1,311</u>	<u>200</u>
Disbursements:								
Current:								
Instruction	2,857	500	-	81	-	877	838	3,595
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>2,857</u>	<u>500</u>	<u>-</u>	<u>81</u>	<u>-</u>	<u>877</u>	<u>838</u>	<u>3,595</u>
Excess (deficiency) of receipts over disbursements	<u>(1,857)</u>	<u>500</u>	<u>-</u>	<u>819</u>	<u>-</u>	<u>354</u>	<u>473</u>	<u>(3,395)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,857)</u>	<u>500</u>	<u>-</u>	<u>819</u>	<u>-</u>	<u>354</u>	<u>473</u>	<u>(3,395)</u>
Cash and investments - ending	<u>\$ 8,150</u>	<u>\$ 842</u>	<u>\$ 128</u>	<u>\$ 1,042</u>	<u>\$ 828</u>	<u>\$ 456</u>	<u>\$ 2,349</u>	<u>\$ 194</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Professional Development DOE	Grants Greenstreet	Grants Sunnyside	Grants Riley	Grants Parker	Literacy Coalition	Bundy Auditorium Fund	GED Testing Fund
Cash and investments - beginning	\$ 65,888	\$ 129	\$ 2,208	\$ 489	\$ 100	\$ 1,414	\$ 12,930	\$ 15,029
Receipts:								
Local sources	-	279	350	300	421	2,664	6,387	17,959
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	30,000	-
Total receipts	-	279	350	300	421	2,664	36,387	17,959
Disbursements:								
Current:								
Instruction	-	207	1,090	250	-	-	-	16,848
Support services	39,203	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	1,855	22,429	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	39,203	207	1,090	250	-	1,855	22,429	16,848
Excess (deficiency) of receipts over disbursements	(39,203)	72	(740)	50	421	809	13,958	1,111
Other financing sources (uses):								
Transfers in	11,250	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	11,250	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(27,953)	72	(740)	50	421	809	13,958	1,111
Cash and investments - ending	\$ 37,935	\$ 201	\$ 1,468	\$ 539	\$ 521	\$ 2,223	\$ 26,888	\$ 16,140

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Alternative Education	Healthy Families 2009-2010	Healthy Families 2008-2009	Gifted & Talented 2009-2010	Non-English Speaking Programs P.L. 273-1999	School Technology	Access Indiana	Title I 2008-2009
Cash and investments - beginning	\$ 5,750	\$ -	\$ (7,411)	\$ -	\$ 617	\$ 51,902	\$ 2,500	\$ 190,911
Receipts:								
Local sources	44,879	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	115,596	65,436	42,154	-	79,400	-	-
Federal sources	-	-	-	-	-	-	-	80,461
Other	-	-	-	-	-	9,302	-	-
Total receipts	44,879	115,596	65,436	42,154	-	88,702	-	80,461
Disbursements:								
Current:								
Instruction	-	55,255	58,025	40,026	-	-	-	76,271
Support services	123,841	-	-	-	-	91,496	1,298	96,813
Noninstructional services	-	20,000	-	-	-	-	-	2,048
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	1,034	-	-	-	-	-	8,545
Total disbursements	123,841	76,289	58,025	40,026	-	91,496	1,298	183,677
Excess (deficiency) of receipts over disbursements	(78,962)	39,307	7,411	2,128	-	(2,794)	(1,298)	(103,216)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(87,695)
Total other financing sources (uses)	-	-	-	-	-	-	-	(87,695)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(78,962)	39,307	7,411	2,128	-	(2,794)	(1,298)	(190,911)
Cash and investments - ending	\$ (73,212)	\$ 39,307	\$ -	\$ 2,128	\$ 617	\$ 49,108	\$ 1,202	\$ -

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Title I 2009-2010	Title I Delinquent 2009-2010	Title I Delinquent 2008-2009	Title I School Improvement 2008-2009	Title I School Improvement 2009-2010	Title V 2007-2008	Title V 2008-2009	IDEA PL101-476 2009-2010
Cash and investments - beginning	\$ -	\$ -	\$ 39,942	\$ (145)	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	486,759	86,362	26,999	-	97,741	2,532	-	1,886,095
Other	-	-	-	-	-	-	-	-
Total receipts	<u>486,759</u>	<u>86,362</u>	<u>26,999</u>	<u>-</u>	<u>97,741</u>	<u>2,532</u>	<u>-</u>	<u>1,886,095</u>
Disbursements:								
Current:								
Instruction	450,308	55,703	58,457	(145)	1,769	-	-	1,437,239
Support services	46,470	860	870	-	64,732	2,532	18,058	111,849
Noninstructional services	1,953	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	1,871	-	-	-	-	-
Total disbursements	<u>498,731</u>	<u>56,563</u>	<u>61,198</u>	<u>(145)</u>	<u>66,501</u>	<u>2,532</u>	<u>18,058</u>	<u>1,549,088</u>
Excess (deficiency) of receipts over disbursements	<u>(11,972)</u>	<u>29,799</u>	<u>(34,199)</u>	<u>145</u>	<u>31,240</u>	<u>-</u>	<u>(18,058)</u>	<u>337,007</u>
Other financing sources (uses):								
Transfers in	87,695	5,743	-	-	-	-	18,058	-
Transfers out	-	-	(5,743)	-	-	-	-	-
Total other financing sources (uses)	<u>87,695</u>	<u>5,743</u>	<u>(5,743)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,058</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>75,723</u>	<u>35,542</u>	<u>(39,942)</u>	<u>145</u>	<u>31,240</u>	<u>-</u>	<u>-</u>	<u>337,007</u>
Cash and investments - ending	<u>\$ 75,723</u>	<u>\$ 35,542</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,240</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 337,007</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Preschool Handicapped 2009-2010	Preschool Handicapped 2008-2009	Adult Basic Education 2008-2009	Adult Basic Education 2009-2010	Drug Free Schools 2009-2010	Drug Free Schools 2008-2009	Awards For Excellence 2007-2009
Cash and investments - beginning	\$ (58,419)	\$ -	\$ (10,511)	\$ 51,963	\$ 35,858	\$ -	\$ 8,249	\$ (2,366)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	180,001	112,734	11,001	-	206,469	14,084	-	2,835
Other	-	-	-	-	-	-	-	-
Total receipts	180,001	112,734	11,001	-	206,469	14,084	-	2,835
Disbursements:								
Current:								
Instruction	75,798	105,692	490	40,770	105,186	-	-	469
Support services	45,784	-	-	7,353	34,414	4,845	7,857	-
Noninstructional services	-	-	-	-	-	2,125	-	-
Facilities acquisition and construction	-	-	-	-	28,938	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	3,840	-	-	392	-
Total disbursements	121,582	105,692	490	51,963	168,538	6,970	8,249	469
Excess (deficiency) of receipts over disbursements	58,419	7,042	10,511	(51,963)	37,931	7,114	(8,249)	2,366
Other financing sources (uses):								
Transfers in	-	-	-	-	-	11,972	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	11,972	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	58,419	7,042	10,511	(51,963)	37,931	19,086	(8,249)	2,366
Cash and investments - ending	\$ -	\$ 7,042	\$ -	\$ -	\$ 73,789	\$ 19,086	\$ -	\$ -

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Awards For Excellence 2009-2010	Perkins Grant 2008-2009	Perkins Grant 2009-2010	Perkins Moving Forward	Improving Teaching Quality, No Child Left, Title II, Part A	ITQ, Enhanced Education Through Technology, Title II, Part D	Fiscal Stabilization - Education
Cash and investments - beginning	\$ -	\$ 46,815	\$ -	\$ 1,622	\$ 23,968	\$ 4,645	\$ 1,981,665
Receipts:							
Local sources	-	-	-	(1,800)	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	8,615	31,751	96,122	14,893	192,937	25,045	778,558
Other	-	-	-	-	-	-	-
Total receipts	8,615	31,751	96,122	13,093	192,937	25,045	778,558
Disbursements:							
Current:							
Instruction	9,382	(100)	20,322	7,398	102,035	-	2,205,496
Support services	-	78,666	50,868	6,417	(4,873)	13,193	551,643
Noninstructional services	-	-	-	-	-	-	3,084
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	900	8,532	-	-
Total disbursements	9,382	78,566	71,190	14,715	105,694	13,193	2,760,223
Excess (deficiency) of receipts over disbursements	(767)	(46,815)	24,932	(1,622)	87,243	11,852	(1,981,665)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(30,030)	-	-
Total other financing sources (uses)	-	-	-	-	(30,030)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(767)	(46,815)	24,932	(1,622)	57,213	11,852	(1,981,665)
Cash and investments - ending	\$ (767)	\$ -	\$ 24,932	\$ -	\$ 81,181	\$ 16,497	\$ -

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Title I Grants ARRA	ARRA Special Education Part B	ARRA Special Education Part B Preschool	ARRA Education Technology	ARRA School Lunch Equipment	ARRA Title I Part D Subpart 2	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,344,902
Receipts:							
Local sources	-	-	-	-	-	-	26,756,644
Intermediate sources	-	-	-	-	-	-	319
State sources	-	-	-	-	-	-	24,535,870
Federal sources	377,691	1,394,399	38,740	189,992	15,000	47,582	7,510,688
Other	-	-	-	-	-	-	674,366
Total receipts	<u>377,691</u>	<u>1,394,399</u>	<u>38,740</u>	<u>189,992</u>	<u>15,000</u>	<u>47,582</u>	<u>59,477,887</u>
Disbursements:							
Current:							
Instruction	304,639	1,460,573	40,353	-	-	24,262	26,791,503
Support services	39,054	-	-	191,453	-	42,394	14,668,143
Noninstructional services	1,574	-	-	-	-	-	2,194,113
Facilities acquisition and construction	-	-	-	-	15,000	-	1,647,986
Debt services	-	-	-	-	-	-	2,707,319
Nonprogrammed charges	-	-	-	-	-	-	11,156,256
Total disbursements	<u>345,267</u>	<u>1,460,573</u>	<u>40,353</u>	<u>191,453</u>	<u>15,000</u>	<u>66,656</u>	<u>59,165,320</u>
Excess (deficiency) of receipts over disbursements	<u>32,424</u>	<u>(66,174)</u>	<u>(1,613)</u>	<u>(1,461)</u>	<u>-</u>	<u>(19,074)</u>	<u>312,567</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	2,258,387
Transfers out	-	-	-	-	-	-	(2,258,387)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>32,424</u>	<u>(66,174)</u>	<u>(1,613)</u>	<u>(1,461)</u>	<u>-</u>	<u>(19,074)</u>	<u>312,567</u>
Cash and investments - ending	<u>\$ 32,424</u>	<u>\$ (66,174)</u>	<u>\$ (1,613)</u>	<u>\$ (1,461)</u>	<u>\$ -</u>	<u>\$ (19,074)</u>	<u>\$ 20,657,469</u>

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Post- Retirement/ Severance Future Benefits	Construction
Cash and investments - beginning	\$ 5,291,020	\$ 1,130,024	\$ (331,606)	\$ 2,462,914	\$ 1,558,135	\$ 192,744	\$ 1,636,743	\$ 184,050
Receipts:								
Local sources	87,955	1,770,398	971,570	2,214,134	1,935,387	283,846	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	23,907,379	239,689	150,000	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	35,307	144	-	7,265	451	-	50,000	-
Total receipts	<u>24,030,641</u>	<u>2,010,231</u>	<u>1,121,570</u>	<u>2,221,399</u>	<u>1,935,838</u>	<u>283,846</u>	<u>50,000</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	13,327,819	-	-	-	-	-	-	-
Support services	7,927,192	-	-	1,285,904	1,649,918	265,069	278,307	-
Noninstructional services	435,063	-	-	-	-	-	-	-
Facilities acquisition and construction	188,122	-	-	948,273	-	-	-	-
Debt services	-	2,026,990	626,237	-	-	-	-	-
Nonprogrammed charges	2,736,171	-	-	-	-	-	-	-
Total disbursements	<u>24,614,367</u>	<u>2,026,990</u>	<u>626,237</u>	<u>2,234,177</u>	<u>1,649,918</u>	<u>265,069</u>	<u>278,307</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(583,726)</u>	<u>(16,759)</u>	<u>495,333</u>	<u>(12,778)</u>	<u>285,920</u>	<u>18,777</u>	<u>(228,307)</u>	<u>-</u>
Other financing sources (uses):								
Sale of capital assets	14,946	-	-	-	-	-	-	-
Transfers in	49,972	-	-	-	36,285	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>64,918</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,285</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(518,808)</u>	<u>(16,759)</u>	<u>495,333</u>	<u>(12,778)</u>	<u>322,205</u>	<u>18,777</u>	<u>(228,307)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 4,772,212</u>	<u>\$ 1,113,265</u>	<u>\$ 163,727</u>	<u>\$ 2,450,136</u>	<u>\$ 1,880,340</u>	<u>\$ 211,521</u>	<u>\$ 1,408,436</u>	<u>\$ 184,050</u>

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

	School Lunch	Textbook Rental	Self- Insurance	Joint Services and Supply - Special Education Cooperative	Preschool Special Education Cooperative	Special Education Intensive Service	Joint Services and Supply - Area Vocational School	Building Trades Vocational School
Cash and investments - beginning	\$ 152,242	\$ 468,683	\$ 5,854,349	\$ (194,484)	\$ (482,998)	\$ (127,583)	\$ 182,435	\$ 340
Receipts:								
Local sources	591,386	89,752	5,442,961	5,389,418	-	-	1,126,774	6,471
Intermediate sources	-	-	-	-	-	-	-	-
State sources	13,091	185,358	-	1,823	-	-	-	-
Federal sources	975,872	-	-	-	-	-	-	-
Other	15,641	-	183,044	586	-	-	133,535	5,921
Total receipts	<u>1,595,990</u>	<u>275,110</u>	<u>5,626,005</u>	<u>5,391,827</u>	<u>-</u>	<u>-</u>	<u>1,260,309</u>	<u>12,392</u>
Disbursements:								
Current:								
Instruction	-	-	-	2,915,215	496,859	511,176	988,497	11,359
Support services	7,311	82,262	-	705,574	4,794	34,849	279,995	-
Noninstructional services	1,524,479	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	618	-	7,040,635	-	-	-	-	-
Total disbursements	<u>1,532,408</u>	<u>82,262</u>	<u>7,040,635</u>	<u>3,620,789</u>	<u>501,653</u>	<u>546,025</u>	<u>1,268,492</u>	<u>11,359</u>
Excess (deficiency) of receipts over disbursements	<u>63,582</u>	<u>192,848</u>	<u>(1,414,630)</u>	<u>1,771,038</u>	<u>(501,653)</u>	<u>(546,025)</u>	<u>(8,183)</u>	<u>1,033</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	(49,972)	-	(100,000)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(49,972)</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>63,582</u>	<u>142,876</u>	<u>(1,414,630)</u>	<u>1,671,038</u>	<u>(501,653)</u>	<u>(546,025)</u>	<u>(8,183)</u>	<u>1,033</u>
Cash and investments - ending	<u>\$ 215,824</u>	<u>\$ 611,559</u>	<u>\$ 4,439,719</u>	<u>\$ 1,476,554</u>	<u>\$ (984,651)</u>	<u>\$ (673,608)</u>	<u>\$ 174,252</u>	<u>\$ 1,373</u>

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

	Welding Special Projects	AVS Preschool Program	Machine Trades Special Projects	AVS-CAD Program	AVS Youth Center	Culinary Arts	AVS Broadcasting	Veterinary Science
Cash and investments - beginning	\$ 6,475	\$ 647	\$ 188	\$ 714	\$ 79	\$ 67	\$ 554	\$ -
Receipts:								
Local sources	8,790	1,471	463	4,015	-	4,736	2,350	1,470
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	400	-	933	-	-
Total receipts	<u>8,790</u>	<u>1,471</u>	<u>463</u>	<u>4,415</u>	<u>-</u>	<u>5,669</u>	<u>2,350</u>	<u>1,470</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	-	4,770	932	1,026
Support services	-	-	-	-	-	-	-	-
Noninstructional services	11,782	1,295	418	3,319	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>11,782</u>	<u>1,295</u>	<u>418</u>	<u>3,319</u>	<u>-</u>	<u>4,770</u>	<u>932</u>	<u>1,026</u>
Excess (deficiency) of receipts over disbursements	<u>(2,992)</u>	<u>176</u>	<u>45</u>	<u>1,096</u>	<u>-</u>	<u>899</u>	<u>1,418</u>	<u>444</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,992)</u>	<u>176</u>	<u>45</u>	<u>1,096</u>	<u>-</u>	<u>899</u>	<u>1,418</u>	<u>444</u>
Cash and investments - ending	<u>\$ 3,483</u>	<u>\$ 823</u>	<u>\$ 233</u>	<u>\$ 1,810</u>	<u>\$ 79</u>	<u>\$ 966</u>	<u>\$ 1,972</u>	<u>\$ 444</u>

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

	AVS Graphic Arts	AVS Cosmetology	NCACP Dental Assisting	AVS Computer Operations	Henry County Youth Center	Cradles Child Care Program	Educational License Plates	Alternative Education
Cash and investments - beginning	\$ -	\$ 1,979	\$ 1,485	\$ -	\$ (6,446)	\$ 5,784	\$ 225	\$ 57,715
Receipts:								
Local sources	-	10,709	6,896	511	31,111	99,793	-	-
Intermediate sources	-	-	-	-	-	-	244	-
State sources	-	-	-	-	-	-	-	12,060
Federal sources	-	-	-	-	-	-	-	-
Other	1,326	1,035	102	-	-	5	-	-
Total receipts	<u>1,326</u>	<u>11,744</u>	<u>6,998</u>	<u>511</u>	<u>31,111</u>	<u>99,798</u>	<u>244</u>	<u>12,060</u>
Disbursements:								
Current:								
Instruction	983	5,485	4,179	393	150,175	-	-	64,646
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	96,830	356	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>983</u>	<u>5,485</u>	<u>4,179</u>	<u>393</u>	<u>150,175</u>	<u>96,830</u>	<u>356</u>	<u>64,646</u>
Excess (deficiency) of receipts over disbursements	<u>343</u>	<u>6,259</u>	<u>2,819</u>	<u>118</u>	<u>(119,064)</u>	<u>2,968</u>	<u>(112)</u>	<u>(52,586)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>343</u>	<u>6,259</u>	<u>2,819</u>	<u>118</u>	<u>(119,064)</u>	<u>2,968</u>	<u>(112)</u>	<u>(52,586)</u>
Cash and investments - ending	<u>\$ 343</u>	<u>\$ 8,238</u>	<u>\$ 4,304</u>	<u>\$ 118</u>	<u>\$ (125,510)</u>	<u>\$ 8,752</u>	<u>\$ 113</u>	<u>\$ 5,129</u>

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

	Scholarship/ Memorial Funds	Carmichael Scholarship Trust	AVS Grants	Grants NCMS	Grants Elementary Library	Grants Alternative & Special Education	Grants CHS	Grants Eastwood
Cash and investments - beginning	\$ 8,692	\$ 1,837,875	\$ 8,150	\$ 842	\$ 128	\$ 1,042	\$ 828	\$ 456
Receipts:								
Local sources	-	84,401	1,000	2,600	-	99	5,750	607
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	84,401	1,000	2,600	-	99	5,750	607
Disbursements:								
Current:								
Instruction	-	-	145	399	-	688	5,860	606
Support services	-	-	-	-	-	-	-	-
Noninstructional services	490	-	-	2,100	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	22,500	-	-	-	-	-	-
Total disbursements	490	22,500	145	2,499	-	688	5,860	606
Excess (deficiency) of receipts over disbursements	(490)	61,901	855	101	-	(589)	(110)	1
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(490)	61,901	855	101	-	(589)	(110)	1
Cash and investments - ending	\$ 8,202	\$ 1,899,776	\$ 9,005	\$ 943	\$ 128	\$ 453	\$ 718	\$ 457

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

	Grants Wilbur Wright	Grants Westwood	Professional Development DOE	Grants Greenstreet	Grants Sunnyside	Grants Riley	Grants Parker	Literacy Coalition
Cash and investments - beginning	\$ 2,349	\$ 194	\$ 37,935	\$ 201	\$ 1,468	\$ 539	\$ 521	\$ 2,223
Receipts:								
Local sources	4,086	699	-	-	599	150	688	1,119
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>4,086</u>	<u>699</u>	<u>-</u>	<u>-</u>	<u>599</u>	<u>150</u>	<u>688</u>	<u>1,119</u>
Disbursements:								
Current:								
Instruction	905	462	-	121	881	-	100	-
Support services	-	-	16,215	-	17	-	-	-
Noninstructional services	-	-	-	-	-	-	-	1,772
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>905</u>	<u>462</u>	<u>16,215</u>	<u>121</u>	<u>898</u>	<u>-</u>	<u>100</u>	<u>1,772</u>
Excess (deficiency) of receipts over disbursements	<u>3,181</u>	<u>237</u>	<u>(16,215)</u>	<u>(121)</u>	<u>(299)</u>	<u>150</u>	<u>588</u>	<u>(653)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,181</u>	<u>237</u>	<u>(16,215)</u>	<u>(121)</u>	<u>(299)</u>	<u>150</u>	<u>588</u>	<u>(653)</u>
Cash and investments - ending	<u>\$ 5,530</u>	<u>\$ 431</u>	<u>\$ 21,720</u>	<u>\$ 80</u>	<u>\$ 1,169</u>	<u>\$ 689</u>	<u>\$ 1,109</u>	<u>\$ 1,570</u>

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

	Bundy Auditorium Fund	GED Testing Fund	Alternative Education	Healthy Families 2009-2010	Gifted & Talented 2009-2010	Gifted & Talented 2008-2009	Adult and Continuing Education	Non-English Speaking Programs P.L. 273-1999
Cash and investments - beginning	\$ 26,888	\$ 16,140	\$ (73,212)	\$ 39,307	\$ 2,128	\$ -	\$ -	\$ 617
Receipts:								
Local sources	2,982	29,484	52,894	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	41,523	12,675	-
Federal sources	-	-	-	-	-	-	-	-
Other	354	-	-	-	-	-	-	-
Total receipts	3,336	29,484	52,894	-	-	41,523	12,675	-
Disbursements:								
Current:								
Instruction	-	22,691	-	12,443	2,128	38,415	-	-
Support services	-	35	46,834	-	-	-	-	-
Noninstructional services	24,086	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	24,086	22,726	46,834	12,443	2,128	38,415	-	-
Excess (deficiency) of receipts over disbursements	(20,750)	6,758	6,060	(12,443)	(2,128)	3,108	12,675	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	100,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	100,000	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(20,750)	6,758	106,060	(12,443)	(2,128)	3,108	12,675	-
Cash and investments - ending	\$ 6,138	\$ 22,898	\$ 32,848	\$ 26,864	\$ -	\$ 3,108	\$ 12,675	\$ 617

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

	School Technology	Access Indiana	Excess PTRC Distributions	Title I 2008-2009	Title I 2009-2010	Title I Delinquent 2009-2010	Title I Delinquent 2008-2009	Title I School Improvement 2008-2009
Cash and investments - beginning	\$ 49,108	\$ 1,202	\$ -	\$ -	\$ 75,723	\$ 35,542	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	31,809	-	36,285	-	-	-	-	-
Federal sources	-	-	-	471,122	136,789	28,700	44,305	64,763
Other	28,917	-	-	-	-	-	-	-
Total receipts	60,726	-	36,285	471,122	136,789	28,700	44,305	64,763
Disbursements:								
Current:								
Instruction	-	-	-	432,450	53,847	54,687	63,185	-
Support services	41,065	-	-	253,653	7,552	141	460	71,770
Noninstructional services	-	-	-	5,501	1,314	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	15,500	2,003	-	-
Total disbursements	41,065	-	-	691,604	78,213	56,831	63,645	71,770
Excess (deficiency) of receipts over disbursements	19,661	-	36,285	(220,482)	58,576	(28,131)	(19,340)	(7,007)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	134,299	-	-	7,411	-
Transfers out	-	-	(36,285)	-	(134,299)	(7,411)	-	-
Total other financing sources (uses)	-	-	(36,285)	134,299	(134,299)	(7,411)	7,411	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	19,661	-	-	(86,183)	(75,723)	(35,542)	(11,929)	(7,007)
Cash and investments - ending	\$ 68,769	\$ 1,202	\$ -	\$ (86,183)	\$ -	\$ -	\$ (11,929)	\$ (7,007)

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

	Title I School Improvement 2009-2010	IDEA PL101-476 2009-2010	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Preschool Handicapped 2009-2010	Preschool Handicapped 2008-2009	Adult Basic Education 2010-2011	Adult Basic Education 2008-2009	Adult Basic Education 2009-2010
Cash and investments - beginning	\$ 31,240	\$ 337,007	\$ -	\$ 7,042	\$ -	\$ -	\$ -	\$ 73,789
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	10,901	400,002	1,647,003	19,999	84,622	368,805	68,972	-
Other	-	-	-	-	-	-	-	-
Total receipts	10,901	400,002	1,647,003	19,999	84,622	368,805	68,972	-
Disbursements:								
Current:								
Instruction	22,916	669,404	1,719,964	27,041	114,160	119,112	43,402	22,634
Support services	19,225	43,139	194,688	-	-	188,510	12,602	8,703
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	179	24,565	8,465
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	24,466	-	-	-	-	-	3,611
Total disbursements	42,141	737,009	1,914,652	27,041	114,160	307,801	80,569	43,413
Excess (deficiency) of receipts over disbursements	(31,240)	(337,007)	(267,649)	(7,042)	(29,538)	61,004	(11,597)	(43,413)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(31,240)	(337,007)	(267,649)	(7,042)	(29,538)	61,004	(11,597)	(43,413)
Cash and investments - ending	\$ -	\$ -	\$ (267,649)	\$ -	\$ (29,538)	\$ 61,004	\$ (11,597)	\$ 30,376

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

	Drug Free Schools 2009-2010	Awards For Excellence 2007-2009	Awards For Excellence 2009-2010	Perkins Grant 2008-2009	Perkins Grant 2009-2010	Improving Teaching Quality, No Child Left, Title II, Part A	ITQ, Enhanced Education Through Technology, Title II, Part D
Cash and investments - beginning	\$ 19,086	\$ -	\$ (767)	\$ -	\$ 24,932	\$ 81,181	\$ 16,497
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	1,000	-	768	64,029	31,994	46,711	-
Other	-	-	-	-	-	-	-
Total receipts	1,000	-	768	64,029	31,994	46,711	-
Disbursements:							
Current:							
Instruction	-	9,104	1	14,823	176	125,569	-
Support services	17,584	-	-	69,199	54,450	37,095	16,497
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	2,300	-	-
Total disbursements	17,584	9,104	1	84,022	56,926	162,664	16,497
Excess (deficiency) of receipts over disbursements	(16,584)	(9,104)	767	(19,993)	(24,932)	(115,953)	(16,497)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(16,584)	(9,104)	767	(19,993)	(24,932)	(115,953)	(16,497)
Cash and investments - ending	\$ 2,502	\$ (9,104)	\$ -	\$ (19,993)	\$ -	\$ (34,772)	\$ -

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

	Title I Grants ARRA	ARRA Special Education Part B	ARRA Special Education Part B Preschool	ARRA Education Part B Technology	ARRA Title I Part D Subpart 2	Education Jobs	Totals
Cash and investments - beginning	\$ 32,424	\$ (66,174)	\$ (1,613)	\$ (1,461)	\$ (19,074)	\$ -	\$ 20,657,469
Receipts:							
Local sources	-	-	-	-	-	-	20,269,525
Intermediate sources	-	-	-	-	-	-	244
State sources	-	-	-	-	-	-	24,631,692
Federal sources	(4,166)	668,032	7,481	51,848	24,001	30,233	5,243,786
Other	-	-	-	-	-	-	464,966
Total receipts	<u>(4,166)</u>	<u>668,032</u>	<u>7,481</u>	<u>51,848</u>	<u>24,001</u>	<u>30,233</u>	<u>50,610,213</u>
Disbursements:							
Current:							
Instruction	20,970	604,110	5,868	-	3,537	577,289	23,273,607
Support services	7,288	-	-	55,828	-	-	13,683,725
Noninstructional services	-	-	-	-	-	-	2,108,805
Facilities acquisition and construction	-	-	-	-	-	-	1,169,604
Debt services	-	-	-	-	-	-	2,653,227
Nonprogrammed charges	-	-	-	-	1,390	-	9,849,194
Total disbursements	<u>28,258</u>	<u>604,110</u>	<u>5,868</u>	<u>55,828</u>	<u>4,927</u>	<u>577,289</u>	<u>52,738,162</u>
Excess (deficiency) of receipts over disbursements	<u>(32,424)</u>	<u>63,922</u>	<u>1,613</u>	<u>(3,980)</u>	<u>19,074</u>	<u>(547,056)</u>	<u>(2,127,949)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	14,946
Transfers in	-	-	-	-	-	-	327,967
Transfers out	-	-	-	-	-	-	(327,967)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,946</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(32,424)</u>	<u>63,922</u>	<u>1,613</u>	<u>(3,980)</u>	<u>19,074</u>	<u>(547,056)</u>	<u>(2,113,003)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (2,252)</u>	<u>\$ -</u>	<u>\$ (5,441)</u>	<u>\$ -</u>	<u>\$ (547,056)</u>	<u>\$ 18,544,466</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2011

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

	<u>Ending Balance</u>
Other:	
Capital assets, not being depreciated:	
Land	\$ 290,214
Buildings	52,343,401
Improvements other than buildings	1,793,419
Machinery and equipment	<u>10,095,484</u>
Total other capital assets	<u>\$ 64,522,518</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2011

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Capital leases:		
New Castle High School	\$ 3,875,000	\$ 726,683
Notes and loans payable:		
Common school loans	7,873,366	1,269,896
Bonds payable:		
General obligation bonds:		
Pension Bonds	<u>2,265,000</u>	<u>625,047</u>
Total debt	<u>\$ 14,013,366</u>	<u>\$ 2,621,626</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The fund balances of the following funds were overdrawn in 2009-2010 and 2010-2011:

Fund	2010	2011
Retirement/Severance Bond Debt Service	\$ 331,606	\$ -
Joint Services and Supply - Special Education Cooperative	194,484	-
Preschool Special Education Cooperative	482,998	984,651
Special Education Intensive Service	127,583	673,608
Henry County Youth Center	6,446	125,510
Alternative Education	73,212	-
Award for Excellence 2009-2010	767	-
Totals	<u>\$ 1,217,096</u>	<u>\$ 1,783,769</u>

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

AVERAGE DAILY MEMBERSHIP (ADM) - INCORRECT REPORTING TO THE STATE

The information presented for audit indicates honor diploma figures were incorrect for the school year ending June 30, 2009, reported in the fall of 2009. One student was erroneously counted on the report sent to the state.

School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment/underpayment applicable to the School Corporation because of incorrect reporting. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

The School Corporation did contact David Licht with IDOE and he stated "thanks for letting us know, but corrections can no longer be made to previous year's DOE-GR submissions."

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

**FEDERAL AND STATE COMPLIANCE - EDUCATIONAL TECHNOLOGY
STATE GRANTS - CASH MANAGEMENT REQUIREMENT**

Amounts received by the School Corporation for the Educational Technology States Grant were drawn down in advance. School Corporation officials are required to review needs and draw funds as needed in accordance with federal guidelines. The drawdown requests are included in the applications for grant funds. The cash balance of the grant exceeded the allowable cash balance based on estimated future requirements for fourteen of the fifteen months during the grant period. The cash balance of the grant at June 30, 2009, as reported in the funds ledger was \$16,497, which was approximately 66 percent of the total grant awarded during the grant period. The estimated cash needs in the few months subsequent to the grant period did not substantiate the need for this amount of cash. Cash drawdown requests were not revised to ensure there would not be excess cash on hand.

34 CFR 80.20 (b)(7) states:

"Cash management. Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE 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, 2010 and 2011. 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, 2010 and 2011. The results of our auditing procedures also disclosed an instance of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2011-1.

Internal Control Over Compliance

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

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

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying Schedule of Findings and Questioned Costs as item 2011-1. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The School Corporation's response to the finding identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on the response.

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

STATE BOARD OF ACCOUNTS

January 17, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

NEW CASTLE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2010 and 2011

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 06-30-10	Total Federal Awards Expended 06-30-11
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553			
		2009-2010	\$ 233,973	\$ -
		2010-2011	-	191,016
Total for program			<u>233,973</u>	<u>191,016</u>
National School Lunch Program	10.555			
		2009-2010	954,921	-
		2010-2011	-	844,749
Total for program			<u>954,921</u>	<u>844,749</u>
Summer Food Service Program for Children	10.559			
		2010-2011	-	6,222
Total for cluster			<u>1,188,894</u>	<u>1,041,987</u>
ARRA - Child Nutrition Discretionary Grants Limited Availability - Recovery Act	10.579		15,000	-
Fresh Fruit and Vegetable Program	10.582			
		2009-2010	10,011	-
		2010-2011	-	44,751
Total for program			<u>10,011</u>	<u>44,751</u>
Total for federal grantor agency			<u>1,213,905</u>	<u>1,086,738</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
		09-3445	271,372	-
		10-3445	498,731	212,512
		11-3445	-	691,606
Delinquency 2008-2009		09-3445	66,942	-
Delinquency 2009-2010		10-3445	56,561	64,242
Delinquency 2010-2011		11-3445	-	63,645
Title I Improvement 2009-2010		10-3445	66,502	42,140
Title I Improvement 2010-2010		11-3445	-	71,771
Total for program			<u>960,108</u>	<u>1,145,916</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389			
		2009-2010	411,922	33,184
Total for cluster			<u>1,372,030</u>	<u>1,179,100</u>
Special Education Cluster				
Special Education - Grants to States	84.027			
		14209-044-PN01	121,581	-
		14210-044-PN01	1,549,089	737,007
		14211-044-PN01	-	1,914,655
Total for program			<u>1,670,670</u>	<u>2,651,662</u>
Special Education - Preschool Grants	84.173			
		45710-044-PN01	105,694	27,042
		45711-044-PN01	489	114,160
Total for program			<u>106,183</u>	<u>141,202</u>
ARRA - Special Education - Grants to States, Recovery Act	84.391			
		33310-044-SN01	1,460,573	604,110
ARRA - Special Education - Preschool Grants, Recovery Act	84.392			
		44410-044-SN01	40,353	5,868
Total for cluster			<u>3,277,779</u>	<u>3,402,842</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, 2010 and 2011
(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 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
Education Technology State Grants Cluster				
Educational Technology State Grants	84.318	S318X080014	<u>13,192</u>	<u>16,497</u>
ARRA - Education Technology State Grants, Recovery Act	84.386	C310S3445	<u>191,453</u>	<u>55,828</u>
Total for cluster			<u>204,645</u>	<u>72,325</u>
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act				
	84.394	2009-2010	<u>2,760,223</u>	-
Adult Education-Basic Grants to States	84.002			
		2009-8026	51,963	-
		2010-8026	166,770	39,697
		2011-8026	-	307,804
		2011-1105G	-	<u>80,568</u>
Total for program			<u>218,733</u>	<u>428,069</u>
Career and Technical Education - Basic Grant to States	84.048			
		10-4700-3445	71,191	56,925
		11-4700-3445	78,566	84,021
Moving Forward		C1-8-CPS-7-25	14,715	-
Awards for Excellence 2009-2010		C1-10-SPL-9-25	9,382	1
Awards for Excellence 2007-2009		AS58-1-11CI-151	<u>469</u>	<u>9,104</u>
Total for program			<u>174,323</u>	<u>150,051</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186	09-3445	<u>6,970</u>	<u>17,584</u>
State Grants for Innovative Programs	84.298			
		07-3445	2,532	-
		08-3445	<u>18,058</u>	-
Total for program			<u>20,590</u>	-
Improving Teacher Quality State Grants	84.367			
		08-3445	43,967	-
		10-3445	91,757	46,457
		11-3445	-	<u>116,205</u>
Total for program			<u>135,724</u>	<u>162,662</u>
ARRA - Education Jobs Fund, Recovery Act	84.410	2010-2011	-	<u>30,233</u>
Total for federal grantor agency			<u>8,171,017</u>	<u>5,442,866</u>
Total federal awards expended			<u>\$ 9,384,922</u>	<u>\$ 6,529,604</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

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

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

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2010 and 2011. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2010	2011
Child Nutrition Cluster:			
Food Commodities:			
School Breakfast Program	10.553	\$ 18,423	\$ 20,446
National School Lunch Program	10.555	75,192	90,420

NEW CASTLE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiency identified?	yes
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?	yes

Identification of Major Programs:

_____ Name of Federal Program or Cluster

Child Nutrition Cluster
Title I, Part A Cluster
Special Education Cluster
State Fiscal Stabilization Fund Cluster
Education Technology State Grants Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$477,436

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

NEW CASTLE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2011-1 - INTERNAL CONTROL CASH MANAGEMENT

Federal Agency: Department of Education
Federal Program: Educational Technology State Grants
CFDA Number: 84.318
Federal Award Number and Year (or Other Identifying Number): S318X080014
Pass-Through Entity: Indiana Department of Education

Amounts received by the School Corporation for the Educational Technology States Grant were drawn down in advance. School Corporation officials were required to review needs and draw funds as needed in accordance with federal guidelines. The drawdown requests are included in the applications for grant funds. The cash balance of the grant exceeded the allowable cash balance based on estimated future requirements for fourteen of the fifteen months during the grant period. The cash balance of the grant at June 30, 2009, as reported in the funds ledger was \$16,497, which was approximately 66 percent of the total grant awarded during the grant period. The estimated cash needs in the few months subsequent to the grant period did not substantiate the need for this amount of cash. Cash drawdown requests were not revised to ensure there would not be excess cash on hand.

34 CFR 80.20 (b)(7) states:

"Cash management. Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

Failure to minimize the cash on hand as determined by the grant agreement and the CFR has caused noncompliance with the grant requirements and may cause future funding to be reduced by the pass-through agency.

We recommended School Corporation officials initiate procedures to establish controls over the timing of grant fund requests in comparison to the timing of when grant fund expenditures will be made and properly monitor those controls to ensure that cash balances are kept at a minimum and the School Corporation is in compliance with the cash management requirements.

NEW CASTLE COMMUNITY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.



New Castle Community School Corporation

Community Education Center, 322 Elliott Avenue • New Castle, Indiana 47362

MR. STEPHEN G. FISHER, Ed.S., *Superintendent*

MR. WILLIAM B. PHEFFER, Ed.S. *Assistant Superintendent for Secondary Programs and Facilities*

DR. MARIA SELLS, *Assistant Superintendent for Elementary Programs and Human Resources*

MRS. MEGAN BELL, *Business Manager*

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December 13, 2011

FEDERAL FINDING 2011-1 INTERNAL CONTROL CASH MANAGEMENT

Federal Agency: Department of Education

Federal Program: Educational Technology State Grants

CFDA Number: 84.318

Pass-through Entity: Indiana Department of Education

Corrective Action Plan:

This issue has been corrected by the Indiana Department of Education. Federal funds are now reimbursed for actual expenditures instead of being advanced according to a cash request schedule. This change became effective for all federal grants on July 1, 2010.


Megan Bell

NEW CASTLE COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on January 17, 2012, with Megan Bell, Treasurer; Stephen Fisher, Superintendent of Schools; and Michael D. Fleming, President of the School Board. The officials concurred with our findings.