

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

NORTH NEWTON SCHOOL CORPORATION
NEWTON COUNTY, INDIANA

July 1, 2010 to June 30, 2012



FILED
02/19/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Karen Zackfia	07-01-10 to 06-30-13
Superintendent of Schools	Brian Smith	07-01-10 to 06-30-13
President of the School Board	Nathan Gibson	07-01-10 to 06-30-13



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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statement of the North Newton School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012. 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 effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis of accounting noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated January 17, 2013, 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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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.

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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

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 Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

January 17, 2013



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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 NORTH NEWTON SCHOOL
CORPORATION, NEWTON COUNTY, INDIANA

We have audited the financial statement of the North Newton School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated January 17, 2013. 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

Management of the School Corporation is responsible for establishing and maintaining effective 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, 2013

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.

NORTH NEWTON SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2011 and 2012

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
General	\$ 1,512,088	\$ 9,536,314	\$ 9,582,034	\$ (52,837)	\$ 1,413,531	\$ 9,416,405	\$ 9,409,103	\$ (121,038)	\$ 1,299,795
Debt Service	823,726	2,015,162	1,728,188	(57,447)	1,053,253	1,965,092	1,924,438	50,039	1,143,946
Retirement/Severance Bond Debt	166,790	302,455	302,353	(9,069)	157,823	303,558	298,613	9,069	171,837
Capital Projects	657,443	1,218,720	1,059,286	(26,359)	790,518	1,825,783	2,303,093	35,611	348,819
School Transportation	1,061,966	1,168,216	989,889	(241,324)	998,969	1,643,998	1,514,131	(265,692)	863,144
School Bus Replacement	410,694	181,238	147,812	(153,107)	291,013	351,713	387,435	4,651	259,942
Local Rainy Day Fund	215,500	-	94,816	350,000	470,684	34,633	340,271	300,000	465,046
Retirement/Severance Bond	32,088	-	27,901	-	4,187	-	4,187	-	-
Construction Fund	3,410,112	49,475	2,536,724	-	922,863	22	922,885	-	-
Construction Fund Wind Turbine	-	-	-	-	-	99,000	99,000	-	-
School Lunch	212,083	657,157	594,803	100	274,537	675,861	622,652	-	327,746
Textbook Rental	171,439	166,616	76,711	9,244	270,588	150,573	391,476	12,490	42,175
Self-Insurance	1,038	-	-	-	1,038	-	-	-	1,038
Levy Excess	22,052	-	-	124,116	146,168	-	-	(146,168)	-
Judgments MTBE	278,012	-	-	-	278,012	-	-	-	278,012
Educational License Plates	8,306	150	-	-	8,456	150	-	-	8,606
Alternative Education	37,166	35,883	94,910	50,000	28,139	36,880	91,474	70,000	43,545
Donations Elementary Sports	-	200	200	-	-	-	-	-	-
Donation Special Education	1,135	-	142	-	993	-	321	-	672
Donation Newton Cty Step Ahead	329	-	-	-	329	-	-	-	329
Donation CPR Class	-	1,060	1,020	-	40	-	-	-	40
Donation Environmental Morocco	21	-	-	-	21	-	-	-	21
Donation Trees Morocco	5	-	-	-	5	-	-	-	5
Donation Exxon Supplies Morocco	771	-	771	-	-	500	-	-	500
Donations Scoreboard/Dictionary Morocco	8,731	-	8,730	-	1	-	1	-	-
Donations Artist	-	2,389	2,255	-	134	-	-	-	134
Donations Robotics	-	-	-	-	-	2,861	1,256	-	1,605
Donation Healthy Kids Lake Village	326	-	-	-	326	-	-	-	326
Donation Library Books Lake Village	-	2,364	-	-	2,364	-	-	-	2,364
Donation Software Lake Village	-	909	909	-	-	2,224	2,224	-	-
Donations Classroom Supplies Lake Village	-	60	-	-	60	53	60	-	53
Donations Target Lincoln	40	-	-	-	40	-	-	-	40
Donation No Excuses University Lincoln	500	-	-	-	500	-	-	-	500
Donation NW IN Solid Waste District Lincoln	-	2,858	2,858	-	-	-	-	-	-
Donations Purdue Convocations Lincoln	-	478	478	-	-	157	157	-	-
Donations Instructional Lincoln	-	1,850	-	-	1,850	79	1,850	-	79
Donation Reading Books NNJSHS	1,118	100	587	-	631	-	-	-	631
Donation VCR Supplies NNJSHS	1,230	-	-	-	1,230	-	1,230	-	-
Donation Science Labs NNJSHS	8,165	-	2,666	-	5,499	-	496	-	5,003
Donation Chemistry Lab NNJSHS	200	-	-	-	200	-	-	-	200
Donations NW IN Solid Waste District NNJSHS	-	-	-	-	-	2,237	2,237	-	-
Donations Calculators NNJSHS	787	-	718	-	69	-	-	-	69
Donations Uniforms NNJSHS	-	660	660	-	-	-	-	-	-
Donation FACS NNJSHS	-	-	-	-	-	4,052	-	-	4,052
Step Ahead	1,486	15,692	13,259	-	3,919	11,015	11,867	-	3,067

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

NORTH NEWTON SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2011 and 2012
(Continued)

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
Medicaid Reimbursement Fund	-	3,428	-	(3,428)	-	3,290	-	(3,290)	-
Non-English Speaking 10-11	-	3,550	3,550	-	-	-	-	-	-
Non-English Speaking 11-12	-	-	-	-	-	2,737	2,737	-	-
School Technology	-	2,700	1,800	-	900	4,339	5,116	-	123
Technology Grant IC 20-40-15	34,691	-	17,943	44,035	60,783	-	95,744	59,005	24,044
Miscellaneous Program School Wellness	130	-	-	-	130	-	-	-	130
Excess PTRC Distribution	33,482	-	-	(33,482)	-	-	-	-	-
Title I 09-10	45,772	-	29,619	(16,153)	-	-	-	-	-
Title I 10-11	-	117,553	133,696	16,153	10	40,073	40,083	-	-
Title I 11-12	-	-	-	-	-	125,797	133,733	-	(7,936)
Title IV Drug Free 09-10	2,820	-	2,820	-	-	-	-	-	-
Title IV Drug Free 10-11	-	3,147	3,147	-	-	1,645	1,553	(92)	-
Medicaid Reimbursement - Federal	-	8,686	905	-	7,781	6,109	630	-	13,260
Other Federal Program Voc Ag	42	-	-	-	42	-	42	-	-
SPLB10-7-643 PLTW Biomed 09-10	-	1,598	1,598	-	-	-	-	-	-
SPLB10-7-643 PLTW Biomed 10-11	-	4,433	4,433	-	-	-	-	-	-
Other Federal Programs Rocks	1,806	15,530	17,336	-	-	-	-	-	-
Title II, Part A Improving Teacher Quality 09-10	5,401	-	5,401	-	-	-	-	-	-
Title II, Part A Improving Teacher Quality 10-11	-	66,191	66,189	-	2	10,574	8,276	(2,300)	-
Title II, Part A Improving Teacher Quality 11-12	-	-	-	-	-	76,192	73,907	(2,285)	-
Title III, Language Instruction	4,455	-	4,455	-	-	-	-	-	-
Title III, Language Instruction 10-11	-	6,568	6,568	-	-	-	-	-	-
Title III, English Proficiency	-	-	-	-	-	1,934	1,934	-	-
ARRA - Title I - Grants to LEAs	699	24,594	25,501	-	(208)	208	-	-	-
ARRA - Special Education - Part B	18,746	9,731	32,727	-	(4,250)	6,689	2,439	-	-
Education Jobs Fund	-	4,319	4,319	-	-	248,722	265,531	-	(16,809)
Prepaid Food	605	295,446	294,970	-	1,081	301,278	301,360	-	999
Federal Tax	-	746,426	746,426	-	-	792,640	792,640	-	-
Social Security	-	484,416	484,416	-	-	414,761	414,761	-	-
State Tax	-	252,218	252,218	-	-	249,385	249,385	-	-
County Adjusted Gross Income	-	97,595	97,595	-	-	100,147	100,147	-	-
Teacher Retirement	-	1,473	1,473	-	-	201	201	-	-
Public Employees' Retirement	-	26,916	26,916	-	-	26,171	26,171	-	-
Health Insurance	-	26,065	26,065	-	-	48,367	48,367	-	-
Annuities	-	191,865	191,865	-	-	177,181	177,181	-	-
Garnishments	-	27,659	27,659	-	-	29,614	29,614	-	-
Property Tax	-	1,729	1,729	-	-	1,508	1,508	-	-
Credit Union	-	171,898	171,898	-	-	170,662	170,662	-	-
Section 125	-	433,544	433,544	-	-	433,166	433,166	-	-
Life Insurance	-	12,092	12,092	-	-	11,512	11,512	-	-
Short Term Disability Insurance	-	4,337	4,337	-	-	5,343	5,343	-	-
Association Dues	-	40,907	40,907	-	-	36,366	36,366	-	-
Totals	\$ 9,193,996	\$ 18,446,620	\$ 20,446,797	\$ 442	\$ 7,194,261	\$ 19,853,457	\$ 21,760,566	\$ -	\$ 5,287,152

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

NORTH NEWTON 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.

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. Receipts are recorded when received and disbursements are recorded when paid.

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 include distributions from the State of Indiana and are 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.

NORTH NEWTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Federal sources include distributions from the federal government and are 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.

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.

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, funds held temporarily for an authorized recipient, 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:

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

NORTH NEWTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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 or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's 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.

NORTH NEWTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

In 2008, the School Corporation joined with other governmental entities to form ESCRFT, a public entity risk pool currently operating as a common risk management and insurance program for 24 member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of General Liability, School Board Legal Liability, Automobile Liability, Automobile Physical Damage, Property, Equipment Breakdown, Workers Compensation, Crime, and Builders Risk. The School Corporation pays an annual premium to the risk pool for its General Liability, School Board Legal Liability, Automobile Liability, Automobile Physical Damage, Property, Equipment Breakdown, Workers Compensation, Crime, and Builders Risk coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$5,000,000 per insured event.

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:

NORTH NEWTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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. Teacher's Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
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. Other Postemployment Benefits

According to the Master Agreement between the School Corporation and the North Newton Education Association, retired teachers are eligible to participate in the School Corporation's health insurance until the retired teacher reaches Medicare age. If the retired teacher left employment before the start of the 2006-2007 school year, the retired teacher was in the old "bridge" plan.

NORTH NEWTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Under the old bridge plan, the School Corporation pays the single premium amount as specified in the Master Agreement toward the health insurance of the retired teacher. As of June 30, 2012, the School Corporation contributed \$6,554 per retired teacher for a total of \$49,870 for the fiscal year then ended.

If the teacher retired after the start of the 2006-2007 school year, the retired teacher is under a new plan. With the proceeds from the sale of the PL199 Bond, the School Corporation distributed monies into both a 401(a) and a VEBA account for each teacher employed as of June 30, 2004, to be used upon retirement. For a teacher hired after June 30, 2004, the School Corporation contributes 1.25% of the teacher's salary in monthly payments to a 401(a) and a VEBA account for the teacher to be used upon retirement. When a teacher in the new plan retires, the teacher is eligible to continue on with the School Corporation's health insurance until Medicare age at full cost to the teacher. The School Corporation does not contribute anything to the health insurance premiums under the new plan.

Note 8. *Negative Ending Balances*

At fiscal year end June 30, 2011, the School Corporation had negative balances for ARRA - Title I-Grants to LEAs and ARRA - Special Education-Part B in the amounts of \$208 and \$4,250, respectively. At fiscal year end June 30, 2012, the School Corporation had negative balances for Title I 11-12 and Education Jobs Fund in the amounts of \$7,936 and \$16,809, respectively. The reason for the negative balances at the end of each fiscal year was reimbursable federal grants.

Note 9. *Holding Corporation*

The School Corporation has entered into a capital lease with North Newton Jr. Sr. High School Building Corporation (the lessor). The lessor organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the fiscal years 2010-2011 and 2011-2012 were \$555,000 each fiscal year.

The School Corporation has entered into a capital lease with North Newton School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the fiscal years 2010-2011 and 2011-2012 were \$1,083,500 and \$1,279,000, respectively.

The School Corporation has entered into a capital lease with the North Newton 2011 School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the fiscal years 2010-2011 and 2011-2012 were \$0 and \$7,000, respectively.

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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 approved by management of the School Corporation. It is presented as intended by the School Corporation.

NORTH NEWTON 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	Capital Projects	School Transportation	School Bus Replacement	Local Rainy Day Fund	Retirement/ Severance Bond	Construction Fund	Construction Fund Wind Turbine
Cash and investments - beginning	\$ 1,512,088	\$ 823,726	\$ 166,790	\$ 657,443	\$ 1,061,966	\$ 410,694	\$ 215,500	\$ 32,088	\$ 3,410,112	\$ -
Receipts:										
Local sources	186,847	2,015,162	302,455	1,218,720	1,168,216	181,238	-	-	49,475	-
Intermediate sources	6,658	-	-	-	-	-	-	-	-	-
State sources	9,320,838	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	21,971	-	-	-	-	-	-	-	-	-
Total receipts	9,536,314	2,015,162	302,455	1,218,720	1,168,216	181,238	-	-	49,475	-
Disbursements:										
Current:										
Instruction	6,420,354	-	-	-	-	-	75,000	27,901	-	-
Support services	3,027,242	-	-	647,079	981,379	147,812	-	-	-	-
Noninstructional services	134,438	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	412,207	8,510	-	19,816	-	2,536,724	-
Debt services	-	1,728,188	302,353	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	9,582,034	1,728,188	302,353	1,059,286	989,889	147,812	94,816	27,901	2,536,724	-
Excess (deficiency) of receipts over disbursements	(45,720)	286,974	102	159,434	178,327	33,426	(94,816)	(27,901)	(2,487,249)	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	342	-	-	-	-	-	-
Transfers in	42,116	14,327	-	8,910	30,754	1,544	350,000	-	-	-
Transfers out	(94,953)	(71,774)	(9,069)	(35,611)	(272,078)	(154,651)	-	-	-	-
Total other financing sources (uses)	(52,837)	(57,447)	(9,069)	(26,359)	(241,324)	(153,107)	350,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(98,557)	229,527	(8,967)	133,075	(62,997)	(119,681)	255,184	(27,901)	(2,487,249)	-
Cash and investments - ending	\$ 1,413,531	\$ 1,053,253	\$ 157,823	\$ 790,518	\$ 998,969	\$ 291,013	\$ 470,684	\$ 4,187	\$ 922,863	\$ -

NORTH NEWTON 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	Levy Excess	Judgments MTBE	Educational License Plates	Alternative Education	Donations Elementary Sports	Donation Special Education	Donation Newton Cty Step Ahead
Cash and investments - beginning	\$ 212,083	\$ 171,439	\$ 1,038	\$ 22,052	\$ 278,012	\$ 8,306	\$ 37,166	\$ -	\$ 1,135	\$ 329
Receipts:										
Local sources	297,989	109,950	-	-	-	-	30,380	200	-	-
Intermediate sources	-	-	-	-	-	150	-	-	-	-
State sources	7,621	56,666	-	-	-	-	5,503	-	-	-
Federal sources	351,147	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	400	-	-	-	-	-	-	-	-	-
Total receipts	657,157	166,616	-	-	-	150	35,883	200	-	-
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	85,147	-	142	-
Support services	387	76,711	-	-	-	-	9,763	-	-	-
Noninstructional services	579,484	-	-	-	-	-	-	200	-	-
Facilities acquisition and construction	14,932	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	594,803	76,711	-	-	-	-	94,910	200	142	-
Excess (deficiency) of receipts over disbursements	62,354	89,905	-	-	-	150	(59,027)	-	(142)	-
Other financing sources (uses):										
Sale of capital assets	100	-	-	-	-	-	-	-	-	-
Transfers in	-	9,244	-	146,168	-	-	50,000	-	-	-
Transfers out	-	-	-	(22,052)	-	-	-	-	-	-
Total other financing sources (uses)	100	9,244	-	124,116	-	-	50,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	62,454	99,149	-	124,116	-	150	(9,027)	-	(142)	-
Cash and investments - ending	\$ 274,537	\$ 270,588	\$ 1,038	\$ 146,168	\$ 278,012	\$ 8,456	\$ 28,139	\$ -	\$ 993	\$ 329

NORTH NEWTON 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)

	Donation CPR Class	Donation Environmental Morocco	Donation Trees Morocco	Donation Exxon Supplies Morocco	Donations Scoreboard/ Dictionary Morocco	Donations Artist	Donations Robotics	Donation Healthy Kids Lake Village	Donation Library Books Lake Village	Donation Software Lake Village
Cash and investments - beginning	\$ -	\$ 21	\$ 5	\$ 771	\$ 8,731	\$ -	\$ -	\$ 326	\$ -	\$ -
Receipts:										
Local sources	1,060	-	-	-	-	2,389	-	-	2,364	909
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	1,060	-	-	-	-	2,389	-	-	2,364	909
Disbursements:										
Current:										
Instruction	-	-	-	771	3,255	2,255	-	-	-	-
Support services	1,020	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	5,475	-	-	-	-	909
Debt services	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,020	-	-	771	8,730	2,255	-	-	-	909
Excess (deficiency) of receipts over disbursements	40	-	-	(771)	(8,730)	134	-	-	2,364	-
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	40	-	-	(771)	(8,730)	134	-	-	2,364	-
Cash and investments - ending	\$ 40	\$ 21	\$ 5	\$ -	\$ 1	\$ 134	\$ -	\$ 326	\$ 2,364	\$ -

NORTH NEWTON 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)

	Donation Classroom Supplies Lake Village	Donations Target Lincoln	Donation No Excuses University Lincoln	Donation NW IN Solid Waste District Lincoln	Donations Purdue Convocations Lincoln	Donations Instructional Lincoln	Donation Reading Books NNJSHS	Donation VCR Supplies NNJSHS	Donation Science Labs NNJSHS	Donation Chemistry Lab NNJSHS
Cash and investments - beginning	\$ -	\$ 40	\$ 500	\$ -	\$ -	\$ -	\$ 1,118	\$ 1,230	\$ 8,165	\$ 200
Receipts:										
Local sources	60	-	-	2,858	478	1,850	100	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	60	-	-	2,858	478	1,850	100	-	-	-
Disbursements:										
Current:										
Instruction	-	-	-	2,858	-	-	587	-	2,666	-
Support services	-	-	-	-	478	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	2,858	478	-	587	-	2,666	-
Excess (deficiency) of receipts over disbursements	60	-	-	-	-	1,850	(487)	-	(2,666)	-
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	60	-	-	-	-	1,850	(487)	-	(2,666)	-
Cash and investments - ending	\$ 60	\$ 40	\$ 500	\$ -	\$ -	\$ 1,850	\$ 631	\$ 1,230	\$ 5,499	\$ 200

NORTH NEWTON 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)

	Donations NW IN Solid Waste District NNJSHS	Donations Calculators NNJSHS	Donations Uniforms NNJSHS	Donation FACS NNJSHS	Step Ahead	Medicaid Reimbursement Fund	Non-English Speaking 10-11	Non-English Speaking 11-12	School Technology	Technology Grant IC 20-40-15
Cash and investments - beginning	\$ -	\$ 787	\$ -	\$ -	\$ 1,486	\$ -	\$ -	\$ -	\$ -	\$ 34,691
Receipts:										
Local sources	-	-	660	-	15,692	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	3,428	3,550	-	2,700	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	660	-	15,692	3,428	3,550	-	2,700	-
Disbursements:										
Current:										
Instruction	-	718	660	-	-	-	3,550	-	-	-
Support services	-	-	-	-	-	-	-	-	1,800	17,943
Noninstructional services	-	-	-	-	13,259	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	718	660	-	13,259	-	3,550	-	1,800	17,943
Excess (deficiency) of receipts over disbursements	-	(718)	-	-	2,433	3,428	-	-	900	(17,943)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	44,035
Transfers out	-	-	-	-	-	(3,428)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(3,428)	-	-	-	44,035
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(718)	-	-	2,433	-	-	-	900	26,092
Cash and investments - ending	\$ -	\$ 69	\$ -	\$ -	\$ 3,919	\$ -	\$ -	\$ -	\$ 900	\$ 60,783

NORTH NEWTON 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)

	Miscellaneous Program School Wellness	Excess PTRC Distribution	Title I 09-10	Title I 10-11	Title I 11-12	Title IV Drug Free 09-10	Title IV Drug Free 10-11	Medicaid Reimbursement Federal	Other Federal Program Voc Ag	SPLB10-7-643 PLTW Biomed 09-10
Cash and investments - beginning	\$ 130	\$ 33,482	\$ 45,772	\$ -	\$ -	\$ 2,820	\$ -	\$ -	\$ 42	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	117,553	-	-	3,147	8,686	-	1,598
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	117,553	-	-	3,147	8,686	-	1,598
Disbursements:										
Current:										
Instruction	-	-	29,506	132,009	-	2,820	3,147	-	-	1,598
Support services	-	-	-	1,076	-	-	-	905	-	-
Noninstructional services	-	-	113	611	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	29,619	133,696	-	2,820	3,147	905	-	1,598
Excess (deficiency) of receipts over disbursements	-	-	(29,619)	(16,143)	-	(2,820)	-	7,781	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	16,153	-	-	-	-	-	-
Transfers out	-	(33,482)	(16,153)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(33,482)	(16,153)	16,153	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(33,482)	(45,772)	10	-	(2,820)	-	7,781	-	-
Cash and investments - ending	\$ 130	\$ -	\$ -	\$ 10	\$ -	\$ -	\$ -	\$ 7,781	\$ 42	\$ -

NORTH NEWTON 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)

	SPLB10-7-643 PLTW Biomed 10-11	Other Federal Programs Rocks	Title II, Part A Improving Teacher Quality 09-10	Title II, Part A Improving Teacher Quality 10-11	Title II, Part A Improving Teacher Quality 11-12	Title III Language Instruction	Title III Language Instruction 10-11	Title III English Proficiency	ARRA Title I Grants to LEAs	ARRA Special Education Part B
Cash and investments - beginning	\$ -	\$ 1,806	\$ 5,401	\$ -	\$ -	\$ 4,455	\$ -	\$ -	\$ 699	\$ 18,746
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	4,433	15,530	-	66,191	-	-	6,568	-	24,594	9,731
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	4,433	15,530	-	66,191	-	-	6,568	-	24,594	9,731
Disbursements:										
Current:										
Instruction	4,433	17,336	5,401	66,189	-	4,455	5,076	-	24,000	32,727
Support services	-	-	-	-	-	-	1,492	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	1,501	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	4,433	17,336	5,401	66,189	-	4,455	6,568	-	25,501	32,727
Excess (deficiency) of receipts over disbursements	-	(1,806)	(5,401)	2	-	(4,455)	-	-	(907)	(22,996)
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	-	(1,806)	(5,401)	2	-	(4,455)	-	-	(907)	(22,996)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ (208)	\$ (4,250)

NORTH NEWTON 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)

	Education Jobs Fund	Prepaid Food	Federal Tax	Social Security	State Tax	County Adjusted Gross Income	Teacher Retirement	Public Employees' Retirement	Health Insurance
Cash and investments - beginning	\$ -	\$ 605	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	4,319	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	295,446	746,426	484,416	252,218	97,595	1,473	26,916	26,065
Total receipts	4,319	295,446	746,426	484,416	252,218	97,595	1,473	26,916	26,065
Disbursements:									
Current:									
Instruction	4,319	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	294,970	746,426	484,416	252,218	97,595	1,473	26,916	26,065
Total disbursements	4,319	294,970	746,426	484,416	252,218	97,595	1,473	26,916	26,065
Excess (deficiency) of receipts over disbursements	-	476	-	-	-	-	-	-	-
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	-	476	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ 1,081	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NORTH NEWTON 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)

	Annuities	Garnishments	Property Tax	Credit Union	Section 125	Life Insurance	Short Term Disability Insurance	Association Dues	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,193,996
Receipts:									
Local sources	-	-	-	-	-	-	-	-	5,589,052
Intermediate sources	-	-	-	-	-	-	-	-	6,808
State sources	-	-	-	-	-	-	-	-	9,400,306
Federal sources	-	-	-	-	-	-	-	-	613,497
Interfund loans	-	-	-	-	-	-	-	-	-
Other	191,865	27,659	1,729	171,898	433,544	12,092	4,337	40,907	2,836,957
Total receipts	191,865	27,659	1,729	171,898	433,544	12,092	4,337	40,907	18,446,620
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	6,958,880
Support services	-	-	-	-	-	-	-	-	4,915,087
Noninstructional services	-	-	-	-	-	-	-	-	729,606
Facilities acquisition and construction	-	-	-	-	-	-	-	-	2,998,573
Debt services	-	-	-	-	-	-	-	-	2,030,541
Interfund loans	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	191,865	27,659	1,729	171,898	433,544	12,092	4,337	40,907	2,814,110
Total disbursements	191,865	27,659	1,729	171,898	433,544	12,092	4,337	40,907	20,446,797
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	-	(2,000,177)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	442
Transfers in	-	-	-	-	-	-	-	-	713,251
Transfers out	-	-	-	-	-	-	-	-	(713,251)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	442
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	-	-	(1,999,735)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,194,261

NORTH NEWTON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012

	General	Debt Service	Retirement/ Severance Bond Debt	Capital Projects	School Transportation	School Bus Replacement	Local Rainy Day Fund	Retirement/ Severance Bond	Construction Fund	Construction Fund Wind Turbine
Cash and investments - beginning	\$ 1,413,531	\$ 1,053,253	\$ 157,823	\$ 790,518	\$ 998,969	\$ 291,013	\$ 470,684	\$ 4,187	\$ 922,863	\$ -
Receipts:										
Local sources	198,649	1,965,092	303,558	1,260,783	1,240,474	186,713	34,633	-	22	99,000
Intermediate sources	19,975	-	-	-	-	-	-	-	-	-
State sources	9,197,456	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	565,000	400,000	165,000	-	-	-	-
Other	325	-	-	-	3,524	-	-	-	-	-
Total receipts	9,416,405	1,965,092	303,558	1,825,783	1,643,998	351,713	34,633	-	22	99,000
Disbursements:										
Current:										
Instruction	6,396,051	-	-	-	-	-	-	4,187	-	-
Support services	2,878,971	-	-	750,837	1,095,343	222,435	-	-	-	-
Noninstructional services	134,081	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	987,256	18,788	-	340,271	-	922,885	99,000
Debt services	-	1,924,438	298,613	-	-	-	-	-	-	-
Interfund loans	-	-	-	565,000	400,000	165,000	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	9,409,103	1,924,438	298,613	2,303,093	1,514,131	387,435	340,271	4,187	922,885	99,000
Excess (deficiency) of receipts over disbursements	7,302	40,654	4,945	(477,310)	129,867	(35,722)	(305,638)	(4,187)	(922,863)	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	7,967	62,530	9,069	35,611	34,308	4,651	300,000	-	-	-
Transfers out	(129,005)	(12,491)	-	-	(300,000)	-	-	-	-	-
Total other financing sources (uses)	(121,038)	50,039	9,069	35,611	(265,692)	4,651	300,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(113,736)	90,693	14,014	(441,699)	(135,825)	(31,071)	(5,638)	(4,187)	(922,863)	-
Cash and investments - ending	\$ 1,299,795	\$ 1,143,946	\$ 171,837	\$ 348,819	\$ 863,144	\$ 259,942	\$ 465,046	\$ -	\$ -	\$ -

NORTH NEWTON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Judgments MTBE	Educational License Plates	Alternative Education	Donations Elementary Sports	Donation Special Education	Donation Newton Cty Step Ahead
Cash and investments - beginning	\$ 274,537	\$ 270,588	\$ 1,038	\$ 146,168	\$ 278,012	\$ 8,456	\$ 28,139	\$ -	\$ 993	\$ 329
Receipts:										
Local sources	310,441	99,014	-	-	-	-	32,308	-	-	-
Intermediate sources	-	-	-	-	-	150	-	-	-	-
State sources	7,591	51,559	-	-	-	-	4,572	-	-	-
Federal sources	357,829	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	675,861	150,573	-	-	-	150	36,880	-	-	-
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	81,499	-	321	-
Support services	8	391,476	-	-	-	-	9,975	-	-	-
Noninstructional services	602,677	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	19,967	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	622,652	391,476	-	-	-	-	91,474	-	321	-
Excess (deficiency) of receipts over disbursements	53,209	(240,903)	-	-	-	150	(54,594)	-	(321)	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	12,490	-	1	-	-	70,000	-	-	-
Transfers out	-	-	-	(146,169)	-	-	-	-	-	-
Total other financing sources (uses)	-	12,490	-	(146,168)	-	-	70,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	53,209	(228,413)	-	(146,168)	-	150	15,406	-	(321)	-
Cash and investments - ending	\$ 327,746	\$ 42,175	\$ 1,038	\$ -	\$ 278,012	\$ 8,606	\$ 43,545	\$ -	\$ 672	\$ 329

NORTH NEWTON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Donation CPR Class	Donation Environmental Morocco	Donation Trees Morocco	Donation Exxon Supplies Morocco	Donations Scoreboard/ Dictionary Morocco	Donations Artist	Donations Robotics	Donation Healthy Kids Lake Village	Donation Library Books Lake Village	Donation Software Lake Village
Cash and investments - beginning	\$ 40	\$ 21	\$ 5	\$ -	\$ 1	\$ 134	\$ -	\$ 326	\$ 2,364	\$ -
Receipts:										
Local sources	-	-	-	500	-	-	2,861	-	-	2,224
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	500	-	-	2,861	-	-	2,224
Disbursements:										
Current:										
Instruction	-	-	-	-	1	-	1,256	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	2,224
Debt services	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	1	-	1,256	-	-	2,224
Excess (deficiency) of receipts over disbursements	-	-	-	500	(1)	-	1,605	-	-	-
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	-	-	-	500	(1)	-	1,605	-	-	-
Cash and investments - ending	\$ 40	\$ 21	\$ 5	\$ 500	\$ -	\$ 134	\$ 1,605	\$ 326	\$ 2,364	\$ -

NORTH NEWTON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Donation Classroom Supplies Lake Village	Donations Target Lincoln	Donation No Excuses University Lincoln	Donation NW IN Solid Waste District Lincoln	Donations Purdue Convocations Lincoln	Donations Instructional Lincoln	Donation Reading Books NNJSHS	Donation VCR Supplies NNJSHS	Donation Science Labs NNJSHS	Donation Chemistry Lab NNJSHS
Cash and investments - beginning	\$ 60	\$ 40	\$ 500	\$ -	\$ -	\$ 1,850	\$ 631	\$ 1,230	\$ 5,499	\$ 200
Receipts:										
Local sources	53	-	-	-	157	79	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	53	-	-	-	157	79	-	-	-	-
Disbursements:										
Current:										
Instruction	60	-	-	-	-	1,850	-	1,230	496	-
Support services	-	-	-	-	157	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	60	-	-	-	157	1,850	-	1,230	496	-
Excess (deficiency) of receipts over disbursements	(7)	-	-	-	-	(1,771)	-	(1,230)	(496)	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7)	-	-	-	-	(1,771)	-	(1,230)	(496)	-
Cash and investments - ending	\$ 53	\$ 40	\$ 500	\$ -	\$ -	\$ 79	\$ 631	\$ -	\$ 5,003	\$ 200

NORTH NEWTON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Donations NW IN Solid Waste District NNJSHS	Donations Calculators NNJSHS	Donations Uniforms NNJSHS	Donation FACS NNJSHS	Step Ahead	Medicaid Reimbursement Fund	Non-English Speaking 10-11	Non-English Speaking 11-12	School Technology	Technology Grant IC 20-40-15
Cash and investments - beginning	\$ -	\$ 69	\$ -	\$ -	\$ 3,919	\$ -	\$ -	\$ -	\$ 900	\$ 60,783
Receipts:										
Local sources	2,237	-	-	4,052	11,015	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	3,290	-	2,737	4,339	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>2,237</u>	<u>-</u>	<u>-</u>	<u>4,052</u>	<u>11,015</u>	<u>3,290</u>	<u>-</u>	<u>2,737</u>	<u>4,339</u>	<u>-</u>
Disbursements:										
Current:										
Instruction	2,237	-	-	-	-	-	-	2,737	-	-
Support services	-	-	-	-	-	-	-	-	5,116	95,744
Noninstructional services	-	-	-	-	11,867	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>2,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,867</u>	<u>-</u>	<u>-</u>	<u>2,737</u>	<u>5,116</u>	<u>95,744</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,052</u>	<u>(852)</u>	<u>3,290</u>	<u>-</u>	<u>-</u>	<u>(777)</u>	<u>(95,744)</u>
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	59,005
Transfers out	-	-	-	-	-	(3,290)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,290)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,005</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,052</u>	<u>(852)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(777)</u>	<u>(36,739)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 69</u>	<u>\$ -</u>	<u>\$ 4,052</u>	<u>\$ 3,067</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123</u>	<u>\$ 24,044</u>

NORTH NEWTON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Miscellaneous Program School Wellness	Excess PTRC Distribution	Title I 09-10	Title I 10-11	Title I 11-12	Title IV Drug Free 09-10	Title IV Drug Free 10-11	Medicaid Reimbursement Federal	Other Federal Program Voc Ag	SPLB10-7-643 PLTW Biomed 09-10
Cash and investments - beginning	\$ 130	\$ -	\$ -	\$ 10	\$ -	\$ -	\$ -	\$ 7,781	\$ 42	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	40,073	125,797	-	1,645	6,109	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	40,073	125,797	-	1,645	6,109	-	-
Disbursements:										
Current:										
Instruction	-	-	-	38,740	133,733	-	1,553	-	42	-
Support services	-	-	-	1,343	-	-	-	630	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	40,083	133,733	-	1,553	630	42	-
Excess (deficiency) of receipts over disbursements	-	-	-	(10)	(7,936)	-	92	5,479	(42)	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(92)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(92)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(10)	(7,936)	-	-	5,479	(42)	-
Cash and investments - ending	\$ 130	\$ -	\$ -	\$ -	\$ (7,936)	\$ -	\$ -	\$ 13,260	\$ -	\$ -

NORTH NEWTON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	SPLB10-7-643 PLTW Biomed 10-11	Other Federal Programs Rocks	Title II, Part A Improving Teacher Quality 09-10	Title II, Part A Improving Teacher Quality 10-11	Title II, Part A Improving Teacher Quality 11-12	Title III Language Instruction	Title III Language Instruction 10-11	Title III English Proficiency	ARRA Title I Grants to LEAs	ARRA Special Education Part B
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ (208)	\$ (4,250)
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	10,574	76,192	-	-	1,934	208	6,689
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	10,574	76,192	-	-	1,934	208	6,689
Disbursements:										
Current:										
Instruction	-	-	-	8,276	73,907	-	-	1,934	-	2,439
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	8,276	73,907	-	-	1,934	-	2,439
Excess (deficiency) of receipts over disbursements	-	-	-	2,298	2,285	-	-	-	208	4,250
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(2,300)	(2,285)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(2,300)	(2,285)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(2)	-	-	-	-	208	4,250
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NORTH NEWTON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Education Jobs Fund	Prepaid Food	Federal Tax	Social Security	State Tax	County Adjusted Gross Income	Teacher Retirement	Public Employees' Retirement	Health Insurance
Cash and investments - beginning	\$ -	\$ 1,081	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	248,722	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	301,278	792,640	414,761	249,385	100,147	201	26,171	48,367
Total receipts	<u>248,722</u>	<u>301,278</u>	<u>792,640</u>	<u>414,761</u>	<u>249,385</u>	<u>100,147</u>	<u>201</u>	<u>26,171</u>	<u>48,367</u>
Disbursements:									
Current:									
Instruction	265,531	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	301,360	792,640	414,761	249,385	100,147	201	26,171	48,367
Total disbursements	<u>265,531</u>	<u>301,360</u>	<u>792,640</u>	<u>414,761</u>	<u>249,385</u>	<u>100,147</u>	<u>201</u>	<u>26,171</u>	<u>48,367</u>
Excess (deficiency) of receipts over disbursements	<u>(16,809)</u>	<u>(82)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(16,809)</u>	<u>(82)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ (16,809)</u>	<u>\$ 999</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTH NEWTON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Annuities	Garnishments	Property Tax	Credit Union	Section 125	Life Insurance	Short Term Disability Insurance	Association Dues	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,194,261
Receipts:									
Local sources	-	-	-	-	-	-	-	-	5,753,865
Intermediate sources	-	-	-	-	-	-	-	-	20,125
State sources	-	-	-	-	-	-	-	-	9,271,544
Federal sources	-	-	-	-	-	-	-	-	875,772
Interfund loans	-	-	-	-	-	-	-	-	1,130,000
Other	177,181	29,614	1,508	170,662	433,166	11,512	5,343	36,366	2,802,151
Total receipts	177,181	29,614	1,508	170,662	433,166	11,512	5,343	36,366	19,853,457
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	7,018,080
Support services	-	-	-	-	-	-	-	-	5,452,035
Noninstructional services	-	-	-	-	-	-	-	-	748,625
Facilities acquisition and construction	-	-	-	-	-	-	-	-	2,390,391
Debt services	-	-	-	-	-	-	-	-	2,223,051
Interfund loans	-	-	-	-	-	-	-	-	1,130,000
Nonprogrammed charges	177,181	29,614	1,508	170,662	433,166	11,512	5,343	36,366	2,798,384
Total disbursements	177,181	29,614	1,508	170,662	433,166	11,512	5,343	36,366	21,760,566
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	-	(1,907,109)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	595,632
Transfers out	-	-	-	-	-	-	-	-	(595,632)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	-	-	(1,907,109)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,287,152

NORTH NEWTON SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
JUNE 30, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
North Newton School Building Corporation	Addition/renovations to Morocco and Lincoln Elementary Schools	\$ 1,280,000	07-15-10	12-31-28
North Newton Jr. Sr. High School Building Corporation	Addition/renovations to Jr. Sr. High School	555,000	12-31-10	06-30-15
North Newton 2011 School Building Corporation	Install wind turbine to reduce energy costs	<u>204,000</u>	12-31-12	12-31-26
Total of annual lease payments		<u>\$ 2,039,000</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Capital leases:			
North Newton Jr./Sr. High School	Building addition/renovations	\$ 1,595,000	\$ 555,000
Morocco and Lincoln Elementary Schools	Addition/renovations to buildings	15,195,000	1,281,000
North Newton Wind Turbine	Reduce energy costs	2,300,000	14,000
Notes and loans payable	Addition/renovations to Jr. Sr. High School	112,500	79,688
General obligations bonds:			
Retirement and Severance	Fund unfunded pension liability	<u>1,825,000</u>	<u>299,245</u>
Totals		<u>\$ 21,027,500</u>	<u>\$ 2,228,933</u>

NORTH NEWTON SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
JUNE 30, 2012

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 62,750
Buildings	21,811,766
Improvements other than buildings	2,602,549
Machinery, equipment and vehicles	<u>5,696,320</u>
Total capital assets	<u>\$ 30,173,385</u>

NORTH NEWTON SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

COLLECTIVE BARGAINING CONTRACT

The Collective Bargaining Contract for the period of July 1, 2011 through June 30, 2012, contained the following provisions prohibited by Indiana Code 20-29-6-4.5:

Unpaid Leave – The contract contained provisions for unpaid leave for such items as: serious family illness, teaching in a foreign country, adoptive leave, association leave, and unpaid leave-other.

Management Rights – The contract included language related to board rights. Specifically, the board was given the responsibilities and the authority to manage and direct, on behalf of the public, the operation and activities of the school corporation to the full extent authorized by law.

Exclusive Representation Rights – The contract provided that the rights and privileges of the association acting as the representative of teachers, as set forth in the contract, shall not be granted to any other school employee organization as defined in Public Law 217.

Boilerplate contract terms not authorized by statute as follows:

Supremacy – The contract provided for supremacy of the entire agreement clause (superseding and canceling all previous agreements), a supremacy provision (supersedes any rules, regulations, policies, or practices of the board which would be contradictory with the terms of the agreement), and supremacy over individual contracts (if any such individual contract contains language inconsistent with this agreement).

Amendment to Agreement – The contract contained a clause that any amendment or agreement adding to, subtracting from, or supplemental to the agreement shall not be binding upon either party unless it is in writing and signed by each party.

Severability Clause – The contract included a clause stating that if any position of the agreement or any application of the agreement to any employee or group of employees is held to be contrary to law then such positions or applications shall not be deemed valid and subsisting, except to the extent permitted by law, but all other provisions or applications shall continue in full force and effect. The contract also stated that if any clause was found to be contrary to law, a mutually agreed date to bargain new language would be set by both parties.

Indiana Code 20-29-6-4 states:

"(a) A school employer shall bargain collectively with the exclusive representative on the following:

- (1) Salary.
- (2) Wages.
- (3) Salary and wage related fringe benefits, including accident, sickness, health, dental, vision, life, disability, retirement benefits, and paid time off as permitted to be bargained under IC 20-28-9-11.

NORTH NEWTON SCHOOL CORPORATION
AUDIT RESULT AND COMMENT
(Continued)

(b) Salary and wages include the amounts of pay increases available to employees under the salary scale adopted under IC 20-28-9-1, but do not include the teacher evaluation procedures and criteria, or any components of the teacher evaluation plan, rubric, or tool."

Indiana Code 20-29-6-4.5 states:

"(a) For a contract entered into after June 30, 2011, a school employer may not bargain collectively with the exclusive representative on the following:

- (1) The school calendar.
- (2) Teacher dismissal procedures and criteria.
- (3) Restructuring options available to a school employer under federal or state statutes, regulations, or rules because of the failure of the school corporation or a school to meet federal or state accountability standards.
- (4) The ability of a school employer to contract, partner, or operate jointly with an educational entity that provides postsecondary credits to students of the school employer or dual credits from the school employer and the educational entity.
- (5) Any subject not expressly listed in section 4 of this chapter.

(b) A subject set forth in subsection (a) that may not be bargained collectively may not be included in an agreement entered into under this article."

SBOA will review school corporations' collective bargaining agreements during the audit process to determine whether the agreements contained prohibited subjects of bargaining. . . . Financial losses related to a corporation's inclusion of prohibited subjects may be the personal obligation of the responsible school official or employee. (The School Administrator and Uniform Compliance Guidelines Volume 198, June 2012)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the North Newton School Corporation's (School Corporation) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012. 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 could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012.

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 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 THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
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.

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, 2013

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

NORTH NEWTON SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2011 and 2012

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 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	FY 10-11 FY 11-12	\$ 70,721 -	\$ - 73,329
Total for program			70,721	73,329
National School Lunch Program	10.555	FY 10-11 FY 11-12	320,074 -	- 332,197
Total for program			320,074	332,197
Total for federal grantor agency			390,795	405,526
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010	FY 09-10 FY 10-11 FY 11-12	29,620 133,706 -	- 40,073 125,797
Total for program			163,326	165,870
ARRA - Title 1 Grants to Local Educational Agencies, Recovery Act	84.389	FY 09-10	25,292	208
Total for cluster			188,618	166,078
Pass-Through Cooperative School Services for Special Education				
Special Education Cluster				
ARRA - Special Education Grants to States, Recovery Act	84.391	FY 09-10	28,477	6,689
Total for cluster			28,477	6,689
Pass-Through Indiana Department of Workforce Development				
Career and Technical Education - Basic Grants to States				
Project Lead the Way Biomedical Grant	84.048	C1-10-SPL BIO-9-643	1,598	-

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

NORTH NEWTON SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2011 and 2012

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 06-30-11	Total Federal Awards Expended -----
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education				
Career and Technical Education - Basic Grants to States				
Project Lead the Way Biomedical Grant	84.048	A58-1-11CI-068	4,433	-
Total for program			6,031	-
Safe and Drug-Free Schools and Communities - State Grants				
	84.186	FY 08-09	2,820	-
		FY 09-10	3,147	1,645
Total for program			5,967	1,645
English Language Acquisition State Grants				
	84.365	FY 09-10	4,455	-
		FY 10-11	6,568	-
		FY 11-12	-	1,934
Total for program			11,023	1,934
Improving Teacher Quality State Grants				
	84.367	FY 08-09	5,401	-
		FY 09-10	66,191	10,574
		FY 10-11	-	76,192
Total for program			71,592	86,766
Education Jobs Fund				
	84.410	FY 10-11	4,319	248,722
Total for federal grantor agency			316,028	511,833
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass-Through Swanson Center				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	FY 10-11	15,530	-
Total federal awards expended			<u>\$ 722,353</u>	<u>\$ 917,359</u>

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

NORTH NEWTON 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 North Newton 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 those 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, 2011 and 2012. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2011	2012
School Breakfast Program	10.553	\$ 7,191	\$ 8,644
National School Lunch Program	10.555	32,457	39,053

NORTH NEWTON SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unqualified as to Regulatory Basis
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?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster
Title I, Part A Cluster

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

Auditee qualified as low-risk auditee?	no
--	----

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

NORTH NEWTON SCHOOL CORPORATION
ADMINISTRATION OFFICE
310 South Lincoln Street – PO Box 8
Morocco, Indiana 47963
Telephone: 219-285-2228 Fax: 219-285-2708

Mr. Brian Smith
Superintendent of Schools

Summary Schedule of Prior Audit Findings

Finding Number 2010-1

Mr. Steven Sharp, Ed.S
Assistant Superintendent

Original SBA Audit Report Number B38387

Fiscal Years 7/1/2008-6/30/2010

Ms. Karen Zackfia, C.P.A.
*Director of
Business & Finance*

Auditee Contact Person Karen L. Zackfia, C.P.A.

Title of Contact Person Director of Business & Finance/Corporation
Treasurer

Mrs. Mary Sheldon
Deputy Treasurer

Phone Number (219)285-2228

Status of Finding The North Newton School Corporation has
implemented a corrective action to strengthen
the segregation of duties related to receipts,
disbursements, and cash balances.

Mrs. Deborah Miller
Administrative Secretary

Board of Trustees

Mr. Robert Churchill
Mr. Richard Elijah
Mr. Nathan Gibson
Mr. Dale Morgan
Mr. Michael Russell
Mr. Paul Sheldon
Mr. Benjamin Taylor



Karen L. Zackfia, C.P.A.
Director of Business & Finance/
Corporation Treasurer

November 27, 2012



NORTH NEWTON SCHOOL CORPORATION
ADMINISTRATION OFFICE
310 South Lincoln Street – PO Box 8
Morocco, Indiana 47963
Telephone: 219-285-2228 Fax: 219-285-2708

Mr. Brian Smith
Superintendent of Schools

Summary Schedule of Prior Audit Findings

Mr. Steven Sharp, Ed.S
Assistant Superintendent

Finding Number 2010-3

Original SBA Audit Report Number B38387

Fiscal Years 7/1/2008-6/30/2010

Ms. Karen Zackfia, C.P.A.
*Director of
Business & Finance*

Auditee Contact Person Karen L. Zackfia, C.P.A.

Title of Contact Person Director of Business & Finance/Corporation
Treasurer

Mrs. Mary Sheldon
Deputy Treasurer

Phone Number (219)285-2228

Status of Finding The North Newton School Corporation has implemented a corrective action to strengthen the segregation of duties related to receipts, disbursements, and cash balances which will provide reasonable assurance of compliance with laws, regulations, and provisions of grant agreements.

Mrs. Deborah Miller
Administrative Secretary

Board of Trustees

Mr. Robert Churchill
Mr. Richard Elijah
Mr. Nathan Gibson
Mr. Dale Morgan
Mr. Michael Russell
Mr. Paul Sheldon
Mr. Benjamin Taylor



Karen L. Zackfia, C.P.A.
Director of Business & Finance/
Corporation Treasurer

November 27, 2012



NORTH NEWTON SCHOOL CORPORATION
ADMINISTRATION OFFICE
310 South Lincoln Street – PO Box 8
Morocco, Indiana 47963
Telephone: 219-285-2228 Fax: 219-285-2708

Mr. Brian Smith
Superintendent of Schools

Summary Schedule of Prior Audit Findings

Mr. Steven Sharp, Ed.S
Assistant Superintendent

Finding Number 2010-4

Original SBA Audit Report Number B38387

Fiscal Years 7/1/2008-6/30/2010

Ms. Karen Zackfia, C.P.A.
*Director of
Business & Finance*

Auditee Contact Person Karen L. Zackfia, C.P.A.

Title of Contact Person Director of Business & Finance/Corporation
Treasurer

Mrs. Mary Sheldon
Deputy Treasurer

Phone Number (219)285-2228

Status of Finding The North Newton School Corporation has implemented a corrective action to strengthen the segregation of duties related to receipts, disbursements, and cash balances which will provide reasonable assurance of compliance with laws, regulations, and provisions of grant agreements.

Mrs. Deborah Miller
Administrative Secretary

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Mr. Benjamin Taylor



Karen L. Zackfia, C.P.A.
Director of Business & Finance/
Corporation Treasurer

November 27, 2012



NORTH NEWTON SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on January 17, 2013, with Karen Zackfia, Treasurer; Brian Smith, Superintendent of Schools; and Nathan Gibson, President of the School Board. The officials concurred with our audit finding.