

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, 2013 to June 30, 2015



FILED
08/04/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Megan Bell	07-01-13 to 06-30-16
Superintendent of Schools	Stephen Fisher	07-01-13 to 06-30-17
President of the School Board	Elizabeth Whitmer Jamey Marcum Dr. Mark Davisson Nan Polk	07-01-13 to 12-31-13 01-01-14 to 12-31-14 01-01-15 to 12-31-15 01-01-16 to 12-31-16



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the New Castle Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a 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 the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance 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, 2013 to June 30, 2015.

Opinion on Regulatory Basis of Accounting

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, 2013 to June 30, 2015, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

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 records 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.

Other Information

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 Payables and Receivables, 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 13, 2016, 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* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

June 13, 2016



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INDEPENDENT AUDITOR'S 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, 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, the financial statement of the New Castle Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated June 13, 2016, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001 to be a material weakness.

INDEPENDENT AUDITOR'S 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

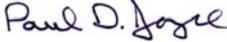
As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001.

New Castle Community School Corporation's Response to Findings

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

June 13, 2016

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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, 2014 and 2015

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
General	\$ 2,728,018	\$ 22,932,188	\$ 24,170,363	\$ 10,225	\$ 1,500,068	\$ 23,017,237	\$ 22,959,661	\$ 61,534	\$ 1,619,178
Debt Service	426,997	2,128,518	1,903,066	(278,023)	374,426	2,261,034	1,719,517	(197,769)	718,174
Retirement/Severance Bond Debt Service	60,079	609,023	631,516	(52,322)	(14,736)	185,546	133,593	(37,217)	-
Capital Projects	2,542,840	1,918,677	1,766,953	164,512	2,859,076	1,792,256	1,709,484	288,506	3,230,354
School Transportation	1,728,785	1,596,323	1,780,405	143,338	1,688,041	1,677,117	1,583,935	(398,039)	1,383,184
School Bus Replacement	267,150	262,769	221,026	22,495	331,388	256,170	275,000	16,002	328,560
Rainy Day	500,000	-	-	-	500,000	-	193,837	500,000	806,163
Post-Retirement/Severance Future Benefits	771,364	86,500	110,083	-	747,781	50,000	84,346	-	713,435
Construction	184,050	-	-	-	184,050	-	184,050	-	-
School Lunch	550,767	1,500,133	1,697,972	-	352,928	1,441,588	1,464,329	-	330,187
Textbook Rental	601,094	279,329	334,509	(4,900)	541,014	282,683	329,561	(57,044)	437,092
Self-Insurance	5,880,482	6,054,683	5,700,878	-	6,234,287	4,825,921	4,580,319	-	6,479,889
Levy Excess	-	-	-	-	-	5,311	-	-	5,311
Joint Services and Supply - Special Education Cooperative	173,073	3,996,115	2,994,306	(900,000)	274,882	3,569,584	2,585,139	(750,000)	509,327
Joint Services and Supply - 1310 Preschool Cooperative	818	-	245,141	300,000	55,677	-	220,300	225,000	60,377
Special Education Intensive Service	23,388	-	572,306	600,000	51,082	111	503,172	525,000	73,021
Joint Services and Supply - Area Vocational School	310,633	1,536,743	1,345,193	-	502,183	1,454,884	1,433,990	-	523,077
Area Vocational Building Project	5,694	12,028	15,107	-	2,615	18,746	8,332	-	13,029
Area Vocational Special School	3,834	1,805	3,640	-	1,999	5,525	6,336	-	1,188
AVS Preschool Program	612	1,900	1,337	-	1,175	3,320	2,975	-	1,520
Machine Trades Special Project	233	10	-	-	243	26,602	-	-	26,845
AVS CAD Program	3,350	9,737	9,385	-	3,702	4,524	6,753	-	1,473
AVS EMT Program	-	-	-	-	-	1,111	649	-	462
AVS Youth Center	79	-	-	-	79	-	-	-	79
AVS Culinary Arts	3,350	13,230	15,151	-	1,429	13,423	12,674	-	2,178
AVS Broadcasting	5,260	5,450	3,310	-	7,400	2,575	2,820	-	7,155
AVS Veterinary Science	7,713	3,032	7,103	-	3,642	4,037	5,814	-	1,865
AVS Graphic Arts	1,740	379	658	-	1,461	2,087	431	-	3,117
AVS Cosmetology	7,330	13,145	9,881	-	10,594	15,170	17,297	-	8,467
NCACP Dental Assisting	4,166	11,011	10,339	-	4,838	2,160	6,081	-	917
AVS Computer Operations	30	-	-	-	30	1,745	1,531	-	244
NCACC Administration	-	-	-	-	-	2,244	-	-	2,244
Child Care Program	(5,996)	5,996	-	-	-	-	-	-	-
Educational License Plates	206	188	300	-	94	262	-	-	356
Alternative Education	2,627	-	-	-	2,627	-	-	-	2,627
Scholarship Memorial Funds	7,599	-	100	-	7,499	-	200	-	7,299
Carmichael Scholarship Trust	1,865,115	5,520	35,000	-	1,835,635	7,751	27,500	-	1,815,886
Grants AVS	9,665	-	1,447	-	8,218	1,000	2,260	-	6,958
New Castle Career Center	-	10,000	-	-	10,000	10,000	11,215	-	8,785
Donation	3,600	1,306	2,065	-	2,841	1,313	1,440	-	2,714
Grants NCMS	731	-	-	-	731	400	333	-	798
Grants Elementary Library	128	-	-	-	128	-	-	-	128
Grants Alternative & Spec Ed	553	-	-	-	553	-	-	-	553
Grants CHS	2,815	456	456	-	2,815	-	-	-	2,815
Grants Eastwood	686	1,363	1,338	-	711	220	259	-	672
Grants Wilbur Wright	4,783	1,489	1,416	-	4,856	1,230	561	-	5,525
Robson Scholarship Trust	202,294	348,942	-	-	551,236	2,208	500	-	552,944
Parker Library Robson Trust	50,574	237	-	-	50,811	175	-	-	50,986
Summer Remedial Reading	-	-	-	-	-	9,677	6,969	-	2,708
Grants Westwood	3,019	5,305	7,766	-	558	-	-	-	558
Professional Development DOE	9,083	-	682	-	8,401	-	1,408	-	6,993

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, 2014 and 2015
(Continued)

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
Grants Greenstreet	80	-	-	-	80	-	-	-	80
Grants Sunnyside	1,758	-	-	-	1,758	-	-	-	1,758
Grants Riley	699	271	-	-	970	-	-	-	970
Grants Parker	2,859	100	-	-	2,959	100	100	-	2,959
Adult and Continuing Education	50	-	-	-	50	-	-	-	50
Cultural Arts	1,307	-	1,307	-	-	-	-	-	-
Bundy Auditorium Fund	29,569	5,985	22,979	-	12,575	5,182	23,946	-	(6,189)
GED Testing Fund	23,895	31,849	19,451	-	36,293	23,286	22,763	-	36,816
Alternative Education	22,829	44,594	40,995	-	26,428	50,000	28,313	-	48,115
Healthy Families 2009-2010	18,862	-	-	-	18,862	-	-	-	18,862
Gifted and Talented 2013-2014	-	38,473	33,171	-	5,302	-	5,302	-	-
Gifted and Talented 2014-2015	7,267	-	7,267	-	-	39,599	37,019	-	2,580
Adult and Continuing Education	12,021	9,236	2,585	-	18,672	-	1,483	-	17,189
ABE State Grant 2012-13	(41,156)	276,501	235,345	-	-	-	-	-	-
ABE State Grant 2014-15	-	-	-	-	-	526,415	707,206	-	(180,791)
ABE State Grant 2013-14	-	545,453	685,069	-	(139,616)	510,858	371,242	-	-
Secured Schools Safety Grant	-	3,019	19,597	-	(16,578)	32,116	47,759	-	(32,221)
School Technology	65,683	60,863	97,547	-	28,999	114,764	324,220	-	(180,457)
Performance Based Awards	-	378,613	378,613	-	-	-	-	-	-
Access Indiana	1,202	-	-	-	1,202	-	-	-	1,202
Indiana Literacy Early Intervention	-	-	-	-	-	19,751	11,367	-	8,384
Title I 2014-15	-	-	-	-	-	609,788	693,248	-	(83,460)
Title I 2012-13	(103,336)	348,591	245,255	-	-	-	-	-	-
Title I 2013-14	-	601,166	679,030	-	(77,864)	259,404	181,540	-	-
Title I Improvement	-	-	-	-	-	4,000	7,454	-	(3,454)
College Go	-	-	-	-	-	1,000	-	-	1,000
IDEA PL101-476 2014-15	-	-	-	-	-	1,383,013	1,792,793	-	(409,780)
IDEA PL101-476 2013-14	-	1,649,551	1,904,862	-	(255,311)	523,046	267,735	-	-
IDEA PL101-476 2012-13	(320,392)	520,294	199,902	-	-	398	398	-	-
IDEA Technical Assistance Grant	-	25,697	25,697	-	-	25,697	25,697	-	-
Preschool Handicap 2013-14	-	83,720	93,302	-	(9,582)	37,024	27,442	-	-
Preschool Handicap 2012-13	(22,262)	54,060	31,798	-	-	-	-	-	-
Preschool Handicap 2014-15	-	-	-	-	-	78,352	96,803	-	(18,451)
Adult Basic Education 2012-2013	(6,589)	183,514	176,925	-	-	-	-	-	-
Adult Basic Education 2014-2015	-	-	-	-	-	156,463	288,460	-	(131,997)
Adult Basic Education 2013-2014	-	304,685	374,759	-	(70,074)	219,440	149,366	-	-
ABE Innovation Grant	-	80,867	80,867	-	-	-	-	-	-
Awards for Excellence 2014-15	(3,944)	3,945	1	-	-	4,328	4,202	-	126
Awards for Excellence 2013-14	-	-	7,926	-	(7,926)	7,927	1	-	-
Perkins 2012-2013	(10,461)	64,959	54,498	-	-	-	-	-	-
Perkins 2013-2014	-	76,043	98,343	-	(22,300)	69,936	47,636	-	-
Perkins 2014-2015	-	-	-	-	-	58,063	100,613	-	(42,550)
Title II, Part A	(32,754)	140,464	140,474	(5,325)	(38,089)	185,050	214,992	(4,490)	(72,521)
Rural Schools and Low Income 2012	-	46,573	59,558	-	(12,985)	24,898	11,913	-	-
Rural Schools and Low Income 2013	-	-	-	-	-	37,686	45,094	-	(7,408)
Central Stores	81,094	75,150	61,725	-	94,519	79,438	81,800	-	92,157
Prepaid Food	-	-	-	-	-	10,815	-	-	10,815
Payroll Withholdings	473,229	7,125,849	7,488,631	-	110,447	6,846,197	6,852,864	-	103,780
Totals	<u>\$ 19,151,921</u>	<u>\$ 56,133,615</u>	<u>\$ 56,867,677</u>	<u>\$ -</u>	<u>\$ 18,417,859</u>	<u>\$ 52,900,981</u>	<u>\$ 52,555,342</u>	<u>\$ 171,483</u>	<u>\$ 18,934,981</u>

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.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana 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 basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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.

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

State sources, which 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.

Federal sources, which 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, 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.

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

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.

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.

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

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.

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.

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 a cost-sharing 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
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

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

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 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
One North Capitol, 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. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of funds being set up for reimbursement grants.

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

Note 8. *Holding Corporations*

The School Corporation has entered into a capital lease with New Castle High School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during 2014 and 2015 totaled \$733,000 and \$549,450, respectively.

Note 9. *Other Postemployment Benefits*

The School Corporation provides to eligible retirees and their spouses post-employment health insurance benefits. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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OTHER INFORMATION - UNAUDITED

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. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

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 other information presented was 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, 2014

	General	Debt Service	Retirement/ Severance/ Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits	Construction	School Lunch
Cash and investments - beginning	\$ 2,728,018	\$ 426,997	\$ 60,079	\$ 2,542,840	\$ 1,728,785	\$ 267,150	\$ 500,000	\$ 771,364	\$ 184,050	\$ 550,767
Receipts:										
Local sources	162,032	2,128,518	509,023	1,806,240	1,594,516	262,769	-	-	-	322,488
Intermediate sources	2,981	-	-	-	-	-	-	-	-	-
State sources	22,764,407	-	-	-	-	-	-	-	-	9,647
Federal sources	-	-	-	-	-	-	-	-	-	1,156,091
Interfund loans	-	-	100,000	-	-	-	-	-	-	-
Other	2,768	-	-	112,437	1,807	-	-	86,500	-	11,907
Total receipts	22,932,188	2,128,518	609,023	1,918,677	1,596,323	262,769	-	86,500	-	1,500,133
Disbursements:										
Current:										
Instruction	15,557,394	-	-	-	-	-	-	-	-	750
Support services	7,972,894	-	-	967,610	1,680,405	221,026	-	110,083	-	20,433
Noninstructional services	348,355	-	-	-	-	-	-	-	-	1,676,789
Facilities acquisition and construction	291,720	-	-	799,343	-	-	-	-	-	-
Debt services	-	1,903,066	631,516	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	100,000	-	-	-	-	-
Total disbursements	24,170,363	1,903,066	631,516	1,766,953	1,780,405	221,026	-	110,083	-	1,697,972
Excess (deficiency) of receipts over disbursements	(1,238,175)	225,452	(22,493)	151,724	(184,082)	41,743	-	(23,583)	-	(197,839)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	10,225	-	-	164,512	143,338	22,495	-	-	-	-
Transfers out	-	(278,023)	(52,322)	-	-	-	-	-	-	-
Total other financing sources (uses)	10,225	(278,023)	(52,322)	164,512	143,338	22,495	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,227,950)	(52,571)	(74,815)	316,236	(40,744)	64,238	-	(23,583)	-	(197,839)
Cash and investments - ending	\$ 1,500,068	\$ 374,426	\$ (14,736)	\$ 2,859,076	\$ 1,688,041	\$ 331,388	\$ 500,000	\$ 747,781	\$ 184,050	\$ 352,928

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, 2014
 (Continued)

	Textbook Rental	Self- Insurance	Levy Excess	Joint Services and Supply - Special Education Cooperative	Joint Services and Supply - 1310 Preschool Cooperative	Special Education Intensive Service	Joint Services and Supply - Area Vocational School	Area Vocational Building Project	Area Vocational Special School
Cash and investments - beginning	\$ 601,094	\$ 5,880,482	\$ -	\$ 173,073	\$ 818	\$ 23,388	\$ 310,633	\$ 5,694	\$ 3,834
Receipts:									
Local sources	67,641	6,041,816	-	3,996,021	-	-	1,536,018	12,028	1,805
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	211,688	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	12,867	-	94	-	-	725	-	-
Total receipts	279,329	6,054,683	-	3,996,115	-	-	1,536,743	12,028	1,805
Disbursements:									
Current:									
Instruction	-	-	-	2,617,306	242,665	436,742	1,068,735	15,107	-
Support services	334,509	-	-	377,000	2,476	135,564	276,458	-	-
Noninstructional services	-	-	-	-	-	-	-	-	3,640
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	5,700,878	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	334,509	5,700,878	-	2,994,306	245,141	572,306	1,345,193	15,107	3,640
Excess (deficiency) of receipts over disbursements	(55,180)	353,805	-	1,001,809	(245,141)	(572,306)	191,550	(3,079)	(1,835)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	300,000	600,000	-	-	-
Transfers out	(4,900)	-	-	(900,000)	-	-	-	-	-
Total other financing sources (uses)	(4,900)	-	-	(900,000)	300,000	600,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(60,080)	353,805	-	101,809	54,859	27,694	191,550	(3,079)	(1,835)
Cash and investments - ending	\$ 541,014	\$ 6,234,287	\$ -	\$ 274,882	\$ 55,677	\$ 51,082	\$ 502,183	\$ 2,615	\$ 1,999

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, 2014
 (Continued)

	AVS Preschool Program	Machine Trades Special Project	AVS CAD Program	AVS EMT Program	AVS Youth Center	AVS Culinary Arts	AVS Broadcasting	AVS Veterinary Science	AVS Graphic Arts
Cash and investments - beginning	\$ 612	\$ 233	\$ 3,350	\$ -	\$ 79	\$ 3,350	\$ 5,260	\$ 7,713	\$ 1,740
Receipts:									
Local sources	1,900	10	8,966	-	-	13,230	5,450	3,032	344
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	771	-	-	-	-	-	35
Total receipts	1,900	10	9,737	-	-	13,230	5,450	3,032	379
Disbursements:									
Current:									
Instruction	-	-	-	-	-	15,151	3,310	7,103	658
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	1,337	-	9,385	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	1,337	-	9,385	-	-	15,151	3,310	7,103	658
Excess (deficiency) of receipts over disbursements	563	10	352	-	-	(1,921)	2,140	(4,071)	(279)
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	563	10	352	-	-	(1,921)	2,140	(4,071)	(279)
Cash and investments - ending	\$ 1,175	\$ 243	\$ 3,702	\$ -	\$ 79	\$ 1,429	\$ 7,400	\$ 3,642	\$ 1,461

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, 2014
 (Continued)

	AVS Cosmetology	NCACP Dental Assisting	AVS Computer Operations	NCACC Administration	Child Care Program	Educational License Plates	Alternative Education	Scholarship Memorial Funds	Carmichael Scholarship Trust
Cash and investments - beginning	\$ 7,330	\$ 4,166	\$ 30	\$ -	\$ (5,996)	\$ 206	\$ 2,627	\$ 7,599	\$ 1,865,115
Receipts:									
Local sources	13,145	11,011	-	-	5,996	-	-	-	5,520
Intermediate sources	-	-	-	-	-	188	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>13,145</u>	<u>11,011</u>	<u>-</u>	<u>-</u>	<u>5,996</u>	<u>188</u>	<u>-</u>	<u>-</u>	<u>5,520</u>
Disbursements:									
Current:									
Instruction	9,881	10,339	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	300	-	100	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	35,000
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>9,881</u>	<u>10,339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>100</u>	<u>35,000</u>
Excess (deficiency) of receipts over disbursements	<u>3,264</u>	<u>672</u>	<u>-</u>	<u>-</u>	<u>5,996</u>	<u>(112)</u>	<u>-</u>	<u>(100)</u>	<u>(29,480)</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>3,264</u>	<u>672</u>	<u>-</u>	<u>-</u>	<u>5,996</u>	<u>(112)</u>	<u>-</u>	<u>(100)</u>	<u>(29,480)</u>
Cash and investments - ending	<u>\$ 10,594</u>	<u>\$ 4,838</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94</u>	<u>\$ 2,627</u>	<u>\$ 7,499</u>	<u>\$ 1,835,635</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, 2014
 (Continued)

	Grants AVS	New Castle Career Center	Donation	Grants NCMS	Grants Elementary Library	Grants Alternative & Spec Ed	Grants CHS	Grants Eastwood	Grants Wilbur Wright
Cash and investments - beginning	\$ 9,665	\$ -	\$ 3,600	\$ 731	\$ 128	\$ 553	\$ 2,815	\$ 686	\$ 4,783
Receipts:									
Local sources	-	10,000	1,306	-	-	-	456	1,363	1,489
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	10,000	1,306	-	-	-	456	1,363	1,489
Disbursements:									
Current:									
Instruction	1,447	-	2,065	-	-	-	456	1,338	1,132
Support services	-	-	-	-	-	-	-	-	284
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	1,447	-	2,065	-	-	-	456	1,338	1,416
Excess (deficiency) of receipts over disbursements	(1,447)	10,000	(759)	-	-	-	-	25	73
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	(1,447)	10,000	(759)	-	-	-	-	25	73
Cash and investments - ending	\$ 8,218	\$ 10,000	\$ 2,841	\$ 731	\$ 128	\$ 553	\$ 2,815	\$ 711	\$ 4,856

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, 2014
 (Continued)

	Robson Scholarship Trust	Parker Library Robson Trust	Summer Remedial Reading	Grants Westwood	Professional Development DOE	Grants Greenstreet	Grants Sunnyside	Grants Riley	Grants Parker
Cash and investments - beginning	\$ 202,294	\$ 50,574	\$ -	\$ 3,019	\$ 9,083	\$ 80	\$ 1,758	\$ 699	\$ 2,859
Receipts:									
Local sources	348,942	237	-	3,555	-	-	-	271	100
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	1,750	-	-	-	-	-
Total receipts	<u>348,942</u>	<u>237</u>	<u>-</u>	<u>5,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>271</u>	<u>100</u>
Disbursements:									
Current:									
Instruction	-	-	-	7,766	-	-	-	-	-
Support services	-	-	-	-	682	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,766</u>	<u>682</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>348,942</u>	<u>237</u>	<u>-</u>	<u>(2,461)</u>	<u>(682)</u>	<u>-</u>	<u>-</u>	<u>271</u>	<u>100</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>348,942</u>	<u>237</u>	<u>-</u>	<u>(2,461)</u>	<u>(682)</u>	<u>-</u>	<u>-</u>	<u>271</u>	<u>100</u>
Cash and investments - ending	<u>\$ 551,236</u>	<u>\$ 50,811</u>	<u>\$ -</u>	<u>\$ 558</u>	<u>\$ 8,401</u>	<u>\$ 80</u>	<u>\$ 1,758</u>	<u>\$ 970</u>	<u>\$ 2,959</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, 2014
 (Continued)

	Adult and Continuing Education	Cultural Arts	Bundy Auditorium Fund	GED Testing Fund	Alternative Education	Healthy Families 2009-2010	Gifted and Talented 2013-2014	Gifted and Talented 2014-2015	Adult and Continuing Education
Cash and investments - beginning	\$ 50	\$ 1,307	\$ 29,569	\$ 23,895	\$ 22,829	\$ 18,862	\$ -	\$ 7,267	\$ 12,021
Receipts:									
Local sources	-	-	5,985	31,849	44,594	-	-	-	9,000
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	38,473	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	236
Total receipts	-	-	5,985	31,849	44,594	-	38,473	-	9,236
Disbursements:									
Current:									
Instruction	-	-	-	19,451	-	-	33,171	7,122	-
Support services	-	-	-	-	40,995	-	-	145	10
Noninstructional services	-	1,307	22,979	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	2,575
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,307	22,979	19,451	40,995	-	33,171	7,267	2,585
Excess (deficiency) of receipts over disbursements	-	(1,307)	(16,994)	12,398	3,599	-	5,302	(7,267)	6,651
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	-	(1,307)	(16,994)	12,398	3,599	-	5,302	(7,267)	6,651
Cash and investments - ending	\$ 50	\$ -	\$ 12,575	\$ 36,293	\$ 26,428	\$ 18,862	\$ 5,302	\$ -	\$ 18,672

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, 2014
 (Continued)

	ABE State Grant 2012-13	ABE State Grant 2014-15	ABE State Grant 2013-14	Secured Schools Safety Grant	School Technology	Performance Based Awards	Access Indiana	Indiana Literacy Early Intervention	Title I 2014-15
Cash and investments - beginning	\$ (41,156)	\$ -	\$ -	\$ -	\$ 65,683	\$ -	\$ 1,202	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	276,501	-	545,451	3,019	3,617	378,613	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	2	-	57,246	-	-	-	-
Total receipts	276,501	-	545,453	3,019	60,863	378,613	-	-	-
Disbursements:									
Current:									
Instruction	206,500	-	652,538	-	-	378,613	-	-	-
Support services	28,845	-	32,531	19,597	97,547	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	235,345	-	685,069	19,597	97,547	378,613	-	-	-
Excess (deficiency) of receipts over disbursements	41,156	-	(139,616)	(16,578)	(36,684)	-	-	-	-
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	41,156	-	(139,616)	(16,578)	(36,684)	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ (139,616)	\$ (16,578)	\$ 28,999	\$ -	\$ 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, 2014
 (Continued)

	Title I 2012-13	Title I 2013-14	Title I Improvement	College Go	IDEA PL101-476 2014-15	IDEA PL101-476 2013-14	IDEA PL101-476 2012-13	IDEA Technical Assistance Grant	Preschool Handicap 2013-14
Cash and investments - beginning	\$ (103,336)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (320,392)	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	348,591	601,166	-	-	-	1,649,551	520,294	25,697	83,720
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>348,591</u>	<u>601,166</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,649,551</u>	<u>520,294</u>	<u>25,697</u>	<u>83,720</u>
Disbursements:									
Current:									
Instruction	202,932	410,569	-	-	-	1,313,613	166,820	25,697	93,302
Support services	42,136	263,187	-	-	-	591,249	33,082	-	-
Noninstructional services	187	5,274	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>245,255</u>	<u>679,030</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,904,862</u>	<u>199,902</u>	<u>25,697</u>	<u>93,302</u>
Excess (deficiency) of receipts over disbursements	<u>103,336</u>	<u>(77,864)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(255,311)</u>	<u>320,392</u>	<u>-</u>	<u>(9,582)</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>103,336</u>	<u>(77,864)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(255,311)</u>	<u>320,392</u>	<u>-</u>	<u>(9,582)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (77,864)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (255,311)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,582)</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, 2014
 (Continued)

	Preschool Handicap 2012-13	Preschool Handicap 2014-15	Adult Basic Education 2012-2013	Adult Basic Education 2014-2015	Adult Basic Education 2013-2014	ABE Innovation Grant	Awards for Excellence 2014-15	Awards for Excellence 2013-14	Perkins 2012-2013
Cash and investments - beginning	\$ (22,262)	\$ -	\$ (6,589)	\$ -	\$ -	\$ -	\$ (3,944)	\$ -	\$ (10,461)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	54,060	-	183,514	-	304,685	80,867	3,945	-	64,959
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	54,060	-	183,514	-	304,685	80,867	3,945	-	64,959
Disbursements:									
Current:									
Instruction	31,798	-	160,124	-	342,223	49,365	1	7,926	1,328
Support services	-	-	4,397	-	32,536	31,326	-	-	51,396
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	12,404	-	-	176	-	-	1,774
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	31,798	-	176,925	-	374,759	80,867	1	7,926	54,498
Excess (deficiency) of receipts over disbursements	22,262	-	6,589	-	(70,074)	-	3,944	(7,926)	10,461
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	22,262	-	6,589	-	(70,074)	-	3,944	(7,926)	10,461
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (70,074)	\$ -	\$ -	\$ (7,926)	\$ -

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, 2014
 (Continued)

	Perkins 2013-2014	Perkins 2014-2015	Title II, Part A	Rural Schools and Low Income 2012	Rural Schools and Low Income 2013	Central Stores	Prepaid Food	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (32,754)	\$ -	\$ -	\$ 81,094	\$ -	\$ 473,229	\$ 19,151,921
Receipts:									
Local sources	-	-	-	-	-	-	-	-	18,968,666
Intermediate sources	-	-	-	-	-	-	-	-	3,169
State sources	-	-	-	-	-	-	-	-	24,231,416
Federal sources	76,043	-	140,464	46,573	-	-	-	-	5,340,220
Interfund loans	-	-	-	-	-	-	-	-	100,000
Other	-	-	-	-	-	75,150	-	7,125,849	7,490,144
Total receipts	76,043	-	140,464	46,573	-	75,150	-	7,125,849	56,133,615
Disbursements:									
Current:									
Instruction	9,999	-	64,224	22,600	-	-	-	-	24,199,261
Support services	88,344	-	76,250	36,958	-	-	-	-	13,569,955
Noninstructional services	-	-	-	-	-	-	-	-	2,069,653
Facilities acquisition and construction	-	-	-	-	-	-	-	-	1,093,638
Debt services	-	-	-	-	-	-	-	-	2,534,582
Nonprogrammed charges	-	-	-	-	-	-	-	-	5,750,232
Interfund loans	-	-	-	-	-	61,725	-	7,488,631	7,650,356
Total disbursements	98,343	-	140,474	59,558	-	61,725	-	7,488,631	56,867,677
Excess (deficiency) of receipts over disbursements	(22,300)	-	(10)	(12,985)	-	13,425	-	(362,782)	(734,062)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	1,240,570
Transfers out	-	-	(5,325)	-	-	-	-	-	(1,240,570)
Total other financing sources (uses)	-	-	(5,325)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(22,300)	-	(5,335)	(12,985)	-	13,425	-	(362,782)	(734,062)
Cash and investments - ending	\$ (22,300)	\$ -	\$ (38,089)	\$ (12,985)	\$ -	\$ 94,519	\$ -	\$ 110,447	\$ 18,417,859

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, 2015

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits	Construction
Cash and investments - beginning	\$ 1,500,068	\$ 374,426	\$ (14,736)	\$ 2,859,076	\$ 1,688,041	\$ 331,388	\$ 500,000	\$ 747,781	\$ 184,050
Receipts:									
Local sources	202,901	2,261,034	185,546	1,765,493	1,576,783	256,170	-	-	-
Intermediate sources	149	-	-	-	-	-	-	-	-
State sources	22,800,103	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	100,000	-	-	-	-
Other	14,084	-	-	26,763	334	-	-	50,000	-
Total receipts	<u>23,017,237</u>	<u>2,261,034</u>	<u>185,546</u>	<u>1,792,256</u>	<u>1,677,117</u>	<u>256,170</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	14,797,934	-	-	-	-	-	-	-	-
Support services	7,632,965	-	-	964,373	1,583,935	275,000	-	84,346	-
Noninstructional services	367,122	-	-	-	-	-	-	-	-
Facilities acquisition and construction	161,640	-	-	745,111	-	-	-	-	-
Debt services	-	1,719,517	33,593	-	-	-	193,837	-	184,050
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	100,000	-	-	-	-	-	-
Total disbursements	<u>22,959,661</u>	<u>1,719,517</u>	<u>133,593</u>	<u>1,709,484</u>	<u>1,583,935</u>	<u>275,000</u>	<u>193,837</u>	<u>84,346</u>	<u>184,050</u>
Excess (deficiency) of receipts over disbursements	<u>57,576</u>	<u>541,517</u>	<u>51,953</u>	<u>82,772</u>	<u>93,182</u>	<u>(18,830)</u>	<u>(193,837)</u>	<u>(34,346)</u>	<u>(184,050)</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	171,483	-	-	-	-	-
Transfers in	61,534	-	-	117,023	101,961	16,002	500,000	-	-
Transfers out	-	(197,769)	(37,217)	-	(500,000)	-	-	-	-
Total other financing sources (uses)	<u>61,534</u>	<u>(197,769)</u>	<u>(37,217)</u>	<u>288,506</u>	<u>(398,039)</u>	<u>16,002</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>119,110</u>	<u>343,748</u>	<u>14,736</u>	<u>371,278</u>	<u>(304,857)</u>	<u>(2,828)</u>	<u>306,163</u>	<u>(34,346)</u>	<u>(184,050)</u>
Cash and investments - ending	<u>\$ 1,619,178</u>	<u>\$ 718,174</u>	<u>\$ -</u>	<u>\$ 3,230,354</u>	<u>\$ 1,383,184</u>	<u>\$ 328,560</u>	<u>\$ 806,163</u>	<u>\$ 713,435</u>	<u>\$ -</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, 2015
 (Continued)

	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Joint Services and Supply - Special Education Cooperative	Joint Services and Supply - 1310 Preschool Cooperative	Special Education Intensive Service	Joint Services and Supply - Area Vocational School	Area Vocational Special Project
Cash and investments - beginning	\$ 352,928	\$ 541,014	\$ 6,234,287	\$ -	\$ 274,882	\$ 55,677	\$ 51,082	\$ 502,183	\$ 2,615
Receipts:									
Local sources	318,659	54,164	4,825,921	5,311	3,563,655	-	-	1,453,007	18,746
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	228,519	-	-	-	-	-	-	-
Federal sources	1,121,783	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	1,146	-	-	-	5,929	-	111	1,877	-
Total receipts	<u>1,441,588</u>	<u>282,683</u>	<u>4,825,921</u>	<u>5,311</u>	<u>3,569,584</u>	<u>-</u>	<u>111</u>	<u>1,454,884</u>	<u>18,746</u>
Disbursements:									
Current:									
Instruction	1,331	-	-	-	2,354,679	216,393	371,070	1,193,047	8,332
Support services	17,113	329,561	-	-	230,460	3,907	132,102	240,943	-
Noninstructional services	1,445,885	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	4,580,319	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>1,464,329</u>	<u>329,561</u>	<u>4,580,319</u>	<u>-</u>	<u>2,585,139</u>	<u>220,300</u>	<u>503,172</u>	<u>1,433,990</u>	<u>8,332</u>
Excess (deficiency) of receipts over disbursements	<u>(22,741)</u>	<u>(46,878)</u>	<u>245,602</u>	<u>5,311</u>	<u>984,445</u>	<u>(220,300)</u>	<u>(503,061)</u>	<u>20,894</u>	<u>10,414</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	225,000	525,000	-	-
Transfers out	-	(57,044)	-	-	(750,000)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(57,044)</u>	<u>-</u>	<u>-</u>	<u>(750,000)</u>	<u>225,000</u>	<u>525,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(22,741)</u>	<u>(103,922)</u>	<u>245,602</u>	<u>5,311</u>	<u>234,445</u>	<u>4,700</u>	<u>21,939</u>	<u>20,894</u>	<u>10,414</u>
Cash and investments - ending	<u>\$ 330,187</u>	<u>\$ 437,092</u>	<u>\$ 6,479,889</u>	<u>\$ 5,311</u>	<u>\$ 509,327</u>	<u>\$ 60,377</u>	<u>\$ 73,021</u>	<u>\$ 523,077</u>	<u>\$ 13,029</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, 2015
 (Continued)

	Area Vocational Special School	AVS Preschool Program	Machine Trades Special Project	AVS CAD Program	AVS EMT Program	AVS Youth Center	AVS Culinary Arts	AVS Broadcasting	AVS Veterinary Science
Cash and investments - beginning	\$ 1,999	\$ 1,175	\$ 243	\$ 3,702	\$ -	\$ 79	\$ 1,429	\$ 7,400	\$ 3,642
Receipts:									
Local sources	5,525	3,320	-	4,524	1,111	-	13,423	2,575	4,037
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	26,602	-	-	-	-	-	-
Total receipts	<u>5,525</u>	<u>3,320</u>	<u>26,602</u>	<u>4,524</u>	<u>1,111</u>	<u>-</u>	<u>13,423</u>	<u>2,575</u>	<u>4,037</u>
Disbursements:									
Current:									
Instruction	-	-	-	-	649	-	12,674	2,820	5,814
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	6,336	2,975	-	6,753	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>6,336</u>	<u>2,975</u>	<u>-</u>	<u>6,753</u>	<u>649</u>	<u>-</u>	<u>12,674</u>	<u>2,820</u>	<u>5,814</u>
Excess (deficiency) of receipts over disbursements	<u>(811)</u>	<u>345</u>	<u>26,602</u>	<u>(2,229)</u>	<u>462</u>	<u>-</u>	<u>749</u>	<u>(245)</u>	<u>(1,777)</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>(811)</u>	<u>345</u>	<u>26,602</u>	<u>(2,229)</u>	<u>462</u>	<u>-</u>	<u>749</u>	<u>(245)</u>	<u>(1,777)</u>
Cash and investments - ending	<u>\$ 1,188</u>	<u>\$ 1,520</u>	<u>\$ 26,845</u>	<u>\$ 1,473</u>	<u>\$ 462</u>	<u>\$ 79</u>	<u>\$ 2,178</u>	<u>\$ 7,155</u>	<u>\$ 1,865</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, 2015
 (Continued)

	AVS Graphic Arts	AVS Cosmetology	NCACP Dental Assisting	AVS Computer Operations	NCACC Administration	Child Care Program	Educational License Plates	Alternative Education	Scholarship Memorial Funds
Cash and investments - beginning	\$ 1,461	\$ 10,594	\$ 4,838	\$ 30	\$ -	\$ -	\$ 94	\$ 2,627	\$ 7,499
Receipts:									
Local sources	2,087	15,170	2,160	1,745	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	262	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	2,244	-	-	-	-
Total receipts	2,087	15,170	2,160	1,745	2,244	-	262	-	-
Disbursements:									
Current:									
Instruction	431	17,297	6,081	1,531	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	200
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	431	17,297	6,081	1,531	-	-	-	-	200
Excess (deficiency) of receipts over disbursements	1,656	(2,127)	(3,921)	214	2,244	-	262	-	(200)
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	1,656	(2,127)	(3,921)	214	2,244	-	262	-	(200)
Cash and investments - ending	\$ 3,117	\$ 8,467	\$ 917	\$ 244	\$ 2,244	\$ -	\$ 356	\$ 2,627	\$ 7,299

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, 2015
 (Continued)

	Carmichael Scholarship Trust	Grants AVS	New Castle Career Center	Donation	Grants NCMS	Grants Elementary Library	Grants Alternative & Spec Ed	Grants CHS
Cash and investments - beginning	\$ 1,835,635	\$ 8,218	\$ 10,000	\$ 2,841	\$ 731	\$ 128	\$ 553	\$ 2,815
Receipts:								
Local sources	7,751	1,000	10,000	1,313	400	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	7,751	1,000	10,000	1,313	400	-	-	-
Disbursements:								
Current:								
Instruction	-	2,260	11,215	127	333	-	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,313	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	27,500	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	27,500	2,260	11,215	1,440	333	-	-	-
Excess (deficiency) of receipts over disbursements	(19,749)	(1,260)	(1,215)	(127)	67	-	-	-
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	(19,749)	(1,260)	(1,215)	(127)	67	-	-	-
Cash and investments - ending	\$ 1,815,886	\$ 6,958	\$ 8,785	\$ 2,714	\$ 798	\$ 128	\$ 553	\$ 2,815

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, 2015
 (Continued)

	Grants Eastwood	Grants Wilbur Wright	Robson Scholarship Trust	Parker Library Robson Trust	Summer Remedial Reading	Grants Westwood	Professional Development DOE	Grants Greenstreet
Cash and investments - beginning	\$ 711	\$ 4,856	\$ 551,236	\$ 50,811	\$ -	\$ 558	\$ 8,401	\$ 80
Receipts:								
Local sources	220	1,230	2,208	175	9,677	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>220</u>	<u>1,230</u>	<u>2,208</u>	<u>175</u>	<u>9,677</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	259	561	-	-	6,969	-	-	-
Support services	-	-	-	-	-	-	1,408	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	500	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>259</u>	<u>561</u>	<u>500</u>	<u>-</u>	<u>6,969</u>	<u>-</u>	<u>1,408</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(39)</u>	<u>669</u>	<u>1,708</u>	<u>175</u>	<u>2,708</u>	<u>-</u>	<u>(1,408)</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>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(39)</u>	<u>669</u>	<u>1,708</u>	<u>175</u>	<u>2,708</u>	<u>-</u>	<u>(1,408)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 672</u>	<u>\$ 5,525</u>	<u>\$ 552,944</u>	<u>\$ 50,986</u>	<u>\$ 2,708</u>	<u>\$ 558</u>	<u>\$ 6,993</u>	<u>\$ 80</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, 2015
 (Continued)

	Grants Sunnyside	Grants Riley	Grants Parker	Adult and Continuing Education	Cultural Arts	Bundy Auditorium Fund	GED Testing Fund	Alternative Education
Cash and investments - beginning	\$ 1,758	\$ 970	\$ 2,959	\$ 50	\$ -	\$ 12,575	\$ 36,293	\$ 26,428
Receipts:								
Local sources	-	-	100	-	-	5,182	23,286	50,000
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	100	-	-	5,182	23,286	50,000
Disbursements:								
Current:								
Instruction	-	-	100	-	-	-	22,763	-
Support services	-	-	-	-	-	-	-	28,313
Noninstructional services	-	-	-	-	-	23,946	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	-	100	-	-	23,946	22,763	28,313
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(18,764)	523	21,687
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	-	-	-	-	-	(18,764)	523	21,687
Cash and investments - ending	\$ 1,758	\$ 970	\$ 2,959	\$ 50	\$ -	\$ (6,189)	\$ 36,816	\$ 48,115

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, 2015
 (Continued)

	Healthy Families 2009-2010	Gifted and Talented 2013-2014	Gifted and Talented 2014-2015	Adult and Continuing Education	ABE State Grant 2012-13	ABE State Grant 2014-15	ABE State Grant 2013-14	Secured Schools Safety Grant
Cash and investments - beginning	\$ 18,862	\$ 5,302	\$ -	\$ 18,672	\$ -	\$ -	\$ (139,616)	\$ (16,578)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	39,599	-	-	526,415	510,858	32,116
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	39,599	-	-	526,415	510,858	32,116
Disbursements:								
Current:								
Instruction	-	5,302	37,019	-	-	672,295	332,747	-
Support services	-	-	-	-	-	34,911	38,495	47,759
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,483	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	5,302	37,019	1,483	-	707,206	371,242	47,759
Excess (deficiency) of receipts over disbursements	-	(5,302)	2,580	(1,483)	-	(180,791)	139,616	(15,643)
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	-	(5,302)	2,580	(1,483)	-	(180,791)	139,616	(15,643)
Cash and investments - ending	\$ 18,862	\$ -	\$ 2,580	\$ 17,189	\$ -	\$ (180,791)	\$ -	\$ (32,221)

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, 2015
 (Continued)

	School Technology	Performance Based Awards	Access Indiana	Indiana Literacy Early Intervention	Title I 2014-15	Title I 2012-13	Title I 2013-14	Title I Improvement
Cash and investments - beginning	\$ 28,999	\$ -	\$ 1,202	\$ -	\$ -	\$ -	\$ (77,864)	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	4,018	-	-	19,751	-	-	-	-
Federal sources	-	-	-	-	609,788	-	259,404	4,000
Interfund loans	-	-	-	-	-	-	-	-
Other	110,746	-	-	-	-	-	-	-
Total receipts	114,764	-	-	19,751	609,788	-	259,404	4,000
Disbursements:								
Current:								
Instruction	-	-	-	-	418,335	-	87,596	-
Support services	324,220	-	-	11,367	266,615	-	93,215	7,454
Noninstructional services	-	-	-	-	8,298	-	729	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	324,220	-	-	11,367	693,248	-	181,540	7,454
Excess (deficiency) of receipts over disbursements	(209,456)	-	-	8,384	(83,460)	-	77,864	(3,454)
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	(209,456)	-	-	8,384	(83,460)	-	77,864	(3,454)
Cash and investments - ending	\$ (180,457)	\$ -	\$ 1,202	\$ 8,384	\$ (83,460)	\$ -	\$ -	\$ (3,454)

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, 2015
 (Continued)

	College Go	IDEA PL101-476 2014-15	IDEA PL101-476 2013-14	IDEA PL101-476 2012-13	IDEA Technical Assistance Grant	Preschool Handicap 2013-14	Preschool Handicap 2012-13	Preschool Handicap 2014-15
Cash and investments - beginning	\$ -	\$ -	\$ (255,311)	\$ -	\$ -	\$ (9,582)	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	1,000	-	-	-	-	-	-	-
Federal sources	-	1,383,013	523,046	398	25,697	37,024	-	78,352
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	1,000	1,383,013	523,046	398	25,697	37,024	-	78,352
Disbursements:								
Current:								
Instruction	-	1,238,967	174,326	398	25,697	27,442	-	96,803
Support services	-	553,826	93,409	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	1,792,793	267,735	398	25,697	27,442	-	96,803
Excess (deficiency) of receipts over disbursements	1,000	(409,780)	255,311	-	-	9,582	-	(18,451)
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	1,000	(409,780)	255,311	-	-	9,582	-	(18,451)
Cash and investments - ending	\$ 1,000	\$ (409,780)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (18,451)

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, 2015
 (Continued)

	Adult Basic Education 2012-2013	Adult Basic Education 2014-2015	Adult Basic Education 2013-2014	ABE Innovation Grant	Awards for Excellence 2014-15	Awards for Excellence 2013-14	Perkins 2012-2013	Perkins 2013-2014
Cash and investments - beginning	\$ -	\$ -	\$ (70,074)	\$ -	\$ -	\$ (7,926)	\$ -	\$ (22,300)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	156,463	219,440	-	4,328	7,927	-	69,936
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	156,463	219,440	-	4,328	7,927	-	69,936
Disbursements:								
Current:								
Instruction	-	257,439	123,667	-	4,202	1	-	710
Support services	-	31,021	18,764	-	-	-	-	45,328
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	6,935	-	-	-	-	1,598
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	288,460	149,366	-	4,202	1	-	47,636
Excess (deficiency) of receipts over disbursements	-	(131,997)	70,074	-	126	7,926	-	22,300
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	-	(131,997)	70,074	-	126	7,926	-	22,300
Cash and investments - ending	\$ -	\$ (131,997)	\$ -	\$ -	\$ 126	\$ -	\$ -	\$ -

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, 2015
 (Continued)

	Perkins 2014-2015	Title II, Part A	Rural Schools and Low Income 2012	Rural Schools and Low Income 2013	Central Stores	Prepaid Food	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ (38,089)	\$ (12,985)	\$ -	\$ 94,519	\$ -	\$ 110,447	\$ 18,417,859
Receipts:								
Local sources	-	-	-	-	-	-	-	16,655,609
Intermediate sources	-	-	-	-	-	-	-	411
State sources	-	-	-	-	-	-	-	24,162,379
Federal sources	58,063	185,050	24,898	37,686	-	-	-	4,806,296
Interfund loans	-	-	-	-	-	-	-	100,000
Other	-	-	-	-	79,438	10,815	6,846,197	7,176,286
Total receipts	58,063	185,050	24,898	37,686	79,438	10,815	6,846,197	52,900,981
Disbursements:								
Current:								
Instruction	8,458	82,737	7,508	10,028	-	-	-	22,646,347
Support services	92,155	132,255	4,405	35,066	-	-	-	13,354,691
Noninstructional services	-	-	-	-	-	-	-	1,862,244
Facilities acquisition and construction	-	-	-	-	-	-	-	909,547
Debt services	-	-	-	-	-	-	-	2,130,997
Nonprogrammed charges	-	-	-	-	-	-	-	4,616,852
Interfund loans	-	-	-	-	81,800	-	6,852,864	7,034,664
Total disbursements	100,613	214,992	11,913	45,094	81,800	-	6,852,864	52,555,342
Excess (deficiency) of receipts over disbursements	(42,550)	(29,942)	12,985	(7,408)	(2,362)	10,815	(6,667)	345,639
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	171,483
Transfers in	-	-	-	-	-	-	-	1,546,520
Transfers out	-	(4,490)	-	-	-	-	-	(1,546,520)
Total other financing sources (uses)	-	(4,490)	-	-	-	-	-	171,483
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(42,550)	(34,432)	12,985	(7,408)	(2,362)	10,815	(6,667)	517,122
Cash and investments - ending	\$ (42,550)	\$ (72,521)	\$ -	\$ (7,408)	\$ 92,157	\$ 10,815	\$ 103,780	\$ 18,934,981

NEW CASTLE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2015

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 1,045,906</u>	<u>\$ 1,166,091</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF LEASES AND DEBT
 June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
New Castle High School Building Corporation	New Castle High School	\$ 735,500	7/15/2005	1/15/2017
Total of annual lease payments		<u>\$ 735,500</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	2015 Bonds		\$ 2,000,000	\$ 395,333
Notes and loans payable	Common School Loans		<u>4,217,214</u>	<u>1,170,066</u>
Total governmental activities			<u>6,217,214</u>	<u>1,565,399</u>
Totals			<u>\$ 6,217,214</u>	<u>\$ 1,565,399</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2015

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.

	Ending Balance
Governmental activities:	
Land	\$ 285,414
Buildings	52,342,551
Improvements other than buildings	1,880,149
Machinery, equipment, and vehicles	11,320,608
Total governmental activities	65,828,722
Total capital assets	\$ 65,828,722

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

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

Report on Compliance for Each Major Federal Program

We have audited the New Castle Community 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, 2013 to June 30, 2015. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance 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, 2013 to June 30, 2015.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, 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 items 2014-004. Our opinion on each major federal program is not modified with respect to these matters.

The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

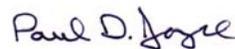
Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2015-002, 2015-003, 2015-004, and 2015-005 to be material weaknesses.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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, 2014 and 2015

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-14	Total Federal Awards Expended 06-30-14	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15
<u>Department of Agriculture</u>							
Child Nutrition Cluster School Breakfast Program	Indiana Department of Education	10.553	3445	-	\$ 309,804	-	\$ 292,689
Total - School Breakfast Program				-	309,804	-	292,689
National School Lunch Program Commodities	Indiana Department of Education	10.555	3445 3445	-	846,287 106,314	-	821,006 116,200
Total - National School Lunch Program				-	952,601	-	937,206
Summer Food Service Program for Children	Indiana Department of Education	10.559	3445	-	7,216	-	-
Total - Child Nutrition Cluster				-	1,269,621	-	1,229,895
Total - Department of Agriculture				-	1,269,621	-	1,229,895
<u>Department of Defense</u>							
National Guard ChalleNGe Program	Indiana Department of Education	12.404	11012L913240010	-	8,018	-	7,752
Total - National Guard ChalleNGe Program				-	8,018	-	7,752
Total - Department of Defense				-	8,018	-	7,752
<u>Department of Education</u>							
Title I, Part A Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	13-3445	-	348,591	-	-
		84.010	14-3445	-	601,166	-	259,404
		84.010	15-3445	-	-	-	609,786
Title I School Improvement Award		84.010	15-3445	-	-	-	4,000
Total - Title I Grants to Local Educational Agencies				-	949,757	-	873,190
Total - Title I, Part A				-	949,757	-	873,190
Special Education Cluster Special Education Grants to States	Indiana Department of Education	84.027	14213-044-PN01	-	243,550	-	186
		84.027	14214-044-PN01	-	766,711	-	243,112
		84.027	14215-044-PN01	-	-	-	645,173
Technical Assistance 2013-14		84.027	99914-044-TA01	-	12,031	-	12,031
Total - Special Education Grants to States				-	1,022,292	-	900,502
Special Education Preschool Grants	Indiana Department of Education	84.173	45713-044-PN01	-	27,300	-	-

The accompanying note is 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, 2014 and 2015
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-14	Total Federal Awards Expended 06-30-14	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15
<u>Department of Education (continued)</u>							
Special Education Cluster (continued)							
Special Education Preschool Grants (continued)							
		84.173	45714-044-PN01	-	42,345	-	18,726
		84.173	45715-044-PN01	-	-	-	39,701
Total - Special Education Preschool Grants				-	69,645	-	58,427
Total - Special Education Cluster				-	1,091,937	-	958,929
Adult Education Basic Grants to States							
Indiana Department of Education							
		84.002	C1-3-AE-2-25	182,653	182,653	-	-
		84.002	C1-4-AE-3-25	294,560	304,683	219,440	219,440
		84.002	C1-5-AE-4-25	-	-	149,567	156,463
Total - Adult Education Basic Grants to States				477,213	487,336	369,007	375,903
Career and Technical Education Basic Grants to States							
Indiana Department of Education							
		84.048	13-4700-3445	-	64,959	-	-
		84.048	A58-2-12CI-01314	-	3,945	-	-
		84.048	13-4700-3445	-	76,043	-	69,934
		84.048	A58-2-12CI-0314	-	-	-	7,927
		84.048	14-4700-3445	-	-	-	58,063
		84.048	A58-5-15CI-2532	-	-	-	4,328
Total - Career and Technical Education Basic Grants to States				-	144,947	-	140,252
Rural Education							
Indiana Department of Education							
		84.358	12-3445	-	46,573	-	-
		84.358	12-3445	-	-	-	24,898
		84.358	13-3445	-	-	-	37,685
Total - Rural Education				-	46,573	-	62,583
Improving Teacher Quality State Grants							
Indiana Department of Education							
		84.367	11-3445	-	28,614	-	29,376
		84.367	12-3445	-	70,550	-	77,324
		84.367	13-3445	-	41,300	-	78,349
Total - Improving Teacher Quality State Grants				-	140,464	-	185,049
Total - Department of Education				477,213	2,861,014	369,007	2,595,906
Total federal awards expended				<u>\$ 477,213</u>	<u>\$ 4,138,653</u>	<u>\$ 369,007</u>	<u>\$ 3,833,553</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

NEW CASTLE COMMUNITY SCHOOL CORPORATION
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the 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 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

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:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.367	Special Education Cluster Title I, Part A Child Nutrition Cluster Improving Teacher Quality State Grants

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

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

Section II - Financial Statement Findings

FINDING 2015-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA could remain undetected in addition to the following errors:

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

FY 2014	Commodities-Omitted from SEFA	\$ 106,314
FY 2015	School Breakfast-Overstated	9,309
FY 2015	National School Lunch Program-Understated	1,221
FY 2014	Special Education Grants-Overstated	1,241,384
FY 2015	Special Education Grants-Overstated	1,088,596
FY 2014	National Guard ChalleNGe Program not listed on SEFA	8,018
FY 2015	National Guard ChalleNGe Program not listed on SEFA	7,752
FY 2014	Adult Basic Education-Overstated	861

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report. These adjustments resulted in a presentation of the SEFA that was materially correct in relation to the financial statement.

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

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.

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

- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

Section III - Federal Award Findings and Questioned Costs

***FINDING 2015-002 - ACTIVITIES ALLOWED OR UNALLOWED
AND ALLOWABLE COSTS/COST PRINCIPLES***

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14213-044-PN01, 14214-044-PN01,
14215-044-PN01, 99914-044-TA01,
45713-044-PN01, 45714-044-PN01,
45715-044-PN01

Pass-Through Entity: Indiana Department of Education

Condition

Management of the School Corporation had not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Activities Allowed or Unallowed and Allowable Costs/Cost Principles. The School Corporation was a member of the New Castle Area Special Services Cooperative (Cooperative), and the School Corporation provided oversight of the Cooperative through the School Corporation Superintendent who served as a member of the Cooperative Board. However, the Cooperative had not established an effective internal control system in relation to Activities Allowed or Unallowed and Allowable Costs/Cost Principles.

Activities Allowed or Unallowed

For the Fiscal Years 2014 and 2015 there was no control procedure in place to ensure that all employees paid from Special Ed were allowed. This could have caused ineligible employees to be paid from the Special Education Grant.

Allowable Costs/Cost Principles

For Fiscal Year 2014 and 2015, the Special Education Director at the Cooperative was solely responsible for preparing, reviewing and maintaining the Personnel Activity Reports. There were no control procedures in place to detect errors and omissions. This could have caused an employee to be paid an improper amount from Special Education funds.

Context

This was a systemic issued that applies to all Personnel Activity Reports for employees paid from the Special Education Cluster's funds during the audit period.

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

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

Cause

Management did not develop a system of internal controls that segregated key functions.

Effect

The failure to establish internal controls would have enabled material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above. An internal control system, including segregation of duties, should be designed and operated effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the programs. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan, which is part of this report.

**FINDING 2015-003 - ACTIVITIES ALLOWED OR UNALLOWED
AND ALLOWABLE COSTS/COST PRINCIPLES**

Federal Agency: Department of Education
Federal Program: Title I, Part A
CFDA Number: 84.010
Federal Award Numbers and Years: 13-3445, 14-3445, 15-3445
Pass-Through Entity: Indiana Department of Education

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

Condition

Management of the School Corporation had not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Activities Allowed or Unallowed and Allowable Costs/Cost Principles.

Activities Allowed or Unallowed

For the Fiscal Years 2014 and 2015 there was no control procedure in place to ensure that all employees paid from Title I were allowed. This could have led to ineligible employees getting paid from the Title I Grant.

Allowable Costs/Cost Principles

For Fiscal Year 2014 and 2015, there was no control procedure in place to ensure the accuracy of the Personnel Activity Reports. This could have caused an employee to be paid an improper amount from Title I funds.

Context

This was a systemic issue that applied to all Personnel Activity Reports for employees paid from Title I, Part A funds during the audit period.

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

Cause

Management did not develop a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above. An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal

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

program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan, which is part of this report.

FINDING 2015-004 - ELIGIBILITY

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY13-14, 3445

Pass-Through Entity: Indiana Department of Education

Condition

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Eligibility compliance requirement. Internal controls over grant eligibility files were not sufficient to ensure that all grant eligibility documentation, including free and reduced applications and notifications, was retained.

Context

Testing of 25 students revealed that 8 applications and 12 notification letters were not retained for audit.

Criteria

7 CFR 210.15(b) states in part:

"Recordkeeping summary. In order to participate in the Program, a school food authority or a school, as applicable, must maintain records to demonstrate compliance with Program requirements. These records include but are not limited to: . . .

- (4) Currently approved and denied applications for free and reduced price lunches and a description of the verification activities, including verified applications, and any accompanying source documentation in accordance with 7 CFR 245.6a of this Title; and . . . "

7 CFR 245.6(e) states:

"Recordkeeping. The local educational agency must maintain documentation substantiating eligibility determinations on file for 3 years after the date of the fiscal year to which they pertain, except that if audit findings have not been resolved, the documentation must be maintained as long as required for resolution of the issues raised by the audit."

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

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

Cause

Management of the School Corporation had not established effective internal controls, and free and reduced lunch applications and notification letters were not properly maintained and filed or available for audit.

Effect

The failure to establish internal controls enabled material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Eligibility compliance requirements of the programs.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan, which is part of this report.

***FINDING 2015-005 - REPORTING AND SPECIAL TESTS AND PROVISIONS -
VERIFICATION OF FREE AND REDUCED PRICE APPLICATIONS***

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Number and Year (or Other Identifying Number): 3445

Pass-Through Entity: Indiana Department of Education

Condition

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Reporting and Special Tests and Provisions - Verification of Free and

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

Reduced Price Applications. Monthly Sponsor Claims (claims for reimbursement), Verification Summaries, and Annual Financial Reports were prepared and submitted by the Food Service Director. There was no control procedure in place to ensure the accuracy of reports submitted.

Context

This was a systemic issue applicable to all Sponsor Claims, Verification Summaries, and Annual Financial Reports during the audit period.

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

Cause

Management did not develop a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above. An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the programs. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan, which is part of this report.

AUDITEE PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.

New Castle Community School Corporation

Community Education Center, 322 Elliott Avenue, New Castle, IN 47362

Mr. Stephen Fisher, *Superintendent*
Mr. William Pheffer, *Assistant Superintendent for Secondary Programs & Facilities*
Ms. Sherri Bergum, *Director of Curriculum & Elementary Programs*
Ms. Megan Bell, *Business Manager Treasurer*



(765) 521-7201
Fax: (765) 521-7268

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Original SBA Audit Report	B43237
Report Period:	07-01-2011 to 06-30-2013
Federal Agency:	U.S. Department of Education
Pass-Through Entity:	Indiana Department of Education
CFDA Number:	84.027 and 84.173
Auditee Contact Person:	Megan Bell, Business Manager/Treasurer
Telephone Number:	765-521-7201
Status of Finding	Corrective Action Taken

FEDERAL FINDING 2013-1 INTERNAL CONTROLS OVER CASH MANAGEMENT AND REPORTING

Requests for Reimbursement for all federal grants are prepared by the Business Manager/Treasurer and then reviewed and approved by the Superintendent prior to submission.

Megan Bell
(Signature)

Business Manager
(Title)

6/23/2016
(Date)

AN EQUAL OPPORTUNITY EMPLOYER

New Castle Community School Corporation

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CORRECTIVE ACTION PLAN

Section II – Financial Statement Findings

FINDING 2015-001

DEFICIENCY IN INTERNAL CONTROL – SEGREGATION OF DUTIES

A system of internal controls will be established to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). Currently the accounting secretary receipts all of the EFT notices of Federal Grants and the business manager annually submits the information in Gateway. Starting with the 2015-2016 Annual Report, the SEFA will be prepared by the business manager and reviewed for accuracy and completeness by a separate member of the central office.

Section III – Federal Award Findings and Questioned Costs

FINDING 2015-002

ACTIVITIES ALLOWED OR UNALLOWED AND ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency:	United States Department of Education
Federal Program:	Special Education Grants to States, Special Education Preschool Grants
CFDA Number:	84.027, 84173
Federal Award Number and Year:	14213-044-PN01, 14214-044-PN01, 14215-044-PN01, 45713-044-PN01, 45714-044-PN01, 45715-044-PN01
Pass-Through Entity:	Indiana Department of Education

NCCSC will establish a more effective internal control system, which will include segregation of duties, to be in compliance with the grant agreement. We will review our current system of internal controls over activities allowed and allowable costs to ensure that all transactions are approved by the grant administrator, this will include verification that all employees paid from the Special Education Grants are allowed. NCCSC will also implement a system that provides adequate oversight, reviews and approvals relevant to the Time and Effort Logs and Semi-Annual Certifications compliance requirements. The preparer of these reports will be a person knowledgeable of this requirement, and the documentation will also show that reports have been reviewed by another knowledgeable individual.

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FINDING 2015-003

ACTIVITIES ALLOWED OR UNALLOWED AND ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency:	United States Department of Education
Federal Program:	Title I, Part A
CFDA Number:	84.010
Federal Award Number and Year:	13-3445, 14-3445, 15-3445
Pass-Through Entity:	Indiana Department of Education

NCCSC will establish a more effective internal control system, which will include segregation of duties, to be in compliance with the grant agreement. We will review our current system of internal controls over activities allowed and allowable costs to ensure that all transactions are approved by the grant administrator, this will include verification that all employees paid from Title I Grants are allowed. NCCSC will also implement a system that provides adequate oversight, reviews and approvals relevant to the Time and Effort Logs and Semi-Annual Certifications compliance requirements. The Preparer of these reports will be a person knowledgeable of this requirement, and the documentation will also show that the reports have been reviewed by another knowledgeable individual.

FINDING 2015-004

ELIGIBILITY

Federal Agency:	Department of Agriculture
Federal Program:	School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children
CFDA Number:	10.553, 10.555, 10.559
Federal Award Number and Year:	SY2013-14
Pass-Through Entity:	Indiana Department of Education

A new Food Service Director was hired on July 1, 2014. Internal controls were established at that time to ensure that all grant files were being retained in compliance with laws, regulations, and the provisions of grant agreements. NCCSC will continue to maintain controls to ensure compliance and comply with the eligibility compliance requirements of the food service programs.

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FINDING 2015-005

INTERNAL CONTROL OVER REPORTING AND SPECIAL TESTS AND PROVISIONS – VERIFICATION

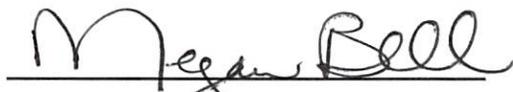
Federal Agency:	Department of Agriculture
Federal Program:	School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children
CFDA Number:	10.553, 10.555, 10.559
Federal Award Number and Year:	SY2013-14 and SY2014-15
Pass-Through Entity:	Indiana Department of Education

NCCSC will establish internal controls, including segregation of duties, to be in compliance with the grant agreements. We will review our current system of internal controls over reporting and special tests and provisions to ensure adequate oversight, reviews and approvals relevant to monthly reimbursement claims, annual verification reports and annual reports.

The food service director will prepare the monthly reimbursement claims and the food service secretary will review the information prior to submission.

The food service secretary will prepare the annual verification report, and the food service director or other designee will review the information prior to submission.

The food service director will prepare the annual report, and the business manager will review the information prior to submission.



Megan Bell
Business Manager/Treasurer
New Castle Community School Corporation

AN EQUAL OPPORTUNITY EMPLOYER

OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.