

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

AUDIT REPORT

OF

NEW CASTLE COMMUNITY SCHOOL CORPORATION

HENRY COUNTY, INDIANA

July 1, 2007 to June 30, 2009



FILED
03/08/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jane Kellam-Tollett	07-01-07 to 06-30-10
Superintendent of Schools	John Newby Stephen Fisher	07-01-07 to 06-30-09 07-01-09 to 06-30-10
President of the School Board	Marilyn Bowman Stephen Walls Robert Shone	07-01-07 to 06-30-08 07-01-08 to 06-30-09 07-01-09 to 06-30-10



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

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the New Castle Community School Corporation (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2008 and 2009, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated January 6, 2010, 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 audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Corporation has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

January 6, 2010



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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the New Castle Community School Corporation (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated January 6, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

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

Compliance and Other Matters

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

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

STATE BOARD OF ACCOUNTS

January 6, 2010

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

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		Charges for Services	Operating Grants and Contributions	<u>Totals</u>
Governmental activities:				
Instruction	\$ 24,912,716	\$ -	\$ 206,891	\$ (24,705,825)
Support services	12,573,784	956,786	1,027,956	(10,589,042)
Noninstructional services	1,926,929	-	-	(1,926,929)
Facilities acquisition and construction	1,471,200	-	-	(1,471,200)
Debt service	2,569,500	-	-	(2,569,500)
Nonprogrammed charges	3,908,122	-	-	(3,908,122)
Total governmental activities	\$ 47,362,251	\$ 956,786	\$ 1,234,847	(45,170,618)
General receipts:				
Property taxes				12,693,507
Other local sources				9,431,074
State aid				18,208,088
Grants and contributions not restricted to specific programs				4,305,217
Sale of property				96,610
Investment earnings				729,764
Other				544,259
Total general receipts				46,008,519
Change in net assets				837,901
Net assets - beginning				14,665,208
Net assets - ending				\$ 15,503,109
<u>Assets</u>				
Cash and investments				\$ 8,694,497
Restricted assets:				
Cash and investments				6,808,612
Total assets				\$ 15,503,109
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 35,736
Other purposes				6,772,876
Unrestricted				8,694,497
Total net assets				\$ 15,503,109

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

NEW CASTLE COMMUNITY SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 24,565,047	\$ -	\$ 382,418	\$ (24,182,629)
Support services	14,179,548	1,016,535	1,140,407	(12,022,606)
Noninstructional services	2,161,574	-	-	(2,161,574)
Facilities acquisition and construction	1,777,370	-	-	(1,777,370)
Debt service	2,501,561	-	-	(2,501,561)
Nonprogrammed charges	<u>3,948,015</u>	<u>-</u>	<u>-</u>	<u>(3,948,015)</u>
Total governmental activities	<u>\$ 49,133,115</u>	<u>\$ 1,016,535</u>	<u>\$ 1,522,825</u>	<u>(46,593,755)</u>
General receipts:				
Property taxes				10,589,871
Other local sources				10,035,759
State aid				19,814,057
Grants and contributions not restricted to specific programs				6,767,587
Investment earnings				310,571
Other				<u>352,465</u>
Total general receipts				<u>47,870,310</u>
Change in net assets				1,276,555
Net assets - beginning				<u>15,503,109</u>
Net assets - ending				<u>\$ 16,779,664</u>
<u>Assets</u>				
Cash and investments				\$ 10,282,907
Restricted assets:				
Cash and investments				<u>6,496,757</u>
Total assets				<u>\$ 16,779,664</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ (85,299)
Other purposes				6,582,056
Unrestricted				<u>10,282,907</u>
Total net assets				<u>\$ 16,779,664</u>

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

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

	General	Special Education Cooperative	Capital Projects	Other	Totals
Receipts:					
Local sources	\$ 7,712,579	\$ 4,942,090	\$ 3,591,560	\$ 7,564,225	\$ 23,810,454
Intermediate sources	149	-	-	525	674
State sources	18,299,795	23,040	-	704,535	19,027,370
Federal sources	-	-	-	4,720,782	4,720,782
Other	1,232	351	-	54,757	56,340
Total receipts	<u>26,013,755</u>	<u>4,965,481</u>	<u>3,591,560</u>	<u>13,044,824</u>	<u>47,615,620</u>
Disbursements:					
Current:					
Instruction	15,177,305	3,250,594	-	6,484,816	24,912,715
Support services	6,867,498	762,172	1,462,009	3,482,105	12,573,784
Noninstructional services	389,266	-	-	1,537,662	1,926,928
Facilities acquisition and construction	-	-	1,471,200	-	1,471,200
Debt services	-	-	-	2,569,500	2,569,500
Nonprogrammed charges	2,932,129	25,990	-	512,594	3,470,713
Total disbursements	<u>25,366,198</u>	<u>4,038,756</u>	<u>2,933,209</u>	<u>14,586,677</u>	<u>46,924,840</u>
Excess (deficiency) of receipts over disbursements	<u>647,557</u>	<u>926,725</u>	<u>658,351</u>	<u>(1,541,853)</u>	<u>690,780</u>
Other financing sources (uses):					
Sale of capital assets	49,244	1,628	-	45,738	96,610
Transfers in	29,975	-	-	2,747,108	2,777,083
Transfers out	(53,814)	(2,623,770)	-	(99,499)	(2,777,083)
Total other financing sources (uses)	<u>25,405</u>	<u>(2,622,142)</u>	<u>-</u>	<u>2,693,347</u>	<u>96,610</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	672,962	(1,695,417)	658,351	1,151,494	787,390
Cash and investments - beginning	<u>5,724,980</u>	<u>786,022</u>	<u>1,415,935</u>	<u>15,906</u>	<u>7,942,843</u>
Cash and investments - ending	<u>\$ 6,397,942</u>	<u>\$ (909,395)</u>	<u>\$ 2,074,286</u>	<u>\$ 1,167,400</u>	<u>8,730,233</u>
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:					
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.					
					<u>6,772,876</u>
Net assets of governmental activities					<u>\$ 15,503,109</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 6,397,942	\$ (909,395)	\$ 2,074,286	\$ 1,131,664	\$ 8,694,497
Restricted assets:					
Cash and investments	-	-	-	35,736	35,736
Total cash and investment assets - ending	<u>\$ 6,397,942</u>	<u>\$ (909,395)</u>	<u>\$ 2,074,286</u>	<u>\$ 1,167,400</u>	<u>\$ 8,730,233</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ 35,736	\$ 35,736
Unrestricted	<u>6,397,942</u>	<u>(909,395)</u>	<u>2,074,286</u>	<u>1,131,664</u>	<u>8,694,497</u>
Total cash and investment fund balance - ending	<u>\$ 6,397,942</u>	<u>\$ (909,395)</u>	<u>\$ 2,074,286</u>	<u>\$ 1,167,400</u>	<u>\$ 8,730,233</u>

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

NEW CASTLE COMMUNITY SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	General	Special Education Cooperative	Fiscal Stabilization	Capital Projects	Other	Totals
Receipts:						
Local sources	\$ 5,557,339	\$ 6,705,759	\$ -	\$ 2,367,731	\$ 7,321,005	\$ 21,951,834
Intermediate sources	149	-	-	-	750	899
State sources	20,153,483	33,979	-	-	743,227	20,930,689
Federal sources	-	-	2,064,867	-	5,108,916	7,173,783
Other	21,549	2,953	-	1,250	192,106	217,858
Total receipts	25,732,520	6,742,691	2,064,867	2,368,981	13,366,004	50,275,063
Disbursements:						
Current:						
Instruction	14,507,055	3,532,213	57,815	-	6,467,962	24,565,045
Support services	8,710,968	871,970	25,386	841,486	3,729,738	14,179,548
Noninstructional services	428,572	-	-	-	1,733,002	2,161,574
Facilities acquisition and construction	2,500	-	-	1,774,870	-	1,777,370
Debt services	-	-	-	-	2,501,561	2,501,561
Nonprogrammed charges	3,123,780	19,435	-	-	479,375	3,622,590
Total disbursements	26,772,875	4,423,618	83,201	2,616,356	14,911,638	48,807,688
Excess (deficiency) of receipts over disbursements	(1,040,355)	2,319,073	1,981,666	(247,375)	(1,545,634)	1,467,375
Other financing sources (uses):						
Transfers in	36,968	-	-	-	1,416,755	1,453,723
Transfers out	(53,647)	(1,150,000)	-	-	(250,076)	(1,453,723)
Total other financing sources (uses)	(16,679)	(1,150,000)	-	-	1,166,679	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,057,034)	1,169,073	1,981,666	(247,375)	(378,955)	1,467,375
Cash and investments - beginning	6,397,942	(909,395)	-	2,074,286	1,167,400	8,730,233
Cash and investments - ending	<u>\$ 5,340,908</u>	<u>\$ 259,678</u>	<u>\$ 1,981,666</u>	<u>\$ 1,826,911</u>	<u>\$ 788,445</u>	<u>10,197,608</u>
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:						
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.						
						6,582,056
Net assets of governmental activities						<u>\$ 16,779,664</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 5,340,908	\$ 259,678	\$ 1,981,666	\$ 1,826,911	\$ 873,744	\$ 10,282,907
Restricted assets:						
Cash and investments	-	-	-	-	(85,299)	(85,299)
Total cash and investment assets - ending	<u>\$ 5,340,908</u>	<u>\$ 259,678</u>	<u>\$ 1,981,666</u>	<u>\$ 1,826,911</u>	<u>\$ 788,445</u>	<u>\$ 10,197,608</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	(85,299)	(85,299)
Unrestricted	5,340,908	259,678	1,981,666	1,826,911	873,744	10,282,907
Total cash and investment fund balance - ending	<u>\$ 5,340,908</u>	<u>\$ 259,678</u>	<u>\$ 1,981,666</u>	<u>\$ 1,826,911</u>	<u>\$ 788,445</u>	<u>\$ 10,197,608</u>

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

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

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 6,022,219
Miscellaneous	<u>487,926</u>
Total operating receipts	<u>6,510,145</u>
Operating disbursements:	
Insurance claims and expense	3,284,215
Other	<u>3,175,414</u>
Total operating disbursements	<u>6,459,629</u>
Change in net assets	50,516
Cash and investment fund balance - beginning	<u>6,722,360</u>
Cash and investment fund balance - ending	<u>\$ 6,772,876</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 6,772,876</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 6,772,876</u>

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

NEW CASTLE COMMUNITY SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2009

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 6,685,797
Miscellaneous	<u>134,606</u>
Total operating receipts	<u>6,820,403</u>
Operating disbursements:	
Insurance claims and expense	3,341,334
Other	<u>3,669,889</u>
Total operating disbursements	<u>7,011,223</u>
Change in net assets	(190,820)
Cash and investment fund balance - beginning	<u>6,772,876</u>
Cash and investment fund balance - ending	<u>\$ 6,582,056</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 6,582,056</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 6,582,056</u>

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

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

	Pension Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ 75,000	\$ 40,578	
Deductions:			
Benefits	175,004	-	
Administrative and general	-	45,119	
Total deductions	175,004	45,119	
Deficiency of total additions over total deductions	(100,004)	(4,541)	
Cash and investment fund balance - beginning	1,911,676	33,359	
Cash and investment fund balance - ending	\$ 1,811,672	\$ 28,818	\$ 513,483
Net assets:			
Cash and investments	\$ 1,811,672	\$ 28,818	
Total net assets - cash and investment basis held in trust	\$ 1,811,672	\$ 28,818	

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

NEW CASTLE COMMUNITY SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2009

	Pension Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Plan members	\$ 145,779	\$ -	
Other	-	1,736,939	
Total contributions	145,779	1,736,939	
Investment earnings:			
Interest	-	34,172	
Total additions	145,779	1,771,111	
Deductions:			
Benefits	228,484	-	
Administrative and general	-	35,239	
Total deductions	228,484	35,239	
Excess (deficiency) of total additions over total deductions	(82,705)	1,735,872	
Cash and investment fund balance - beginning	1,811,672	28,818	
Cash and investment fund balance - ending	\$ 1,728,967	\$ 1,764,690	\$ 329,774
Net assets:			
Cash and investments	\$ 1,728,967	\$ 1,764,690	
Total net assets - cash and investment basis held in trust	\$ 1,728,967	\$ 1,764,690	

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

NEW CASTLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

The School Corporation's financial reporting entity is composed of the following:

Primary Government: New Castle Community School Corporation

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

Joint Venture

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

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

The School Corporation is a participant with many other member school corporations in a joint venture to operate East Central Indiana Educational Service Center (Co-op), which was created to take advantage of bulk purchasing power, centralized repairs of equipment, and joint in-service training programs. The Co-op's governing board consists of a member selected by each participating school corporation. The board has full authority to manage the Co-op's operations, and

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

also maintains the treasury functions. Complete financial statements for the East Central Indiana Educational Service Center (Co-op) may be obtained by contacting East Central Indiana Educational Service Center, 1601 Indiana Avenue, Connersville, IN 47331.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

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

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

Fiscal stabilization-education (stimulus) fund accounts for receipts and disbursements of cash received from the federal government to be used to supplement funding of local, state, and federal programs.

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

Additionally, the School Corporation reports the following fund types:

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

The pension trust fund accounts for the activities of the retirement severance future fund, which accumulates resources for pension benefit payments.

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

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

Agency funds account for assets held by the School Corporation as an agent for payroll withholdings

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100%

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

of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

3. Capital Assets

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

4. Long-Term Debt

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

5. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

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

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following July 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied

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

or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Cash and Investment Balance Deficits

At June 30, 2008 and 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	2008	2009
Special Education Cooperative	\$ 909,395	\$ -
School Lunch Fund	178,606	30,875
Preschool Cooperative	-	24,293
Special Education Intensive Service	-	505,542
Area Vocational School	42,139	-
Henry County Youth Center	72,691	103,345
Healthy Families 07-08	19,579	-
Healthy Families 2008-2009	-	7,411
Alternative Education	17,085	-
Title I School Improvement 2007-2008	2,426	-
Title I School Improvement 2008-2009	-	145
IDEA PL 101-476 2007-2008	40,171	-
IDEA PL 101-476 2008-2009	-	58,418
Preschool Handicapped 2008-2009	-	10,511
Award for Excellence 2007-2009	504	2,366
Title IV-B Part II 2006-2008 Fund	1,651	-
Perkins - Moving Forward	22,495	-
Academic Integration 2007-2008	10,504	-
Retirement/Severance Bond Debt	330,550	306,793
Healthy Families 06-07	1,380	-

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

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

III. Detailed Notes on All Funds

A. Deposits and Investments

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2008 and 2009, were as follows:

Transfer From	Transfer To	2008	2009
General Fund	Other governmental funds	\$ 53,814	\$ 53,647
Special Education Cooperative	Other governmental funds	2,623,770	1,150,000
Other governmental funds	General Fund	29,975	36,968
	Other governmental funds	<u>69,524</u>	<u>213,108</u>
Totals		<u>\$ 2,777,083</u>	<u>\$ 1,453,723</u>

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

IV. Other Information

A. Risk Management

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

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

Medical Benefits to Employees, Retirees and Dependents

The School Corporation has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees and dependents. The risk financing fund is accounted for in the Health Insurance Fund, (an internal service fund), where assets are set aside for claim

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

settlements. An excess policy through commercial insurance covers individual claims in excess of \$100,000 per covered person per year to a maximum of \$6,986,781 in the aggregate per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon the expected costs for medical care for single and family plans which is applied to each affected fund and are reported as quasi-external interfund transactions.

B. 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 the year ended June 30, 2008, and June 30, 2009, totaled \$732,500 and \$734,000 respectively.

C. Termination Benefits

During the current year, the School Corporation offered to maintenance workers, custodians, bus drivers, food service workers, library technicians, and secretaries, retirement/severance benefits between \$5,500 and \$6,500 per employee. Sick days are paid at \$65 per day, except food service which is paid at the daily rate. The cost to the program was \$28,391 and \$109,527 for 2007-2008 and 2008-2009 respectively. Eleven employees participated in the program in 2007-2008 and eight employees participated in 2008-2009.

D. Other Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 50 with at least 15 years of service. Currently, 36 retirees meet these eligibility requirements. The School Corporation and retirees provides 55% and 45% respectively, of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2009, disbursements of \$117,455 were recognized for postemployment benefits. As of June 1, 2005, the School Corporation will allow the retirees to participate in the health insurance plan, but the retiree is required to pay 100% of the premium.

E. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the

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

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

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

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

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 384,558
Interest on net pension obligation	(36,949)
Adjustment to annual required contribution	42,106
Annual pension cost	389,715
Contributions made	341,758
Increase (decrease) in net pension obligation	47,957
Net pension obligation, beginning of year	(509,635)
Net pension obligation, end of year	\$ (461,678)

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

	PERF
Contribution rates:	
School Corporation	6.50%
Plan members	3%
Actuarial valuation date	07-01-08
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 270,307	112%	\$ (652,328)
	06-30-07	383,836	63%	(509,635)
	06-30-08	389,715	88%	(461,678)

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

Teachers' Retirement Fund

Plan Description

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

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

The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

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

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

Funding Policy and Annual Pension Costs

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

Plan members are required to contribute 7% of their salary and the School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2009, 2008, and 2007, were \$516,196, \$494,252, and \$428,236, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Assets Over Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 6,221,637	\$ 6,255,284	\$ (33,647)	99%	\$ 5,800,380	(1%)
07-01-07	6,942,997	6,986,398	(43,401)	99%	5,808,959	(1%)
07-01-08	7,287,004	7,385,961	(98,957)	99%	6,176,576	(2%)

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

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Preschool Cooperative	Special Education Intensive Service	Area Vocational School
Receipts:							
Local sources	\$ 1,925,080	\$ 18,349	\$ 680,625	\$ 166,702	\$ 504,542	\$ 54,338	\$ 1,239,351
Intermediate sources	-	-	-	-	-	-	-
State sources	-	219,308	16,742	144,077	-	-	-
Federal sources	-	-	867,136	-	-	-	-
Other	7,587	-	4,308	-	-	-	2,209
Total receipts	1,932,667	237,657	1,568,811	310,779	504,542	54,338	1,241,560
Disbursements:							
Current:							
Instruction	-	-	-	-	644,186	1,261,004	773,151
Support services	1,743,024	-	-	271,795	56,351	133,600	199,141
Noninstructional services	-	-	1,415,435	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	104	266,719	902	-	6,577	13,030	132,896
Total disbursements	1,743,128	266,719	1,416,337	271,795	707,114	1,407,634	1,105,188
Excess (deficiency) of receipts over disbursements	189,539	(29,062)	152,474	38,984	(202,572)	(1,353,296)	136,372
Other financing sources (uses):							
Sale of capital assets	3,021	-	4,113	369	63	-	1,360
Transfers in	-	-	-	44,524	250,000	2,373,770	-
Transfers out	-	-	-	(23,832)	-	-	-
Total other financing sources (uses)	3,021	-	4,113	21,061	250,063	2,373,770	1,360
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	192,560	(29,062)	156,587	60,045	47,491	1,020,474	137,732
Cash and investments - beginning	227,177	125,772	(335,193)	125,489	(2,716)	(927,863)	(179,871)
Cash and investments - ending	\$ 419,737	\$ 96,710	\$ (178,606)	\$ 185,534	\$ 44,775	\$ 92,611	\$ (42,139)
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 419,737	\$ 96,710	\$ (178,606)	\$ 185,534	\$ 44,775	\$ 92,611	\$ (42,139)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 419,737	\$ 96,710	\$ (178,606)	\$ 185,534	\$ 44,775	\$ 92,611	\$ (42,139)
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	419,737	96,710	(178,606)	185,534	44,775	92,611	(42,139)
Total cash and investment fund balance - ending	\$ 419,737	\$ 96,710	\$ (178,606)	\$ 185,534	\$ 44,775	\$ 92,611	\$ (42,139)

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

	Area Vocational Building Trades	Welding Special Projects	AVS Preschool Program	Machine Trades Special Project	AVS-CAD Program	AVS Youth Center	Henry County Youth Center
Receipts:							
Local sources	\$ 14,101	\$ 9,350	\$ 1,400	\$ -	\$ 860	\$ -	\$ 234,530
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other	-	6,440	-	56	-	-	-
Total receipts	<u>14,101</u>	<u>15,790</u>	<u>1,400</u>	<u>56</u>	<u>860</u>	<u>-</u>	<u>234,530</u>
Disbursements:							
Current:							
Instruction	10,758	-	-	-	-	-	216,718
Support services	-	-	-	-	-	-	-
Noninstructional services	-	13,572	1,193	632	684	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	4,006
Total disbursements	<u>10,758</u>	<u>13,572</u>	<u>1,193</u>	<u>632</u>	<u>684</u>	<u>-</u>	<u>220,724</u>
Excess (deficiency) of receipts over disbursements	<u>3,343</u>	<u>2,218</u>	<u>207</u>	<u>(576)</u>	<u>176</u>	<u>-</u>	<u>13,806</u>
Other financing sources (uses):							
Sale of capital assets	1,320	-	-	-	-	-	500
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>1,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,663	2,218	207	(576)	176	-	14,306
Cash and investments - beginning	<u>1,352</u>	<u>6,211</u>	<u>860</u>	<u>593</u>	<u>456</u>	<u>79</u>	<u>(86,997)</u>
Cash and investments - ending	<u>\$ 6,015</u>	<u>\$ 8,429</u>	<u>\$ 1,067</u>	<u>\$ 17</u>	<u>\$ 632</u>	<u>\$ 79</u>	<u>\$ (72,691)</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 6,015	\$ 8,429	\$ 1,067	\$ 17	\$ 632	\$ 79	\$ (72,691)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 6,015</u>	<u>\$ 8,429</u>	<u>\$ 1,067</u>	<u>\$ 17</u>	<u>\$ 632</u>	<u>\$ 79</u>	<u>\$ (72,691)</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>6,015</u>	<u>8,429</u>	<u>1,067</u>	<u>17</u>	<u>632</u>	<u>79</u>	<u>(72,691)</u>
Total cash and investment fund balance - ending	<u>\$ 6,015</u>	<u>\$ 8,429</u>	<u>\$ 1,067</u>	<u>\$ 17</u>	<u>\$ 632</u>	<u>\$ 79</u>	<u>\$ (72,691)</u>

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

	Cradles Child Care Program	Education Plate Fee	Alternative Education Grant	Early Intervention	Professional Development (IDOE)	Healthy Families - OFC 2004-2005	Healthy Families - TANF 2004-2005
Receipts:							
Local sources	\$ 78,681	\$ -	\$ 10,301	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	525	-	-	-	-	-
State sources	-	-	20,601	35,656	-	8,736	63,396
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	350	-	-
Total receipts	<u>78,681</u>	<u>525</u>	<u>30,902</u>	<u>35,656</u>	<u>350</u>	<u>8,736</u>	<u>63,396</u>
Disbursements:							
Current:							
Instruction	4,999	-	6,502	35,656	494	7,358	66,293
Support services	-	-	-	-	57,470	-	-
Noninstructional services	72,358	788	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	318	-	468	3,844
Total disbursements	<u>77,357</u>	<u>788</u>	<u>6,502</u>	<u>35,974</u>	<u>57,964</u>	<u>7,826</u>	<u>70,137</u>
Excess (deficiency) of receipts over disbursements	<u>1,324</u>	<u>(263)</u>	<u>24,400</u>	<u>(318)</u>	<u>(57,614)</u>	<u>910</u>	<u>(6,741)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	53,814	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,814</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,324</u>	<u>(263)</u>	<u>24,400</u>	<u>(318)</u>	<u>(3,800)</u>	<u>910</u>	<u>(6,741)</u>
Cash and investments - beginning	<u>20,918</u>	<u>563</u>	<u>69,681</u>	<u>318</u>	<u>62,350</u>	<u>(910)</u>	<u>6,741</u>
Cash and investments - ending	<u>\$ 22,242</u>	<u>\$ 300</u>	<u>\$ 94,081</u>	<u>\$ -</u>	<u>\$ 58,550</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 22,242	\$ 300	\$ 94,081	\$ -	\$ 58,550	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 22,242</u>	<u>\$ 300</u>	<u>\$ 94,081</u>	<u>\$ -</u>	<u>\$ 58,550</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>22,242</u>	<u>300</u>	<u>94,081</u>	<u>-</u>	<u>58,550</u>	<u>-</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ 22,242</u>	<u>\$ 300</u>	<u>\$ 94,081</u>	<u>\$ -</u>	<u>\$ 58,550</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Healthy Families 07-08	Gifted and Talented 07-08	Tech Prep 05-06	Homemaker Contract 2007	Homemaker Contract 2008	Non-English Speaking Grant	Technology
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	108,672	43,053	38,294	-	6,000	-	-
Federal sources	-	-	-	16,500	-	-	-
Other	-	-	-	-	-	-	33,807
Total receipts	108,672	43,053	38,294	16,500	6,000	-	33,807
Disbursements:							
Current:							
Instruction	128,251	41,639	16,790	15,747	4,367	-	-
Support services	-	-	16,995	-	-	-	23,241
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	128,251	41,639	33,785	15,747	4,367	-	23,241
Excess (deficiency) of receipts over disbursements	(19,579)	1,414	4,509	753	1,633	-	10,566
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	19,692
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	19,692
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(19,579)	1,414	4,509	753	1,633	-	30,258
Cash and investments - beginning	-	-	(4,509)	8,000	4,366	617	179
Cash and investments - ending	\$ (19,579)	\$ 1,414	\$ -	\$ 8,753	\$ 5,999	\$ 617	\$ 30,437
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ (19,579)	\$ 1,414	\$ -	\$ 8,753	\$ 5,999	\$ 617	\$ 30,437
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (19,579)	\$ 1,414	\$ -	\$ 8,753	\$ 5,999	\$ 617	\$ 30,437
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(19,579)	1,414	-	8,753	5,999	617	30,437
Total cash and investment fund balance - ending	\$ (19,579)	\$ 1,414	\$ -	\$ 8,753	\$ 5,999	\$ 617	\$ 30,437

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

	Technology Plan Grant 06-07	Bundy Auditorium	GED Testing	Alternative Education	Title I 2006-2007	Title I 2007-2008	Title I Delinquent 2006-2007
Receipts:							
Local sources	\$ -	\$ 6,802	\$ 13,154	\$ 55,459	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	165,245	641,001	-
Other	-	-	-	-	-	-	-
Total receipts	-	6,802	13,154	55,459	165,245	641,001	-
Disbursements:							
Current:							
Instruction	488	1,066	14,289	751	109,268	430,654	23,106
Support services	64,038	-	-	93,421	38,669	65,933	-
Noninstructional services	-	23,210	-	-	1,723	5,843	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	200	-	-	16,936	-	1,300
Total disbursements	64,526	24,476	14,289	94,172	166,596	502,430	24,406
Excess (deficiency) of receipts over disbursements	(64,526)	(17,674)	(1,135)	(38,713)	(1,351)	138,571	(24,406)
Other financing sources (uses):							
Sale of capital assets	-	15,300	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	15,300	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(64,526)	(2,374)	(1,135)	(38,713)	(1,351)	138,571	(24,406)
Cash and investments - beginning	64,526	2,919	13,556	21,628	1,351	-	24,406
Cash and investments - ending	\$ -	\$ 545	\$ 12,421	\$ (17,085)	\$ -	\$ 138,571	\$ -
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 545	\$ 12,421	\$ (17,085)	\$ -	\$ 138,571	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 545	\$ 12,421	\$ (17,085)	\$ -	\$ 138,571	\$ -
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	545	12,421	(17,085)	-	138,571	-
Total cash and investment fund balance - ending	\$ -	\$ 545	\$ 12,421	\$ (17,085)	\$ -	\$ 138,571	\$ -

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

	Title I Delinquent 2007-2008	Title I School Improvement 2006-2007	Title I School Improvement 2007-2008	Title V 2007-2008	Title V 2006-2007	IDEA PL 101-476 2007-2008	IDEA PL 101-476 2006-2007
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	28,513	14,000	57,478	6,490	-	1,960,106	200,700
Other	-	-	-	-	-	-	-
Total receipts	28,513	14,000	57,478	6,490	-	1,960,106	200,700
Disbursements:							
Current:							
Instruction	16,245	10,682	56,945	-	66,710	1,732,825	269,973
Support services	-	2,725	2,735	-	-	267,452	29,554
Noninstructional services	-	-	224	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	3,000	-	58,364
Total disbursements	16,245	13,407	59,904	-	69,710	2,000,277	357,891
Excess (deficiency) of receipts over disbursements	12,268	593	(2,426)	6,490	(69,710)	(40,171)	(157,191)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	25,000	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	25,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12,268	593	(2,426)	6,490	(44,710)	(40,171)	(157,191)
Cash and investments - beginning	-	(593)	-	-	48,960	-	157,191
Cash and investments - ending	\$ 12,268	\$ -	\$ (2,426)	\$ 6,490	\$ 4,250	\$ (40,171)	\$ -
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 12,268	\$ -	\$ (2,426)	\$ 6,490	\$ 4,250	\$ (40,171)	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 12,268	\$ -	\$ (2,426)	\$ 6,490	\$ 4,250	\$ (40,171)	\$ -
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	12,268	-	(2,426)	6,490	4,250	(40,171)	-
Total cash and investment fund balance - ending	\$ 12,268	\$ -	\$ (2,426)	\$ 6,490	\$ 4,250	\$ (40,171)	\$ -

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

	Preschool Handicapped 2007-2008	Preschool Handicapped 2008-2009	Adult Basic Education 05-8026	Adult Basic Education	Impact 2005-2006	Impact 2003-2004	Drug Free Schools 2007-2008
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	111,706	-	-	193,887	-	-	13,620
Other	-	-	-	-	-	-	-
Total receipts	111,706	-	-	193,887	-	-	13,620
Disbursements:							
Current:							
Instruction	103,059	11,386	47,458	106,177	1,312	-	155
Support services	-	-	10,381	57,112	-	-	5,010
Noninstructional services	-	-	-	-	-	-	1,000
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	327
Total disbursements	103,059	11,386	57,839	163,289	1,312	-	6,492
Excess (deficiency) of receipts over disbursements	8,647	(11,386)	(57,839)	30,598	(1,312)	-	7,128
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	8,647	(11,386)	(57,839)	30,598	(1,312)	-	7,128
Cash and investments - beginning	-	11,386	57,839	-	8,520	13,318	-
Cash and investments - ending	\$ 8,647	\$ -	\$ -	\$ 30,598	\$ 7,208	\$ 13,318	\$ 7,128
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 8,647	\$ -	\$ -	\$ 30,598	\$ 7,208	\$ 13,318	\$ 7,128
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 8,647	\$ -	\$ -	\$ 30,598	\$ 7,208	\$ 13,318	\$ 7,128
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	8,647	-	-	30,598	7,208	13,318	7,128
Total cash and investment fund balance - ending	\$ 8,647	\$ -	\$ -	\$ 30,598	\$ 7,208	\$ 13,318	\$ 7,128

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

	Drug Free Schools 2006-2007	Awards for Excellence 2006	Award For Excellence 2007-2009	Title IV-B, Part II 2006-2008	Perkins - Moving Forward	Perkins 2007-2008	Perkins Grant 2006-2007
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	3,134	7,629	3,547	11,174	132,776	35,665
Other	-	-	-	-	-	-	-
Total receipts	-	3,134	7,629	3,547	11,174	132,776	35,665
Disbursements:							
Current:							
Instruction	(86)	47	8,133	5,885	25,214	12,536	1,261
Support services	2,385	-	-	-	8,455	77,666	58,982
Noninstructional services	1,000	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	3,299	47	8,133	5,885	33,669	90,202	60,243
Excess (deficiency) of receipts over disbursements	(3,299)	3,087	(504)	(2,338)	(22,495)	42,574	(24,578)
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	(3,299)	3,087	(504)	(2,338)	(22,495)	42,574	(24,578)
Cash and investments - beginning	3,299	(3,087)	-	687	-	-	24,578
Cash and investments - ending	\$ -	\$ -	\$ (504)	\$ (1,651)	\$ (22,495)	\$ 42,574	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ (504)	\$ (1,651)	\$ (22,495)	\$ 42,574	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ (504)	\$ (1,651)	\$ (22,495)	\$ 42,574	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	(504)	(1,651)	(22,495)	42,574	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ (504)	\$ (1,651)	\$ (22,495)	\$ 42,574	\$ -

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 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
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 For the Year Ended June 30, 2008
 (Continued)

	Academic Integration 2007-2008	Title II 2007-2008	Debt Service	Retirement/ Severance Bond Debt	Bus Replacement	Construction CHS	Totals
Receipts:							
Local sources	\$ -	\$ -	\$ 1,840,972	\$ 563,561	\$ 146,067	\$ -	\$ 7,564,225
Intermediate sources	-	-	-	-	-	-	525
State sources	-	-	-	-	-	-	704,535
Federal sources	19,024	231,451	-	-	-	-	4,720,782
Other	-	-	-	-	-	-	54,757
Total receipts	<u>19,024</u>	<u>231,451</u>	<u>1,840,972</u>	<u>563,561</u>	<u>146,067</u>	<u>-</u>	<u>13,044,824</u>
Disbursements:							
Current:							
Instruction	29,528	165,836	-	-	-	-	6,484,816
Support services	-	31,187	-	-	164,783	-	3,482,105
Noninstructional services	-	-	-	-	-	-	1,537,662
Debt services	-	-	1,941,169	628,331	-	-	2,569,500
Nonprogrammed charges	-	3,603	-	-	-	-	512,594
Total disbursements	<u>29,528</u>	<u>200,626</u>	<u>1,941,169</u>	<u>628,331</u>	<u>164,783</u>	<u>-</u>	<u>14,586,677</u>
Excess (deficiency) of receipts over disbursements	<u>(10,504)</u>	<u>30,825</u>	<u>(100,197)</u>	<u>(64,770)</u>	<u>(18,716)</u>	<u>-</u>	<u>(1,541,853)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	45,738
Transfers in	-	-	-	-	-	-	2,747,108
Transfers out	-	(25,000)	(50,667)	-	-	-	(99,499)
Total other financing sources (uses)	<u>-</u>	<u>(25,000)</u>	<u>(50,667)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,693,347</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(10,504)</u>	<u>5,825</u>	<u>(150,864)</u>	<u>(64,770)</u>	<u>(18,716)</u>	<u>-</u>	<u>1,151,494</u>
Cash and investments - beginning	<u>-</u>	<u>48,842</u>	<u>517,150</u>	<u>(265,780)</u>	<u>32,497</u>	<u>109,050</u>	<u>15,906</u>
Cash and investments - ending	<u>\$ (10,504)</u>	<u>\$ 54,667</u>	<u>\$ 366,286</u>	<u>\$ (330,550)</u>	<u>\$ 13,781</u>	<u>\$ 109,050</u>	<u>\$ 1,167,400</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ (10,504)	\$ 54,667	\$ -	\$ -	\$ 13,781	\$ 109,050	\$ 1,131,664
Restricted assets:							
Cash and investments	-	-	366,286	(330,550)	-	-	35,736
Total cash and investment assets - ending	<u>\$ (10,504)</u>	<u>\$ 54,667</u>	<u>\$ 366,286</u>	<u>\$ (330,550)</u>	<u>\$ 13,781</u>	<u>\$ 109,050</u>	<u>\$ 1,167,400</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ 366,286	\$ (330,550)	\$ -	\$ -	\$ 35,736
Unrestricted	<u>(10,504)</u>	<u>54,667</u>	<u>-</u>	<u>-</u>	<u>13,781</u>	<u>109,050</u>	<u>1,131,664</u>
Total cash and investment fund balance - ending	<u>\$ (10,504)</u>	<u>\$ 54,667</u>	<u>\$ 366,286</u>	<u>\$ (330,550)</u>	<u>\$ 13,781</u>	<u>\$ 109,050</u>	<u>\$ 1,167,400</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Preschool Cooperative	Special Education Intensive Service	Area Vocational School
Receipts:							
Local sources	\$ 1,650,785	\$ 19,090	\$ 724,348	\$ 148,167	\$ 459,584	\$ 49,451	\$ 1,212,763
Intermediate sources	-	-	-	-	-	-	-
State sources	-	248,192	16,238	145,338	-	-	-
Federal sources	-	-	978,832	-	-	-	-
Other	7,342	-	3,641	-	-	-	5,015
Total receipts	1,658,127	267,282	1,723,059	293,505	459,584	49,451	1,217,778
Disbursements:							
Current:							
Instruction	-	-	-	-	660,590	1,333,712	779,509
Support services	1,686,210	-	-	298,727	68,062	163,892	273,648
Noninstructional services	-	-	1,574,197	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	265,803	1,131	-	-	-	98,260
Total disbursements	1,686,210	265,803	1,575,328	298,727	728,652	1,497,604	1,151,417
Excess (deficiency) of receipts over disbursements	(28,083)	1,479	147,731	(5,222)	(269,068)	(1,448,153)	66,361
Other financing sources (uses):							
Transfers in	2,268	-	-	65,268	200,000	850,000	-
Transfers out	-	-	-	(36,968)	-	-	-
Total other financing sources (uses)	2,268	-	-	28,300	200,000	850,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(25,815)	1,479	147,731	23,078	(69,068)	(598,153)	66,361
Cash and investments - beginning	419,737	96,710	(178,606)	185,534	44,775	92,611	(42,139)
Cash and investments - ending	<u>\$ 393,922</u>	<u>\$ 98,189</u>	<u>\$ (30,875)</u>	<u>\$ 208,612</u>	<u>\$ (24,293)</u>	<u>\$ (505,542)</u>	<u>\$ 24,222</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 393,922	\$ 98,189	\$ (30,875)	\$ 208,612	\$ (24,293)	\$ (505,542)	\$ 24,222
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 393,922</u>	<u>\$ 98,189</u>	<u>\$ (30,875)</u>	<u>\$ 208,612</u>	<u>\$ (24,293)</u>	<u>\$ (505,542)</u>	<u>\$ 24,222</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	393,922	98,189	(30,875)	208,612	(24,293)	(505,542)	24,222
Total cash and investment fund balance - ending	<u>\$ 393,922</u>	<u>\$ 98,189</u>	<u>\$ (30,875)</u>	<u>\$ 208,612</u>	<u>\$ (24,293)</u>	<u>\$ (505,542)</u>	<u>\$ 24,222</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Area Vocational Building Trades	Welding Special Projects	AVS Preschool Program	Machine Trades Special Project	AVS-CAD Program	AVS Youth Center	Henry County Youth Center
Receipts:							
Local sources	\$ 18,756	\$ 2,923	\$ 1,582	\$ 122	\$ 900	\$ -	\$ 225,593
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other	1,487	5,918	-	-	1,250	-	-
Total receipts	20,243	8,841	1,582	122	2,150	-	225,593
Disbursements:							
Current:							
Instruction	23,732	-	-	-	-	-	251,568
Support services	-	-	-	-	-	-	-
Noninstructional services	-	8,764	1,723	-	1,978	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	4,679
Total disbursements	23,732	8,764	1,723	-	1,978	-	256,247
Excess (deficiency) of receipts over disbursements	(3,489)	77	(141)	122	172	-	(30,654)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,489)	77	(141)	122	172	-	(30,654)
Cash and investments - beginning	6,015	8,429	1,067	17	632	79	(72,691)
Cash and investments - ending	\$ 2,526	\$ 8,506	\$ 926	\$ 139	\$ 804	\$ 79	\$ (103,345)
Cash and Investment Assets - Ending							
Cash and investments	\$ 2,526	\$ 8,506	\$ 926	\$ 139	\$ 804	\$ 79	\$ (103,345)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 2,526	\$ 8,506	\$ 926	\$ 139	\$ 804	\$ 79	\$ (103,345)
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,526	8,506	926	139	804	79	(103,345)
Total cash and investment fund balance - ending	\$ 2,526	\$ 8,506	\$ 926	\$ 139	\$ 804	\$ 79	\$ (103,345)

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Cradles Child Care Program	Education Plate Fee	Alternative Education Grants	Professional Development (IDOE)	Healthy Families 2007-2008	Healthy Families 2008-2009	Gifted and Talented 07-08
Receipts:							
Local sources	\$ 78,465	\$ -	\$ 8,875	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	750	-	-	-	-	-
State sources	-	-	17,750	-	64,068	177,588	-
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	330	-	-	-
Total receipts	78,465	750	26,625	330	64,068	177,588	-
Disbursements:							
Current:							
Instruction	-	-	2,114	-	41,435	184,999	-
Support services	-	-	-	46,638	-	-	-
Noninstructional services	98,253	994	-	-	-	-	1,414
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	3,054	-	-
Total disbursements	98,253	994	2,114	46,638	44,489	184,999	1,414
Excess (deficiency) of receipts over disbursements	(19,788)	(244)	24,511	(46,308)	19,579	(7,411)	(1,414)
Other financing sources (uses):							
Transfers in	-	-	-	53,647	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	53,647	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(19,788)	(244)	24,511	7,339	19,579	(7,411)	(1,414)
Cash and investments - beginning	22,242	300	94,081	58,550	(19,579)	-	1,414
Cash and investments - ending	<u>\$ 2,454</u>	<u>\$ 56</u>	<u>\$ 118,592</u>	<u>\$ 65,889</u>	<u>\$ -</u>	<u>\$ (7,411)</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 2,454	\$ 56	\$ 118,592	\$ 65,889	\$ -	\$ (7,411)	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 2,454</u>	<u>\$ 56</u>	<u>\$ 118,592</u>	<u>\$ 65,889</u>	<u>\$ -</u>	<u>\$ (7,411)</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,454	56	118,592	65,889	-	(7,411)	-
Total cash and investment fund balance - ending	<u>\$ 2,454</u>	<u>\$ 56</u>	<u>\$ 118,592</u>	<u>\$ 65,889</u>	<u>\$ -</u>	<u>\$ (7,411)</u>	<u>\$ -</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Gifted and Talented 08-09	Homemaker Contract 2007	Homemaker Contract 2008	State Awards	Non-English Speaking Grant	Technology	Bundy Auditorium
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ 5,835
Intermediate sources	-	-	-	-	-	-	-
State sources	43,053	-	18,500	10,000	-	-	-
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	62,121	30,000
Total receipts	43,053	-	18,500	10,000	-	65,121	35,835
Disbursements:							
Current:							
Instruction	43,053	8,753	2,887	-	-	-	-
Support services	-	-	-	-	-	43,656	-
Noninstructional services	-	-	-	10,000	-	-	23,450
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	43,053	8,753	2,887	10,000	-	43,656	23,450
Excess (deficiency) of receipts over disbursements	-	(8,753)	15,613	-	-	21,465	12,385
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(21,612)	-	-	-	-
Total other financing sources (uses)	-	-	(21,612)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(8,753)	(5,999)	-	-	21,465	12,385
Cash and investments - beginning	-	8,753	5,999	-	617	30,437	545
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 617	\$ 51,902	\$ 12,930
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 617	\$ 51,902	\$ 12,930
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ -	\$ 617	\$ 51,902	\$ 12,930
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-	617	51,902	12,930
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ -	\$ 617	\$ 51,902	\$ 12,930

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	GED Testing	Alternative Education	Access Indiana Technology Training	Title I 2008-2009	Title I 2007-2008	Title I Delinquent 2007-2008	Title I Delinquent 2008-2009
Receipts:							
Local sources	\$ 17,508	\$ 49,554	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	2,500	-	-	-	-
Federal sources	-	-	-	682,279	165,000	5,000	110,340
Other	-	-	-	-	-	-	-
Total receipts	<u>17,508</u>	<u>49,554</u>	<u>2,500</u>	<u>682,279</u>	<u>165,000</u>	<u>5,000</u>	<u>110,340</u>
Disbursements:							
Current:							
Instruction	14,900	-	-	474,991	168,980	16,642	69,234
Support services	-	126,718	-	42,498	82,985	-	1,165
Noninstructional services	-	-	-	5,863	4,125	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	13,230	626	-
Total disbursements	<u>14,900</u>	<u>126,718</u>	<u>-</u>	<u>523,352</u>	<u>269,320</u>	<u>17,268</u>	<u>70,399</u>
Excess (deficiency) of receipts over disbursements	<u>2,608</u>	<u>(77,164)</u>	<u>2,500</u>	<u>158,927</u>	<u>(104,320)</u>	<u>(12,268)</u>	<u>39,941</u>
Other financing sources (uses):							
Transfers in	-	100,000	-	34,251	-	-	-
Transfers out	-	-	-	(2,268)	(34,251)	-	-
Total other financing sources (uses)	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>31,983</u>	<u>(34,251)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,608</u>	<u>22,836</u>	<u>2,500</u>	<u>190,910</u>	<u>(138,571)</u>	<u>(12,268)</u>	<u>39,941</u>
Cash and investments - beginning	<u>12,421</u>	<u>(17,085)</u>	<u>-</u>	<u>-</u>	<u>138,571</u>	<u>12,268</u>	<u>-</u>
Cash and investments - ending	<u>\$ 15,029</u>	<u>\$ 5,751</u>	<u>\$ 2,500</u>	<u>\$ 190,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,941</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 15,029	\$ 5,751	\$ 2,500	\$ 190,910	\$ -	\$ -	\$ 39,941
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 15,029</u>	<u>\$ 5,751</u>	<u>\$ 2,500</u>	<u>\$ 190,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,941</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	15,029	5,751	2,500	190,910	-	-	39,941
Total cash and investment fund balance - ending	<u>\$ 15,029</u>	<u>\$ 5,751</u>	<u>\$ 2,500</u>	<u>\$ 190,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,941</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Title I School Improvement 2008-2009	Title I School Improvement 2007-2008	Title V 2007-2008	Title V 2006-2007	IDEA PL 101-476 2007-2008	IDEA PL 101-476 2008-2009	Preschool Handicapped 2007-2008
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	10,000	21,000	-	-	200,000	1,996,323	20,000
Other	-	-	-	-	-	-	-
Total receipts	10,000	21,000	-	-	200,000	1,996,323	20,000
Disbursements:							
Current:							
Instruction	10,145	5,081	67,340	4,250	98,347	1,741,332	28,647
Support services	-	13,469	-	-	17,882	270,754	-
Noninstructional services	-	24	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	3,437	-	43,600	42,655	-
Total disbursements	10,145	18,574	70,777	4,250	159,829	2,054,741	28,647
Excess (deficiency) of receipts over disbursements	(145)	2,426	(70,777)	(4,250)	40,171	(58,418)	(8,647)
Other financing sources (uses):							
Transfers in	-	-	64,287	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	64,287	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(145)	2,426	(6,490)	(4,250)	40,171	(58,418)	(8,647)
Cash and investments - beginning	-	(2,426)	6,490	4,250	(40,171)	-	8,647
Cash and investments - ending	<u>\$ (145)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (58,418)</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ (145)	\$ -	\$ -	\$ -	\$ -	\$ (58,418)	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (145)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (58,418)</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(145)	-	-	-	-	(58,418)	-
Total cash and investment fund balance - ending	<u>\$ (145)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (58,418)</u>	<u>\$ -</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Preschool Handicapped 2008-2009	Adult Basic Education	Adult Basic Education 2008-2009	Impact 2005-2006	Impact 2003-2004	Drug Free Schools 2007-2008	Drug Free Schools 2008-2009
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	121,111	-	194,984	-	-	2,725	13,404
Other	-	-	-	-	2	-	-
Total receipts	121,111	-	194,984	-	2	2,725	13,404
Disbursements:							
Current:							
Instruction	131,622	23,716	75,184	6,282	-	-	-
Support services	-	6,882	67,837	-	-	9,853	15,040
Noninstructional services	-	-	-	-	-	-	2,217
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	131,622	30,598	143,021	6,282	-	9,853	17,257
Excess (deficiency) of receipts over disbursements	(10,511)	(30,598)	51,963	(6,282)	2	(7,128)	(3,853)
Other financing sources (uses):							
Transfers in	-	-	-	34,932	-	-	12,102
Transfers out	-	-	-	-	(13,320)	-	-
Total other financing sources (uses)	-	-	-	34,932	(13,320)	-	12,102
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,511)	(30,598)	51,963	28,650	(13,318)	(7,128)	8,249
Cash and investments - beginning	-	30,598	-	7,208	13,318	7,128	-
Cash and investments - ending	\$ (10,511)	\$ -	\$ 51,963	\$ 35,858	\$ -	\$ -	\$ 8,249
Cash and Investment Assets - Ending							
Cash and investments	\$ (10,511)	\$ -	\$ 51,963	\$ 35,858	\$ -	\$ -	\$ 8,249
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (10,511)	\$ -	\$ 51,963	\$ 35,858	\$ -	\$ -	\$ 8,249
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(10,511)	-	51,963	35,858	-	-	8,249
Total cash and investment fund balance - ending	\$ (10,511)	\$ -	\$ 51,963	\$ 35,858	\$ -	\$ -	\$ 8,249

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Award For Excellence 2007-2009	Perkins 2008-2009	Title IV Part B 2006-2007	Perkins - Moving Forward	Perkins	Academic Integration 2007-2008	Title II 2007-2008
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ 1,800	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	9,352	108,368	2,671	44,658	1	17,821	252,102
Other	-	-	-	-	-	-	-
Total receipts	9,352	108,368	2,671	46,458	1	17,821	252,102
Disbursements:							
Current:							
Instruction	11,214	14,600	1,020	13,394	300	7,317	151,072
Support services	-	46,954	-	8,947	42,275	-	52,441
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	2,900
Total disbursements	11,214	61,554	1,020	22,341	42,575	7,317	206,413
Excess (deficiency) of receipts over disbursements	(1,862)	46,814	1,651	24,117	(42,574)	10,504	45,689
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(76,389)
Total other financing sources (uses)	-	-	-	-	-	-	(76,389)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,862)	46,814	1,651	24,117	(42,574)	10,504	(30,700)
Cash and investments - beginning	(504)	-	(1,651)	(22,495)	42,574	(10,504)	54,667
Cash and investments - ending	(2,366)	46,814	-	1,622	-	-	23,967
Cash and Investment Assets - Ending							
Cash and investments	(2,366)	46,814	-	1,622	-	-	23,967
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	(2,366)	46,814	-	1,622	-	-	23,967
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	-	-	-	-	-	-	-
Unrestricted	(2,366)	46,814	-	1,622	-	-	23,967
Total cash and investment fund balance - ending	(2,366)	46,814	-	1,622	-	-	23,967

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Improving Teacher Quality	Debt Service	Retirement/ Severance Bond Debt	Bus Replacement	Construction CHS	Totals
Receipts:						
Local sources	\$ -	\$ 1,795,856	\$ 649,938	\$ 196,110	\$ -	\$ 7,321,005
Intermediate sources	-	-	-	-	-	750
State sources	-	-	-	-	-	743,227
Federal sources	152,945	-	-	-	-	5,108,916
Other	-	-	-	-	75,000	192,106
Total receipts	152,945	1,795,856	649,938	196,110	75,000	13,366,004
Disbursements:						
Current:						
Instruction	-	-	-	-	-	6,467,962
Support services	148,300	-	-	194,905	-	3,729,738
Noninstructional services	-	-	-	-	-	1,733,002
Debt services	-	1,875,380	626,181	-	-	2,501,561
Nonprogrammed charges	-	-	-	-	-	479,375
Total disbursements	148,300	1,875,380	626,181	194,905	-	14,911,638
Excess (deficiency) of receipts over disbursements	4,645	(79,524)	23,757	1,205	75,000	(1,545,634)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	1,416,755
Transfers out	-	(65,268)	-	-	-	(250,076)
Total other financing sources (uses)	-	(65,268)	-	-	-	1,166,679
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,645	(144,792)	23,757	1,205	75,000	(378,955)
Cash and investments - beginning	-	366,286	(330,550)	13,781	109,050	1,167,400
Cash and investments - ending	\$ 4,645	\$ 221,494	\$ (306,793)	\$ 14,986	\$ 184,050	\$ 788,445
Cash and Investment Assets - Ending						
Cash and investments	\$ 4,645	\$ -	\$ -	\$ 14,986	\$ 184,050	\$ 873,744
Restricted assets:						
Cash and investments	-	221,494	(306,793)	-	-	(85,299)
Total cash and investment assets - ending	\$ 4,645	\$ 221,494	\$ (306,793)	\$ 14,986	\$ 184,050	\$ 788,445
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ 221,494	\$ (306,793)	\$ -	\$ -	\$ (85,299)
Unrestricted	4,645	-	-	14,986	184,050	873,744
Total cash and investment fund balance - ending	\$ 4,645	\$ 221,494	\$ (306,793)	\$ 14,986	\$ 184,050	\$ 788,445

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
 AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2008

	Self- Insurance	Central Stores	Totals
Operating receipts:			
Charges for services	\$ 5,924,192	\$ 98,027	\$ 6,022,219
Miscellaneous	<u>487,926</u>	<u>-</u>	<u>487,926</u>
Total operating receipts	<u>6,412,118</u>	<u>98,027</u>	<u>6,510,145</u>
Operating disbursements:			
Insurance claims and expense	3,284,215	-	3,284,215
Other	<u>3,070,466</u>	<u>104,948</u>	<u>3,175,414</u>
Total operating disbursements	<u>6,354,681</u>	<u>104,948</u>	<u>6,459,629</u>
Change in net assets	57,437	(6,921)	50,516
Cash and investment fund balance - beginning	<u>6,660,466</u>	<u>61,894</u>	<u>6,722,360</u>
Cash and investment fund balance - ending	<u>\$ 6,717,903</u>	<u>\$ 54,973</u>	<u>\$ 6,772,876</u>
<u>Cash and Investment Assets - Ending</u>			
Restricted assets:			
Cash and investments	<u>\$ 6,717,903</u>	<u>\$ 54,973</u>	<u>\$ 6,772,876</u>
Total cash and investment assets - ending	<u>\$ 6,717,903</u>	<u>\$ 54,973</u>	<u>\$ 6,772,876</u>
<u>Cash and Investment Fund Balance - Ending</u>			
Restricted for:			
Other purposes	<u>\$ 6,717,903</u>	<u>\$ 54,973</u>	<u>\$ 6,772,876</u>
Total cash and investment fund balance - ending	<u>\$ 6,717,903</u>	<u>\$ 54,973</u>	<u>\$ 6,772,876</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
 AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2009

	Self- Insurance	Central Stores	Totals
Operating receipts:			
Charges for services	\$ 6,587,897	\$ 97,900	\$ 6,685,797
Miscellaneous	<u>134,606</u>	<u>-</u>	<u>134,606</u>
Total operating receipts	<u>6,722,503</u>	<u>97,900</u>	<u>6,820,403</u>
Operating disbursements:			
Insurance claims and expense	3,341,334	-	3,341,334
Other	<u>3,585,427</u>	<u>84,462</u>	<u>3,669,889</u>
Total operating disbursements	<u>6,926,761</u>	<u>84,462</u>	<u>7,011,223</u>
Change in net assets	(204,258)	13,438	(190,820)
Cash and investment fund balance - beginning	<u>6,717,903</u>	<u>54,973</u>	<u>6,772,876</u>
Cash and investment fund balance - ending	<u>\$ 6,513,645</u>	<u>\$ 68,411</u>	<u>\$ 6,582,056</u>
<u>Cash and Investment Assets - Ending</u>			
Restricted assets:			
Cash and investments	<u>\$ 6,513,645</u>	<u>\$ 68,411</u>	<u>\$ 6,582,056</u>
Total cash and investment assets - ending	<u>\$ 6,513,645</u>	<u>\$ 68,411</u>	<u>\$ 6,582,056</u>
<u>Cash and Investment Fund Balance - Ending</u>			
Restricted for:			
Other purposes	<u>\$ 6,513,645</u>	<u>\$ 68,411</u>	<u>\$ 6,582,056</u>
Total cash and investment fund balance - ending	<u>\$ 6,513,645</u>	<u>\$ 68,411</u>	<u>\$ 6,582,056</u>

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

	Scholarship/ Memorials	AVS Foundation and Other Grants	NCMS Foundation and Other Grants	Grants Elementary Library	Grants Alternative and Special Education	Grants CHS Donations
Additions:						
Contributions:						
Other	\$ 900	\$ 6,025	\$ 7,696	\$ 66	\$ 100	\$ 7,424
Deductions:						
Administrative and general	229	3,819	6,996	831	4,092	6,596
Excess (deficiency) of total additions over total deductions	671	2,206	700	(765)	(3,992)	828
Cash and investment fund balance - beginning	8,637	7,273	1,312	893	4,165	-
Cash and investments - ending	<u>\$ 9,308</u>	<u>\$ 9,479</u>	<u>\$ 2,012</u>	<u>\$ 128</u>	<u>\$ 173</u>	<u>\$ 828</u>
Net assets:						
Cash and investments	<u>\$ 9,308</u>	<u>\$ 9,479</u>	<u>\$ 2,012</u>	<u>\$ 128</u>	<u>\$ 173</u>	<u>\$ 828</u>
Total net assets - cash and investment basis held in trust	<u>\$ 9,308</u>	<u>\$ 9,479</u>	<u>\$ 2,012</u>	<u>\$ 128</u>	<u>\$ 173</u>	<u>\$ 828</u>

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

	<u>Grants Eastwood</u>	<u>Grants Wilbur Wright</u>	<u>Foundation Grant Westwood</u>	<u>Foundation Grant Greenstreet</u>	<u>Foundation Grant Sunnyside</u>
Additions:					
Contributions:					
Other	\$ 668	\$ 1,421	\$ 837	\$ 100	\$ 701
Deductions:					
Administrative and general	<u>384</u>	<u>3,207</u>	<u>202</u>	<u>122</u>	<u>382</u>
Excess (deficiency) of total additions over total deductions	284	(1,786)	635	(22)	319
Cash and investment fund balance - beginning	<u>688</u>	<u>4,002</u>	<u>134</u>	<u>122</u>	<u>791</u>
Cash and investments - ending	<u>\$ 972</u>	<u>\$ 2,216</u>	<u>\$ 769</u>	<u>\$ 100</u>	<u>\$ 1,110</u>
Net assets:					
Cash and investments	<u>\$ 972</u>	<u>\$ 2,216</u>	<u>\$ 769</u>	<u>\$ 100</u>	<u>\$ 1,110</u>
Total net assets - cash and investment basis held in trust	<u>\$ 972</u>	<u>\$ 2,216</u>	<u>\$ 769</u>	<u>\$ 100</u>	<u>\$ 1,110</u>

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

	<u>Grants Riley</u>	<u>Grants Parker</u>	<u>Literacy Coalition</u>	<u>Healthy Families 06-07</u>	<u>Totals</u>
Additions:					
Contributions:					
Other	\$ 100	\$ 100	\$ 1,468	\$ 12,972	\$ 40,578
Deductions:					
Administrative and general	<u>289</u>	<u>100</u>	<u>3,518</u>	<u>14,352</u>	<u>45,119</u>
Excess (deficiency) of total additions over total deductions	(189)	-	(2,050)	(1,380)	(4,541)
Cash and investment fund balance - beginning	<u>578</u>	<u>100</u>	<u>4,664</u>	<u>-</u>	<u>33,359</u>
Cash and investments - ending	<u>\$ 389</u>	<u>\$ 100</u>	<u>\$ 2,614</u>	<u>\$ (1,380)</u>	<u>\$ 28,818</u>
Net assets:					
Cash and investments	<u>\$ 389</u>	<u>\$ 100</u>	<u>\$ 2,614</u>	<u>\$ (1,380)</u>	<u>\$ 28,818</u>
Total net assets - cash and investment basis held in trust	<u>\$ 389</u>	<u>\$ 100</u>	<u>\$ 2,614</u>	<u>\$ (1,380)</u>	<u>\$ 28,818</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009

	<u>Scholarship/ Memorials</u>	<u>Carmichael Scholarship Trust</u>	<u>AVS Foundation and Other Grants</u>	<u>NCMS Foundation and Other Grants</u>	<u>Grants Healthy Families</u>	<u>Grants Elementary Library</u>
Additions:						
Contributions:						
Other	\$ -	\$ 1,700,000	\$ 6,000	\$ 2,450	\$ 365	\$ -
Investment earnings:						
Interest	-	34,172	-	-	-	-
Total additions	<u>-</u>	<u>1,734,172</u>	<u>6,000</u>	<u>2,450</u>	<u>365</u>	<u>-</u>
Deductions:						
Administrative and general	<u>226</u>	<u>-</u>	<u>5,471</u>	<u>4,120</u>	<u>365</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	(226)	1,734,172	529	(1,670)	-	-
Cash and investment fund balance - beginning	<u>9,308</u>	<u>-</u>	<u>9,479</u>	<u>2,012</u>	<u>-</u>	<u>128</u>
Cash and investments - ending	<u>\$ 9,082</u>	<u>\$ 1,734,172</u>	<u>\$ 10,008</u>	<u>\$ 342</u>	<u>\$ -</u>	<u>\$ 128</u>
Net assets:						
Cash and investments	<u>\$ 9,082</u>	<u>\$ 1,734,172</u>	<u>\$ 10,008</u>	<u>\$ 342</u>	<u>\$ -</u>	<u>\$ 128</u>
Total net assets - cash and investment basis held in trust	<u>\$ 9,082</u>	<u>\$ 1,734,172</u>	<u>\$ 10,008</u>	<u>\$ 342</u>	<u>\$ -</u>	<u>\$ 128</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Alternative and Special Education	Grants CHS Donations	Grants Eastwood	Grants Wilbur Wright	Foundation Grant Westwood	Foundation Grant Greenstreet
Additions:						
Contributions:						
Other	\$ 100	\$ -	\$ 1,200	\$ 1,596	\$ 3,589	\$ 100
Investment earnings:						
Interest	-	-	-	-	-	-
Total additions	<u>100</u>	<u>-</u>	<u>1,200</u>	<u>1,596</u>	<u>3,589</u>	<u>100</u>
Deductions:						
Administrative and general	50	-	2,070	1,936	769	71
Excess (deficiency) of total additions over total deductions	50	-	(870)	(340)	2,820	29
Cash and investment fund balance - beginning	<u>173</u>	<u>828</u>	<u>972</u>	<u>2,216</u>	<u>769</u>	<u>100</u>
Cash and investments - ending	<u>\$ 223</u>	<u>\$ 828</u>	<u>\$ 102</u>	<u>\$ 1,876</u>	<u>\$ 3,589</u>	<u>\$ 129</u>
Net assets:						
Cash and investments	<u>\$ 223</u>	<u>\$ 828</u>	<u>\$ 102</u>	<u>\$ 1,876</u>	<u>\$ 3,589</u>	<u>\$ 129</u>
Total net assets - cash and investment basis held in trust	<u>\$ 223</u>	<u>\$ 828</u>	<u>\$ 102</u>	<u>\$ 1,876</u>	<u>\$ 3,589</u>	<u>\$ 129</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Foundation Grant Sunnyside	Grants Riley	Grants Parker	Literacy Coalition	Healthy Families 06-07	Totals
Additions:						
Contributions:						
Other	\$ 11,350	\$ 100	\$ 100	\$ 2,177	\$ 7,812	\$ 1,736,939
Investment earnings:						
Interest	-	-	-	-	-	34,172
Total additions	<u>11,350</u>	<u>100</u>	<u>100</u>	<u>2,177</u>	<u>7,812</u>	<u>1,771,111</u>
Deductions:						
Administrative and general	10,251	-	100	3,378	6,432	35,239
Excess (deficiency) of total additions over total deductions	1,099	100	-	(1,201)	1,380	1,735,872
Cash and investment fund balance - beginning	<u>1,110</u>	<u>389</u>	<u>100</u>	<u>2,614</u>	<u>(1,380)</u>	<u>28,818</u>
Cash and investments - ending	<u>\$ 2,209</u>	<u>\$ 489</u>	<u>\$ 100</u>	<u>\$ 1,413</u>	<u>\$ -</u>	<u>\$ 1,764,690</u>
Net assets:						
Cash and investments	<u>\$ 2,209</u>	<u>\$ 489</u>	<u>\$ 100</u>	<u>\$ 1,413</u>	<u>\$ -</u>	<u>\$ 1,764,690</u>
Total net assets - cash and investment basis held in trust	<u>\$ 2,209</u>	<u>\$ 489</u>	<u>\$ 100</u>	<u>\$ 1,413</u>	<u>\$ -</u>	<u>\$ 1,764,690</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008

	<u>Payroll Withholdings</u>
Additions:	
Agency fund additions	\$ 7,810,807
Deductions:	
Agency fund deductions	<u>7,481,129</u>
Excess of total additions over total deductions	329,678
Cash and investment fund balance - beginning	<u>183,805</u>
Cash and investment fund balance - ending	<u><u>\$ 513,483</u></u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009

	<u>Payroll Withholding</u>
Additions: Agency fund additions	\$ 7,999,700
Deductions: Agency fund deductions	<u>8,183,409</u>
Deficiency of total additions over total deductions	(183,709)
Cash and investment fund balance - beginning	<u>513,483</u>
Cash and investment fund balance - ending	<u><u>\$ 329,774</u></u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended June 30, 2009

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 291,924
Buildings	52,955,500
Improvements other than buildings	1,793,258
Machinery and equipment	<u>8,703,545</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 63,744,226</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2009

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
New Castle Chrysler High School	\$ 4,995,000	\$ 733,629
Notes and loans payable - Common School Loan	9,078,944	1,244,406
Bonds payable:		
General obligation bonds:		
Pension Bonds	<u>3,255,000</u>	<u>626,917</u>
Total governmental activities debt	<u>\$ 17,328,944</u>	<u>\$ 2,604,952</u>

NEW CASTLE COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

OVERDRAWN CASH BALANCES

Cash balances of the following funds were overdrawn during the audit period:

Special Education Cooperative; School Lunch; Preschool Cooperative; Special Education Intensive Service; Area Vocational School; Henry County Youth Center; Healthy Families 2007-2008; Healthy Families 2008-2009; Alternative Education; Title I School Improvement 2007-2008; Title I School Improvement 2008-2009; IDEA PL 101-476 2007-2008; IDEA PL 101-476 2008-2009; Preschool Handicapped 2008-2009; Award for Excellence 2007-2009; Title IV-B Part II 2006-2008; Perkins-Moving Forward; Academic Integration 2007-2008; Retirement/Severance Bond Debt; and Healthy Families 2006-2007.

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

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

Compliance

We have audited the compliance of the New Castle Community School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2008 and 2009. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2008 and 2009.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our

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

opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

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

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

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

STATE BOARD OF ACCOUNTS

January 6, 2010

NEW CASTLE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2008 and 2009

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-08	Total Federal Awards Expended 06-30-09
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 179,812	\$ -
FY 2007-2008			-	-
FY 2008-2009			-	205,712
Total for program			<u>179,812</u>	<u>205,712</u>
National School Lunch Program	10.555		751,242	-
FY 2007-2008			-	-
FY 2008-2009			-	830,270
Total for program			<u>751,242</u>	<u>830,270</u>
Total for cluster			<u>931,054</u>	<u>1,035,982</u>
Food Stamp Program				
State Administrative Matching Grants for the				
Supplemental Nutrition Assistance Program	10.561		1,312	6,282
Total for federal grantor agency			<u>932,366</u>	<u>1,042,264</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Special Education Cluster				
Special Education Grants to States	84.027			
		14207-044-PN01	357,895	-
		14208-PN01	2,000,277	159,829
		14209-PN01	-	2,054,742
Total for program			<u>2,358,172</u>	<u>2,214,571</u>
Special Education - Preschool Grants	84.173			
		45707-044-PN01	11,386	-
		45708-PN01	103,059	28,647
		45709-44-PN01	-	131,622
Total for program			<u>114,445</u>	<u>160,269</u>
Total for cluster			<u>2,472,617</u>	<u>2,374,840</u>
Adult Education - Basic Grants to States	84.002			
		2007-8026	57,839	-
		2008-8026	163,289	30,598
		2009-8026	-	143,021
Total for program			<u>221,128</u>	<u>173,619</u>
Title I Grants to Local Educational Agencies	84.010			
FY 2006-2007		07-3445	166,594	-
Delinquent 2006-2007		07-3445	24,404	-
School Improvement 2006-2007		07-3445	13,407	-
FY 2007-2008		08-3445	502,430	303,571
Delinquent 2007-2008		08-3445	16,245	17,268
School Improvement 2007-2008		08-3445	59,904	18,574
FY 2008-2009		09-3445	-	523,352

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

NEW CASTLE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2008 and 2009
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-08	Total Federal Awards Expended 06-30-09
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
Delinquent 2008-2009		09-3445	-	70,399
Eastwood School Improvement 2008-2009			-	<u>10,145</u>
Total for program			<u>782,984</u>	<u>943,309</u>
Career and Technical Education - Basic Grants to States	84.048			
		SLP-6-25	47	-
		07-4700-3445	60,242	-
		C1-8-CPS-7-25	33,669	22,341
		CPS-6-25	90,202	42,575
Academic Integration		FY2007-2008	29,529	7,317
Awards for Excellence		C1-8-SLP-7-25	8,133	11,214
		FY2008-2009	-	<u>61,553</u>
Total for program			<u>221,822</u>	<u>145,000</u>
Safe and Drug Free School and Communities - State Grants	84.186			
		3445-06 SY	3,299	-
		07-3445	6,492	9,853
		08-3445	-	<u>17,257</u>
Total for program			<u>9,791</u>	<u>27,110</u>
Pass-Through Indiana Department of Workforce Development Tech - Prep Education	84.243			
		TP-6-25	<u>33,785</u>	-
Pass-Through Indiana Department of Education State Grants for Innovative Programs	84.298			
		06-3445	69,710	4,250
		07-3445	-	<u>70,777</u>
Total for program			<u>69,710</u>	<u>75,027</u>
Education Technology State Grants	84.318			
		S318X080014	-	<u>148,300</u>
Improving Teacher Quality State Grants	84.367			
		07-3445	225,627	114,668
		08-3445	-	<u>168,134</u>
Total for program			<u>225,627</u>	<u>282,802</u>
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394			
			-	<u>83,201</u>
Total for program			-	<u>83,201</u>
Total for federal grantor agency			<u>4,037,464</u>	<u>4,253,208</u>

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

NEW CASTLE COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Years Ended June 30, 2008 and 2009
 (Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-08	Total Federal Awards Expended 06-30-09
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass-Through Indiana Department of Education Promoting Safe and Stable Families	93.556	97-07-64-0989	5,886	1,020
Total for federal grantor agency			5,886	1,020
Total federal awards expended			<u>\$ 4,975,716</u>	<u>\$ 5,296,492</u>

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

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

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the New Castle Community School Corporation (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2008 and 2009. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	2008	2009
Child Nutrition Cluster	\$ 63,917	\$ 57,151

NEW CASTLE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.002	Adult Education – Basic Grants to States
84.010	Title I Grants to Local Educational Agencies
84.048	Career and Technical Education – Basic Grants to States
84.394	ARRA – State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

NEW CASTLE COMMUNITY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

NEW CASTLE COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on January 6, 2010, with Jane Kellam-Tollett, Treasurer; Robert Shone, President of the School Board; and Stephen Fisher, Superintendent of Schools.