

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

EXAMINATION REPORT
OF
SOUTH GIBSON SCHOOL CORPORATION
GIBSON COUNTY, INDIANA
July 1, 2005 to June 30, 2007



FILED

11/26/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Elaine Tenbarge	07-01-05 to 06-30-08
Superintendent of Schools	Dr. Stacey Humbaugh	07-01-05 to 06-30-08
President of the School Board	Duane Michel Richard Harder Michael Bengart	07-01-05 to 01-09-06 01-10-06 to 01-11-07 01-12-07 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF SOUTH GIBSON SCHOOL CORPORATION, GIBSON COUNTY, INDIANA

We have examined the financial information presented herein of South Gibson School Corporation (School Corporation), for the period of July 1, 2005 to June 30, 2007. The School Corporation's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

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

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not a required part of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

October 16, 2007

SOUTH GIBSON SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2006

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Totals
Governmental activities:				
Instruction	\$ 6,164,626	\$ -	\$ 59,338	\$ (6,105,288)
Support services	7,687,560	610,314	181,557	(6,895,689)
Community services	218,618	-	-	(218,618)
Nonprogrammed charges	391,480	-	-	(391,480)
Debt service	2,334,884	-	-	(2,334,884)
Total governmental activities	\$ 16,797,168	\$ 610,314	\$ 240,895	(15,945,959)
General receipts:				
Property taxes				9,565,525
Other local sources				1,077,449
State aid				4,878,679
Grants and contributions not restricted to specific programs				229,840
Sale of property, adjustments, and refunds				59,847
Investment earnings				69,234
Total general receipts				15,880,574
Change in net assets				(65,385)
Net assets - beginning				2,770,217
Net assets - ending				\$ 2,704,832
<u>Assets</u>				
Cash and investments				\$ 2,428,592
Restricted assets:				
Cash and investments				276,240
Total assets				\$ 2,704,832
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 276,240
Unrestricted				2,428,592
Total net assets				\$ 2,704,832

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

SOUTH GIBSON SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

Functions/Programs	Disbursements	Program Receipts		Totals
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				Net (Disbursement) Receipts and Changes in Net Assets
Instruction	\$ 5,683,628	\$ -	\$ 57,107	\$ (5,626,521)
Support services	7,676,712	631,760	218,607	(6,826,345)
Community services	207,951	-	-	(207,951)
Nonprogrammed charges	356,613	-	-	(356,613)
Debt service	<u>2,331,668</u>	<u>-</u>	<u>-</u>	<u>(2,331,668)</u>
 Total governmental activities	 <u>\$ 16,256,572</u>	 <u>\$ 631,760</u>	 <u>\$ 275,714</u>	 <u>(15,349,098)</u>
General receipts:				
Property taxes				5,073,790
Other local sources				713,914
State aid				4,993,979
Bonds and loans				2,000,000
Grants and contributions not restricted to specific programs				203,370
Sale of property, adjustments, and refunds				456,700
Investment earnings				<u>91,021</u>
Total general receipts				<u>13,532,774</u>
Change in net assets				(1,816,324)
Net assets - beginning				<u>2,704,832</u>
Net assets - ending				<u>\$ 888,508</u>
 <u>Assets</u>				
Cash and investments				\$ 1,835,456
Restricted assets:				
Cash and investments				<u>(946,948)</u>
Total assets				<u>\$ 888,508</u>
 <u>Net Assets</u>				
Restricted for:				
Debt service				\$ (946,948)
Unrestricted				<u>1,835,456</u>
Total net assets				<u>\$ 888,508</u>

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

SOUTH GIBSON 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, 2006

	General	Transportation Operating	School Lunch	Textbook Rental	Levy Excess	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:										
Local sources	\$ 5,621,121	\$ 1,088,789	\$ 520,403	\$ 117,483	\$ -	\$ 2,008,610	\$ 1,445,135	\$ 51,478	\$ 465,011	\$ 11,318,030
Intermediate sources	3,480	-	-	-	-	-	-	-	1,011	4,491
State sources	4,924,391	-	39,494	14,625	-	-	-	-	52,192	5,030,702
Federal sources	4,000	-	123,438	-	-	-	-	-	191,274	318,712
Sale of property, adjustments and refunds	53,338	-	-	-	-	-	5,110	1,400	-	59,848
Total receipts	10,606,330	1,088,789	683,335	132,108	-	2,008,610	1,450,245	52,878	709,488	16,731,783
Disbursements:										
Current:										
Instruction	6,012,460	-	-	-	-	-	-	-	152,166	6,164,626
Support services	3,976,612	1,132,247	651,902	161,315	-	-	1,642,808	83,500	39,176	7,687,560
Community services	218,128	-	-	-	-	-	-	-	490	218,618
Nonprogrammed charges	340,173	-	-	-	-	-	-	-	51,307	391,480
Debt services	-	-	-	-	-	1,917,000	-	-	417,884	2,334,884
Total disbursements	10,547,373	1,132,247	651,902	161,315	-	1,917,000	1,642,808	83,500	661,023	16,797,168
Excess (deficiency) of receipts over disbursements	58,957	(43,458)	31,433	(29,207)	-	91,610	(192,563)	(30,622)	48,465	(65,385)
Other financing sources (uses):										
Transfers in	232,819	16,357	-	-	-	-	-	-	28,248	277,424
Transfers out	(16,357)	-	-	-	(232,819)	-	-	-	(28,248)	(277,424)
Total other financing sources (uses)	216,462	16,357	-	-	(232,819)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	275,419	(27,101)	31,433	(29,207)	(232,819)	91,610	(192,563)	(30,622)	48,465	(65,385)
Cash and investments - beginning	114,863	(34,320)	250,974	374,477	232,819	184,140	1,466,590	44,471	136,203	2,770,217
Cash and investments - ending	<u>\$ 390,282</u>	<u>\$ (61,421)</u>	<u>\$ 282,407</u>	<u>\$ 345,270</u>	<u>\$ -</u>	<u>\$ 275,750</u>	<u>\$ 1,274,027</u>	<u>\$ 13,849</u>	<u>\$ 184,668</u>	<u>\$ 2,704,832</u>
Cash and Investment Assets - Ending										
Cash and investments	\$ 390,282	\$ (61,421)	\$ 282,407	\$ 345,270	\$ -	\$ -	\$ 1,274,027	\$ 13,849	\$ 184,178	\$ 2,428,592
Restricted assets:										
Cash and investments	-	-	-	-	-	275,750	-	-	490	276,240
Total cash and investment assets - ending	\$ 390,282	\$ (61,421)	\$ 282,407	\$ 345,270	\$ -	\$ 275,750	\$ 1,274,027	\$ 13,849	\$ 184,668	\$ 2,704,832
Cash and Investment Fund Balance - Ending										
Restricted for:										
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275,750	\$ -	\$ -	\$ 490	\$ 276,240
Unrestricted	390,282	(61,421)	282,407	345,270	-	-	1,274,027	13,849	184,178	2,428,592
Total cash and investment fund balance - ending	\$ 390,282	\$ (61,421)	\$ 282,407	\$ 345,270	\$ -	\$ 275,750	\$ 1,274,027	\$ 13,849	\$ 184,668	\$ 2,704,832

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

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

	General	Transportation Operating	School Lunch	Textbook Rental	Levy Excess	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:										
Local sources	\$ 2,989,565	\$ 601,541	\$ 535,989	\$ 107,609	\$ -	\$ 1,032,112	\$ 929,899	\$ 45,177	\$ 261,072	\$ 6,502,964
Intermediate sources	6,676	-	-	-	-	-	-	-	844	7,520
State sources	5,040,579	-	40,744	14,750	-	-	-	-	73,124	5,169,197
Federal sources	5,000	-	155,469	-	-	-	-	-	143,398	303,867
Bonds and loans	2,000,000	-	-	-	-	-	-	-	-	2,000,000
Sale of property, adjustments and refunds	48,284	319	-	-	-	-	406,097	2,000	-	456,700
Total receipts	10,090,104	601,860	732,202	122,359	-	1,032,112	1,335,996	47,177	478,438	14,440,248
Disbursements:										
Current:										
Instruction	5,569,117	-	-	-	-	-	-	-	114,511	5,683,628
Support services	3,890,652	956,164	692,114	128,003	-	-	1,953,963	-	55,816	7,676,712
Community services	207,930	-	-	-	-	-	-	-	21	207,951
Nonprogrammed charges	272,420	-	-	-	-	-	-	-	84,193	356,613
Debt services	-	-	-	-	-	1,917,000	-	-	414,668	2,331,668
Total disbursements	9,940,119	956,164	692,114	128,003	-	1,917,000	1,953,963	-	669,209	16,256,572
Excess (deficiency) of receipts over disbursements	149,985	(354,304)	40,088	(5,644)	-	(884,888)	(617,967)	47,177	(190,771)	(1,816,324)
Other financing sources (uses):										
Transfers in	524,407	-	-	-	620,973	-	-	-	21,343	1,166,723
Transfers out	(326,617)	(64,830)	-	-	(517,569)	(124,579)	(77,172)	(1,970)	(53,986)	(1,166,723)
Total other financing sources (uses)	197,790	(64,830)	-	-	103,404	(124,579)	(77,172)	(1,970)	(32,643)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	347,775	(419,134)	40,088	(5,644)	103,404	(1,009,467)	(695,139)	45,207	(223,414)	(1,816,324)
Cash and investments - beginning	390,282	(61,421)	282,407	345,270	-	275,750	1,274,027	13,849	184,668	2,704,832
Cash and investments - ending	\$ 738,057	\$ (480,555)	\$ 322,495	\$ 339,626	\$ 103,404	\$ (733,717)	\$ 578,888	\$ 59,056	\$ (38,746)	\$ 888,508
Cash and Investment Assets - Ending										
Cash and investments	\$ 738,057	\$ (480,555)	\$ 322,495	\$ 339,626	\$ 103,404	\$ -	\$ 578,888	\$ 59,056	\$ 174,485	\$ 1,835,456
Restricted assets:										
Cash and investments	-	-	-	-	-	(733,717)	-	-	(213,231)	(946,948)
Total cash and investment assets - ending	\$ 738,057	\$ (480,555)	\$ 322,495	\$ 339,626	\$ 103,404	\$ (733,717)	\$ 578,888	\$ 59,056	\$ (38,746)	\$ 888,508
Cash and Investment Fund Balance - Ending										
Restricted for:										
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (733,717)	\$ -	\$ -	\$ (213,231)	\$ (946,948)
Unrestricted	738,057	(480,555)	322,495	339,626	103,404	-	578,888	59,056	174,485	1,835,456
Total cash and investment fund balance - ending	\$ 738,057	\$ (480,555)	\$ 322,495	\$ 339,626	\$ 103,404	\$ (733,717)	\$ 578,888	\$ 59,056	\$ (38,746)	\$ 888,508

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

SOUTH GIBSON SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES
IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUND
For the Year Ended June 30, 2006

	Pension Trust Fund
Additions:	
Investment earnings:	
Interest	\$ 21,094
Deductions:	
Benefits	199,717
Deficiency of total additions over total deductions	(178,623)
Cash and investment fund balance - beginning	831,609
Cash and investment fund balance - ending	\$ 652,986
Net Assts	
Cash and investments	\$ 652,986
Total net assets - cash and investment basis held in trust	\$ 652,986

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

SOUTH GIBSON SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES
IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUND
For the Year Ended June 30, 2007

	Pension Trust Fund
Additions:	
Investment earnings:	
Interest	\$ 29,968
Deductions:	
Benefits	259,612
Deficiency of total additions over total deductions	(229,644)
Cash and investment fund balance - beginning	652,986
Cash and investment fund balance - ending	\$ 423,342
Net Assts	
Cash and investments	\$ 423,342
Total net assets - cash and investment basis held in trust	\$ 423,342

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

SOUTH GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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.

Note 2. Fund Accounting

A. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statements of Activities and Net Assets – Cash and Investment Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. 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, liabilities, 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.

The School Corporation reports the following major governmental funds:

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

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

The school lunch fund is used to account for receipts and disbursements for the food service program.

The textbook rental fund is used to account for receipts and disbursements concerning textbooks and workbooks furnished to students.

The levy excess fund accounts for the excess taxes collected in a calendar year and used in the following year.

SOUTH GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

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

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

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

Additionally, the School Corporation reports the following fund types:

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

B. Measurement Focus and Basis of Accounting

The government-wide, governmental 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.

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.

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.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and 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

SOUTH GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

Note 5. Deposits and Investments

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

State statute (IC 5-13-9) authorizes the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Interfund Transfers

Interfund transfers for the years ended June 30, 2006 and 2007, were as follows:

Transfer From	Transfer To	2006	2007
General Fund	Transportation Operating	\$ 16,357	\$ -
	Levy Excess	-	325,254
	Other governmental	-	1,363
Levy Excess	General Fund	232,819	517,569
Transportation Operating	Levy Excess	-	64,830
Debt Service	Levy Excess	-	124,579
Capital Projects	Levy Excess	-	77,172
School Bus Replacement	Levy Excess	-	1,970
Other governmental	General fund	-	6,838
	Levy Excess	-	27,168
	Other governmental	<u>28,248</u>	<u>19,980</u>
Totals		<u>\$ 277,424</u>	<u>\$ 1,166,723</u>

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

SOUTH GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 7. Pension Plans

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 this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' 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. That 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 the plan members for PERF are established by the Board of Trustees of PERF.

Teacher's Retirement Fund

Plan Description

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

SOUTH GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL INFORMATION
(Continued)

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

Funding Policy and Annual Pension Cost

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

Note 8. Related Party

During the period in which financial statements are presented, the South Gibson School Corporation had material transactions with Larry R. Johnson, a member of the School Board, in relation to corporation insurance policies for property and casualty risks in the amount of \$108,411 for the period July 1, 2005 to June 30, 2006, and \$102,657 for the period July 1, 2006 to June 30, 2007. Larry R. Johnson as agent received a commission on these insurance sales.

Note 9. Joint Venture

The South Gibson School Corporation is a participant with East Gibson School Corporation, North Gibson School Corporation, Pike County School Corporation, and Warrick County School Corporation in a joint venture to operate Gibson-Pike-Warrick Special Education Co-operative which was created to provide instruction for handicapped children and vocational students. The primary government is obligated by contract to remit a ratio percentage based on the prior year's Average Daily Attendance annually to supplement the funding received by the Co-operative. Complete financial statements for the Gibson-Pike-Warrick Special Education Co-operative can be obtained from its administrative office at 618 E Main Street, Petersburg, IN 47567.

Note 10. Subsequent Event

The South Gibson School Corporation has signed preliminary contracts for a \$32.5 million renovation project at the high school to be financed through the sale of bonds in late 2007. Construction bids will be awarded on December 18, 2007.

SOUTH GIBSON 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, 2006

	Preschool	Education License Plates	School Safe Haven	Early Intervention	Toyota Motor Manufacturing	PSI IOTA XI Sorority Donation	Pioneer Grant High School
Receipts:							
Local sources	\$ 17,371	\$ -	\$ -	\$ -	\$ 4,900	\$ 250	\$ -
Intermediate sources	-	1,011	-	-	-	-	-
State sources	38,066	-	-	500	-	-	-
Federal sources	-	-	-	-	-	-	-
Total receipts	55,437	1,011	-	500	4,900	250	-
Disbursements:							
Current:							
Instruction	-	-	-	500	1,735	500	-
Support services	-	1,183	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	51,307	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	51,307	1,183	-	500	1,735	500	-
Excess (deficiency) of receipts over disbursements	4,130	(172)	-	-	3,165	(250)	-
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	4,130	(172)	-	-	3,165	(250)	-
Cash and investments - beginning	23,473	75	1	-	37	250	453
Cash and investments - ending	<u>\$ 27,603</u>	<u>\$ (97)</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 3,202</u>	<u>\$ -</u>	<u>\$ 453</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 27,603	\$ (97)	\$ 1	\$ -	\$ 3,202	\$ -	\$ 453
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 27,603</u>	<u>\$ (97)</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 3,202</u>	<u>\$ -</u>	<u>\$ 453</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	27,603	(97)	1	-	3,202	-	453
Total cash and investment fund balance - ending	<u>\$ 27,603</u>	<u>\$ (97)</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 3,202</u>	<u>\$ -</u>	<u>\$ 453</u>

SOUTH GIBSON 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, 2006
 (Continued)

	SINE Literacy Celebration	Cinergy Grant	Youth Resources	Wal-Mart Donation Barton	Fractions Project	Bob Will Donation	SINE Model Schools Grant
Receipts:							
Local sources	\$ -	\$ 2,000	\$ 512	\$ 885	\$ 1,085	\$ 200	\$ 9,467
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Total receipts	-	2,000	512	885	1,085	200	9,467
Disbursements:							
Current:							
Instruction	879	371	57	435	503	100	-
Support services	-	-	-	-	-	-	5,058
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	879	371	57	435	503	100	5,058
Excess (deficiency) of receipts over disbursements	(879)	1,629	455	450	582	100	4,409
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	(879)	1,629	455	450	582	100	4,409
Cash and investments - beginning	907	-	-	-	-	-	705
Cash and investments - ending	<u>\$ 28</u>	<u>\$ 1,629</u>	<u>\$ 455</u>	<u>\$ 450</u>	<u>\$ 582</u>	<u>\$ 100</u>	<u>\$ 5,114</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 28	\$ 1,629	\$ 455	\$ 450	\$ 582	\$ 100	\$ 5,114
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 28</u>	<u>\$ 1,629</u>	<u>\$ 455</u>	<u>\$ 450</u>	<u>\$ 582</u>	<u>\$ 100</u>	<u>\$ 5,114</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	28	1,629	455	450	582	100	5,114
Total cash and investment fund balance - ending	<u>\$ 28</u>	<u>\$ 1,629</u>	<u>\$ 455</u>	<u>\$ 450</u>	<u>\$ 582</u>	<u>\$ 100</u>	<u>\$ 5,114</u>

SOUTH GIBSON 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, 2006
 (Continued)

	SINE Reading Renaissance	SINE Library Grant	SINE Professional Development	Technical Assistance	Gifted and Talented 04-05	Gifted and Talented 05-06	Non-English Speaking Program
Receipts:							
Local sources	\$ -	\$ (178)	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	13,582	44
Federal sources	-	-	-	-	-	-	-
Total receipts	-	(178)	-	-	-	13,582	44
Disbursements:							
Current:							
Instruction	-	9	6,020	-	3,271	5,650	-
Support services	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	9	6,020	-	3,271	5,650	-
Excess (deficiency) of receipts over disbursements	-	(187)	(6,020)	-	(3,271)	7,932	44
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	-	(187)	(6,020)	-	(3,271)	7,932	44
Cash and investments - beginning	4,164	188	8,445	1	3,191	-	55
Cash and investments - ending	\$ 4,164	\$ 1	\$ 2,425	\$ 1	\$ (80)	\$ 7,932	\$ 99
Cash and Investment Assets - Ending							
Cash and investments	\$ 4,164	\$ 1	\$ 2,425	\$ 1	\$ (80)	\$ 7,932	\$ 99
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 4,164	\$ 1	\$ 2,425	\$ 1	\$ (80)	\$ 7,932	\$ 99
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	4,164	1	2,425	1	(80)	7,932	99
Total cash and investment fund balance - ending	\$ 4,164	\$ 1	\$ 2,425	\$ 1	\$ (80)	\$ 7,932	\$ 99

SOUTH GIBSON 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, 2006
 (Continued)

	Title I 2004-05	Title I 2005-06	Title V - Part A PL 107-110	Title V - Part A 2004-05	Title V - Part A 2005-06	Drug Free Schools 03-04
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	8,900	79,975	-	-	5,797	-
Total receipts	<u>8,900</u>	<u>79,975</u>	<u>-</u>	<u>-</u>	<u>5,797</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	16,602	65,194	-	-	-	571
Support services	4,399	15,015	2,184	772	-	-
Community services	-	490	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>21,001</u>	<u>80,699</u>	<u>2,184</u>	<u>772</u>	<u>-</u>	<u>571</u>
Excess (deficiency) of receipts over disbursements	<u>(12,101)</u>	<u>(724)</u>	<u>(2,184)</u>	<u>(772)</u>	<u>5,797</u>	<u>(571)</u>
Other financing sources (uses):						
Transfers in	-	6,973	-	12,275	9,000	-
Transfers out	(6,973)	-	-	-	-	-
Total other financing sources (uses)	<u>(6,973)</u>	<u>6,973</u>	<u>-</u>	<u>12,275</u>	<u>9,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(19,074)</u>	<u>6,249</u>	<u>(2,184)</u>	<u>11,503</u>	<u>14,797</u>	<u>(571)</u>
Cash and investments - beginning	<u>19,074</u>	<u>-</u>	<u>2,184</u>	<u>7,035</u>	<u>-</u>	<u>571</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 6,249</u>	<u>\$ -</u>	<u>\$ 18,538</u>	<u>\$ 14,797</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 6,249	\$ -	\$ 18,538	\$ 14,797	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 6,249</u>	<u>\$ -</u>	<u>\$ 18,538</u>	<u>\$ 14,797</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	6,249	-	18,538	14,797	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 6,249</u>	<u>\$ -</u>	<u>\$ 18,538</u>	<u>\$ 14,797</u>	<u>\$ -</u>

SOUTH GIBSON 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, 2006
 (Continued)

	Drug Free Schools 04-05	Drug Free Schools 05-06	Fort Branch Art Contest	Title II Part D	Title II - Part A 2003-04	Title II - Part D 2003-04
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	6,704	-	-	-	-
Total receipts	-	6,704	-	-	-	-
Disbursements:						
Current:						
Instruction	3,791	-	3,499	-	2,859	-
Support services	-	-	-	69	3,649	650
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	3,791	-	3,499	69	6,508	650
Excess (deficiency) of receipts over disbursements	(3,791)	6,704	(3,499)	(69)	(6,508)	(650)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(3,231)	-	-	-	-	-
Total other financing sources (uses)	(3,231)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,022)	6,704	(3,499)	(69)	(6,508)	(650)
Cash and investments - beginning	7,741	-	36,595	69	6,508	650
Cash and investments - ending	<u>\$ 719</u>	<u>\$ 6,704</u>	<u>\$ 33,096</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 719	\$ 6,704	\$ 33,096	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 719</u>	<u>\$ 6,704</u>	<u>\$ 33,096</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	719	6,704	33,096	-	-	-
Total cash and investment fund balance - ending	<u>\$ 719</u>	<u>\$ 6,704</u>	<u>\$ 33,096</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SOUTH GIBSON 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, 2006
 (Continued)

	Title II - Part A 2004-05	Title II - Part D 2004-05	Title II - Part A 2005-06	Title II - Part D 2005-06	School Pension Debt	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 428,519	\$ 465,011
Intermediate sources	-	-	-	-	-	1,011
State sources	-	-	-	-	-	52,192
Federal sources	25,408	-	62,416	2,074	-	191,274
Total receipts	25,408	-	62,416	2,074	428,519	709,488
Disbursements:						
Current:						
Instruction	26,801	-	12,819	-	-	152,166
Support services	5,697	50	-	450	-	39,176
Community services	-	-	-	-	-	490
Nonprogrammed charges	-	-	-	-	-	51,307
Debt services	-	-	-	-	417,884	417,884
Total disbursements	32,498	50	12,819	450	417,884	661,023
Excess (deficiency) of receipts over disbursements	(7,090)	(50)	49,597	1,624	10,635	48,465
Other financing sources (uses):						
Transfers in	-	-	-	-	-	28,248
Transfers out	(9,044)	-	(9,000)	-	-	(28,248)
Total other financing sources (uses)	(9,044)	-	(9,000)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(16,134)	(50)	40,597	1,624	10,635	48,465
Cash and investments - beginning	23,488	488	-	-	(10,145)	136,203
Cash and investments - ending	<u>\$ 7,354</u>	<u>\$ 438</u>	<u>\$ 40,597</u>	<u>\$ 1,624</u>	<u>\$ 490</u>	<u>\$ 184,668</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 7,354	\$ 438	\$ 40,597	\$ 1,624	\$ -	\$ 184,178
Restricted assets:						
Cash and investments	-	-	-	-	490	490
Total cash and investment assets - ending	<u>\$ 7,354</u>	<u>\$ 438</u>	<u>\$ 40,597</u>	<u>\$ 1,624</u>	<u>\$ 490</u>	<u>\$ 184,668</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 490	\$ 490
Unrestricted	7,354	438	40,597	1,624	-	184,178
Total cash and investment fund balance - ending	<u>\$ 7,354</u>	<u>\$ 438</u>	<u>\$ 40,597</u>	<u>\$ 1,624</u>	<u>\$ 490</u>	<u>\$ 184,668</u>

SOUTH GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007

	Preschool	Education License Plates	School Safe Haven	Early Intervention	Toyota Motor Manufacturing	Pioneer Grant	SINE Literacy Celebration
Receipts:							
Local sources	\$ 8,972	\$ -	\$ -	\$ -	\$ 5,300	\$ -	\$ -
Intermediate sources	-	844	-	-	-	-	-
State sources	59,022	-	-	500	-	-	-
Federal sources	-	-	-	-	-	-	-
Total receipts	67,994	844	-	500	5,300	-	-
Disbursements:							
Current:							
Instruction	-	-	-	500	5,150	-	28
Support services	-	832	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	64,193	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	64,193	832	-	500	5,150	-	28
Excess (deficiency) of receipts over disbursements	3,801	12	-	-	150	-	(28)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(7,912)	-	-	-	-	-	-
Total other financing sources (uses)	(7,912)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,111)	12	-	-	150	-	(28)
Cash and investments - beginning	27,603	(97)	1	-	3,202	453	28
Cash and investments - ending	<u>\$ 23,492</u>	<u>\$ (85)</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 3,352</u>	<u>\$ 453</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 23,492	\$ (85)	\$ 1	\$ -	\$ 3,352	\$ 453	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 23,492</u>	<u>\$ (85)</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 3,352</u>	<u>\$ 453</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	23,492	(85)	1	-	3,352	453	-
Total cash and investment fund balance - ending	<u>\$ 23,492</u>	<u>\$ (85)</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 3,352</u>	<u>\$ 453</u>	<u>\$ -</u>

SOUTH GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended June 30, 2007
 (Continued)

	Cinergy Grant	Youth Resources	Wal-Mart Donation Barton	Fractions Project	Bob Will Donation	Toyota Manufacturing	Track Uniform Donation
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 300	\$ 20,000	\$ 400
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Total receipts	-	-	-	-	300	20,000	400
Disbursements:							
Current:							
Instruction	-	115	-	321	192	-	400
Support services	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	20,000	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	115	-	321	192	20,000	400
Excess (deficiency) of receipts over disbursements	-	(115)	-	(321)	108	-	-
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	-	(115)	-	(321)	108	-	-
Cash and investments - beginning	1,629	455	450	582	100	-	-
Cash and investments - ending	<u>\$ 1,629</u>	<u>\$ 340</u>	<u>\$ 450</u>	<u>\$ 261</u>	<u>\$ 208</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 1,629	\$ 340	\$ 450	\$ 261	\$ 208	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,629</u>	<u>\$ 340</u>	<u>\$ 450</u>	<u>\$ 261</u>	<u>\$ 208</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,629	340	450	261	208	-	-
Total cash and investment fund balance - ending	<u>\$ 1,629</u>	<u>\$ 340</u>	<u>\$ 450</u>	<u>\$ 261</u>	<u>\$ 208</u>	<u>\$ -</u>	<u>\$ -</u>

SOUTH GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended June 30, 2007
 (Continued)

	Community Foundation Alliance	SINE Model Schools Grant	SINE Reading Renaissance	SINE Professional Development	Technical Assistance	Gifted and Talented 04-05	Gifted and Talented 05-06
Receipts:							
Local sources	\$ 422	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Total receipts	422	-	-	-	-	-	-
Disbursements:							
Current:							
Instruction	-	-	1,355	637	-	(80)	7,932
Support services	-	5,114	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	5,114	1,355	637	-	(80)	7,932
Excess (deficiency) of receipts over disbursements	422	(5,114)	(1,355)	(637)	-	80	(7,932)
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	422	(5,114)	(1,355)	(637)	-	80	(7,932)
Cash and investments - beginning	-	5,114	4,165	2,425	1	(80)	7,932
Cash and investments - ending	\$ 422	\$ -	\$ 2,810	\$ 1,788	\$ 1	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 422	\$ -	\$ 2,810	\$ 1,788	\$ 1	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 422	\$ -	\$ 2,810	\$ 1,788	\$ 1	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	422	-	2,810	1,788	1	-	-
Total cash and investment fund balance - ending	\$ 422	\$ -	\$ 2,810	\$ 1,788	\$ 1	\$ -	\$ -

SOUTH GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Gifted and Talented 06-07	Non-English Speaking Program	Title I 2005-06	Title I 2006-07	Title V - Part A 2006-07	Title V - Part A 2004-05
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	13,582	20	-	-	-	-
Federal sources	-	-	10,790	62,609	2,877	-
Total receipts	13,582	20	10,790	62,609	2,877	-
Disbursements:						
Current:						
Instruction	1,722	41	6,108	43,400	-	-
Support services	-	-	1,951	16,081	-	18,538
Community services	-	-	-	21	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	1,722	41	8,059	59,502	-	18,538
Excess (deficiency) of receipts over disbursements	11,860	(21)	2,731	3,107	2,877	(18,538)
Other financing sources (uses):						
Transfers in	-	-	-	8,980	11,000	-
Transfers out	-	-	(8,980)	-	-	-
Total other financing sources (uses)	-	-	(8,980)	8,980	11,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,860	(21)	(6,249)	12,087	13,877	(18,538)
Cash and investments - beginning	-	99	6,249	-	-	18,538
Cash and investments - ending	\$ 11,860	\$ 78	\$ -	\$ 12,087	\$ 13,877	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 11,860	\$ 78	\$ -	\$ 12,087	\$ 13,877	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 11,860	\$ 78	\$ -	\$ 12,087	\$ 13,877	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	11,860	78	-	12,087	13,877	-
Total cash and investment fund balance - ending	\$ 11,860	\$ 78	\$ -	\$ 12,087	\$ 13,877	\$ -

SOUTH GIBSON 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 Years Ended June 30, 2007
 (Continued)

	Title V - Part A 2005-06	Drug Free Schools 04-05	Drug Free Schools 05-06	Drug Free Schools 06-07	Fort Branch Art Contest	Title II - Part A 2004-05
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	5,040	-	-
Total receipts	-	-	-	5,040	-	-
Disbursements:						
Current:						
Instruction	-	719	4,888	-	1,071	2,233
Support services	5,205	-	-	-	-	5,121
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	5,205	719	4,888	-	1,071	7,354
Excess (deficiency) of receipts over disbursements	(5,205)	(719)	(4,888)	5,040	(1,071)	(7,354)
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	(5,205)	(719)	(4,888)	5,040	(1,071)	(7,354)
Cash and investments - beginning	14,797	719	6,704	-	33,096	7,354
Cash and investments - ending	\$ 9,592	\$ -	\$ 1,816	\$ 5,040	\$ 32,025	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 9,592	\$ -	\$ 1,816	\$ 5,040	\$ 32,025	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 9,592	\$ -	\$ 1,816	\$ 5,040	\$ 32,025	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	9,592	-	1,816	5,040	32,025	-
Total cash and investment fund balance - ending	\$ 9,592	\$ -	\$ 1,816	\$ 5,040	\$ 32,025	\$ -

SOUTH GIBSON 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 Years Ended June 30, 2007
 (Continued)

	Title II - Part D 2004-05	Title II - Part A 2005-06	Title II - Part D 2005-06	Title II - Part A 2006-07	School Pension Debt	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 225,678	\$ 261,072
Intermediate sources	-	-	-	-	-	844
State sources	-	-	-	-	-	73,124
Federal sources	-	35	-	62,047	-	143,398
Total receipts	-	35	-	62,047	225,678	478,438
Disbursements:						
Current:						
Instruction	-	37,779	-	-	-	114,511
Support services	438	2,443	93	-	-	55,816
Community services	-	-	-	-	-	21
Nonprogrammed charges	-	-	-	-	-	84,193
Debt services	-	-	-	-	414,668	414,668
Total disbursements	438	40,222	93	-	414,668	669,209
Excess (deficiency) of receipts over disbursements	(438)	(40,187)	(93)	62,047	(188,990)	(190,771)
Other financing sources (uses):						
Transfers in	-	-	-	-	1,363	21,343
Transfers out	-	-	-	(11,000)	(26,094)	(53,986)
Total other financing sources (uses)	-	-	-	(11,000)	(24,731)	(32,643)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(438)	(40,187)	(93)	51,047	(213,721)	(223,414)
Cash and investments - beginning	438	40,597	1,624	-	490	184,668
Cash and investments - ending	<u>\$ -</u>	<u>\$ 410</u>	<u>\$ 1,531</u>	<u>\$ 51,047</u>	<u>\$ (213,231)</u>	<u>\$ (38,746)</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 410	\$ 1,531	\$ 51,047	\$ -	\$ 174,485
Restricted assets:						
Cash and investments	-	-	-	-	(213,231)	(213,231)
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 410</u>	<u>\$ 1,531</u>	<u>\$ 51,047</u>	<u>\$ (213,231)</u>	<u>\$ (38,746)</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ (213,231)	\$ (213,231)
Unrestricted	-	410	1,531	51,047	-	174,485
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 410</u>	<u>\$ 1,531</u>	<u>\$ 51,047</u>	<u>\$ (213,231)</u>	<u>\$ (38,746)</u>

SOUTH GIBSON SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2007

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:		
Haubstadt and Owensville School Buildings	\$ 9,415,000	\$ 955,611
Bonds payable:		
General obligation bonds:		
Pension Bonds	<u>3,160,000</u>	<u>206,390</u>
Total governmental activities debt	<u>\$ 12,575,000</u>	<u>\$ 1,162,001</u>

SOUTH GIBSON SCHOOL CORPORATION
EXAMINATION RESULTS AND COMMENTS

TRANSACTION RECORDING (Applies to Gibson Southern High School)

Transactions of the Toyota Classic Fund were not entered in the records of the Gibson Southern High School. Additionally, a separate bank account has been maintained for those transactions.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

The treasurer shall deposit without unreasonable delay, all receipts in one bank account to be known as the "(name of school) School Extra-Curricular Account." Accordingly, when funds are lawfully deposited, all disbursements must necessarily be made by check. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

TEXTBOOK RECEIPT FORMS (TBR-2)

The individual schools are using the Textbook Rental Receipt (TBR-2) forms improperly. The TBR-2 forms are being issued as statements prior to payment instead of receipts at the time of payment.

Officials and employees are to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 2)

OVERDRAWN CASH BALANCES

The cash balances of the Transportation Operating Fund, the Education License Plate Fund and the Gifted and Talented 04-05 Fund were overdrawn in the 2005-2006 school year. The cash balances of the Debt Service Fund, Transportation Operating Fund, Education License Plate Fund and the School Pension Debt Fund were overdrawn in the 2006-2007 school year.

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)

SOUTH GIBSON SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on October 17, 2007, with Dr. Stacey Humbaugh, Superintendent of Schools; Elaine Tenbarger, Treasurer; Tim Armstrong, Business Manager; and Duane Michel, Board member. The officials concurred with our findings.