

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

AUDIT REPORT
OF
SOUTH GIBSON SCHOOL CORPORATION
GIBSON COUNTY, INDIANA
July 1, 2007 to June 30, 2009



FILED

03/02/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Elaine Tenbarge	07-01-07 to 06-30-10
Superintendent of Schools	Dr. Stacey Humbaugh	07-01-07 to 06-30-10
President of the School Board	Michael Bengart Tim Nurrenbern Larry Johnson	01-12-07 to 01-15-08 01-16-08 to 01-13-09 01-14-09 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South Gibson 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 December 28, 2009, 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

December 28, 2009



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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 SOUTH GIBSON SCHOOL
CORPORATION, GIBSON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South Gibson 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 December 28, 2009. 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 School Board, 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

December 28, 2009

SOUTH GIBSON 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>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				Net (Disbursement) Receipts and Changes in Net Assets
Instruction	\$ 7,950,289	\$ -	\$ 184,571	\$ (7,765,718)
Support services	5,351,849	663,510	242,903	(4,445,436)
Noninstructional services	932,119	-	-	(932,119)
Facilities acquisition and construction	1,362,287	-	-	(1,362,287)
Debt service	5,218,983	-	-	(5,218,983)
Nonprogrammed charges	<u>527,790</u>	<u>-</u>	<u>-</u>	<u>(527,790)</u>
Total governmental activities	<u>\$ 21,343,317</u>	<u>\$ 663,510</u>	<u>\$ 427,474</u>	<u>(20,252,333)</u>
General receipts:				
Property taxes				10,656,443
Other local sources				1,030,173
State aid				4,850,128
Bonds and loans				3,331,000
Grants and contributions not restricted to specific programs				196,971
Sale of property				3,930,821
Investment earnings				109,626
Other				<u>366,611</u>
Total general receipts				<u>24,471,773</u>
Change in net assets				4,219,440
Net assets - beginning				<u>844,770</u>
Net assets - ending				<u>\$ 5,064,210</u>
<u>Assets</u>				
Cash and investments				\$ 5,041,130
Restricted assets:				
Cash and investments				<u>23,080</u>
Total assets				<u>\$ 5,064,210</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 23,080
Unrestricted				<u>5,041,130</u>
Total net assets				<u>\$ 5,064,210</u>

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

SOUTH GIBSON 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>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 7,775,040	\$ -	\$ 232,683	\$ (7,542,357)
Support services	5,592,581	879,584	311,258	(4,401,739)
Noninstructional services	1,288,273	-	-	(1,288,273)
Facilities acquisition and construction	1,355,941	-	-	(1,355,941)
Debt service	9,041,330	-	-	(9,041,330)
Nonprogrammed charges	685,948	-	-	(685,948)
Total governmental activities	<u>\$ 25,739,113</u>	<u>\$ 879,584</u>	<u>\$ 543,941</u>	<u>(24,315,588)</u>
General receipts:				
Property taxes				12,209,951
Other local sources				1,335,891
State aid				7,248,168
Bonds and loans				1,600,000
Grants and contributions not restricted to specific programs				1,178,881
Sale of property				54
Investment earnings				42,539
Other				101,337
Total general receipts				<u>23,716,821</u>
Change in net assets				(598,767)
Net assets - beginning				<u>5,064,210</u>
Net assets - ending				<u>\$ 4,465,443</u>
<u>Assets</u>				
Cash and investments				<u>\$ 4,465,443</u>
Total assets				<u>\$ 4,465,443</u>
<u>Net Assets</u>				
Unrestricted				<u>\$ 4,465,443</u>
Total net assets				<u>\$ 4,465,443</u>

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

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, 2008

	General	Debt Service	Capital Projects	Construction	Other	Totals
Receipts:						
Local sources	\$ 5,846,842	\$ 1,965,453	\$ 1,684,965	\$ 20,545	\$ 2,940,887	\$ 12,458,692
Intermediate sources	574	-	-	-	489	1,063
State sources	5,000,020	-	-	-	159,360	5,159,380
Federal sources	-	-	-	-	315,191	315,191
Temporary loans	1,150,000	1,600,000	-	-	581,000	3,331,000
Other	50,929	-	296,192	-	19,489	366,610
Total receipts	12,048,365	3,565,453	1,981,157	20,545	4,016,416	21,631,936
Disbursements:						
Current:						
Instruction	7,774,343	-	-	-	175,946	7,950,289
Support services	2,336,966	-	1,179,381	-	1,835,502	5,351,849
Noninstructional services	225,127	-	-	-	706,992	932,119
Facilities acquisition and construction	-	-	1,227,561	134,726	-	1,362,287
Debt services	2,000,000	2,803,695	-	-	415,288	5,218,983
Nonprogrammed charges	426,040	-	-	-	101,750	527,790
Total disbursements	12,762,476	2,803,695	2,406,942	134,726	3,235,478	21,343,317
Excess (deficiency) of receipts over disbursements	(714,111)	761,758	(425,785)	(114,181)	780,938	288,619
Other financing sources (uses):						
Sale of capital assets	9,821	-	-	3,921,000	-	3,930,821
Transfers in	103,406	-	618,972	15,582	52,631	790,591
Transfers out	(31,084)	(6,802)	(5,828)	(618,972)	(127,905)	(790,591)
Total other financing sources (uses)	82,143	(6,802)	613,144	3,317,610	(75,274)	3,930,821
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(631,968)	754,956	187,359	3,203,429	705,664	4,219,440
Cash and investments - beginning	738,057	(733,717)	578,888	-	261,542	844,770
Cash and investments - ending	\$ 106,089	\$ 21,239	\$ 766,247	\$ 3,203,429	\$ 967,206	\$ 5,064,210
Cash and Investment Assets - Ending						
Cash and investments	\$ 106,089	\$ -	\$ 766,247	\$ 3,203,429	\$ 965,365	\$ 5,041,130
Restricted assets:						
Cash and investments	-	21,239	-	-	1,841	23,080
Total cash and investment assets - ending	\$ 106,089	\$ 21,239	\$ 766,247	\$ 3,203,429	\$ 967,206	\$ 5,064,210
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ 21,239	\$ -	\$ -	\$ 1,841	\$ 23,080
Unrestricted	106,089	-	766,247	3,203,429	965,365	5,041,130
Total cash and investment fund balance - ending	\$ 106,089	\$ 21,239	\$ 766,247	\$ 3,203,429	\$ 967,206	\$ 5,064,210

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

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, 2009

	General	Debt Service	Capital Projects	Construction	Other	Totals
Receipts:						
Local sources	\$ 6,467,273	\$ 4,101,271	\$ 887,081	\$ 29,043	\$ 2,982,217	\$ 14,466,885
Intermediate sources	574	-	-	-	506	1,080
State sources	7,446,983	-	-	-	180,421	7,627,404
Federal sources	-	-	-	-	1,343,586	1,343,586
Temporary loans	1,200,000	-	150,000	-	250,000	1,600,000
Other	75,656	-	25,231	-	450	101,337
Total receipts	15,190,486	4,101,271	1,062,312	29,043	4,757,180	25,140,292
Disbursements:						
Current:						
Instruction	7,246,980	-	-	-	528,060	7,775,040
Support services	2,828,844	-	1,037,206	-	1,726,531	5,592,581
Noninstructional services	229,650	-	-	-	1,058,623	1,288,273
Facilities acquisition and construction	-	-	1,046,178	309,763	-	1,355,941
Debt services	2,350,000	5,295,582	150,000	-	1,245,748	9,041,330
Nonprogrammed charges	395,938	-	-	-	290,010	685,948
Total disbursements	13,051,412	5,295,582	2,233,384	309,763	4,848,972	25,739,113
Excess (deficiency) of receipts over disbursements	2,139,074	(1,194,311)	(1,171,072)	(280,720)	(91,792)	(598,821)
Other financing sources (uses):						
Sale of capital assets	54	-	-	-	-	54
Transfers in	15,502	1,259,519	423,523	-	545,287	2,243,831
Transfers out	(2,049,308)	(86,447)	(18,698)	-	(89,378)	(2,243,831)
Total other financing sources (uses)	(2,033,752)	1,173,072	404,825	-	455,909	54
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	105,322	(21,239)	(766,247)	(280,720)	364,117	(598,767)
Cash and investments - beginning	106,089	21,239	766,247	3,203,429	967,206	5,064,210
Cash and investments - ending	\$ 211,411	\$ -	\$ -	\$ 2,922,709	\$ 1,331,323	\$ 4,465,443
Cash and Investment Assets - Ending						
Cash and investments	\$ 211,411	\$ -	\$ -	\$ 2,922,709	\$ 1,331,323	\$ 4,465,443
Total cash and investment assets - ending	\$ 211,411	\$ -	\$ -	\$ 2,922,709	\$ 1,331,323	\$ 4,465,443
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 211,411	\$ -	\$ -	\$ 2,922,709	\$ 1,331,323	\$ 4,465,443
Total cash and investment fund balance - ending	\$ 211,411	\$ -	\$ -	\$ 2,922,709	\$ 1,331,323	\$ 4,465,443

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ (1,124)	\$ -	
Other	(2,557)	9,950	
Total contributions	(3,681)	9,950	
Investment earnings:			
Interest	18,706	1,109	
Total additions	15,025	11,059	
Deductions:			
Benefits	146,576	-	
Administrative and general	-	11,558	
Total deductions	146,576	11,558	
Deficiency of total additions over total deductions	(131,551)	(499)	
Cash and investment fund balance - beginning	433,094	64,133	
Cash and investment fund balance - ending	\$ 301,543	\$ 63,634	\$ 6,810
Net assets:			
Cash and investments	\$ 301,543	\$ 63,634	
Total net assets - cash and investment basis held in trust	\$ 301,543	\$ 63,634	

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ (722)	\$ -	
Other	-	19,755	
Total contributions	(722)	19,755	
Investment earnings:			
Interest	7,351	278	
Total additions	6,629	20,033	
Deductions:			
Benefits	135,652	-	
Administrative and general	-	19,586	
Total deductions	135,652	19,586	
Excess (deficiency) of total additions over total deductions	(129,023)	447	
Cash and investment fund balance - beginning	301,543	63,634	
Cash and investment fund balance - ending	\$ 172,520	\$ 64,081	\$ 10,110
Net assets:			
Cash and investments	\$ 172,520	\$ 64,081	
Total net assets - cash and investment basis held in trust	\$ 172,520	\$ 64,081	

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

SOUTH GIBSON 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: South Gibson 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 East Gibson School Corporation, North Gibson School Corporation, Warrick County School Corporation, and Pike County School Corporation in a joint venture to operate the Gibson-Pike-Warrick Special Education Cooperative which was created to provide programming for exceptional children which would not be academically or economically feasible on an individual basis. Each participating school corporation agrees to pay toward the cost of the Special Education Cooperative for each year of its operation the percentage amount that said participating school corporation's Average Daily Attendance (A.D.A.) grade one through grade twelve as reported for the previous school year on Form 30, filed with the State Department of Public Instruction bears to the sum total A.D.A. The cooperative's continued existence depends on continued funding by the School Corporation. Complete financial statements for the cooperative can be obtained from the Gibson-Pike-Warrick Special Education Cooperative at 618 East Main Street, Petersburg, Indiana 47567.

Related Organizations

The School Corporation's officials are also responsible for appointing the members of the boards of other organizations, but the School Corporation's accountability for these organizations does not extend beyond making the appointments. The School Corporation appoints the board members of the Owensville-Carnegie Public Library and the Fort Branch-Johnson Township Public Library.

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.

SOUTH GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. However, there are no business-type activities to report at this time.

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 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 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 construction fund is used to account for disbursements for capital outlay from receipts derived from the sale of the Gibson Southern High School building to the holding corporation.

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.

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

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

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

SOUTH GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 or internal service 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% 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.

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental 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 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.

SOUTH GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

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 but as adjustments to disbursements in the respective funds.

SOUTH GIBSON SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

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. 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 January 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 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, 2009, the following fund reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	2007-2008	2008-2009
Safe Schools, Healthy Students	\$ -	\$ 238

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.

SOUTH GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

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. At June 30, 2009, 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.

2. Investments

As of June 30, 2009, the School Corporation had no investments.

B. Interfund Transfers

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

Transfer From	Transfer To	2007-2008	2008-2009
General Fund	Construction	\$ 15,582	\$ -
	Debt Service	-	1,252,717
	Capital Projects	-	417,694
	Other governmental funds	15,502	378,897
Debt Service	Other governmental funds	6,802	86,447
Capital Projects	Other governmental funds	5,828	18,698
Construction	Capital Projects	618,972	-
Other governmental funds	General Fund	103,406	15,502
	Debt Service	-	6,802
	Capital Projects	-	5,829
	Other governmental funds	24,499	61,245
Totals		<u>\$ 790,591</u>	<u>\$ 2,243,831</u>

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

C. Restatements and Reclassifications

For the year ended June 30, 2007, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit. Prior period adjustments represent corrections to previous fund balances.

SOUTH GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Opinion Unit	Balance as Reported June 30, 2007	Fund Reclassification	New Funds	Prior Period Adjustments	Balance as Restated July 1, 2007
Governmental	\$ 888,508	\$ (43,738)	\$ -	\$ -	\$ 844,770
Pension trust	423,342	-	-	9,752	433,094
Private-purpose trust	-	43,738	-	20,395	64,133

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; 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 years. There were no significant reductions in insurance by major category of risk.

B. Related Party Transactions

During the period for which financial statements are presented, the School Corporation had material transactions with Larry R. Johnson, President of the School Board, in relation to corporation insurance policies for property and casualty risks in the amount of \$91,223 for the period July 1, 2007 to June 30, 2008 and \$126,593 for the period July 1, 2008 to June 30, 2009. Larry R. Johnson as agent received a commission on these insurance sales.

C. Holding Corporation

The School Corporation has entered into capital leases with South Gibson 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 totaled \$3,668,500.

D. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

The South Gibson School Corporation contributes to Welborn Health Plans, a single-employer defined benefit healthcare plan administered by Welborn Health Plans. The plan provides medical insurance to retired employees of participating entities. Indiana Code 5-10-8 assigns the

SOUTH GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

authority to establish and amend the benefit provisions of the School Corporation. Welborn Health Plans issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by contacting the plan administrator:

Welborn Health Plans
101 SE Third Street
Evansville, Indiana 47708

Funding Policy

The contribution requirements of the plan members for Welborn Health Plans are established and may be amended by the contract between the board of trustees of the South Gibson School Corporation and South Gibson Teachers Association. Plan members or beneficiaries receiving benefits contribute \$0 per month for coverage. The School Corporation contributes an amount of money equal to 85% of the health insurance carrier's family plan until the retiree is age 65. The School Corporation's contributions to the plan for the years ended June 30, 2008, and June 30, 2009, were \$136,587 and \$131,890, respectively.

E. Pension Plans

1. Agent Multiple-Employer and Single-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 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

SOUTH GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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	\$ 57,943
Interest on net pension obligation	(8,125)
Adjustment to annual required contribution	9,259
Annual pension cost	59,077
Contributions made	56,988
Increase in net pension obligation	2,089
Net pension obligation, beginning of year	(112,071)
Net pension obligation, end of year	\$ (109,982)

	PERF
Contribution rates:	
School Corporation	6.75%
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

SOUTH GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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	\$ 46,124	123%	\$ (120,166)
	06-30-07	66,438	88%	(112,071)
	06-30-08	59,077	96%	(109,982)

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. 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

SOUTH GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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 \$175,446, \$155,763, and \$132,009, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years, respectively.

F. Subsequent Events

The School Corporation was awarded federal stimulus monies totaling \$74,664 to be used for Title I programs.

SOUTH GIBSON 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)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	(Unfunded) Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 991,949	\$ 1,042,834	\$ (50,885)	95%	\$ 1,003,856	(5%)
07-01-07	1,069,023	1,059,003	10,020	101%	952,871	1%
07-01-08	1,210,951	1,177,730	33,221	103%	994,532	3%

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, 2008

	Transportation Operating	Preschool	School Lunch	Textbook Rental	Levy Excess	Educational License Plate	School Safe Haven
Receipts:							
Local sources	\$ 1,475,650	\$ 16,379	\$ 567,156	\$ 111,683	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	489	-
State sources	-	64,272	30,015	29,895	-	-	-
Federal sources	-	-	182,993	-	-	-	-
Temporary loans	561,000	-	-	-	-	-	-
Other	3,354	-	-	-	-	-	-
Total receipts	2,040,004	80,651	780,164	141,578	-	489	-
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	1,553,866	-	23,311	154,549	-	-	-
Noninstructional services	-	-	706,338	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	101,750	-	-	-	-	-
Total disbursements	1,553,866	101,750	729,649	154,549	-	-	-
Excess (deficiency) of receipts over disbursements	486,138	(21,099)	50,515	(12,971)	-	489	-
Other financing sources (uses):							
Transfers in	-	-	-	-	35,952	-	-
Transfers out	(5,107)	(57)	-	-	(103,404)	-	(1)
Total other financing sources (uses)	(5,107)	(57)	-	-	(67,452)	-	(1)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	481,031	(21,156)	50,515	(12,971)	(67,452)	489	(1)
Cash and investments - beginning	(480,555)	23,492	322,495	339,626	103,404	(85)	1
Cash and investments - ending	\$ 476	\$ 2,336	\$ 373,010	\$ 326,655	\$ 35,952	\$ 404	\$ -
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 476	\$ 2,336	\$ 373,010	\$ 326,655	\$ 35,952	\$ 404	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 476	\$ 2,336	\$ 373,010	\$ 326,655	\$ 35,952	\$ 404	\$ -
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	476	2,336	373,010	326,655	35,952	404	-
Total cash and investment fund balance - ending	\$ 476	\$ 2,336	\$ 373,010	\$ 326,655	\$ 35,952	\$ 404	\$ -

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, 2008
 (Continued)

	Early Intervention	High Ability Grant 2007-08	Technical Assistance Agreement	Gifted and Talented 06-07	Non-English Speaking Program	Title I 2007-08	Title I 2006-07
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	500	33,868	-	-	810	-	-
Federal sources	-	-	-	-	-	49,000	5,560
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	500	33,868	-	-	810	49,000	5,560
Disbursements:							
Current:							
Instruction	500	28,036	-	11,860	-	50,752	9,138
Support services	-	-	-	-	-	577	-
Noninstructional services	-	-	-	-	-	4	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	500	28,036	-	11,860	-	51,333	9,138
Excess (deficiency) of receipts over disbursements	-	5,832	-	(11,860)	810	(2,333)	(3,578)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	8,170	-
Transfers out	-	-	(1)	-	-	-	(8,509)
Total other financing sources (uses)	-	-	(1)	-	-	8,170	(8,509)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	5,832	(1)	(11,860)	810	5,837	(12,087)
Cash and investments - beginning	-	-	1	11,860	78	-	12,087
Cash and investments - ending	\$ -	\$ 5,832	\$ -	\$ -	\$ 888	\$ 5,837	\$ -
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 5,832	\$ -	\$ -	\$ 888	\$ 5,837	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 5,832	\$ -	\$ -	\$ 888	\$ 5,837	\$ -
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	5,832	-	-	888	5,837	-
Total cash and investment fund balance - ending	\$ -	\$ 5,832	\$ -	\$ -	\$ 888	\$ 5,837	\$ -

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, 2008
 (Continued)

	Title I 2007-08	Title V - Part A 2006-07	Title V - Part A 2005-06	Drug Free Schools 2005-06	Drug Free Schools 2006-07	Drug Free Schools 2007-08	Title II - A 2006-07
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	32,607	-	-	-	-	5,031	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	32,607	-	-	-	-	5,031	-
Disbursements:							
Current:							
Instruction	32,296	-	-	1,761	4,232	-	42,774
Support services	-	11,799	9,592	-	-	-	1,334
Noninstructional services	650	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	32,946	11,799	9,592	1,761	4,232	-	44,108
Excess (deficiency) of receipts over disbursements	(339)	(11,799)	(9,592)	(1,761)	(4,232)	5,031	(44,108)
Other financing sources (uses):							
Transfers in	8,509	-	-	-	-	-	-
Transfers out	(8,170)	-	-	-	-	-	-
Total other financing sources (uses)	339	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(11,799)	(9,592)	(1,761)	(4,232)	5,031	(44,108)
Cash and investments - beginning	-	13,877	9,592	1,816	5,040	-	51,047
Cash and investments - ending	\$ -	\$ 2,078	\$ -	\$ 55	\$ 808	\$ 5,031	\$ 6,939
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 2,078	\$ -	\$ 55	\$ 808	\$ 5,031	\$ 6,939
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 2,078	\$ -	\$ 55	\$ 808	\$ 5,031	\$ 6,939
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	2,078	-	55	808	5,031	6,939
Total cash and investment fund balance - ending	\$ -	\$ 2,078	\$ -	\$ 55	\$ 808	\$ 5,031	\$ 6,939

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, 2008
 (Continued)

	Title II - A 2007-08	Title II - A 2005-06	Title II - D 2005-06	School Pension Debt	School Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 612,471	\$ 157,548	\$ 2,940,887
Intermediate sources	-	-	-	-	-	489
State sources	-	-	-	-	-	159,360
Federal sources	40,000	-	-	-	-	315,191
Temporary loans	-	-	-	20,000	-	581,000
Other	-	-	-	-	16,135	19,489
Total receipts	40,000	-	-	632,471	173,683	4,016,416
Disbursements:						
Current:						
Instruction	3,140	(8,543)	-	-	-	175,946
Support services	-	8,953	1,531	-	69,990	1,835,502
Noninstructional services	-	-	-	-	-	706,992
Debt services	-	-	-	415,288	-	415,288
Nonprogrammed charges	-	-	-	-	-	101,750
Total disbursements	3,140	410	1,531	415,288	69,990	3,235,478
Excess (deficiency) of receipts over disbursements	36,860	(410)	(1,531)	217,183	103,693	780,938
Other financing sources (uses):						
Transfers in	-	-	-	-	-	52,631
Transfers out	-	-	-	(2,111)	(545)	(127,905)
Total other financing sources (uses)	-	-	-	(2,111)	(545)	(75,274)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	36,860	(410)	(1,531)	215,072	103,148	705,664
Cash and investments - beginning	-	410	1,531	(213,231)	59,056	261,542
Cash and investments - ending	\$ 36,860	\$ -	\$ -	\$ 1,841	\$ 162,204	\$ 967,206
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 36,860	\$ -	\$ -	\$ -	\$ 162,204	\$ 965,365
Restricted assets:						
Cash and investments	-	-	-	1,841	-	1,841
Total cash and investment assets - ending	\$ 36,860	\$ -	\$ -	\$ 1,841	\$ 162,204	\$ 967,206
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 1,841	\$ -	\$ 1,841
Unrestricted	36,860	-	-	-	162,204	965,365
Total cash and investment fund balance - ending	\$ 36,860	\$ -	\$ -	\$ 1,841	\$ 162,204	\$ 967,206

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, 2009

	Transportation Operating	Preschool	School Lunch	Textbook Rental	Levy Excess	Educational License Plate	School Safe Haven
Receipts:							
Local sources	\$ 1,609,200	\$ 16,833	\$ 794,045	\$ 105,974	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	506	-
State sources	-	80,808	32,296	33,449	-	-	-
Federal sources	-	-	245,513	-	-	-	-
Temporary loans	230,000	20,000	-	-	-	-	-
Other	200	-	-	-	-	-	-
Total receipts	1,839,400	117,641	1,071,854	139,423	-	506	-
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	1,266,830	-	-	184,898	-	-	-
Noninstructional services	-	-	1,058,623	-	-	-	-
Debt services	791,000	20,000	-	-	-	-	-
Nonprogrammed charges	-	93,500	-	-	-	-	-
Total disbursements	2,057,830	113,500	1,058,623	184,898	-	-	-
Excess (deficiency) of receipts over disbursements	(218,430)	4,141	13,231	(45,475)	-	506	-
Other financing sources (uses):							
Transfers in	251,874	57	3,448	-	272,048	-	-
Transfers out	(33,919)	(355)	-	-	(35,952)	-	-
Total other financing sources (uses)	217,955	(298)	3,448	-	236,096	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(475)	3,843	16,679	(45,475)	236,096	506	-
Cash and investments - beginning	476	2,336	373,010	326,655	35,952	404	-
Cash and investments - ending	\$ 1	\$ 6,179	\$ 389,689	\$ 281,180	\$ 272,048	\$ 910	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 1	\$ 6,179	\$ 389,689	\$ 281,180	\$ 272,048	\$ 910	\$ -
Total cash and investment assets - ending	\$ 1	\$ 6,179	\$ 389,689	\$ 281,180	\$ 272,048	\$ 910	\$ -
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ 1	\$ 6,179	\$ 389,689	\$ 281,180	\$ 272,048	\$ 910	\$ -
Total cash and investment fund balance - ending	\$ 1	\$ 6,179	\$ 389,689	\$ 281,180	\$ 272,048	\$ 910	\$ -

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 December 31, 2009
 (Continued)

	Early Intervention	High Ability Grant 2007-08	Technical Assistance Agreement	Gifted and Talented 06-07	Non-English Speaking Program	Title I 2007-08	Title I 2008-09
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	33,868	-	-	-	-
Federal sources	-	-	-	-	-	9,000	63,116
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	-	33,868	-	-	9,000	63,116
Disbursements:							
Current:							
Instruction	-	5,832	28,757	-	-	11,300	59,133
Support services	-	-	-	-	-	-	141
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	5,832	28,757	-	-	11,300	59,274
Excess (deficiency) of receipts over disbursements	-	(5,832)	5,111	-	-	(2,300)	3,842
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	3,537
Transfers out	-	-	-	-	-	(3,537)	-
Total other financing sources (uses)	-	-	-	-	-	(3,537)	3,537
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(5,832)	5,111	-	-	(5,837)	7,379
Cash and investments - beginning	-	5,832	-	-	888	5,837	-
Cash and investments - ending	\$ -	\$ -	\$ 5,111	\$ -	\$ 888	\$ -	\$ 7,379
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ 5,111	\$ -	\$ 888	\$ -	\$ 7,379
Total cash and investment assets - ending	\$ -	\$ -	\$ 5,111	\$ -	\$ 888	\$ -	\$ 7,379
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ -	\$ -	\$ 5,111	\$ -	\$ 888	\$ -	\$ 7,379
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 5,111	\$ -	\$ 888	\$ -	\$ 7,379

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 December 31, 2009
 (Continued)

	Title V - A 2006-07	Title II - A 2007-08	Drug Free Schools 2005-06	Drug Free Schools 2006-07	Drug Free Schools 2007-08	Drug Free Schools 2008-09	Title II - A 2006-07
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	2,847	-	-	-	3,879	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	2,847	-	-	-	3,879	-
Disbursements:							
Current:							
Instruction	-	-	55	808	3,841	-	(1,500)
Support services	2,078	7,713	-	-	-	-	8,439
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	2,078	7,713	55	808	3,841	-	6,939
Excess (deficiency) of receipts over disbursements	(2,078)	(4,866)	(55)	(808)	(3,841)	3,879	(6,939)
Other financing sources (uses):							
Transfers in	-	6,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	6,000	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,078)	1,134	(55)	(808)	(3,841)	3,879	(6,939)
Cash and investments - beginning	2,078	-	55	808	5,031	-	6,939
Cash and investments - ending	\$ -	\$ 1,134	\$ -	\$ -	\$ 1,190	\$ 3,879	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 1,134	\$ -	\$ -	\$ 1,190	\$ 3,879	\$ -
Total cash and investment assets - ending	\$ -	\$ 1,134	\$ -	\$ -	\$ 1,190	\$ 3,879	\$ -
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ -	\$ 1,134	\$ -	\$ -	\$ 1,190	\$ 3,879	\$ -
Total cash and investment fund balance - ending	\$ -	\$ 1,134	\$ -	\$ -	\$ 1,190	\$ 3,879	\$ -

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 December 31, 2009
 (Continued)

	Title II - A 2007-08	Title II - A 2008-09	Safe Schools, Healthy Students	Federal Stimulus FSC Stabilization	School Pension Debt	School Bus Replacement	Totals
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 434,283	\$ 21,882	\$ 2,982,217
Intermediate sources	-	-	-	-	-	-	506
State sources	-	-	-	-	-	-	180,421
Federal sources	23,176	40,000	-	956,055	-	-	1,343,586
Temporary loans	-	-	-	-	-	-	250,000
Other	-	-	250	-	-	-	450
Total receipts	23,176	40,000	250	956,055	434,283	21,882	4,757,180
Disbursements:							
Current:							
Instruction	36,860	8,408	-	374,566	-	-	528,060
Support services	12,502	1,262	488	242,180	-	-	1,726,531
Noninstructional services	-	-	-	-	-	-	1,058,623
Debt services	-	-	-	-	434,748	-	1,245,748
Nonprogrammed charges	-	-	-	196,510	-	-	290,010
Total disbursements	49,362	9,670	488	813,256	434,748	-	4,848,972
Excess (deficiency) of receipts over disbursements	(26,186)	30,330	(238)	142,799	(465)	21,882	(91,792)
Other financing sources (uses):							
Transfers in	-	-	-	-	7,778	545	545,287
Transfers out	(6,000)	-	-	-	(9,154)	(461)	(89,378)
Total other financing sources (uses)	(6,000)	-	-	-	(1,376)	84	455,909
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(32,186)	30,330	(238)	142,799	(1,841)	21,966	364,117
Cash and investments - beginning	36,860	-	-	-	1,841	162,204	967,206
Cash and investments - ending	\$ 4,674	\$ 30,330	\$ (238)	\$ 142,799	\$ -	\$ 184,170	\$ 1,331,323
Cash and Investment Assets - Ending							
Cash and investments	\$ 4,674	\$ 30,330	\$ (238)	\$ 142,799	\$ -	\$ 184,170	\$ 1,331,323
Total cash and investment assets - ending	\$ 4,674	\$ 30,330	\$ (238)	\$ 142,799	\$ -	\$ 184,170	\$ 1,331,323
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ 4,674	\$ 30,330	\$ (238)	\$ 142,799	\$ -	\$ 184,170	\$ 1,331,323
Total cash and investment fund balance - ending	\$ 4,674	\$ 30,330	\$ (238)	\$ 142,799	\$ -	\$ 184,170	\$ 1,331,323

SOUTH GIBSON 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

	Pioneer Grant	Cinergy Grant	Youth Resources	Walmart Donation Barton	Fractions Project
Additions:					
Contributions:					
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings:					
Interest	-	-	-	-	-
Total additions	-	-	-	-	-
Deductions:					
Administrative and general	-	-	247	-	60
Excess (deficiency) of total additions over total deductions	-	-	(247)	-	(60)
Cash and investment fund balance - beginning	453	1,629	340	450	261
Cash and investments - June 30	<u>\$ 453</u>	<u>\$ 1,629</u>	<u>\$ 93</u>	<u>\$ 450</u>	<u>\$ 201</u>
Net assets:					
Cash and investments	\$ 453	\$ 1,629	\$ 93	\$ 450	\$ 201
Total net assets - cash and investment basis held in trust	<u>\$ 453</u>	<u>\$ 1,629</u>	<u>\$ 93</u>	<u>\$ 450</u>	<u>\$ 201</u>

SOUTH GIBSON 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>Bob Will Donation</u>	<u>Community Foundation Alliance</u>	<u>Toyota Motor Manufacturing Indiana</u>	<u>PSI IOTA XI Sorority Donation</u>	<u>Toyota Manufacturing - Band Donation Investment</u>
Additions:					
Contributions:					
Other	\$ -	\$ -	\$ 8,500	\$ 250	\$ -
Investment earnings:					
Interest	-	-	-	-	1,109
Total additions	<u>-</u>	<u>-</u>	<u>8,500</u>	<u>250</u>	<u>1,109</u>
Deductions:					
Administrative and general	-	-	1,945	-	8,670
Excess (deficiency) of total additions over total deductions	-	-	6,555	250	(7,561)
Cash and investment fund balance - beginning	<u>208</u>	<u>422</u>	<u>3,352</u>	<u>-</u>	<u>20,395</u>
Cash and investments - June 30	<u>\$ 208</u>	<u>\$ 422</u>	<u>\$ 9,907</u>	<u>\$ 250</u>	<u>\$ 12,834</u>
Net assets:					
Cash and investments	<u>\$ 208</u>	<u>\$ 422</u>	<u>\$ 9,907</u>	<u>\$ 250</u>	<u>\$ 12,834</u>
Total net assets - cash and investment basis held in trust	<u>\$ 208</u>	<u>\$ 422</u>	<u>\$ 9,907</u>	<u>\$ 250</u>	<u>\$ 12,834</u>

SOUTH GIBSON 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)

	Duke Energy Donation - Shiloh	SINE Reading Renaissance	SINE Professional Development	Fort Branch Art Contest	Totals
Additions:					
Contributions:					
Other	\$ 1,200	\$ -	\$ -	\$ -	\$ 9,950
Investment earnings:					
Interest	-	-	-	-	1,109
Total additions	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,059</u>
Deductions:					
Administrative and general	-	-	636	-	11,558
Excess (deficiency) of total additions over total deductions	1,200	-	(636)	-	(499)
Cash and investment fund balance - beginning	-	2,810	1,788	32,025	64,133
Cash and investments - June 30	<u>\$ 1,200</u>	<u>\$ 2,810</u>	<u>\$ 1,152</u>	<u>\$ 32,025</u>	<u>\$ 63,634</u>
Net assets:					
Cash and investments	\$ 1,200	\$ 2,810	\$ 1,152	\$ 32,025	\$ 63,634
Total net assets - cash and investment basis held in trust	<u>\$ 1,200</u>	<u>\$ 2,810</u>	<u>\$ 1,152</u>	<u>\$ 32,025</u>	<u>\$ 63,634</u>

SOUTH GIBSON 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>PSI IOTA XI Sorority Donation</u>	<u>Toyota Motor Manufacturing Indiana</u>	<u>Pioneer Grant</u>	<u>Cinergy Grant</u>	<u>Youth Resources</u>	<u>Walmart Donation Barton</u>
Additions:						
Contributions:						
Other	\$ -	\$ 6,600	\$ -	\$ 700	\$ -	\$ -
Investment earnings:						
Interest	-	-	-	-	-	-
Total additions	<u>-</u>	<u>6,600</u>	<u>-</u>	<u>700</u>	<u>-</u>	<u>-</u>
Deductions:						
Administrative and general	-	7,700	-	469	90	-
Excess (deficiency) of total additions over total deductions	-	(1,100)	-	231	(90)	-
Cash and investment fund balance - beginning	<u>250</u>	<u>9,907</u>	<u>453</u>	<u>1,629</u>	<u>93</u>	<u>450</u>
Cash and investments - June 30	<u>\$ 250</u>	<u>\$ 8,807</u>	<u>\$ 453</u>	<u>\$ 1,860</u>	<u>\$ 3</u>	<u>\$ 450</u>
Net assets:						
Cash and investments	<u>\$ 250</u>	<u>\$ 8,807</u>	<u>\$ 453</u>	<u>\$ 1,860</u>	<u>\$ 3</u>	<u>\$ 450</u>
Total net assets - cash and investment basis held in trust	<u>\$ 250</u>	<u>\$ 8,807</u>	<u>\$ 453</u>	<u>\$ 1,860</u>	<u>\$ 3</u>	<u>\$ 450</u>

SOUTH GIBSON 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)

	<u>Fractions Project</u>	<u>Bob Will Donation</u>	<u>Toyota Manufacturing - Band Donation Investment</u>	<u>Community Foundation Alliance</u>	<u>SINE Reading Renaissance</u>	<u>SINE Professional Development</u>
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings:						
Interest	-	-	278	-	-	-
Total additions	-	-	278	-	-	-
Deductions:						
Administrative and general	54	-	10,923	-	-	-
Excess (deficiency) of total additions over total deductions	(54)	-	(10,645)	-	-	-
Cash and investment fund balance - beginning	201	208	12,834	422	2,810	1,152
Cash and investments - June 30	<u>\$ 147</u>	<u>\$ 208</u>	<u>\$ 2,189</u>	<u>\$ 422</u>	<u>\$ 2,810</u>	<u>\$ 1,152</u>
Net assets:						
Cash and investments	<u>\$ 147</u>	<u>\$ 208</u>	<u>\$ 2,189</u>	<u>\$ 422</u>	<u>\$ 2,810</u>	<u>\$ 1,152</u>
Total net assets - cash and investment basis held in trust	<u>\$ 147</u>	<u>\$ 208</u>	<u>\$ 2,189</u>	<u>\$ 422</u>	<u>\$ 2,810</u>	<u>\$ 1,152</u>

SOUTH GIBSON 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)

	<u>Fort Branch Art Contest</u>	<u>Duke Energy Donation - Shiloh</u>	<u>Creative Communications Grant</u>	<u>HCS Wind Turbine Project</u>	<u>Totals</u>
Additions:					
Contributions:					
Other	\$ -	\$ -	\$ 250	\$ 12,205	\$ 19,755
Investment earnings:					
Interest	-	-	-	-	278
Total additions	<u>-</u>	<u>-</u>	<u>250</u>	<u>12,205</u>	<u>20,033</u>
Deductions:					
Administrative and general	<u>156</u>	<u>-</u>	<u>194</u>	<u>-</u>	<u>19,586</u>
Excess (deficiency) of total additions over total deductions	(156)	-	56	12,205	447
Cash and investment fund balance - beginning	<u>32,025</u>	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>63,634</u>
Cash and investments - June 30	<u>\$ 31,869</u>	<u>\$ 1,200</u>	<u>\$ 56</u>	<u>\$ 12,205</u>	<u>\$ 64,081</u>
Net assets:					
Cash and investments	<u>\$ 31,869</u>	<u>\$ 1,200</u>	<u>\$ 56</u>	<u>\$ 12,205</u>	<u>\$ 64,081</u>
Total net assets - cash and investment basis held in trust	<u>\$ 31,869</u>	<u>\$ 1,200</u>	<u>\$ 56</u>	<u>\$ 12,205</u>	<u>\$ 64,081</u>

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

	Federal Tax	FICA/Medicare	State and Local Tax	PERF	Annuities	ISTA Dues	Credit Union
Additions:							
Agency fund additions	\$ 858,103	\$ 578,301	\$ 285,271	\$ 30,704	\$ 313,125	\$ 67,490	\$ 526,842
Deductions:							
Agency fund deductions	858,103	578,299	284,892	30,704	313,125	67,490	526,842
Excess (deficiency) of total additions over total deductions	-	2	379	-	-	-	-
Cash and investment fund balance - beginning	-	-	-	-	-	-	-
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 379</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SOUTH GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Anthem Blue Cross	Horace Mann Life Insurance	American Family Insurance	American Fidelity Insurance	Generation II	Extra Curricular Salaries	National School Lunch
Additions:							
Agency fund additions	<u>\$ 264,130</u>	<u>\$ 7,252</u>	<u>\$ 6,026</u>	<u>\$ 41,547</u>	<u>\$ 13,855</u>	<u>\$ 19,071</u>	<u>\$ 181,038</u>
Deductions:							
Agency fund deductions	<u>262,942</u>	<u>8,137</u>	<u>5,987</u>	<u>41,551</u>	<u>13,855</u>	<u>18,636</u>	<u>195,251</u>
Excess (deficiency) of total additions over total deductions	1,188	(885)	39	(4)	-	435	(14,213)
Cash and investment fund balance - beginning	<u>2,738</u>	<u>918</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>668</u>	<u>14,213</u>
Cash and investment fund balance - ending	<u>\$ 3,926</u>	<u>\$ 33</u>	<u>\$ 39</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,103</u>	<u>\$ -</u>

SOUTH GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	United Way	Dental Health Plan	Vision Health Plan	Jefferson Pilot Life Insurance	Life Fringe Benefit	Totals
Additions:						
Agency fund additions	\$ 1,090	\$ 42,826	\$ 13,099	\$ 20,398	\$ 558	\$ 3,270,726
Deductions:						
Agency fund deductions	1,090	42,807	12,996	20,268	558	3,283,533
Excess (deficiency) of total additions over total deductions	-	19	103	130	-	(12,807)
Cash and investment fund balance - beginning	-	681	395	-	-	19,617
Cash and investment fund balance - ending	\$ -	\$ 700	\$ 498	\$ 130	\$ -	\$ 6,810

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

	<u>Federal Tax</u>	<u>FICA/Medicare</u>	<u>State and Local Tax</u>	<u>PERF</u>	<u>Annuities</u>	<u>ISTA Dues</u>
Additions:						
Agency fund additions	<u>\$ 842,271</u>	<u>\$ 589,439</u>	<u>\$ 294,023</u>	<u>\$ 33,390</u>	<u>\$ 305,192</u>	<u>\$ 67,256</u>
Deductions:						
Agency fund deductions	<u>842,271</u>	<u>589,441</u>	<u>293,866</u>	<u>33,390</u>	<u>305,192</u>	<u>67,256</u>
Excess (deficiency) of total additions over total deductions	-	(2)	157	-	-	-
Cash and investment fund balance - beginning	<u>-</u>	<u>2</u>	<u>379</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 536</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SOUTH GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Credit Union	Anthem Blue Cross	Horace Mann Life Insurance	American Family Insurance	American Fidelity Insurance	Garnishment
Additions:						
Agency fund additions	\$ 470,722	\$ 283,546	\$ 3,425	\$ 5,279	\$ 39,981	\$ 2,675
Deductions:						
Agency fund deductions	470,722	280,749	3,425	5,316	39,981	2,675
Excess (deficiency) of total additions over total deductions	-	2,797	-	(37)	-	-
Cash and investment fund balance - beginning	-	3,926	33	39	-	-
Cash and investment fund balance - ending	\$ -	\$ 6,723	\$ 33	\$ 2	\$ -	\$ -

SOUTH GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	<u>Generation II</u>	<u>Extra Curricular Salaries</u>	<u>National School Lunch</u>	<u>United Way</u>	<u>Dental Health Plan</u>
Additions:					
Agency fund additions	<u>\$ 15,280</u>	<u>\$ 12,187</u>	<u>\$ 219,423</u>	<u>\$ 882</u>	<u>\$ 44,937</u>
Deductions:					
Agency fund deductions	<u>15,280</u>	<u>11,962</u>	<u>219,128</u>	<u>882</u>	<u>44,883</u>
Excess (deficiency) of total additions over total deductions	-	225	295	-	54
Cash and investment fund balance - beginning	<u>-</u>	<u>1,103</u>	<u>-</u>	<u>-</u>	<u>700</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 1,328</u>	<u>\$ 295</u>	<u>\$ -</u>	<u>\$ 754</u>

SOUTH GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Vision Health Plan	Jefferson Pilot Life Insurance	Life Fringe Benefit	Personal Use of Cell Phone	Totals
Additions:					
Agency fund additions	<u>\$ 14,273</u>	<u>\$ 14,070</u>	<u>\$ 373</u>	<u>\$ 1,120</u>	<u>\$ 3,259,744</u>
Deductions:					
Agency fund deductions	<u>14,252</u>	<u>14,280</u>	<u>373</u>	<u>1,120</u>	<u>3,256,444</u>
Excess (deficiency) of total additions over total deductions	21	(210)	-	-	3,300
Cash and investment fund balance - beginning	<u>498</u>	<u>130</u>	<u>-</u>	<u>-</u>	<u>6,810</u>
Cash and investment fund balance - ending	<u>\$ 519</u>	<u>\$ (80)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,110</u>

SOUTH GIBSON 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	\$ 529,894
Buildings	27,701,819
Improvements other than buildings	6,006,760
Machinery and equipment	<u>2,161,388</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 36,399,861</u>

SOUTH GIBSON 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:		
Haubstadt and Owensville School Buildings	\$ 6,210,000	\$ 958,411
Gibson Southern High School Building	32,510,000	1,735,030
Bonds payable:		
General obligation bonds:		
Pension Bonds	<u>2,600,000</u>	<u>205,602</u>
Total governmental activities debt	<u>\$ 41,320,000</u>	<u>\$ 2,899,043</u>

SOUTH GIBSON SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

AVERAGE DAILY MEMBERSHIP (ADM) – LACK OF RECORDS

Records were not presented for audit to support the ADM claimed by the School Corporation for the 2008 – 2009 school year.

IC 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

School Officials should maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM. The building level official (Principal, Assistant Principal, etc.) responsible for reporting ADM to the School Corporation Central Office, should provide a written certification of ADM to properly document responsibility. The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (The School Administrator and Uniform Compliance Guidelines, Volume 182)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

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

Compliance

We have audited the compliance of the South Gibson 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 non-compliance 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 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.

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

A 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 School Board, 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

December 28, 2009

SOUTH GIBSON 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			
FY 07/08		FY 07/08	\$ 16,070	\$ -
FY 08/09		FY 08/09	-	16,463
National School Lunch Program	10.555			
FY 07/08		FY 07/08	212,758	-
FY 08/09		FY 08/09	-	229,496
			<u>228,828</u>	<u>245,959</u>
Total for federal grantor agency				
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
FY 07/08		07-2765	84,280	11,300
FY 08/09		08-2765	-	59,274
			<u>84,280</u>	<u>70,574</u>
Total for cluster				
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	2765	-	813,256
Safe and Drug-Free Schools and Communities - State Grants				
FY 05/06	84.186	2765-05	1,761	55
FY 06/07		2765-06	4,232	808
FY 07/08		2765-07	-	3,841
			<u>5,993</u>	<u>4,704</u>
Total for program				
State Grants for Innovative Programs				
FY 05/06	84.298	05-2765	9,592	-
FY 06/07		06-2765	11,799	2,078
FY 07/08		07-2765	-	7,713
			<u>21,391</u>	<u>9,791</u>
Total for program				
Improving Teacher Quality State Grants				
Part A FY 05/06	84.367	05-138	410	-
Part D FY 05/06		05-2765	1,531	-
Part A FY 06/07		06-2765	44,108	6,939
Part A FY 07/08		07-2765	3,140	49,362
Part A FY 08/09		08-2765	-	9,670
			<u>49,189</u>	<u>65,971</u>
Total for program				
Total for federal grantor agency			<u>160,853</u>	<u>964,296</u>
Total federal awards expended			<u>\$ 389,681</u>	<u>\$ 1,210,255</u>

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

SOUTH GIBSON 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 South Gibson 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	\$ 50,921	\$ 42,339

SOUTH GIBSON SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

SOUTH GIBSON SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on January 4, 2010, with Elaine Tenbarge, Treasurer; Tim Armstrong, Business Manager; Dr. Stacey Humbaugh, Superintendent of Schools; and Mark Parker, Technology Coordinator. The officials concurred with our audit findings.