

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

AUDIT REPORT  
OF  
NORTH GIBSON SCHOOL CORPORATION  
GIBSON COUNTY, INDIANA  
July 1, 2008 to June 30, 2010



**FILED**  
03/14/2011



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Marlene S. Fisher	07-01-08 to 06-30-11
Superintendent of Schools	B. Dale McCuiston Dr. R. Thomas Miller	07-01-08 to 06-30-09 07-01-09 to 06-30-11
President of the School Board	H. Mark lunghuhn	07-01-08 to 06-30-11



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

TO: THE OFFICIALS OF THE NORTH 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 North Gibson School Corporation (School Corporation), as of and for the years ended June 30, 2009 and 2010, 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, 2009 and 2010, 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 February 21, 2011, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards 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 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

February 21, 2011



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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 NORTH 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 North Gibson School Corporation (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated February 21, 2011. 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

February 21, 2011

NORTH 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>	Program Receipts		<u>Totals</u>
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				Net (Disbursement) Receipts and Changes in Net Assets
Instruction	\$ 10,304,421	\$ -	\$ 277,386	\$ (10,027,035)
Support services	5,609,322	456,069	540,773	(4,612,480)
Noninstructional services	1,275,803	-	-	(1,275,803)
Facilities acquisition and construction	897,459	-	-	(897,459)
Debt service	511,864	-	-	(511,864)
Nonprogrammed charges	<u>135,061</u>	<u>-</u>	<u>-</u>	<u>(135,061)</u>
Total governmental activities	<u>\$ 18,733,930</u>	<u>\$ 456,069</u>	<u>\$ 818,159</u>	<u>(17,459,702)</u>
General receipts:				
Property taxes				9,200,014
Other local sources				1,094,576
State aid				9,468,800
Grants and contributions not restricted to specific programs				1,652,372
Investment earnings				90,712
Other				<u>15,734</u>
Total general receipts				<u>21,522,208</u>
Change in net assets				4,062,506
Net assets - beginning				<u>3,999,649</u>
Net assets - ending				<u>\$ 8,062,155</u>
<u>Assets</u>				
Cash and investments				\$ 6,305,284
Restricted assets:				
Cash and investments				1,464,619
Cash with fiscal agent				<u>292,252</u>
Total assets				<u>\$ 8,062,155</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 47,485
Other purposes				1,709,386
Unrestricted				<u>6,305,284</u>
Total net assets				<u>\$ 8,062,155</u>

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

NORTH GIBSON SCHOOL CORPORATION  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2010

<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	\$ 11,455,971	\$ -	\$ 279,035	\$ (11,176,936)
Support services	6,325,985	454,806	628,588	(5,242,591)
Noninstructional services	1,249,801	-	-	(1,249,801)
Facilities acquisition and construction	1,889,154	-	-	(1,889,154)
Debt service	1,497,509	-	-	(1,497,509)
Nonprogrammed charges	<u>1,201,255</u>	<u>-</u>	<u>-</u>	<u>(1,201,255)</u>
Total governmental activities	<u>\$ 23,619,675</u>	<u>\$ 454,806</u>	<u>\$ 907,623</u>	<u>(22,257,246)</u>
General receipts:				
Property taxes				8,660,753
Other local sources				967,275
State aid				12,556,807
Bonds and loans				6,900,000
Grants and contributions not restricted to specific programs				1,145,925
Investment earnings				40,671
Other				<u>18,915</u>
Total general receipts				<u>30,290,346</u>
Change in net assets				8,033,100
Net assets - beginning				<u>8,062,155</u>
Net assets - ending				<u>\$ 16,095,255</u>
<u>Assets</u>				
Cash and investments				\$ 14,864,366
Restricted assets:				
Cash and investments				931,172
Cash with fiscal agent				<u>299,717</u>
Total assets				<u>\$ 16,095,255</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 102,790
Other purposes				1,128,099
Unrestricted				<u>14,864,366</u>
Total net assets				<u>\$ 16,095,255</u>

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

NORTH 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	Rainy Day	Fiscal Stabilization - Education (Stimulus)	Capital Projects	Other	Totals
<b>Receipts:</b>						
Local sources	\$ 4,735,241	\$ 10,000	\$ -	\$ 2,957,620	\$ 3,124,244	\$ 10,827,105
Intermediate sources	531	-	-	-	563	1,094
State sources	9,710,146	-	-	-	275,965	9,986,111
Federal sources	-	-	1,081,601	-	871,619	1,953,220
Other	-	-	-	10,501	5,233	15,734
<b>Total receipts</b>	<b>14,445,918</b>	<b>10,000</b>	<b>1,081,601</b>	<b>2,968,121</b>	<b>4,277,624</b>	<b>22,783,264</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	9,836,466	-	-	-	467,955	10,304,421
Support services	2,435,497	42,450	-	1,263,671	1,867,704	5,609,322
Noninstructional services	231,773	-	-	-	1,044,030	1,275,803
Facilities acquisition and construction	-	336,297	-	561,162	-	897,459
Debt services	-	-	-	-	511,864	511,864
Nonprogrammed charges	434,823	-	-	-	35,803	470,626
<b>Total disbursements</b>	<b>12,938,559</b>	<b>378,747</b>	<b>-</b>	<b>1,824,833</b>	<b>3,927,356</b>	<b>19,069,495</b>
Excess (deficiency) of receipts over disbursements	1,507,359	(368,747)	1,081,601	1,143,288	350,268	3,713,769
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	525,784	525,784
Transfers out	(179,817)	(100,000)	-	(103,041)	(142,926)	(525,784)
<b>Total other financing sources (uses)</b>	<b>(179,817)</b>	<b>(100,000)</b>	<b>-</b>	<b>(103,041)</b>	<b>382,858</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,327,542	(468,747)	1,081,601	1,040,247	733,126	3,713,769
Cash and investments - beginning	(355,381)	2,630,000	-	18,818	345,563	2,639,000
Cash and investments - ending	\$ 972,161	\$ 2,161,253	\$ 1,081,601	\$ 1,059,065	\$ 1,078,689	6,352,769
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:						
Internal service funds are used by management to charge the costs of certain services to individual funds. The receipts and disbursements of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.						
						1,709,386
Net assets of governmental activities						<u>\$ 8,062,155</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 972,161	\$ 2,161,253	\$ 1,081,601	\$ 1,059,065	\$ 1,031,204	\$ 6,305,284
Restricted assets:						
Cash and investments	-	-	-	-	47,485	47,485
<b>Total cash and investment assets - ending</b>	<b>\$ 972,161</b>	<b>\$ 2,161,253</b>	<b>\$ 1,081,601</b>	<b>\$ 1,059,065</b>	<b>\$ 1,078,689</b>	<b>\$ 6,352,769</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 47,485	\$ 47,485
Unrestricted	972,161	2,161,253	1,081,601	1,059,065	1,031,204	6,305,284
<b>Total cash and investment fund balance - ending</b>	<b>\$ 972,161</b>	<b>\$ 2,161,253</b>	<b>\$ 1,081,601</b>	<b>\$ 1,059,065</b>	<b>\$ 1,078,689</b>	<b>\$ 6,352,769</b>

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

NORTH 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, 2010

	General	Rainy Day	Fiscal Stabilization - Education (Stimulus)	Capital Projects	Construction HS / MS	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 62,517	\$ 6,750	\$ -	\$ 4,520,468	\$ -	\$ 5,533,242	\$ 10,122,977
Intermediate sources	265	-	-	-	-	262	527
State sources	12,800,825	-	-	-	-	229,846	13,030,671
Federal sources	-	-	433,081	-	-	1,146,604	1,579,685
Other	-	-	-	18,915	-	-	18,915
<b>Total receipts</b>	<b>12,863,607</b>	<b>6,750</b>	<b>433,081</b>	<b>4,539,383</b>	<b>-</b>	<b>6,909,954</b>	<b>24,752,775</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	9,314,550	-	1,514,682	-	-	626,739	11,455,971
Support services	2,573,150	64,703	-	1,208,920	-	2,479,212	6,325,985
Noninstructional services	237,295	-	-	-	-	1,012,506	1,249,801
Facilities acquisition and construction	-	1,443,562	-	392,137	53,455	-	1,889,154
Debt services	-	-	-	-	-	1,497,509	1,497,509
Nonprogrammed charges	487,968	-	-	-	-	132,000	619,968
<b>Total disbursements</b>	<b>12,612,963</b>	<b>1,508,265</b>	<b>1,514,682</b>	<b>1,601,057</b>	<b>53,455</b>	<b>5,747,966</b>	<b>23,038,388</b>
Excess (deficiency) of receipts over disbursements	250,644	(1,501,515)	(1,081,601)	2,938,326	(53,455)	1,161,988	1,714,387
<b>Other financing sources (uses):</b>							
Proceeds of long-term debt	-	-	-	-	6,900,000	-	6,900,000
Transfers in	29,984	518,846	-	-	-	263,137	811,967
Transfers out	(18,001)	(12,000)	-	(113,057)	-	(668,909)	(811,967)
<b>Total other financing sources (uses)</b>	<b>11,983</b>	<b>506,846</b>	<b>-</b>	<b>(113,057)</b>	<b>6,900,000</b>	<b>(405,772)</b>	<b>6,900,000</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	262,627	(994,669)	(1,081,601)	2,825,269	6,846,545	756,216	8,614,387
Cash and investments - beginning	972,161	2,161,253	1,081,601	1,059,065	-	1,078,689	6,352,769
Cash and investments - ending	\$ 1,234,788	\$ 1,166,584	\$ -	\$ 3,884,334	\$ 6,846,545	\$ 1,834,905	14,967,156
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:							
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.							
							1,128,099
Net assets of governmental activities							<u>\$ 16,095,255</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 1,234,788	\$ 1,166,584	\$ -	\$ 3,884,334	\$ 6,846,545	\$ 1,732,115	\$ 14,864,366
Restricted assets:							
Cash and investments	-	-	-	-	-	102,790	102,790
<b>Total cash and investment assets - ending</b>	<b>\$ 1,234,788</b>	<b>\$ 1,166,584</b>	<b>\$ -</b>	<b>\$ 3,884,334</b>	<b>\$ 6,846,545</b>	<b>\$ 1,834,905</b>	<b>\$ 14,967,156</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,790	\$ 102,790
Unrestricted	1,234,788	1,166,584	-	3,884,334	6,846,545	1,732,115	14,864,366
<b>Total cash and investment fund balance - ending</b>	<b>\$ 1,234,788</b>	<b>\$ 1,166,584</b>	<b>\$ -</b>	<b>\$ 3,884,334</b>	<b>\$ 6,846,545</b>	<b>\$ 1,834,905</b>	<b>\$ 14,967,156</b>

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

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

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 1,926,633
Miscellaneous	13,172
Total operating receipts	1,939,805
Operating disbursements:	
Insurance claims and expense	1,591,068
Change in net assets	348,737
Cash and investment fund balance - beginning	1,360,649
Cash and investment fund balance - ending	\$ 1,709,386
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 1,417,134
Cash with fiscal agent	292,252
Total cash and investment assets - ending	\$ 1,709,386
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 1,709,386
Total cash and investment fund balance - ending	\$ 1,709,386

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

NORTH GIBSON SCHOOL CORPORATION  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
PROPRIETARY FUND  
For the Year Ended June 30, 2010

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 2,579,066
Operating disbursements:	
Insurance claims and expense	3,160,353
Change in net assets	(581,287)
Cash and investment fund balance - beginning	1,709,386
Cash and investment fund balance - ending	\$ 1,128,099
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 828,382
Cash with fiscal agent	299,717
Total cash and investment assets - ending	\$ 1,128,099
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 1,128,099
Total cash and investment fund balance - ending	\$ 1,128,099

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

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

	<u>Pension Trust Fund</u>	<u>Private-Purpose Trust Fund</u>
Additions:		
Contributions:		
Other	\$ -	\$ 60,762
Investment earnings:		
Interest	<u>6,804</u>	<u>136</u>
Total additions	<u>6,804</u>	<u>60,898</u>
Deductions:		
Benefits	352,627	-
Administrative and general	<u>-</u>	<u>48,966</u>
Total deductions	<u>352,627</u>	<u>48,966</u>
Excess (deficiency) of total additions over total deductions	(345,823)	11,932
Cash and investment fund balance - beginning	<u>1,023,958</u>	<u>177,701</u>
Cash and investment fund balance - ending	<u>\$ 678,135</u>	<u>\$ 189,633</u>
Net assets:		
Cash and investments	<u>\$ 678,135</u>	<u>\$ 189,633</u>
Total net assets - cash and investment basis held in trust	<u>\$ 678,135</u>	<u>\$ 189,633</u>

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

NORTH GIBSON SCHOOL CORPORATION  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2010

	<u>Pension Trust Fund</u>	<u>Private-Purpose Trust Fund</u>
Additions:		
Contributions:		
Other	\$ -	\$ 57,215
Investment earnings:		
Interest	-	1,816
Total additions	<u>-</u>	<u>59,031</u>
Deductions:		
Benefits	224,648	-
Administrative and general	-	56,768
Total deductions	<u>224,648</u>	<u>56,768</u>
Excess (deficiency) of total additions over total deductions	(224,648)	2,263
Cash and investment fund balance - beginning	<u>678,135</u>	<u>189,633</u>
Cash and investment fund balance - ending	<u>\$ 453,487</u>	<u>\$ 191,896</u>
Net assets:		
Cash and investments	<u>\$ 453,487</u>	<u>\$ 191,896</u>
Total net assets - cash and investment basis held in trust	<u>\$ 453,487</u>	<u>\$ 191,896</u>

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

NORTH 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: North 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, North Gibson, South Gibson and Pike County School Corporations in a joint venture to operate the Gibson-Pike-Warrick Special Education Cooperative which was created to provide instruction for handicapped children. The School Corporation is obligated by contract to participate at a rate based on the percentage of Average Daily Attendance (ADA) for the Corporation compared to the ADA for the combined corporations. The Cooperative's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Cooperative can be obtained from their administrative offices at 618 East Main Street, Petersburg, Indiana 47567.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

NORTH GIBSON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

The rainy day fund is used to account for funds in accordance with IC 36-1-8-5.1 and a locally adopted resolution.

The construction hs/ms fund accounts for planned construction, repair, replacement or remodeling of building projects.

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

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for risks associated with medical benefits to retirees and monies set aside for claim settlements for employees and their qualifying dependents.

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

The private-purpose trust funds report trust arrangements under which principal and income benefit the residents within the school corporation district limits.

C. Measurement Focus and Basis of Accounting

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

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

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

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

NORTH GIBSON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

D. Assets and Cash and Investment Balances

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. 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.

3. Property Taxes

Normally, 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. 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 may 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.

4. Capital Assets

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

5. Long-Term Debt

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

6. Equity Classification

Government-Wide Statements

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

NORTH GIBSON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

- 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."

Fund Financial Statements

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

E. Receipts and Disbursements

1. Program Receipts

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

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 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 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.
- 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, if any, is eliminated or reclassified in the government-wide financial statements as follows:

NORTH GIBSON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

G. Rounding Differences

The financial statements may contain immaterial differences due to rounding of amounts when the statements were compiled. These differences are considered trivial and do not affect the overall presentation of the financial statements.

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. Prior to November 1, 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 Balance Deficits

At June 30, 2009 and 2010, the following funds reported deficits in cash, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	2009	2010
Retirement/Severance Bonds Debt Service	\$ 264,993	\$ -
Child Care Program	5,149	-
PCHS Tech-Prep Grant/PLTW	20,000	-
Title IV Drug Free Schools Healthy Students	3,333	1,855

NORTH GIBSON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

III. Detailed Notes on All Funds

A. 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. IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2010, the School Corporation had deposit balances in the amount of \$16,740,640.

The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2009 and 2010, were as follows:

Transfer From	Transfer To	2009	2010
General Fund	Other Governmental Funds	\$ 179,817	\$ 18,001
Rainy Day Fund	Other Governmental Funds	100,000	12,000
Capital Projects Fund	Other Governmental Funds	103,041	113,057
Other Governmental Funds	General Fund	-	29,984
	Rainy Day Fund	-	518,846
	Other Governmental Funds	<u>142,926</u>	<u>120,079</u>
Totals		<u>\$ 525,784</u>	<u>\$ 811,967</u>

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

IV. Other Information

A. Risk Management

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

NORTH GIBSON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The School Corporation has chosen to establish a risk-financing fund for risks associated with medical benefits for employees, their dependents, and retirees. The risk-financing fund is accounted for in the Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. Amounts are paid into the fund by all funds with payrolls and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage, which is applied to each fund's gross wages, and are reported as quasi-external interfund transactions. The total charge allocated to the Self-Insurance Fund accounts for administrative costs and reinsurance premiums and reimbursements for claims paid directly by the third party administrator.

Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Holding Corporation

The School Corporation has entered into a capital lease with North Gibson Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years 2009 and 2010 totaled \$0 and \$984,000, respectively.

C. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health insurance and bridge to retirement benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age fifty-five with at least fifteen years of service. Currently, twelve retirees meet these eligibility requirements. The School Corporation pays a flat rate, \$2,000 to \$5,000 (depending on family or single coverage elected), for each retiree. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. The bridge to retirement payments are made to the retirees based on a calculation that figures a percentage of a starting teacher's salary with a Master's degree during the year the retiree elected to retire. During the year ended June 30, 2010, disbursements of \$24,000, and \$16,079, were recognized for postemployment benefits for health insurance and bridge to retirement benefits, respectively.

Fund 0620, Retirement Severance Bond, is held in reserve to pay health insurance premiums of qualified retirees for a limited time, in accordance with various governmental regulations.

D. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

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

NORTH GIBSON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the period were \$335,531.

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

NORTH GIBSON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Funding Policy

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.

The School Corporation's contributions to the plan during the period were \$539,278.

NORTH 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)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-07	\$ 1,346,770	\$ 1,630,452	\$ (283,682)	83%	\$ 1,349,285	(21%)
07-01-08	1,429,762	1,952,775	(523,013)	73%	1,511,503	(35%)
07-01-09	1,567,920	2,246,648	(678,728)	70%	1,773,188	(38%)

NORTH 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	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Child Care Program	Educational License Plates
<b>Receipts:</b>							
Local sources	\$ 1,984,884	\$ 17,067	\$ 442,832	\$ 96,187	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	563
State sources	-	117,646	11,607	54,822	-	37,350	-
Federal sources	-	-	436,994	-	-	-	-
Other	5,233	-	-	-	-	-	-
<b>Total receipts</b>	<u>1,990,117</u>	<u>134,713</u>	<u>891,433</u>	<u>151,009</u>	<u>-</u>	<u>37,350</u>	<u>563</u>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	-	-	-
Support services	1,518,875	-	7,764	276,794	-	-	-
Noninstructional services	-	-	994,117	-	-	46,582	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	35,803	-	-	-	-	-
<b>Total disbursements</b>	<u>1,518,875</u>	<u>35,803</u>	<u>1,001,881</u>	<u>276,794</u>	<u>-</u>	<u>46,582</u>	<u>-</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>471,242</u>	<u>98,910</u>	<u>(110,448)</u>	<u>(125,785)</u>	<u>-</u>	<u>(9,232)</u>	<u>563</u>
<b>Other financing sources (uses)</b>							
Transfers in	29,074	-	-	100,622	359,779	-	-
Transfers out	(69,966)	(605)	-	-	(29,074)	-	-
<b>Total other financing sources (uses)</b>	<u>(40,892)</u>	<u>(605)</u>	<u>-</u>	<u>100,622</u>	<u>330,705</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	430,350	98,305	(110,448)	(25,163)	330,705	(9,232)	563
<b>Cash and investments - beginning</b>	<u>(88,609)</u>	<u>4,554</u>	<u>133,846</u>	<u>51,576</u>	<u>-</u>	<u>4,083</u>	<u>8,609</u>
<b>Cash and investments - ending</b>	<u>\$ 341,741</u>	<u>\$ 102,859</u>	<u>\$ 23,398</u>	<u>\$ 26,413</u>	<u>\$ 330,705</u>	<u>\$ (5,149)</u>	<u>\$ 9,172</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 341,741	\$ 102,859	\$ 23,398	\$ 26,413	\$ 330,705	\$ (5,149)	\$ 9,172
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 341,741</u>	<u>\$ 102,859</u>	<u>\$ 23,398</u>	<u>\$ 26,413</u>	<u>\$ 330,705</u>	<u>\$ (5,149)</u>	<u>\$ 9,172</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	341,741	102,859	23,398	26,413	330,705	(5,149)	9,172
<b>Total cash and investment fund balance - ending</b>	<u>\$ 341,741</u>	<u>\$ 102,859</u>	<u>\$ 23,398</u>	<u>\$ 26,413</u>	<u>\$ 330,705</u>	<u>\$ (5,149)</u>	<u>\$ 9,172</u>

NORTH 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  
 (Continued)

	Alternative Education	Early Intervention Grant	PCMS/SINE Year 3 Grant	PCMS/SINE Model Scholarship Grant	Gifted and Talented 2008-2009 and 2009-2010	Staff Development
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	18,500	-	-	34,541	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>18,500</b>	<b>-</b>	<b>-</b>	<b>34,541</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	5,369	3,909	34,436	139
Support services	-	18,500	-	-	105	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>18,500</b>	<b>5,369</b>	<b>3,909</b>	<b>34,541</b>	<b>139</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>-</b>	<b>-</b>	<b>(5,369)</b>	<b>(3,909)</b>	<b>-</b>	<b>(139)</b>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>-</b>	<b>-</b>	<b>(5,369)</b>	<b>(3,909)</b>	<b>-</b>	<b>(139)</b>
<b>Cash and investments - beginning</b>	<b>18,846</b>	<b>-</b>	<b>5,369</b>	<b>3,909</b>	<b>-</b>	<b>1,005</b>
<b>Cash and investments - ending</b>	<b>\$ 18,846</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 866</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 18,846	\$ -	\$ -	\$ -	\$ -	\$ 866
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 18,846</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 866</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	18,846	-	-	-	-	866
<b>Total cash and investment fund balance - ending</b>	<b>\$ 18,846</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 866</b>

NORTH 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  
 (Continued)

	PCHS Tech-Prep Grant/ PLTW	Student Distress	Non-English Speaking Program	School Technology (USF)	Title I 2008-2009	Title I 2007-2008 and 2009-2010
<b>Receipts:</b>						
Local sources	\$ -	\$ 3,880	\$ -	\$ 4,408	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	1,499	-	-	-
Federal sources	-	-	-	-	316,339	35,000
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>3,880</b>	<b>1,499</b>	<b>4,408</b>	<b>316,339</b>	<b>35,000</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	19,000	-	1,126	-	184,378	173,338
Support services	1,000	-	3,821	-	12,179	209
Noninstructional services	-	1,974	-	-	1,357	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>20,000</b>	<b>1,974</b>	<b>4,947</b>	<b>-</b>	<b>197,914</b>	<b>173,547</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(20,000)</b>	<b>1,906</b>	<b>(3,448)</b>	<b>4,408</b>	<b>118,425</b>	<b>(138,547)</b>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	16,309	20,000	-
Transfers out	-	-	-	-	-	(20,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,309</b>	<b>20,000</b>	<b>(20,000)</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(20,000)</b>	<b>1,906</b>	<b>(3,448)</b>	<b>20,717</b>	<b>138,425</b>	<b>(158,547)</b>
<b>Cash and investments - beginning</b>	<b>-</b>	<b>4,395</b>	<b>3,821</b>	<b>39,824</b>	<b>-</b>	<b>158,547</b>
<b>Cash and investments - ending</b>	<b>\$ (20,000)</b>	<b>\$ 6,301</b>	<b>\$ 373</b>	<b>\$ 60,541</b>	<b>\$ 138,425</b>	<b>\$ -</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ (20,000)	\$ 6,301	\$ 373	\$ 60,541	\$ 138,425	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ (20,000)</b>	<b>\$ 6,301</b>	<b>\$ 373</b>	<b>\$ 60,541</b>	<b>\$ 138,425</b>	<b>\$ -</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(20,000)	6,301	373	60,541	138,425	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ (20,000)</b>	<b>\$ 6,301</b>	<b>\$ 373</b>	<b>\$ 60,541</b>	<b>\$ 138,425</b>	<b>\$ -</b>

NORTH 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  
 (Continued)

	Title V, Part A Innovative Education 2006-2007	Title V, Part A Innovative Education 2007-2008	Title IV Drug Free Schools Healthy Students	Title IV Drug Free Schools 2008-2009	Title IV Drug Free Schools 2006-2007	Title IV Drug Free Schools 2007-2008
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 17,484	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	6,869	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>17,484</b>	<b>6,869</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	2,721	22,914	-	-	372	1,242
Support services	49	588	20,817	-	3,605	2,578
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>2,770</b>	<b>23,502</b>	<b>20,817</b>	<b>-</b>	<b>3,977</b>	<b>3,820</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(2,770)</b>	<b>(23,502)</b>	<b>(3,333)</b>	<b>6,869</b>	<b>(3,977)</b>	<b>(3,820)</b>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(2,770)</b>	<b>(23,502)</b>	<b>(3,333)</b>	<b>6,869</b>	<b>(3,977)</b>	<b>(3,820)</b>
Cash and investments - beginning	2,770	23,502	-	-	3,977	8,489
Cash and investments - ending	\$ -	\$ -	\$ (3,333)	\$ 6,869	\$ -	\$ 4,669
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ -	\$ (3,333)	\$ 6,869	\$ -	\$ 4,669
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (3,333)</b>	<b>\$ 6,869</b>	<b>\$ -</b>	<b>\$ 4,669</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	(3,333)	6,869	-	4,669
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (3,333)</b>	<b>\$ 6,869</b>	<b>\$ -</b>	<b>\$ 4,669</b>

NORTH 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  
 (Continued)

	Title II, Part A Improving Teacher Quality 2007-2008	Title II, Part A Improving Teacher Quality 2008-2009	Debt Service	Retirement/ Severance Bonds Debt Service	Transportation School Bus Replacement	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ 514,125	\$ 43,377	\$ 3,124,244
Intermediate sources	-	-	-	-	-	563
State sources	-	-	-	-	-	275,965
Federal sources	16,417	60,000	-	-	-	871,619
Other	-	-	-	-	-	5,233
<b>Total receipts</b>	<b>16,417</b>	<b>60,000</b>	<b>-</b>	<b>514,125</b>	<b>43,377</b>	<b>4,277,624</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	19,011	-	-	-	-	467,955
Support services	820	-	-	-	-	1,867,704
Noninstructional services	-	-	-	-	-	1,044,030
Debt services	-	-	-	511,864	-	511,864
Nonprogrammed charges	-	-	-	-	-	35,803
<b>Total disbursements</b>	<b>19,831</b>	<b>-</b>	<b>-</b>	<b>511,864</b>	<b>-</b>	<b>3,927,356</b>
Excess (deficiency) of receipts over disbursements	(3,414)	60,000	-	2,261	43,377	350,268
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	525,784
Transfers out	-	-	(3,605)	(18,259)	(1,417)	(142,926)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(3,605)</b>	<b>(18,259)</b>	<b>(1,417)</b>	<b>382,858</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,414)	60,000	(3,605)	(15,998)	41,960	733,126
Cash and investments - beginning	3,414	-	51,090	(248,995)	151,541	345,563
Cash and investments - ending	\$ -	\$ 60,000	\$ 47,485	\$ (264,993)	\$ 193,501	\$ 1,078,689
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ 60,000	\$ -	\$ (264,993)	\$ 193,501	\$ 1,031,204
Restricted assets:						
Cash and investments	-	-	47,485	-	-	47,485
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 60,000</b>	<b>\$ 47,485</b>	<b>\$ (264,993)</b>	<b>\$ 193,501</b>	<b>\$ 1,078,689</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ 47,485	\$ -	\$ -	\$ 47,485
Unrestricted	-	60,000	-	(264,993)	193,501	1,031,204
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 60,000</b>	<b>\$ 47,485</b>	<b>\$ (264,993)</b>	<b>\$ 193,501</b>	<b>\$ 1,078,689</b>

NORTH 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, 2010

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Child Care Program	Educational License Plates
<b>Receipts:</b>							
Local sources	\$ 3,050,229	\$ -	\$ 444,533	\$ 114,922	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	262
State sources	-	59,125	16,494	59,466	-	39,743	-
Federal sources	-	-	512,885	-	-	-	-
<b>Total receipts</b>	<u>3,050,229</u>	<u>59,125</u>	<u>973,912</u>	<u>174,388</u>	<u>-</u>	<u>39,743</u>	<u>262</u>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	-	-	-
Support services	2,211,190	-	8,561	86,133	-	-	-
Noninstructional services	-	-	948,961	-	-	46,098	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	132,000	-	-	-	-	-
<b>Total disbursements</b>	<u>2,211,190</u>	<u>132,000</u>	<u>957,522</u>	<u>86,133</u>	<u>-</u>	<u>46,098</u>	<u>-</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>839,039</u>	<u>(72,875)</u>	<u>16,390</u>	<u>88,255</u>	<u>-</u>	<u>(6,355)</u>	<u>262</u>
<b>Other financing sources (uses):</b>							
Transfers in	28,136	-	37,701	-	147,299	12,000	-
Transfers out	(555,537)	(29,984)	-	-	(28,136)	-	-
<b>Total other financing sources (uses)</b>	<u>(527,401)</u>	<u>(29,984)</u>	<u>37,701</u>	<u>-</u>	<u>119,163</u>	<u>12,000</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>311,638</u>	<u>(102,859)</u>	<u>54,091</u>	<u>88,255</u>	<u>119,163</u>	<u>5,645</u>	<u>262</u>
<b>Cash and investments - beginning</b>	<u>341,741</u>	<u>102,859</u>	<u>23,398</u>	<u>26,413</u>	<u>330,705</u>	<u>(5,149)</u>	<u>9,172</u>
<b>Cash and investments - ending</b>	<u>\$ 653,379</u>	<u>\$ -</u>	<u>\$ 77,489</u>	<u>\$ 114,668</u>	<u>\$ 449,868</u>	<u>\$ 496</u>	<u>\$ 9,434</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 653,379	\$ -	\$ 77,489	\$ 114,668	\$ 449,868	\$ 496	\$ 9,434
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 653,379</u>	<u>\$ -</u>	<u>\$ 77,489</u>	<u>\$ 114,668</u>	<u>\$ 449,868</u>	<u>\$ 496</u>	<u>\$ 9,434</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	653,379	-	77,489	114,668	449,868	496	9,434
<b>Total cash and investment fund balance - ending</b>	<u>\$ 653,379</u>	<u>\$ -</u>	<u>\$ 77,489</u>	<u>\$ 114,668</u>	<u>\$ 449,868</u>	<u>\$ 496</u>	<u>\$ 9,434</u>

NORTH 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, 2010  
 (Continued)

	Alternative Education	Early Intervention Grant	PCMS SINE Year 3 Grant	PCMS/SINE Model Scholarship Grant	Gifted and Talented 2008-2009 and 2009-2010	Staff Development	PCHS Tech-Prep Grant/ PLTW
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	34,098	-	20,000
Federal sources	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,098</b>	<b>-</b>	<b>20,000</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	33,988	-	-
Support services	-	-	-	-	110	866	-
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,098</b>	<b>866</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(866)</b>	<b>20,000</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	(18,846)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(18,846)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(18,846)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(866)</b>	<b>20,000</b>
<b>Cash and investments - beginning</b>	<b>18,846</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>866</b>	<b>(20,000)</b>
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

NORTH 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, 2010  
 (Continued)

	Student Distress	Non-English Speaking Program	School Technology (USF)	Title I 2008-2009	Title I 2007-2008 and 2009-2010	Title V, Part A Innovative Education 2006-2007	Title V, Part A Innovative Education 2007-2008
<b>Receipts:</b>							
Local sources	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	920	-	-	-	-	-
Federal sources	-	-	-	30,900	411,506	-	1,366
<b>Total receipts</b>	<b>1,500</b>	<b>920</b>	<b>-</b>	<b>30,900</b>	<b>411,506</b>	<b>-</b>	<b>1,366</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	373	-	147,803	274,907	-	1,366
Support services	-	-	-	1,461	17,928	-	-
Noninstructional services	1,750	-	-	61	5,948	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,750</b>	<b>373</b>	<b>-</b>	<b>149,325</b>	<b>298,783</b>	<b>-</b>	<b>1,366</b>
Excess (deficiency) of receipts over disbursements	(250)	547	-	(118,425)	112,723	-	-
<b>Other financing sources (uses):</b>							
Transfers in	-	-	18,001	-	20,000	-	-
Transfers out	-	-	-	(20,000)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>18,001</b>	<b>(20,000)</b>	<b>20,000</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(250)	547	18,001	(138,425)	132,723	-	-
Cash and investments - beginning	6,301	373	60,541	138,425	-	-	-
Cash and investments - ending	\$ 6,051	\$ 920	\$ 78,542	\$ -	\$ 132,723	\$ -	\$ -
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 6,051	\$ 920	\$ 78,542	\$ -	\$ 132,723	\$ -	\$ -
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 6,051</b>	<b>\$ 920</b>	<b>\$ 78,542</b>	<b>\$ -</b>	<b>\$ 132,723</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	6,051	920	78,542	-	132,723	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 6,051</b>	<b>\$ 920</b>	<b>\$ 78,542</b>	<b>\$ -</b>	<b>\$ 132,723</b>	<b>\$ -</b>	<b>\$ -</b>

NORTH 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, 2010  
 (Continued)

	Title IV Drug Free Schools Healthy Students	Title IV Drug Free Schools 2009-2010	Title IV Drug Free Schools 2008-2009	Title IV Drug Free Schools 2006-2007	Title IV Drug Free Schools 2007-2008	Title II, Part A Improving Teacher Quality 2007-2008
Receipts:						
Local sources	\$ 85,822	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	3,420	-	-	-	-
Total receipts	<u>85,822</u>	<u>3,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	318	-
Support services	84,344	-	163	-	4,351	-
Noninstructional services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>84,344</u>	<u>-</u>	<u>163</u>	<u>-</u>	<u>4,669</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,478</u>	<u>3,420</u>	<u>(163)</u>	<u>-</u>	<u>(4,669)</u>	<u>-</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,478</u>	<u>3,420</u>	<u>(163)</u>	<u>-</u>	<u>(4,669)</u>	<u>-</u>
Cash and investments - beginning	<u>(3,333)</u>	<u>-</u>	<u>6,869</u>	<u>-</u>	<u>4,669</u>	<u>-</u>
Cash and investments - ending	<u>\$ (1,855)</u>	<u>\$ 3,420</u>	<u>\$ 6,706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ (1,855)	\$ 3,420	\$ 6,706	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (1,855)</u>	<u>\$ 3,420</u>	<u>\$ 6,706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>(1,855)</u>	<u>3,420</u>	<u>6,706</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ (1,855)</u>	<u>\$ 3,420</u>	<u>\$ 6,706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTH 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, 2010  
 (Continued)

	Title II, Part A Improving Teacher Quality 2008-2009	Title I Grants to LEA'S (Stimulus)	Debt Service	Retirement/ Severance Bonds Debt Service	Transportation School Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 1,016,891	\$ 817,322	\$ 2,023	\$ 5,533,242
Intermediate sources	-	-	-	-	-	262
State sources	-	-	-	-	-	229,846
Federal sources	33,482	153,045	-	-	-	1,146,604
Total receipts	33,482	153,045	1,016,891	817,322	2,023	6,909,954
Disbursements:						
Current:						
Instruction	92,632	75,352	-	-	-	626,739
Support services	850	14,063	-	-	49,192	2,479,212
Noninstructional services	-	9,688	-	-	-	1,012,506
Debt services	-	-	985,374	512,135	-	1,497,509
Nonprogrammed charges	-	-	-	-	-	132,000
Total disbursements	93,482	99,103	985,374	512,135	49,192	5,747,966
Excess (deficiency) of receipts over disbursements	(60,000)	53,942	31,517	305,187	(47,169)	1,161,988
Other financing sources (uses):						
Transfers in	-	-	-	-	-	263,137
Transfers out	-	-	(1,512)	(14,894)	-	(668,909)
Total other financing sources (uses)	-	-	(1,512)	(14,894)	-	(405,772)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(60,000)	53,942	30,005	290,293	(47,169)	756,216
Cash and investments - beginning	60,000	-	47,485	(264,993)	193,501	1,078,689
Cash and investments - ending	\$ -	\$ 53,942	\$ 77,490	\$ 25,300	\$ 146,332	\$ 1,834,905
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 53,942	\$ -	\$ -	\$ 146,332	\$ 1,732,115
Restricted assets:						
Cash and investments	-	-	77,490	25,300	-	102,790
Total cash and investment assets - ending	\$ -	\$ 53,942	\$ 77,490	\$ 25,300	\$ 146,332	\$ 1,834,905
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ 77,490	\$ 25,300	\$ -	\$ 102,790
Unrestricted	-	53,942	-	-	146,332	1,732,115
Total cash and investment fund balance - ending	\$ -	\$ 53,942	\$ 77,490	\$ 25,300	\$ 146,332	\$ 1,834,905

NORTH 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

	PCMS Devi Rodgers Field	CFA Betty Ann McCullough	William L. West Trust	Esther & Jesse Townesley Memorial Award	John S. Woods Family Scholarship	Charles McElhiney Memorial Award	Noble Hale Scholarship
Additions:							
Contributions:							
Other	\$ 2,000	\$ 2,500	\$ 30,113	\$ 1,000	\$ 1,769	\$ -	\$ -
Investment earnings:							
Interest	-	-	-	14	58	8	-
Total additions	<u>2,000</u>	<u>2,500</u>	<u>30,113</u>	<u>1,014</u>	<u>1,827</u>	<u>8</u>	<u>-</u>
Deductions:							
Administrative and general	<u>2,000</u>	-	<u>29,821</u>	<u>1,000</u>	<u>900</u>	<u>300</u>	<u>-</u>
Excess (deficiency) of total additions over total deductions	-	2,500	292	14	927	(292)	-
Cash and investment fund balance - beginning	-	-	<u>82,974</u>	<u>1,017</u>	<u>4,035</u>	<u>533</u>	<u>38,971</u>
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 83,266</u>	<u>\$ 1,031</u>	<u>\$ 4,962</u>	<u>\$ 241</u>	<u>\$ 38,971</u>
Net assets:							
Cash and investments	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 83,266</u>	<u>\$ 1,031</u>	<u>\$ 4,962</u>	<u>\$ 241</u>	<u>\$ 38,971</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 83,266</u>	<u>\$ 1,031</u>	<u>\$ 4,962</u>	<u>\$ 241</u>	<u>\$ 38,971</u>

NORTH 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)

	Michele Hurt Memorial Scholarship	Johnathan Cummings Scholarship	Terry McQueen Memorial	PCHS Child Care	Displaced Hurricane Students 1	Totals
<b>Additions:</b>						
Contributions:						
Other	\$ 550	\$ -	\$ 1,109	\$ 21,721	\$ -	\$ 60,762
Investment earnings:						
Interest	43	13	-	-	-	136
Total additions	<u>593</u>	<u>13</u>	<u>1,109</u>	<u>21,721</u>	<u>-</u>	<u>60,898</u>
<b>Deductions:</b>						
Administrative and general	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>13,945</u>	<u>-</u>	<u>48,966</u>
Excess (deficiency) of total additions over total deductions	(407)	13	1,109	7,776	-	11,932
Cash and investment fund balance - beginning	<u>2,953</u>	<u>904</u>	<u>-</u>	<u>39,564</u>	<u>6,750</u>	<u>177,701</u>
Cash and investments - June 30	<u>\$ 2,546</u>	<u>\$ 917</u>	<u>\$ 1,109</u>	<u>\$ 47,340</u>	<u>\$ 6,750</u>	<u>\$ 189,633</u>
<b>Net assets:</b>						
Cash and investments	<u>\$ 2,546</u>	<u>\$ 917</u>	<u>\$ 1,109</u>	<u>\$ 47,340</u>	<u>\$ 6,750</u>	<u>\$ 189,633</u>
Total net assets - cash and investment basis held in trust	<u>\$ 2,546</u>	<u>\$ 917</u>	<u>\$ 1,109</u>	<u>\$ 47,340</u>	<u>\$ 6,750</u>	<u>\$ 189,633</u>

NORTH 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, 2010

	CFA Betty Ann McCullough	William L. West Trust	Esther & Jesse Townesley Memorial Award	John S. Woods Family Scholarship	Charles McElhiney Memorial Award	Noble Hale Scholarship	Michele Hurt Memorial Scholarship
Additions:							
Contributions:							
Other	\$ 777	\$ 25,500	\$ 1,000	\$ 1,844	\$ -	\$ -	\$ 500
Investment earnings:							
Interest	-	-	4	22	-	1,775	11
Total additions	<u>777</u>	<u>25,500</u>	<u>1,004</u>	<u>1,866</u>	<u>-</u>	<u>1,775</u>	<u>511</u>
Deductions:							
Administrative and general	<u>3,067</u>	<u>13,000</u>	<u>1,000</u>	<u>900</u>	<u>241</u>	<u>1,000</u>	<u>1,000</u>
Excess (deficiency) of total additions over total deductions	(2,290)	12,500	4	966	(241)	775	(489)
Cash and investment fund balance - beginning	<u>2,500</u>	<u>83,266</u>	<u>1,031</u>	<u>4,962</u>	<u>241</u>	<u>38,971</u>	<u>2,546</u>
Cash and investments - June 30	<u>\$ 210</u>	<u>\$ 95,766</u>	<u>\$ 1,035</u>	<u>\$ 5,928</u>	<u>\$ -</u>	<u>\$ 39,746</u>	<u>\$ 2,057</u>
Net assets:							
Cash and investments	\$ 210	\$ 95,766	\$ 1,035	\$ 5,928	\$ -	\$ 39,746	\$ 2,057
Total net assets - cash and investment basis held in trust	<u>\$ 210</u>	<u>\$ 95,766</u>	<u>\$ 1,035</u>	<u>\$ 5,928</u>	<u>\$ -</u>	<u>\$ 39,746</u>	<u>\$ 2,057</u>

NORTH 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, 2010  
 (Continued)

	Johnathan Cummings Scholarship	Terry McQueen Memorial	PCHS Child Care	Displaced Hurricane Students 1	PCHS Tech-Prep Grant/PLTW	Totals
<b>Additions:</b>						
Contributions:						
Other	\$ -	\$ 480	\$ 27,114	\$ -	\$ -	\$ 57,215
Investment earnings:						
Interest	4	-	-	-	-	1,816
Total additions	<u>4</u>	<u>480</u>	<u>27,114</u>	<u>-</u>	<u>-</u>	<u>59,031</u>
<b>Deductions:</b>						
Administrative and general	-	1,589	13,221	6,750	15,000	56,768
Excess (deficiency) of total additions over total deductions	4	(1,109)	13,893	(6,750)	(15,000)	2,263
Cash and investment fund balance - beginning	917	1,109	47,340	6,750	-	189,633
Cash and investments - June 30	<u>\$ 921</u>	<u>\$ -</u>	<u>\$ 61,233</u>	<u>\$ -</u>	<u>\$ (15,000)</u>	<u>\$ 191,896</u>
<b>Net assets:</b>						
Cash and investments	\$ 921	\$ -	\$ 61,233	\$ -	\$ (15,000)	\$ 191,896
Total net assets - cash and investment basis held in trust	<u>\$ 921</u>	<u>\$ -</u>	<u>\$ 61,233</u>	<u>\$ -</u>	<u>\$ (15,000)</u>	<u>\$ 191,896</u>

NORTH GIBSON SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2010

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 and Land Improvements (A)	\$ 2,718,144	(A)
Buildings	10,846,239	
Machinery and equipment	<u>1,546,376</u>	
Total governmental activities, capital assets not being depreciated	<u>\$ 15,110,759</u>	

(A) - The cost of land owned by the Corporation is not included in this schedule.

NORTH GIBSON SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2010

The North Gibson School Corporation has entered into the following debt obligations:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
North Gibson Multi-School Building Corporation	\$ 45,000,000	\$ 1,837,500
Bonds payable:		
General obligation bonds:		
Retirement/severance bonds	<u>4,745,000</u>	<u>511,242</u>
Total governmental activities long-term debt	<u>\$ 49,745,000</u>	<u>\$ 2,348,742</u>

NORTH GIBSON SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The cash balances of the following funds were overdrawn at June 30, 2009 and 2010:

Fund	June 30, 2009 Amount	June 30, 2010 Amount
Retirement/Severance Bonds Debt Service	\$ 264,993	\$ -
Child Care Program	5,149	-
PCHS Tech-Prep Grant/PLTW	20,000	-
Title IV Drug Free Schools Healthy Students	3,333	1,855

A similar comment was included in the prior report.

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)

BANK ACCOUNT RECONCILIATIONS (Applies to Princeton Community Middle School)

Depository reconciliations of the fund balances to the bank account balances were not presented for audit or were incorrect.

IC 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

Compliance

We have audited the compliance of the North 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, 2009 and 2010. 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, 2009 and 2010.

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

February 21, 2011

NORTH GIBSON SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2009 and 2010

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 06-30-09	Total Federal Awards Expended 06-30-10
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program	10.553	FY 08/09 FY 09/10	\$ 85,302 -	\$ - 103,962
Total for program			<u>85,302</u>	<u>103,962</u>
National School Lunch Program	10.555	FY 08/09 FY 09/10	400,010 -	- 483,347
Total for program			<u>400,010</u>	<u>483,347</u>
Total for federal grantor agency			<u>485,312</u>	<u>587,309</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Pass-Through Indiana Department of Education Title I, Part A Cluster Title I Grants to Local Educational Agencies FY 07/08 FY 08/09 FY 09/10	84.010	08-2735 09-2735 10-2735	173,547 197,914 -	- 149,325 298,783
Total for program			<u>371,461</u>	<u>448,108</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act FY 09/10	84.389	2735	-	99,103
Total for cluster			<u>371,461</u>	<u>547,211</u>
State Fiscal Stabilization Fund Cluster ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act FY 08/09 FY 09/10	84.394	2735-09 2735-10	- -	1,233,229 281,453
Total for cluster			<u>-</u>	<u>1,514,682</u>
Pass-Through Metropolitan School District of Mt. Vernon Safe and Drug-Free Schools and Communities - National Programs Safe Schools/Healthy Schools	84.184	Q184L080320	20,818	84,344
Pass-Through Indiana Department of Education Safe and Drug-Free Schools and Communities - State Grants FY 06/07 FY 07/08 FY 08/09	84.186	2735-06 2735-07 08-2735	3,977 3,819 -	- 4,669 163
Total for program			<u>7,796</u>	<u>4,832</u>
Pass-Through Indiana Department of Workforce Development Tech-Prep Education Project Lead the Way	84.243	EDS# C1-09-PLTW-8-699	20,000	-
Pass-Through Indiana Department of Education State Grants for Innovative Programs FY 06/07 FY 07/08	84.298	06-2735 07-2735	2,770 23,502	- 1,366
Total for program			<u>26,272</u>	<u>1,366</u>
Improving Teacher Quality State Grants FY 08/09 FY 09/10	84.367	07-2735 08-2735	19,831 -	- 93,482
Total for program			<u>19,831</u>	<u>93,482</u>
Total for federal grantor agency			<u>466,178</u>	<u>2,245,917</u>
Total federal awards expended			<u>\$ 951,490</u>	<u>\$ 2,833,226</u>

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

NORTH 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 North Gibson School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with 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, 2009 and 2010. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	2009	2010
Child Nutrition Cluster	\$ 51,318	\$ 74,324
	\$ 51,318	\$ 74,324

NORTH GIBSON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

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

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

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

Identification of Major Programs:

Name of Federal Program or Cluster
Child Nutrition Cluster
Title I, Part A Cluster
State Fiscal Stabilization Fund Cluster

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

NORTH GIBSON SCHOOL CORPORATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

NORTH GIBSON SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on February 21, 2011, with Dr. R. Thomas Miller, Superintendent of Schools; H. Mark lunghuhn, President of the School Board; B. Dale McCuiston, former Superintendent of Schools; and Marlene S. Fisher, Treasurer.