

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

EAST GIBSON SCHOOL CORPORATION
GIBSON COUNTY, INDIANA

July 1, 2010 to June 30, 2012



FILED
03/21/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Diana L. Broshears E. Jean Krieg	07-01-10 to 03-31-11 04-01-11 to 06-30-13
Superintendent of Schools	Dr. Franzy Fleck Dr. Henry Michael Brewster	07-01-10 to 06-30-12 07-01-12 to 06-30-14
President of the School Board	Roger F. Sermersheim Doug Meiring	01-01-10 to 12-31-11 01-01-12 to 12-31-13



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statement of the East Gibson School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis of accounting noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated March 4, 2013, 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
(Continued)

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.



Bruce Hartman
State Examiner

March 4, 2013



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

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

We have audited the financial statement of the East Gibson School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated March 4, 2013. 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

Management of the School Corporation is responsible for establishing and maintaining effective 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 opinion on the financial statement, 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1 to be material weaknesses.

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

Compliance and Other Matters

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

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, 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.



Bruce Hartman
State Examiner

March 4, 2013

FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

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EAST GIBSON SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2011 and 2012

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
General	\$ 1,293,991	\$ 6,609,232	\$ 6,844,603	\$ 173,681	\$ 1,232,301	\$ 6,443,347	\$ 6,556,580	\$ 33,358	\$ 1,152,426
Debt Service	338,317	534,621	595,078	(50,000)	227,860	436,102	399,962	-	264,000
Retirement/Severance Bond Debt Service	105,519	177,835	267,160	-	16,194	179,683	181,705	-	14,172
Capital Projects	523,173	873,504	723,801	(250,000)	422,876	777,146	945,437	(250,000)	4,585
School Transportation	302,448	1,234,034	1,097,788	-	438,694	1,013,356	919,928	-	532,122
School Bus Replacement	63,766	185,408	162,185	-	86,989	151,586	70,857	-	167,718
Rainy Day	232,084	-	132,041	300,000	400,043	-	14,274	250,000	635,769
School Lunch	18,682	435,967	430,445	-	24,204	419,046	437,253	-	5,997
Levy Excess	58,552	11,455	-	-	70,007	-	-	-	70,007
Educational License Plates	75	169	188	-	56	169	-	-	225
Professional Grant	37	-	60	60	37	-	37	-	-
Student Success Progress Grant	2,156	-	-	-	2,156	-	1,201	(955)	-
S.I.N.E.	1,590	-	-	-	1,590	-	35	(1,555)	-
Welborn Baptist Fund Grant	1,153	40,646	38,444	-	3,355	1,800	3,194	-	1,961
Community Foundation Alliance	-	-	-	-	-	8,462	8,462	-	-
Toyota Grant	-	2,500	948	-	1,552	-	1,552	-	-
State High Ability Grant	12,511	1,850	11,614	-	2,747	-	2,747	-	-
High Ability Grant 2010/2011	-	28,883	12,815	-	16,068	-	16,068	-	-
High Ability Grant 2011/2012	-	-	-	-	-	27,943	17,216	-	10,727
Medicaid Reimbursement	9,420	28	-	-	9,448	-	9,448	-	-
Non-English Speaking Programs P.L. 273-1999	792	463	-	-	1,255	196	658	-	793
School Technology	-	5,590	3,417	-	2,173	5,590	6,364	-	1,399
Technology Grants [IC 20-40-15]	28	-	-	-	28	-	28	-	-
Title I 2011/2012	-	-	-	-	-	117,324	137,660	-	(20,336)
Title I 2009/2010	64,512	20,000	79,511	(5,001)	-	-	-	-	-
Title I 2010/2011	-	131,833	140,474	5,001	(3,640)	64,181	60,541	-	-
IDEA P.L. 101-476	-	218,492	56,494	(161,998)	-	-	-	-	-
2012 IDEA Part B (611)	-	-	-	-	-	187,795	207,331	-	(19,536)
Federal Assistance Educational Preschool Handicapped	-	12,383	-	(12,383)	-	-	-	-	-
2012 IDEA Part B (619)	-	-	-	-	-	11,557	11,557	-	-
Drug Free 2009/2010	3,242	-	3,242	-	-	-	-	-	-
Team Nutrition Training Grants	-	6,075	4,310	-	1,765	-	1,765	-	-
Wired Grant (PLTW)	(503)	-	-	503	-	-	-	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	-	-	-	-	-	41,370	14,778	(32,329)	(5,737)
Title IV Drug Free Schools Healthy Students	(137)	-	-	137	-	13,883	12,951	-	932
Safe Schools Healthy Students	-	7,701	7,701	-	-	-	1,481	1,481	-
Title I - Grants to LEAs	5,945	-	5,945	-	-	-	-	-	-
Education Jobs	-	-	-	-	-	107,400	211,745	-	(104,345)
Payroll Withholding Clearing	8,299	1,481,357	1,480,710	-	8,946	1,453,355	1,454,700	-	7,601
Totals	\$ 3,045,652	\$ 12,020,026	\$ 12,098,974	\$ -	\$ 2,966,704	\$ 11,461,291	\$ 11,707,515	\$ -	\$ 2,720,480

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

EAST GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

The accompanying financial statement presents the financial information for the School Corporation.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources include distributions from the State of Indiana and are to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

EAST GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Federal sources include distributions from the federal government and are to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

F. Other Financing Sources and Uses

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

EAST GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

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

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

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

EAST GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

B. Teacher's Retirement Fund

Plan Description

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

EAST GIBSON SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENT
 (Continued)

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

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

Indiana Public Retirement System
 1 North Capital Street, Suite 001
 Indianapolis, IN 46204
 Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the Indiana Department of Education requiring that these grant funds be spent prior to being reimbursed. These grant funds were expected to have negative balances because of the manner in which the grants are administered. The reimbursements for the expenditures made by the School Corporation were not received by June 30th for each fiscal year.

Note 8. Restatements

For the year ended June 30, 2010, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances.

Fund Name	Balance as of June 30, 2010	Prior Period Adjustment	Balance as of July 1, 2010
Payroll Withholdings	\$ -	\$ 8,299	\$ 8,299

Note 9. Other Postemployment Benefits

The School Corporation provides to eligible retirees and their spouses the following benefits; postemployment health insurance and bridge to retirement benefits, as authorized by Indiana Code 5-10-8. The School Corporation also provides termination benefits to eligible retirees. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

EAST GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch
Cash and investments - beginning	\$ 1,293,991	\$ 338,317	\$ 105,519	\$ 523,173	\$ 302,448	\$ 63,766	\$ 232,084	\$ 18,682
Receipts:								
Local sources	30,712	534,621	177,835	873,504	827,470	185,408	-	243,108
Intermediate sources	141	-	-	-	-	-	-	-
State sources	6,543,800	-	-	-	-	-	-	5,045
Federal sources	1,235	-	-	-	-	-	-	187,814
Temporary loans	-	-	-	-	403,047	-	-	-
Other	33,344	-	-	-	3,517	-	-	-
Total receipts	<u>6,609,232</u>	<u>534,621</u>	<u>177,835</u>	<u>873,504</u>	<u>1,234,034</u>	<u>185,408</u>	<u>-</u>	<u>435,967</u>
Disbursements:								
Current:								
Instruction	4,918,760	-	-	-	-	-	132,041	-
Support services	1,925,790	-	-	358,624	693,485	162,185	-	-
Noninstructional services	-	-	-	-	-	-	-	430,445
Facilities acquisition and construction	-	-	-	365,177	-	-	-	-
Debt services	-	595,078	267,160	-	404,303	-	-	-
Nonprogrammed charges	53	-	-	-	-	-	-	-
Total disbursements	<u>6,844,603</u>	<u>595,078</u>	<u>267,160</u>	<u>723,801</u>	<u>1,097,788</u>	<u>162,185</u>	<u>132,041</u>	<u>430,445</u>
Excess (deficiency) of receipts over disbursements	<u>(235,371)</u>	<u>(60,457)</u>	<u>(89,325)</u>	<u>149,703</u>	<u>136,246</u>	<u>23,223</u>	<u>(132,041)</u>	<u>5,522</u>
Other financing sources (uses):								
Transfers in	174,381	-	-	-	-	-	300,000	-
Transfers out	(700)	(50,000)	-	(250,000)	-	-	-	-
Total other financing sources (uses)	<u>173,681</u>	<u>(50,000)</u>	<u>-</u>	<u>(250,000)</u>	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(61,690)</u>	<u>(110,457)</u>	<u>(89,325)</u>	<u>(100,297)</u>	<u>136,246</u>	<u>23,223</u>	<u>167,959</u>	<u>5,522</u>
Cash and investments - ending	<u>\$ 1,232,301</u>	<u>\$ 227,860</u>	<u>\$ 16,194</u>	<u>\$ 422,876</u>	<u>\$ 438,694</u>	<u>\$ 86,989</u>	<u>\$ 400,043</u>	<u>\$ 24,204</u>

EAST GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Levy Excess	Educational License Plates	Professional Grant	Student Success Progress Grant	S.I.N.E	Welborn Baptist Fund Grant	Community Foundation Alliance	Toyota Grant
Cash and investments - beginning	\$ 58,552	\$ 75	\$ 37	\$ 2,156	\$ 1,590	\$ 1,153	\$ -	\$ -
Receipts:								
Local sources	11,455	-	-	-	-	40,646	-	2,500
Intermediate sources	-	169	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>11,455</u>	<u>169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,646</u>	<u>-</u>	<u>2,500</u>
Disbursements:								
Current:								
Instruction	-	-	60	-	-	-	-	-
Support services	-	188	-	-	-	-	-	948
Noninstructional services	-	-	-	-	-	38,444	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>188</u>	<u>60</u>	<u>-</u>	<u>-</u>	<u>38,444</u>	<u>-</u>	<u>948</u>
Excess (deficiency) of receipts over disbursements	<u>11,455</u>	<u>(19)</u>	<u>(60)</u>	<u>-</u>	<u>-</u>	<u>2,202</u>	<u>-</u>	<u>1,552</u>
Other financing sources (uses):								
Transfers in	-	-	60	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>60</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>11,455</u>	<u>(19)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,202</u>	<u>-</u>	<u>1,552</u>
Cash and investments - ending	<u>\$ 70,007</u>	<u>\$ 56</u>	<u>\$ 37</u>	<u>\$ 2,156</u>	<u>\$ 1,590</u>	<u>\$ 3,355</u>	<u>\$ -</u>	<u>\$ 1,552</u>

EAST GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	State High Ability Grant	High Ability Grant 2010/2011	High Ability Grant 2011/2012	Medicaid Reimbursement	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Grants [IC 20-40-15]	Title I 2011/2012
Cash and investments - beginning	\$ 12,511	\$ -	\$ -	\$ 9,420	\$ 792	\$ -	\$ 28	\$ -
Receipts:								
Local sources	1,850	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	28,883	-	28	463	5,590	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>1,850</u>	<u>28,883</u>	<u>-</u>	<u>28</u>	<u>463</u>	<u>5,590</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	11,614	12,815	-	-	-	-	-	-
Support services	-	-	-	-	-	3,417	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>11,614</u>	<u>12,815</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,417</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(9,764)</u>	<u>16,068</u>	<u>-</u>	<u>28</u>	<u>463</u>	<u>2,173</u>	<u>-</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>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(9,764)</u>	<u>16,068</u>	<u>-</u>	<u>28</u>	<u>463</u>	<u>2,173</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 2,747</u>	<u>\$ 16,068</u>	<u>\$ -</u>	<u>\$ 9,448</u>	<u>\$ 1,255</u>	<u>\$ 2,173</u>	<u>\$ 28</u>	<u>\$ -</u>

EAST GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Title I 2009/2010	Title I 2010/2011	IDEA P.L. 101-476	2012 IDEA Part B (611)	Federal Assistance Educational Preschool Handicapped	2012 IDEA Part B (619)	Drug Free 2009/2010	Team Nutrition Training Grants
Cash and investments - beginning	\$ 64,512	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,242	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	20,000	131,833	218,492	-	12,383	-	-	6,075
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>20,000</u>	<u>131,833</u>	<u>218,492</u>	<u>-</u>	<u>12,383</u>	<u>-</u>	<u>-</u>	<u>6,075</u>
Disbursements:								
Current:								
Instruction	78,394	135,802	56,494	-	-	-	1,600	4,310
Support services	1,117	3,990	-	-	-	-	-	-
Noninstructional services	-	682	-	-	-	-	1,642	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>79,511</u>	<u>140,474</u>	<u>56,494</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,242</u>	<u>4,310</u>
Excess (deficiency) of receipts over disbursements	<u>(59,511)</u>	<u>(8,641)</u>	<u>161,998</u>	<u>-</u>	<u>12,383</u>	<u>-</u>	<u>(3,242)</u>	<u>1,765</u>
Other financing sources (uses):								
Transfers in	-	5,001	-	-	-	-	-	-
Transfers out	<u>(5,001)</u>	<u>-</u>	<u>(161,998)</u>	<u>-</u>	<u>(12,383)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(64,512)</u>	<u>(3,640)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,242)</u>	<u>1,765</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (3,640)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,765</u>

EAST GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Wired Grant (PLTW)	Improving Teaching Quality No Child Left Title II, Part A	Title IV Drug Free Schools Healthy Students	Safe School Healthy Students	Title I Grants to LEAs	Education Jobs	Payroll Withholding Clearing	Totals
Cash and investments - beginning	\$ (503)	\$ -	\$ (137)	\$ -	\$ 5,945	\$ -	\$ 8,299	\$ 3,045,652
Receipts:								
Local sources	-	-	-	7,701	-	-	-	2,936,810
Intermediate sources	-	-	-	-	-	-	-	310
State sources	-	-	-	-	-	-	-	6,583,809
Federal sources	-	-	-	-	-	-	-	577,832
Temporary loans	-	-	-	-	-	-	-	403,047
Other	-	-	-	-	-	-	1,481,357	1,518,218
Total receipts	-	-	-	7,701	-	-	1,481,357	12,020,026
Disbursements:								
Current:								
Instruction	-	-	-	7,701	5,945	-	-	5,365,536
Support services	-	-	-	-	-	-	-	3,149,744
Noninstructional services	-	-	-	-	-	-	-	471,213
Facilities acquisition and construction	-	-	-	-	-	-	-	365,177
Debt services	-	-	-	-	-	-	-	1,266,541
Nonprogrammed charges	-	-	-	-	-	-	1,480,710	1,480,763
Total disbursements	-	-	-	7,701	5,945	-	1,480,710	12,098,974
Excess (deficiency) of receipts over disbursements	-	-	-	-	(5,945)	-	647	(78,948)
Other financing sources (uses):								
Transfers in	503	-	137	-	-	-	-	480,082
Transfers out	-	-	-	-	-	-	-	(480,082)
Total other financing sources (uses)	503	-	137	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	503	-	137	-	(5,945)	-	647	(78,948)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,946	\$ 2,966,704

EAST GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch
Cash and investments - beginning	\$ 1,232,301	\$ 227,860	\$ 16,194	\$ 422,876	\$ 438,694	\$ 86,989	\$ 400,043	\$ 24,204
Receipts:								
Local sources	23,814	436,102	179,683	777,146	857,307	151,586	-	234,260
Intermediate sources	141	-	-	-	5,540	-	-	-
State sources	6,372,318	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	184,786
Other	47,074	-	-	-	150,509	-	-	-
Total receipts	<u>6,443,347</u>	<u>436,102</u>	<u>179,683</u>	<u>777,146</u>	<u>1,013,356</u>	<u>151,586</u>	<u>-</u>	<u>419,046</u>
Disbursements:								
Current:								
Instruction	4,583,432	-	-	-	12,425	-	14,274	-
Support services	1,973,148	-	-	642,597	620,313	70,857	-	-
Noninstructional services	-	-	-	-	-	-	-	437,253
Facilities acquisition and construction	-	-	-	302,840	-	-	-	-
Debt services	-	399,962	181,705	-	287,190	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>6,556,580</u>	<u>399,962</u>	<u>181,705</u>	<u>945,437</u>	<u>919,928</u>	<u>70,857</u>	<u>14,274</u>	<u>437,253</u>
Excess (deficiency) of receipts over disbursements	<u>(113,233)</u>	<u>36,140</u>	<u>(2,022)</u>	<u>(168,291)</u>	<u>93,428</u>	<u>80,729</u>	<u>(14,274)</u>	<u>(18,207)</u>
Other financing sources (uses):								
Transfers in	34,839	-	-	-	-	-	250,000	-
Transfers out	(1,481)	-	-	(250,000)	-	-	-	-
Total other financing sources (uses)	<u>33,358</u>	<u>-</u>	<u>-</u>	<u>(250,000)</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(79,875)</u>	<u>36,140</u>	<u>(2,022)</u>	<u>(418,291)</u>	<u>93,428</u>	<u>80,729</u>	<u>235,726</u>	<u>(18,207)</u>
Cash and investments - ending	<u>\$ 1,152,426</u>	<u>\$ 264,000</u>	<u>\$ 14,172</u>	<u>\$ 4,585</u>	<u>\$ 532,122</u>	<u>\$ 167,718</u>	<u>\$ 635,769</u>	<u>\$ 5,997</u>

EAST GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Levy Excess	Educational License Plates	Professional Grant	Student Success Progress Grant	S.I.N.E	Welborn Baptist Fund Grant	Community Foundation Alliance	Toyota Grant
Cash and investments - beginning	\$ 70,007	\$ 56	\$ 37	\$ 2,156	\$ 1,590	\$ 3,355	\$ -	\$ 1,552
Receipts:								
Local sources	-	-	-	-	-	1,800	8,462	-
Intermediate sources	-	169	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	169	-	-	-	1,800	8,462	-
Disbursements:								
Current:								
Instruction	-	-	37	1,201	35	-	-	-
Support services	-	-	-	-	-	-	-	1,552
Noninstructional services	-	-	-	-	-	3,194	-	-
Facilities acquisition and construction	-	-	-	-	-	-	8,462	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	37	1,201	35	3,194	8,462	1,552
Excess (deficiency) of receipts over disbursements	-	169	(37)	(1,201)	(35)	(1,394)	-	(1,552)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(955)	(1,555)	-	-	-
Total other financing sources (uses)	-	-	-	(955)	(1,555)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	169	(37)	(2,156)	(1,590)	(1,394)	-	(1,552)
Cash and investments - ending	<u>\$ 70,007</u>	<u>\$ 225</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,961</u>	<u>\$ -</u>	<u>\$ -</u>

EAST GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	State High Ability Grant	High Ability Grant 2010/2011	High Ability Grant 2011/2012	Medicaid Reimbursement	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Grants [IC 20-40-15]	Title I 2011/2012
Cash and investments - beginning	\$ 2,747	\$ 16,068	\$ -	\$ 9,448	\$ 1,255	\$ 2,173	\$ 28	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	27,943	-	196	5,590	-	-
Federal sources	-	-	-	-	-	-	-	117,324
Other	-	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>27,943</u>	<u>-</u>	<u>196</u>	<u>5,590</u>	<u>-</u>	<u>117,324</u>
Disbursements:								
Current:								
Instruction	-	4,100	17,216	9,448	354	-	-	135,202
Support services	2,747	11,968	-	-	304	6,364	28	1,679
Noninstructional services	-	-	-	-	-	-	-	779
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>2,747</u>	<u>16,068</u>	<u>17,216</u>	<u>9,448</u>	<u>658</u>	<u>6,364</u>	<u>28</u>	<u>137,660</u>
Excess (deficiency) of receipts over disbursements	<u>(2,747)</u>	<u>(16,068)</u>	<u>10,727</u>	<u>(9,448)</u>	<u>(462)</u>	<u>(774)</u>	<u>(28)</u>	<u>(20,336)</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>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,747)</u>	<u>(16,068)</u>	<u>10,727</u>	<u>(9,448)</u>	<u>(462)</u>	<u>(774)</u>	<u>(28)</u>	<u>(20,336)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,727</u>	<u>\$ -</u>	<u>\$ 793</u>	<u>\$ 1,399</u>	<u>\$ -</u>	<u>\$ (20,336)</u>

EAST GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Title I 2009/2010	Title I 2010/2011	IDEA P.L. 101-476	2012 IDEA Part B (611)	Federal Assistance Educational Preschool Handicapped	2012 IDEA Part B (619)	Drug Free 2009/2010	Team Nutrition Training Grants
Cash and investments - beginning	\$ -	\$ (3,640)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,765
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	64,181	-	187,795	-	11,557	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	64,181	-	187,795	-	11,557	-	-
Disbursements:								
Current:								
Instruction	-	58,654	-	182,831	-	11,077	-	-
Support services	-	1,799	-	24,500	-	480	-	1,765
Noninstructional services	-	88	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	60,541	-	207,331	-	11,557	-	1,765
Excess (deficiency) of receipts over disbursements	-	3,640	-	(19,536)	-	-	-	(1,765)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	3,640	-	(19,536)	-	-	-	(1,765)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (19,536)	\$ -	\$ -	\$ -	\$ -

EAST GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Wired Grant (PLTW)	Improving Teaching Quality No Child Left Title II, Part A	Title IV Drug Free Schools Healthy Students	Safe School Healthy Students	Title I Grants to LEAs	Education Jobs	Payroll Withholding Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,946	\$ 2,966,704
Receipts:								
Local sources	-	-	13,883	-	-	-	-	2,684,043
Intermediate sources	-	-	-	-	-	-	-	5,850
State sources	-	-	-	-	-	-	-	6,406,047
Federal sources	-	41,370	-	-	-	107,400	-	714,413
Other	-	-	-	-	-	-	1,453,355	1,650,938
Total receipts	-	41,370	13,883	-	-	107,400	1,453,355	11,461,291
Disbursements:								
Current:								
Instruction	-	14,778	547	1,481	-	145,520	-	5,192,612
Support services	-	-	12,404	-	-	66,225	-	3,438,730
Noninstructional services	-	-	-	-	-	-	-	441,314
Facilities acquisition and construction	-	-	-	-	-	-	-	311,302
Debt services	-	-	-	-	-	-	-	868,857
Nonprogrammed charges	-	-	-	-	-	-	1,454,700	1,454,700
Total disbursements	-	14,778	12,951	1,481	-	211,745	1,454,700	11,707,515
Excess (deficiency) of receipts over disbursements	-	26,592	932	(1,481)	-	(104,345)	(1,345)	(246,224)
Other financing sources (uses):								
Transfers in	-	-	-	1,481	-	-	-	286,320
Transfers out	-	(32,329)	-	-	-	-	-	(286,320)
Total other financing sources (uses)	-	(32,329)	-	1,481	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(5,737)	932	-	-	(104,345)	(1,345)	(246,224)
Cash and investments - ending	\$ -	\$ (5,737)	\$ 932	\$ -	\$ -	\$ (104,345)	\$ 7,601	\$ 2,720,480

EAST GIBSON SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LEASES AND DEBT
 June 30, 2012

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	Fund
Loans payable:			
Common school fund loan	\$ 2,721,184	\$ 384,877	Debt Service
Energy savings loan	142,491	140,264	Capital Projects
Capital projects loan	11,832	5,916	Capital Projects
Bonds payable:			
General obligation bonds:			
2004 Pension bonds	<u>1,085,000</u>	<u>176,014</u>	Retirement/Severance Bonds Debt Service
Total debt	<u>\$ 3,960,507</u>	<u>\$ 707,071</u>	

EAST GIBSON SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2012

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

	Ending Balance
Other:	
Capital assets, not being depreciated:	
Land	\$ 446,000
Buildings	11,875,890
Improvements other than buildings	634,873
Machinery and equipment	1,015,123
Transportation equipment	274,142
Total capital assets not being depreciated	\$ 14,246,028

EAST GIBSON SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

1. **Lack of Segregation of Duties:** Control activities should be selected and developed at various levels of the School Corporation to reduce risks to the achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts, disbursements, payroll and related liabilities, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

2. **Reporting of School Lunch Fund:** A deficiency exists with the reporting of the School Lunch Fund. The financial activity associated with the School Corporation's School Lunch Program was recorded in a separate financial ledger system (using a centralized School Lunch extra-curricular account for all schools). This financial activity is required to be reported within the financial statement. The receipts, disbursements, and balances as reported on the financial statements did not agree with the corresponding extra-curricular records. The School Lunch Fund, as presented in the financial statement, is materially correct. The School Corporation could allow fraud or errors to occur in this fund if adequate internal controls are not maintained.

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

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

BANK ACCOUNT RECONCILIATIONS

Record balances were not fully reconciled to depository balances during the audit period. Monthly errors were not always identified and corrected and, in some cases, were carried forward for numerous years. The School Corporation had uncorrected errors at June 30, 2012, which resulted in the funds ledger showing \$448 more in available funds than what had been posted to the bank account.

EAST GIBSON SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Indiana Code 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."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

CERTIFIED REPORT (FORM 100-R) NOT FILED TIMELY

The School Corporation did not timely file a Certified Report of Compensation of Officers and Employees (Form 100-R or its equivalent) with the State Board of Accounts for the year 2011. The report, which is due in January, was not filed until June 30, 2011.

Indiana Code 5-11-13-1(a) states in part:

"Every . . . or school official . . . shall during the month of January of each year prepare, make, and sign a certified report, correctly and completely showing the names and addresses of each and all officers, employees, and agents. . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts. . . ."

Indiana Code 5-11-13-3 states in part: "A person who violates section 1 of this chapter commits a Class C infraction. . . ."

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the East Gibson School Corporation's (School Corporation) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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

In our opinion, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012.

Internal Control Over Compliance

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 to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, 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.



Bruce Hartman
State Examiner

March 4, 2013

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

EAST GIBSON SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2011 and 2012

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 06-30-11	Total Federal Awards Expended 06-30-12
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program	10.553	FY 10/11 FY 11/12	\$ 39,953 -	\$ - 42,551
Total for program			<u>39,953</u>	<u>42,551</u>
National School Lunch Program	10.555	FY 10/11 FY 11/12	172,298 -	- 165,960
Total for program			<u>172,298</u>	<u>165,960</u>
Total for cluster			<u>212,251</u>	<u>208,511</u>
Team Nutrition Grants	10.574	FY 10/11	4,310	-
Total for federal grantor agency			<u>216,561</u>	<u>208,511</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education Title I, Part A Cluster Title I Grants to Local Educational Agencies	84.010	FY 09/10 FY 10/11 FY 11/12	79,511 136,834 -	- 64,181 117,324
Total for program			<u>216,345</u>	<u>181,505</u>
ARRA Title I Grants to Local Educational Agencies, Recovery Act	84.389		5,945	-
Total for cluster			<u>222,290</u>	<u>181,505</u>
Special Education Cluster (IDEA) Special Education - Grants to States	84.027	14211-011-PN01 14212-077-PN01	218,492 -	- 187,795
Total for program			<u>218,492</u>	<u>187,795</u>
Special Education - Preschool Grants	84.173	45711-077-PN01 45712-077-PN01	12,383 -	- 11,557
Total for program			<u>12,383</u>	<u>11,557</u>
Total for cluster			<u>230,875</u>	<u>199,352</u>
Pass-Through Metropolitan School District of Mount Vernon Safe and Drug Free Schools and Communities - National Programs	84.184	Q184L080320 Q184L080320	7,701 -	- 13,883
Total for program			<u>7,701</u>	<u>13,883</u>
Pass-Through Indiana Department of Education Safe and Drug Free Schools and Communities - State Grants	84.186	09-2725	3,242	-
Improving Teacher Quality State Grants	84.367	FY 10/11	-	41,370
Education Jobs Fund	84.410	2725	-	107,400
Total for federal grantor agency			<u>464,108</u>	<u>543,510</u>
Total federal awards expended			<u>\$ 680,669</u>	<u>\$ 752,021</u>

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

EAST GIBSON SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the East 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 statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2011 and 2012. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2011	2012
Child Nutrition Cluster:			
Food Commodities:			
School Breakfast Program	10.553	\$ 4,600	\$ 6,319
National School Lunch Program	10.555	19,837	22,167

EAST GIBSON SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unqualified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	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

Title I, Part A Cluster
Special Education Cluster (IDEA)

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2012-1 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

1. Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the School Corporation to reduce risks to the achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts, disbursements, payroll and related liabilities, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

EAST GIBSON SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2. Reporting of School Lunch Fund: A deficiency exists with the reporting of the School Lunch Fund. The financial activity associated with the School Corporation's School Lunch Program was recorded in a separate financial ledger system (using a centralized School Lunch extra-curricular account for all schools). This financial activity is required to be reported within the financial statement. The receipts, disbursements, and balances as reported on the financial statements did not agree with the corresponding extra-curricular records. The School Lunch Fund, as presented in the financial statement, is materially correct. The School Corporation could allow fraud or errors to occur in this fund if adequate internal controls are not maintained.

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

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

We recommended that internal control activities continue to be reviewed to determine if risks can be reduced regarding the achievement of financial reporting objectives.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

Dr. Henry M. Brewster
Superintendent

East Gibson School Corporation
941 South Franklin Street
Oakland City, IN 47660
Phone (812) 749-4755
Fax (812) 749-3343

Ginger Schenks
Executive Secretary
Payroll/Personnel

David Edwards
Director of Maintenance
And Transportation

Jean Krieg
Treasurer

www.eastgibsonschoolcorporation.com

March 4, 2013

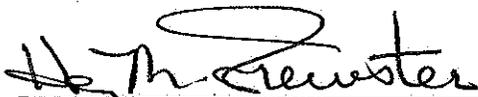
Corrective Action Plan

Auditee Contact Person: E. Jean Krieg
Title of Contact Person: Treasurer
Phone Number: (812) 749-4419
Expected Completion Date: June 30, 2013

Section II-Financial Statement Findings

Finding 2012-1. INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

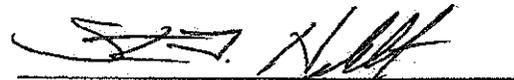
We will review our office procedures for internal control and attempt to implement, at least on a sample basis, steps to provided segregation of duties over the receipting, disbursing, recording and accounting for financial transactions and reporting. We have been in the process of reassigning duties and recordkeeping in regards to the school lunch fund and expect to complete changes by June 30, 2013. We are a small school corporation and management has determined that the cost associated with employing additional staff necessary to properly segregate duties would outweigh the benefits of additional internal control measures. We acknowledge and assume the risks inherent with the current design of the business office.



Dr. Henry M. Brewster, Superintendent



E. Jean Krieg, Treasurer



Steve Heldt, School Board Vice-President

EAST GIBSON SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on March 4, 2013, with Dr. Henry Michael Brewster, Superintendent of Schools; E. Jean Krieg, Treasurer; Diana L. Broshears, former Treasurer; and Steve Heldt, Vice President of the School Board. The officials concurred with our audit findings.