

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

NORTH GIBSON SCHOOL CORPORATION
GIBSON COUNTY, INDIANA

July 1, 2012 to June 30, 2014



FILED
08/20/2015

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Marlene S. Fisher (Deceased) Nancy Leukhardt (Interim) Jerica Davis	07-01-12 to 03-05-13 03-06-13 to 04-29-13 04-30-13 to 06-30-15
Superintendent of Schools	Dr. Brian L. Harmon	07-01-12 to 06-30-15
President of the School Board	H. Mark Lunghuhn	07-01-12 to 06-30-15



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the North Gibson School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a 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 the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance 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, 2012 to June 30, 2014.

Opinion on Regulatory Basis of Accounting

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, 2012 to June 30, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

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 records 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.


Other Information

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 Payables and Receivables, 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 24, 2015, 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* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

June 24, 2015



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INDEPENDENT AUDITOR'S 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 NORTH GIBSON SCHOOL CORPORATION, GIBSON COUNTY, INDIANA

We have audited, 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, the financial statement of the North Gibson School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement, and have issued our report thereon dated June 24, 2015, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

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. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

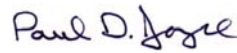
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

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*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

June 24, 2015

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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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NORTH GIBSON SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2013 and 2014

	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
General	\$ 810,869	\$ 13,620,018	\$ 13,538,813	\$ (300,000)	\$ 592,074	\$ 13,668,809	\$ 13,728,020	\$ 129,017	\$ 661,880
Debt Service	722,498	3,275,844	3,778,000	(9,434)	210,908	3,813,305	3,793,804	-	230,409
Retirement/Severance Bond Debt Service	39,958	501,038	515,969	-	25,027	487,895	511,621	-	1,301
Capital Projects	398	3,093,144	1,414,701	(516,000)	1,162,841	3,128,134	3,413,246	(200,000)	677,729
School Transportation	1,354,943	2,087,989	1,330,926	(750,000)	1,362,006	2,075,720	1,429,109	(800,000)	1,208,617
School Bus Replacement	309,090	45,655	43,115	-	311,630	-	167,509	-	144,121
Rainy Day	1,149,245	-	1,718,339	1,155,003	585,909	126,011	1,039,710	1,035,593	707,803
Retirement/Severance Bond	175,017	-	44,503	-	130,514	-	1,497	(129,017)	-
Construction	5,941,856	1,309,401	3,670,591	-	3,580,666	18,000	1,520,562	-	2,078,104
School Lunch	25,478	1,006,241	1,093,777	62,058	-	1,028,046	1,037,895	9,849	-
Textbook Rental	148,201	179,621	235,383	9,434	101,873	187,096	73,945	-	215,024
Self-Insurance	1,966,697	1,351,660	2,039,148	300,000	1,579,209	1,980,428	2,314,604	-	1,245,033
Levy Excess	449,868	-	-	-	449,868	-	-	-	449,868
Special Ed. (Part B) Payment 11/12	(31,029)	48,286	17,257	-	-	-	-	-	-
Spec. Ed. (Part B) Grant 12/13 Reimb.	-	511,455	515,883	4,428	-	-	(4,428)	(4,428)	-
Spec. Ed. Preschool Grant 12/13 Reimb.	-	21,657	21,657	-	-	-	-	-	-
Child Care Program	2,288	47,091	47,110	-	2,269	44,551	50,317	3,497	-
Educational License Plates	9,959	206	-	-	10,165	169	-	-	10,334
Student Distress	-	-	-	-	-	200	1,315	5,488	4,373
CFA Betty Ann McCullough Grant	998	-	-	-	998	-	-	-	998
William L. West Trust	102,251	16,653	9,324	-	109,580	36,303	14,000	-	131,883
Esther & Jesse Townsley Memorial Award	560	-	-	-	560	-	-	-	560
John S. Woods Family Scholarship	8,101	1,347	600	-	8,848	1,844	600	-	10,092
Noble Hale Scholarship	37,746	-	1,000	-	36,746	-	-	-	36,746
Michele Hurt Memorial Scholarship	1,307	1,050	1,000	-	1,357	750	1,000	-	1,107
Johnathan Cummings Scholarship	921	120	-	-	1,041	-	-	-	1,041
Terry McQueen Memorial	1,090	903	-	-	1,993	928	1,811	-	1,110
PCHS Child Care	58,017	28,680	48,326	-	38,371	34,570	42,119	-	30,822
High Ability Grant 13/14	-	-	-	-	-	33,924	27,719	-	6,205
High Ability Grant 12/13	-	33,343	33,343	-	-	-	-	-	-
Secured Schools Safety Grant	-	-	-	-	-	2,158	27,511	-	(25,353)
St Distress	3,918	2,500	2,856	-	3,562	2,164	238	(5,488)	-
Non-English Speaking Programs P.L. 273-1999	1,050	1,131	1,581	-	600	-	600	-	-
Non-English Speaking Programs 2013/2014	-	-	-	-	-	1,363	-	-	1,363
School Technology	129,044	4,143	1,900	-	131,287	4,488	1,940	-	133,835
Performance Based Awards 13/14	-	-	-	-	-	190,577	190,577	-	-
Title I FY 14	-	-	-	-	-	239,538	314,996	-	(75,458)
Title I 12/13	-	294,965	334,368	39,403	-	134,278	94,875	(39,403)	-
Title I 11/12	(24,187)	188,555	164,368	-	-	-	-	-	-
IDEA Part B FY 13 LEA Capacity Bldg (Silver) Grants	-	-	-	-	-	61,139	61,139	-	-
Spec Ed Part B TA FY 14	-	-	-	-	-	6,634	6,634	-	-
Spec Ed Part B 611 FY 14	-	-	-	-	-	490,344	490,344	-	-
Spec Ed Part B 619 FY 14	-	-	-	-	-	20,834	20,834	-	-
Drug Free Schools	-	47,379	47,379	-	-	-	-	-	-
Title IV Com Trans Grant 12/14	-	4,894	4,894	-	-	3,654	3,654	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	-	20,006	20,006	-	-	-	-	-	-
Title II Part A 2012-2014	-	23,668	28,776	5,108	-	60,019	54,911	(5,108)	-
Title II Part A 2013-2015	-	-	-	-	-	29,718	35,381	-	(5,663)
ITQ, Enhanced Education Through Technology, Title II, Part D	(2,715)	47,424	44,709	-	-	7,072	7,072	-	-
Education Jobs	-	8,726	8,726	-	-	-	-	-	-
Payroll Clearing	-	4,041,978	4,041,598	-	380	4,124,910	4,125,290	-	-
Totals	\$ 13,393,437	\$ 31,866,771	\$ 34,819,926	\$ -	\$ 10,440,282	\$ 32,045,573	\$ 34,601,971	\$ -	\$ 7,883,884

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

NORTH 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 Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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.

NORTH GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

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.

NORTH 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.

NORTH GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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 a cost-sharing 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
One North Capitol, 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.

NORTH GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' 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 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
One North Capitol, 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 grant 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 30 for each fiscal year.

NORTH GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. *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 2013 and 2014 totaled \$3,778,000 and \$3,780,500, respectively.

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.

Note 10. *Subsequent Events*

In July 2014, the School Corporation awarded a contract totaling \$4,344,657 to ARC Construction for the Phase III Remodel of the Old Princeton Community High School Building.

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OTHER INFORMATION - UNAUDITED

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. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

NORTH 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, 2013

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 810,869	\$ 722,498	\$ 39,958	\$ 398	\$ 1,354,943	\$ 309,090	\$ 1,149,245	\$ 175,017
Receipts:								
Local sources	138,090	3,275,844	501,038	3,093,144	2,086,347	45,655	-	-
Intermediate sources	796	-	-	-	-	-	-	-
State sources	13,473,644	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	7,488	-	-	-	1,642	-	-	-
Total receipts	13,620,018	3,275,844	501,038	3,093,144	2,087,989	45,655	-	-
Disbursements:								
Current:								
Instruction	10,198,326	-	-	-	-	-	465,076	20,647
Support services	3,095,773	-	-	1,133,672	1,330,926	43,115	277,941	23,856
Noninstructional services	244,714	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	281,029	-	-	975,322	-
Debt services	-	3,777,955	515,969	-	-	-	-	-
Nonprogrammed charges	-	45	-	-	-	-	-	-
Total disbursements	13,538,813	3,778,000	515,969	1,414,701	1,330,926	43,115	1,718,339	44,503
Excess (deficiency) of receipts over disbursements	81,205	(502,156)	(14,931)	1,678,443	757,063	2,540	(1,718,339)	(44,503)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	1,326,000	-
Transfers out	(300,000)	(9,434)	-	(516,000)	(750,000)	-	(170,997)	-
Total other financing sources (uses)	(300,000)	(9,434)	-	(516,000)	(750,000)	-	1,155,003	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(218,795)	(511,590)	(14,931)	1,162,443	7,063	2,540	(563,336)	(44,503)
Cash and investments - ending	\$ 592,074	\$ 210,908	\$ 25,027	\$ 1,162,841	\$ 1,362,006	\$ 311,630	\$ 585,909	\$ 130,514

NORTH 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, 2013
 (Continued)

	Construction	School Lunch	Textbook Rental	Self-Insurance	Levy Excess	Special Ed. (Part B) Payment 11/12	Spec. Ed. (Part B) Grant 12/13 Reimb.	Spec. Ed. Preschool Grant 12/13 Reimb.
Cash and investments - beginning	\$ 5,941,856	\$ 25,478	\$ 148,201	\$ 1,966,697	\$ 449,868	\$ (31,029)	\$ -	\$ -
Receipts:								
Local sources	1,309,401	403,910	102,852	1,351,660	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	11,485	76,769	-	-	-	-	-
Federal sources	-	590,846	-	-	-	48,286	511,455	21,657
Other	-	-	-	-	-	-	-	-
Total receipts	1,309,401	1,006,241	179,621	1,351,660	-	48,286	511,455	21,657
Disbursements:								
Current:								
Instruction	-	-	-	-	-	17,257	515,883	21,657
Support services	-	9,659	235,383	73	-	-	-	-
Noninstructional services	-	1,084,118	-	-	-	-	-	-
Facilities acquisition and construction	3,670,591	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	2,039,075	-	-	-	-
Total disbursements	3,670,591	1,093,777	235,383	2,039,148	-	17,257	515,883	21,657
Excess (deficiency) of receipts over disbursements	(2,361,190)	(87,536)	(55,762)	(687,488)	-	31,029	(4,428)	-
Other financing sources (uses):								
Transfers in	-	122,058	9,434	300,000	-	-	4,428	-
Transfers out	-	(60,000)	-	-	-	-	-	-
Total other financing sources (uses)	-	62,058	9,434	300,000	-	-	4,428	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,361,190)	(25,478)	(46,328)	(387,488)	-	31,029	-	-
Cash and investments - ending	\$ 3,580,666	\$ -	\$ 101,873	\$ 1,579,209	\$ 449,868	\$ -	\$ -	\$ -

NORTH 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, 2013
 (Continued)

	Child Care Program	Educational License Plates	Student Distress	CFA Betty Ann McCullough Grant	William L. West Trust	Esther & Jesse Townesley Memorial Award	John S. Woods Family Scholarship	Noble Hale Scholarship
Cash and investments - beginning	\$ 2,288	\$ 9,959	\$ -	\$ 998	\$ 102,251	\$ 560	\$ 8,101	\$ 37,746
Receipts:								
Local sources	-	-	-	-	16,653	-	1,347	-
Intermediate sources	-	206	-	-	-	-	-	-
State sources	47,091	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	47,091	206	-	-	16,653	-	1,347	-
Disbursements:								
Current:								
Instruction	-	-	-	-	2,325	-	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	47,110	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	6,999	-	600	1,000
Total disbursements	47,110	-	-	-	9,324	-	600	1,000
Excess (deficiency) of receipts over disbursements	(19)	206	-	-	7,329	-	747	(1,000)
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	(19)	206	-	-	7,329	-	747	(1,000)
Cash and investments - ending	\$ 2,269	\$ 10,165	\$ -	\$ 998	\$ 109,580	\$ 560	\$ 8,848	\$ 36,746

NORTH 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, 2013
 (Continued)

	Michele Hurt Memorial Scholarship	Johnathan Cummings Scholarship	Terry McQueen Memorial	PCHS Child Care	High Ability Grant 13/14	High Ability Grant 12/13	Secured Schools Safety Grant
Cash and investments - beginning	\$ 1,307	\$ 921	\$ 1,090	\$ 58,017	\$ -	\$ -	\$ -
Receipts:							
Local sources	1,050	120	903	28,680	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	33,343	-
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	1,050	120	903	28,680	-	33,343	-
Disbursements:							
Current:							
Instruction	-	-	-	32,071	-	33,343	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	16,255	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	1,000	-	-	-	-	-	-
Total disbursements	1,000	-	-	48,326	-	33,343	-
Excess (deficiency) of receipts over disbursements	50	120	903	(19,646)	-	-	-
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	50	120	903	(19,646)	-	-	-
Cash and investments - ending	\$ 1,357	\$ 1,041	\$ 1,993	\$ 38,371	\$ -	\$ -	\$ -

NORTH 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, 2013
(Continued)

	St Distress	Non-English Speaking Programs P.L. 273-1999	Non-English Speaking Programs 2013/2014	School Technology	Performance Based Awards 13/14	Title I FY 14	Title I 12/13
Cash and investments - beginning	\$ 3,918	\$ 1,050	\$ -	\$ 129,044	\$ -	\$ -	\$ -
Receipts:							
Local sources	2,500	-	-	1,141	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	1,131	-	3,002	-	-	-
Federal sources	-	-	-	-	-	-	294,965
Other	-	-	-	-	-	-	-
Total receipts	2,500	1,131	-	4,143	-	-	294,965
Disbursements:							
Current:							
Instruction	-	1,581	-	-	-	-	332,816
Support services	-	-	-	1,900	-	-	744
Noninstructional services	2,856	-	-	-	-	-	808
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	2,856	1,581	-	1,900	-	-	334,368
Excess (deficiency) of receipts over disbursements	(356)	(450)	-	2,243	-	-	(39,403)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	39,403
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	39,403
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(356)	(450)	-	2,243	-	-	-
Cash and investments - ending	\$ 3,562	\$ 600	\$ -	\$ 131,287	\$ -	\$ -	\$ -

NORTH 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, 2013
(Continued)

	Title I 11/12	IDEA Part B FY 13 LEA Capacity Bldg (Sliver) Grants	Spec Ed Part B TA FY 14	Spec Ed Part B 611 FY 14	Spec Ed Part B 619 FY 14	Drug Free Schools	Title IV Com Trans Grant 12/14
Cash and investments - beginning	\$ (24,187)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	47,379	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	188,555	-	-	-	-	-	4,894
Other	-	-	-	-	-	-	-
Total receipts	188,555	-	-	-	-	47,379	4,894
Disbursements:							
Current:							
Instruction	162,283	-	-	-	-	-	-
Support services	2,085	-	-	-	-	47,379	4,894
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	164,368	-	-	-	-	47,379	4,894
Excess (deficiency) of receipts over disbursements	24,187	-	-	-	-	-	-
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	24,187	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NORTH 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, 2013
(Continued)

	Improving Teaching Quality, No Child Left, Title II, Part A	Title II Part A 2012-2014	Title II Part A 2013-2015	ITQ, Enhanced Education Through Technology, Title II, Part D	Education Jobs	Payroll Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (2,715)	\$ -	\$ -	\$ 13,393,437
Receipts:							
Local sources	-	-	-	-	-	-	12,407,714
Intermediate sources	-	-	-	-	-	-	1,002
State sources	-	-	-	-	-	-	13,646,465
Federal sources	20,006	23,668	-	47,424	8,726	-	1,760,482
Other	-	-	-	-	-	4,041,978	4,051,108
Total receipts	20,006	23,668	-	47,424	8,726	4,041,978	31,866,771
Disbursements:							
Current:							
Instruction	-	28,776	-	37,387	-	-	11,869,428
Support services	20,006	-	-	7,322	-	-	6,234,728
Noninstructional services	-	-	-	-	-	-	1,395,861
Facilities acquisition and construction	-	-	-	-	-	-	4,926,942
Debt services	-	-	-	-	-	-	4,293,924
Nonprogrammed charges	-	-	-	-	8,726	4,041,598	6,099,043
Total disbursements	20,006	28,776	-	44,709	8,726	4,041,598	34,819,926
Excess (deficiency) of receipts over disbursements	-	(5,108)	-	2,715	-	380	(2,953,155)
Other financing sources (uses):							
Transfers in	-	5,108	-	-	-	-	1,806,431
Transfers out	-	-	-	-	-	-	(1,806,431)
Total other financing sources (uses)	-	5,108	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	2,715	-	380	(2,953,155)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 380	\$ 10,440,282

NORTH 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, 2014

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 592,074	\$ 210,908	\$ 25,027	\$ 1,162,841	\$ 1,362,006	\$ 311,630	\$ 585,909	\$ 130,514
Receipts:								
Local sources	118,277	3,813,305	487,895	3,128,134	2,075,720	-	126,011	-
Intermediate sources	531	-	-	-	-	-	-	-
State sources	13,545,999	-	-	-	-	-	-	-
Federal sources	14	-	-	-	-	-	-	-
Other	3,988	-	-	-	-	-	-	-
Total receipts	13,668,809	3,813,305	487,895	3,128,134	2,075,720	-	126,011	-
Disbursements:								
Current:								
Instruction	10,309,309	-	-	-	-	-	627,749	1,497
Support services	3,171,523	-	-	1,546,300	1,429,109	167,509	257,643	-
Noninstructional services	247,188	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,866,946	-	-	154,188	-
Debt services	-	3,793,849	511,621	-	-	-	-	-
Nonprogrammed charges	-	(45)	-	-	-	-	130	-
Total disbursements	13,728,020	3,793,804	511,621	3,413,246	1,429,109	167,509	1,039,710	1,497
Excess (deficiency) of receipts over disbursements	(59,211)	19,501	(23,726)	(285,112)	646,611	(167,509)	(913,699)	(1,497)
Other financing sources (uses):								
Transfers in	129,017	-	-	-	-	-	1,110,997	-
Transfers out	-	-	-	(200,000)	(800,000)	-	(75,404)	(129,017)
Total other financing sources (uses)	129,017	-	-	(200,000)	(800,000)	-	1,035,593	(129,017)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	69,806	19,501	(23,726)	(485,112)	(153,389)	(167,509)	121,894	(130,514)
Cash and investments - ending	\$ 661,880	\$ 230,409	\$ 1,301	\$ 677,729	\$ 1,208,617	\$ 144,121	\$ 707,803	\$ -

NORTH 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, 2014
(Continued)

	Construction	School Lunch	Textbook Rental	Self-Insurance	Levy Excess	Special Ed. (Part B) Payment 11/12	Spec. Ed. (Part B) Grant 12/13 Reimb.	Spec. Ed. Preschool Grant 12/13 Reimb.
Cash and investments - beginning	\$ 3,580,666	\$ -	\$ 101,873	\$ 1,579,209	\$ 449,868	\$ -	\$ -	\$ -
Receipts:								
Local sources	18,000	418,591	107,396	1,980,428	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	10,544	79,700	-	-	-	-	-
Federal sources	-	598,911	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	18,000	1,028,046	187,096	1,980,428	-	-	-	-
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	(4,428)	-
Support services	-	6,524	73,945	82	-	-	-	-
Noninstructional services	-	1,031,371	-	-	-	-	-	-
Facilities acquisition and construction	1,520,562	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	2,314,522	-	-	-	-
Total disbursements	1,520,562	1,037,895	73,945	2,314,604	-	-	(4,428)	-
Excess (deficiency) of receipts over disbursements	(1,502,562)	(9,849)	113,151	(334,176)	-	-	4,428	-
Other financing sources (uses):								
Transfers in	-	71,907	-	-	-	-	-	-
Transfers out	-	(62,058)	-	-	-	-	(4,428)	-
Total other financing sources (uses)	-	9,849	-	-	-	-	(4,428)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,502,562)	-	113,151	(334,176)	-	-	-	-
Cash and investments - ending	\$ 2,078,104	\$ -	\$ 215,024	\$ 1,245,033	\$ 449,868	\$ -	\$ -	\$ -

NORTH 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, 2014
(Continued)

	Child Care Program	Educational License Plates	Student Distress	CFA Betty Ann McCullough Grant	William L. West Trust	Esther & Jesse Townesley Memorial Award	John S. Woods Family Scholarship	Noble Hale Scholarship
Cash and investments - beginning	\$ 2,269	\$ 10,165	\$ -	\$ 998	\$ 109,580	\$ 560	\$ 8,848	\$ 36,746
Receipts:								
Local sources	-	-	200	-	36,303	-	1,844	-
Intermediate sources	-	169	-	-	-	-	-	-
State sources	44,551	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	44,551	169	200	-	36,303	-	1,844	-
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	50,317	-	1,315	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	14,000	-	600	-
Total disbursements	50,317	-	1,315	-	14,000	-	600	-
Excess (deficiency) of receipts over disbursements	(5,766)	169	(1,115)	-	22,303	-	1,244	-
Other financing sources (uses):								
Transfers in	3,497	-	5,488	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	3,497	-	5,488	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,269)	169	4,373	-	22,303	-	1,244	-
Cash and investments - ending	\$ -	\$ 10,334	\$ 4,373	\$ 998	\$ 131,883	\$ 560	\$ 10,092	\$ 36,746

NORTH 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, 2014
(Continued)

	Michele Hurt Memorial Scholarship	Johnathan Cummings Scholarship	Terry McQueen Memorial	PCHS Child Care	High Ability Grant 13/14	High Ability Grant 12/13	Secured Schools Safety Grant
Cash and investments - beginning	\$ 1,357	\$ 1,041	\$ 1,993	\$ 38,371	\$ -	\$ -	\$ -
Receipts:							
Local sources	750	-	928	34,570	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	33,924	-	2,158
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	750	-	928	34,570	33,924	-	2,158
Disbursements:							
Current:							
Instruction	-	-	-	33,353	27,719	-	-
Support services	-	-	1,811	-	-	-	27,511
Noninstructional services	-	-	-	8,766	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	1,000	-	-	-	-	-	-
Total disbursements	1,000	-	1,811	42,119	27,719	-	27,511
Excess (deficiency) of receipts over disbursements	(250)	-	(883)	(7,549)	6,205	-	(25,353)
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	(250)	-	(883)	(7,549)	6,205	-	(25,353)
Cash and investments - ending	\$ 1,107	\$ 1,041	\$ 1,110	\$ 30,822	\$ 6,205	\$ -	\$ (25,353)

NORTH 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, 2014
(Continued)

	St Distress	Non-English Speaking Programs P.L. 273-1999	Non-English Speaking Programs 2013/2014	School Technology	Performance Based Awards 13/14	Title I FY 14	Title I 12/13
Cash and investments - beginning	\$ 3,562	\$ 600	\$ -	\$ 131,287	\$ -	\$ -	\$ -
Receipts:							
Local sources	2,164	-	-	3,264	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	1,363	1,224	190,577	-	-
Federal sources	-	-	-	-	-	239,538	134,278
Other	-	-	-	-	-	-	-
Total receipts	2,164	-	1,363	4,488	190,577	239,538	134,278
Disbursements:							
Current:							
Instruction	-	-	-	-	190,577	313,346	91,161
Support services	-	600	-	1,940	-	1,000	3,714
Noninstructional services	238	-	-	-	-	650	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	238	600	-	1,940	190,577	314,996	94,875
Excess (deficiency) of receipts over disbursements	1,926	(600)	1,363	2,548	-	(75,458)	39,403
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(5,488)	-	-	-	-	-	(39,403)
Total other financing sources (uses)	(5,488)	-	-	-	-	-	(39,403)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,562)	(600)	1,363	2,548	-	(75,458)	-
Cash and investments - ending	\$ -	\$ -	\$ 1,363	\$ 133,835	\$ -	\$ (75,458)	\$ -

NORTH 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, 2014
(Continued)

	Title I 11/12	IDEA Part B FY 13 LEA Capacity Bldg (Sliver) Grants	Spec Ed Part B TA FY 14	Spec Ed Part B 611 FY 14	Spec Ed Part B 619 FY 14	Drug Free Schools	Title IV Com Trans Grant 12/14
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	61,139	6,634	490,344	20,834	-	3,654
Other	-	-	-	-	-	-	-
Total receipts	-	61,139	6,634	490,344	20,834	-	3,654
Disbursements:							
Current:							
Instruction	-	61,139	3,216	484,263	20,834	-	-
Support services	-	-	3,418	6,081	-	-	3,654
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	61,139	6,634	490,344	20,834	-	3,654
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NORTH 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, 2014
(Continued)

	Improving Teaching Quality, No Child Left, Title II, Part A	Title II Part A 2012-2014	Title II Part A 2013-2015	ITQ, Enhanced Education Through Technology, Title II, Part D	Education Jobs	Payroll Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 380	\$ 10,440,282
Receipts:							
Local sources	-	-	-	-	-	-	12,353,780
Intermediate sources	-	-	-	-	-	-	700
State sources	-	-	-	-	-	-	13,910,040
Federal sources	-	60,019	29,718	7,072	-	-	1,652,155
Other	-	-	-	-	-	4,124,910	4,128,898
Total receipts	-	60,019	29,718	7,072	-	4,124,910	32,045,573
Disbursements:							
Current:							
Instruction	-	39,409	33,413	-	-	-	12,232,557
Support services	-	15,502	1,968	7,072	-	-	6,726,906
Noninstructional services	-	-	-	-	-	-	1,339,845
Facilities acquisition and construction	-	-	-	-	-	-	3,541,696
Debt services	-	-	-	-	-	-	4,305,470
Nonprogrammed charges	-	-	-	-	-	4,125,290	6,455,497
Total disbursements	-	54,911	35,381	7,072	-	4,125,290	34,601,971
Excess (deficiency) of receipts over disbursements	-	5,108	(5,663)	-	-	(380)	(2,556,398)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	1,320,906
Transfers out	-	(5,108)	-	-	-	-	(1,320,906)
Total other financing sources (uses)	-	(5,108)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(5,663)	-	-	(380)	(2,556,398)
Cash and investments - ending	\$ -	\$ -	\$ (5,663)	\$ -	\$ -	\$ -	\$ 7,883,884

NORTH GIBSON SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 373,793</u>	<u>\$ 81,121</u>

NORTH GIBSON SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
North Gibson Multi-School Building Corporation	Construction Costs of Issuance Professional Fees	\$ 3,784,875	12/31/2009	6/30/2029
Total of annual lease payments		<u>\$ 3,784,875</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Amended Taxable General Obligation Pension Bonds of 2003	\$ 3,652,631	\$ 516,269
Totals		<u>\$ 3,652,631</u>	<u>\$ 516,269</u>

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NORTH GIBSON SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2014

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
Governmental activities:	
Buildings	\$ 49,861,319
Improvements other than buildings	4,948,064
Machinery, equipment, and vehicles	2,870,417
Construction in progress	<u>5,000,000</u>
Total governmental activities	<u>62,679,800</u>
Total capital assets	<u><u>\$ 62,679,800</u></u>

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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 FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the North 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, 2012 to June 30, 2014. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance 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, 2012 to June 30, 2014.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001. Our opinion on each major federal program is not modified with respect to these matters.

The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance


Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be material weaknesses.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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.

NORTH GIBSON SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2013 and 2014

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	IN Department of Education	10.553	FY 12/13 FY 13/14	\$ 123,578 -	\$ - 121,354
National School Lunch Program	IN Department of Education	10.555	FY 12/13 FY 13/14	522,841 -	- 551,625
Total - Child Nutrition Cluster				<u>646,419</u>	<u>672,979</u>
Total - Department of Agriculture				<u>646,419</u>	<u>672,979</u>
<u>Department of Education</u>					
Special Education Cluster (IDEA)					
Special Education - Grants to States	IN Department of Education	84.027	14212-078-PN01 14213-078-PN01 14214-078-PN01 99914-078-TA01 A58-3-13DL-1446	48,286 511,455 - - -	- - 490,344 6,634 61,139
Total - Special Education - Grants to States				<u>559,741</u>	<u>558,117</u>
Special Education - Preschool Grants	IN Department of Education	84.173	45713-078-PN01 45714-078-PN01	21,657 -	- 20,834
Total - Special Education - Preschool Grants				<u>21,657</u>	<u>20,834</u>
Total - Special Education Cluster (IDEA)				<u>581,398</u>	<u>578,951</u>

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

NORTH GIBSON SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2013 and 2014
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>Department of Education (continued)</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	IN Department of Education	84.010	12-2735	188,555	-
			13-2735	294,965	134,278
			14-2735	-	239,538
Total - Title I Grants to Local Educational Agencies				<u>483,520</u>	<u>373,816</u>
Total - Title I, Part A Cluster				<u>483,520</u>	<u>373,816</u>
Improving Teacher Quality State Grants	IN Department of Education	84.367	FFY 2010	20,006	-
			FFY 2011	47,424	7,072
			FFY 2012	23,668	60,019
			FFY 2013	-	29,718
Total - Improving Teacher Quality State Grants				<u>91,098</u>	<u>96,809</u>
Safe and Drug-Free Schools and Communities - National Programs	Direct Grant	84.184	Q184L080320	<u>47,379</u>	-
Total - Safe and Drug-Free Schools and Communities - National Programs				<u>47,379</u>	-
Education Jobs Fund	IN Department of Education	84.410	FY12/13	<u>8,726</u>	-
Total - Education Jobs Fund				<u>8,726</u>	-
Total - Department of Education				<u>1,212,121</u>	<u>1,049,576</u>
<u>Department of Health and Human Services</u>					
PPHF: Community Transformation Grants - Small Communities Program	Welborn Baptist Foundation	93.737	1H75DP004375-01	<u>4,894</u>	<u>3,654</u>
Total - Department of Health and Human Services				<u>4,894</u>	<u>3,654</u>
Total federal awards expended				<u>\$ 1,863,434</u>	<u>\$ 1,726,209</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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the 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 5-11-1-25), 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, 2013 and 2014. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2013	2014
National School Lunch Program	10.555	\$ 62,868	\$ 74,067

NORTH 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; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

Name of Federal Program or Cluster

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

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

No matters are reportable.

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2014-001 - PROCUREMENT AND SUSPENSION AND DEBARMENT

Federal Agency: Department of Agriculture

Federal Program: School Breakfast Program and National School Lunch Program

CFDA Number: 10.553 and 10.555

Federal Award Number and Year (or Other Identifying Number): FY 12/13 and FY 13/14

Pass-Through Entity: IN Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the Procurement and Suspension and Debarment compliance requirement.

No contracts were signed by the School Corporation with successful bidders for milk, juice, and bread purchased by the food service department. Bids were solicited and awarded to the lowest and most responsive bidders at a public meeting. The School Corporation was charged and paid the agreed upon prices, but no actual contract was signed by the School Board and the vendors. Also, the food service employees were not aware of the requirement to verify that successful bidders were not suspended and debarred.

The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

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

2 CFR 180.300 states:

"What must I do before I enter into a covered transaction with another person at the next lower tier?

When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking the SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

7 CFR 3016.35 states:

"Grantees and subgrantees must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, 'Debarment and Suspension.'"

The failure to establish internal controls enabled material noncompliance to go undetected. Noncompliance with the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the compliance requirement listed above.

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AUDITEE PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.



NORTH GIBSON SCHOOL CORPORATION

Office of the Superintendent

1108 N. Embree St.
Princeton, IN 47670-8321

Phone: 812-385-4851
Fax: 812-386-1531

www.ngsc.k12.in.us

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2012-2- CASH MANAGEMENT

Original Assigned SBA Audit Report Number: B41975

Report Period: 07/01/10 to 06/30/12

Pass-Through Entity or Federal Grantor Agency: Indiana Department of Education/US DOE

Contact Person Responsible for Corrective Action: Jerica Davis, Treasurer/HR Manager

Contact Phone Number: 812-385-4851

Status of Audit Finding:

Amounts received by the School Corporation for the Title I Grants to Local Education Agencies (Title I Grants) are now only requested on a reimbursement basis as cash disbursements are issued. Reimbursement requests are submitted by the 15th of each month for the previous month's disbursements/expenditures. All cash disbursements are entered by the School Corporation Deputy Treasurer or Payroll Manager, signed by the School Corporation Treasurer, and approved by the School Corporation Board. Based upon the grant fund's expenditures for the period, the School Corporation Treasurer prepares/submit a reimbursement request through the Title I Online Application Center. The reimbursement request is then approved by the School Corporation Assistant to the Superintendent who oversees the grant. All supporting documentation of such requests are maintained in the School Corporation Title I Grant files.

FINDING 2012-3- INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING FOR SPECIAL EDUCATION PROGRAMS

Original Assigned SBA Audit Report Number: B41975

Report Period: 07/01/10 to 06/30/12

Pass-Through Entity or Federal Grantor Agency: Indiana Department of Education/US DOE

Contact Person Responsible for Corrective Action: Jerica Davis, Treasurer/HR Manager

Contact Phone Number: 812-385-4851

Status of Audit Finding:

Separate funds are established and used for the Special Education Grants to States and Special Education Preschool Grants to prevent any commingled grant money. Amounts received by the School Corporation for the Special Education Grants to States and Special Education Preschool Grants are now only requested on a reimbursement basis as cash disbursements are issued. Reimbursement requests are submitted by the 15th of each month for the previous month's disbursements/expenditures. All cash disbursements are entered by the School Corporation Deputy Treasurer or Payroll Manager, signed by the School Corporation Treasurer, and approved by the School Corporation Board. Based upon the grant fund's expenditures for the period, the School Corporation Treasurer prepares/submit a reimbursement request via email to specialpartb@doe.in.gov. The reimbursement request is then approved by the School Corporation Superintendent or Assistant to the Superintendent who along with the Special Education Director oversee the grant. All supporting documentation of such requests are maintained in the School Corporation Special Education Grant files.

Jerica Davis, Treasurer/HR Manager
February 10, 2015

Superintendent
Dr. Brian Harmon

Assistant to the Superintendent
Mr. Eric Goggins

Treasurer/HR Manager
Mrs. Jerica Davis

Deputy Treas./Adm. Asst.
Mrs. Nancy Leukhardt

Payroll/Transportation
Mrs. Tina Burton

Administrative Secretary
Tammy Ruple



NORTH GIBSON SCHOOL CORPORATION

Office of the Superintendent

1108 N. Embree St.
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CORRECTIVE ACTION PLAN

FINDING 2014 – 001

Contact Person Responsible for Corrective Action: Jerica Davis
Contact Phone Number: 812-385-4851

Description of Corrective Action Plan:

North Gibson will enter into contracts each year with the successful bidders for milk, juice and bread purchased by the Food Service Department. Prior to entering such contracts, North Gibson will verify that successful bidders are not on the suspended and debarred list before a contract is awarded.

Anticipated Completion Date:

The corrective action described above will be effective with bids awarded in 2015 for the 2015/2016 school year.


(Signature)

Jerica Davis, Treasurer/HR Manager

April 30, 2015

Superintendent
Dr. Brian Harmon

Assistant to the Superintendent
Mr. Eric Goggins

Treasurer/HR Manager
Mrs. Jerica Davis

Deputy Treas./Adm. Asst.
Mrs. Nancy Leukhardt

Payroll/Transportation
Mrs. Tina Burton

Administrative Secretary
Tammy Rumpke

OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the School Corporation. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.