

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

SOUTH GIBSON SCHOOL CORPORATION  
GIBSON COUNTY, INDIANA

July 1, 2013 to June 30, 2015



**FILED**  
07/15/2016



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report .....	3-5
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 <i>Government Auditing Standards</i> .....	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis .....	10-11
Notes to Financial Statement .....	12-17
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis .....	20-33
Schedule of Payables and Receivables .....	34
Schedule of Leases and Debt .....	35
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance .....	38-39
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards .....	42-43
Notes to Schedule of Expenditures of Federal Awards .....	44
Schedule of Findings and Questioned Costs .....	45
Other Reports .....	46

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Elaine Tenbarge	01-01-13 to 12-31-16
Superintendent of Schools	Dr. Stacey Humbaugh	07-01-13 to 06-30-16
President of the School Board	Elizabeth Hirsch Tim Nurrenbern Michael Bengert Donald Steinmetz	01-01-13 to 12-31-13 01-01-14 to 12-31-14 01-01-15 to 12-31-15 01-01-16 to 12-31-16



## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statement**

We have audited the accompanying financial statement of the South Gibson School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement as listed in the Table of Contents.

### ***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, 2013 to June 30, 2015.

***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, 2013 to June 30, 2015, 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, and Schedule of Leases and Debt, 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 May 16, 2016, 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

May 16, 2016



**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](http://www.in.gov/sboa)

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 SOUTH 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 South Gibson School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated May 16, 2016, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

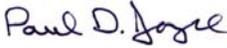
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
(Continued)

**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

May 16, 2016

(This page intentionally left blank.)

## 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.

SOUTH GIBSON SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2014 and 2015

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
General	\$ 1,878,577	\$ 11,833,149	\$ 11,911,640	\$ 763	\$ 1,800,849	\$ 11,832,985	\$ 11,536,151	\$ (90,696)	\$ 2,006,987
Debt Service	1,689,708	2,965,137	2,862,000	(31,077)	1,761,768	2,958,188	2,862,500	18,350	1,875,806
Retirement/Severance Bond Debt Service	239,810	430,861	416,413	(3,650)	250,608	432,003	419,211	(2,966)	260,434
Capital Projects	94,190	1,893,582	1,487,830	(13,520)	486,422	2,370,100	2,031,728	-	824,794
School Transportation	2,403,066	1,110,434	1,335,062	(317,723)	1,860,715	999,454	1,339,948	(76,901)	1,443,320
School Bus Replacement	99,002	89,438	84,808	(760)	102,872	91,021	84,136	-	109,757
Rainy Day	-	-	-	761,300	761,300	-	118,668	91,890	734,522
Construction	249,970	26	32,838	-	217,158	17	217,175	-	-
Projects at FBGS/GSHS GO Bonds 2015	-	-	-	-	-	-	94,651	2,000,000	1,905,349
School Lunch	411,555	929,616	909,913	-	431,258	876,527	944,912	-	362,873
Textbook Rental	(14,832)	106,825	89,068	5,967	8,892	159,069	49,454	-	118,507
Repair and Replacement	890,553	-	5,588	-	884,965	-	-	-	884,965
Self-Insurance	-	815,916	665,644	-	150,272	1,786,491	1,162,258	-	774,505
Levy Excess	400,537	-	-	(400,537)	-	-	-	-	-
Gibson County Special Services	(127,900)	595,445	581,434	-	(113,889)	531,863	526,338	-	(108,364)
Educational License Plates	-	169	66	-	103	168	26	-	245
Safe Haven Grant 2011/2012	(4,387)	4,212	(175)	-	-	-	-	-	-
Safe Haven Grant 2014/2015	-	-	-	-	-	18,000	18,000	-	-
2900 Toyota MMI	1,534	5,280	4,127	-	2,687	10,800	11,557	-	1,930
Pioneer Grant GSHS Spear	453	-	453	-	-	-	-	-	-
Cinergy Grant	67	-	10	-	57	-	-	-	57
Youth Resources	3	-	-	-	3	-	-	-	3
Walmart Grant Barton	2,212	-	2,000	-	212	-	-	-	212
Fractions Project Rowe	89	-	-	-	89	-	9	-	80
Community Foundation Alliance	922	8,894	4,705	-	5,111	3,900	5,300	-	3,711
FBGS Art Contest	27,884	-	7,132	-	20,752	-	20,125	-	627
Duke Energy Donation Shiloh	425	-	425	-	-	-	-	-	-
Psi Iota Zeta Gamma	250	-	-	-	250	-	-	-	250
Tobacco Prevention/Cessation	500	-	-	-	500	-	-	-	500
SINE - FBGS Summer Workshop	51	-	-	-	51	-	-	-	51
Indiana Youth Institute	-	750	190	-	560	-	560	-	-
Augmented Communication	1,336	-	-	-	1,336	-	174	-	1,162
District Trial Training Grant	(575)	-	(575)	-	-	-	-	-	-
Community Transformation Grant	(139)	4,334	4,195	-	-	-	-	-	-

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

SOUTH GIBSON SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2014 and 2015  
(Continued)

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
IMI Classroom Donation	-	350	350	-	-	-	-	-	-
Dollar General Literacy Grant	-	-	-	-	-	4,000	4,000	-	-
High Ability Grant 2012/2013	888	-	888	-	-	-	-	-	-
High Ability Grant 2013/2014	-	32,171	28,910	-	3,261	-	3,261	-	-
High Ability Grant 2014/2015	-	-	-	-	-	33,378	29,014	-	4,364
2014 Secured Schools Safety Grant	-	-	36,500	-	(36,500)	88,180	13,100	-	38,580
Non-English Speaking Programs P.L. 273-1999	888	-	888	-	-	-	-	-	-
School Technology	2,011	7,620	7,624	-	2,007	7,671	5,748	-	3,930
Performance Based Awards	-	-	-	-	-	-	90,696	90,696	-
Innovative School Improvement Grant	(193,662)	304,467	110,805	-	-	-	-	-	-
Title I 2011/2012	44	-	-	(44)	-	-	-	-	-
Title I 2012/2013	(12,642)	30,917	18,275	-	-	-	-	-	-
Title I 2013/2014	-	88,077	107,926	-	(19,849)	42,874	23,025	-	-
Title I 2014/2015	-	-	-	-	-	113,725	129,626	-	(15,901)
Sp Ed IDEA Part B 611 FY 2013	(29,025)	212,768	183,743	-	-	47,780	47,780	-	-
Sp Ed IDEA Part B 611 FY 2014	-	182,545	213,171	-	(30,626)	266,852	238,471	-	(2,245)
Sp Ed IDEA Part B 611 FY 2015	-	-	-	-	-	180,463	212,773	-	(32,310)
Technical Assistance Grant	-	2,295	2,295	-	-	855	855	-	-
Special Education Improvement	-	73,329	73,329	-	-	-	-	-	-
Special Ed Preschool FY 2013	(1,710)	1,710	-	-	-	-	-	-	-
Special Ed Preschool FY 2014	-	18,855	18,855	-	-	-	-	-	-
Special Ed Preschool FY 2015	-	-	-	-	-	18,652	18,652	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	-	-	-	-	-	12,154	15,088	-	(2,934)
Title II Part A 2011/2012	-	1,123	1,123	-	-	-	-	-	-
Title II Part A FY 2012	(3,299)	47,760	44,461	-	-	912	912	-	-
Title II Part A 2013/2014	-	12,536	13,520	-	(984)	41,715	40,731	-	-
Safe Schools Healthy Students	4,519	-	2,075	-	2,444	-	-	-	2,444
Prepaid Food	-	-	-	-	-	18,847	-	-	18,847
Payroll Withholdings	22,883	3,169,047	3,184,241	-	7,689	3,069,750	3,062,104	-	15,335
<b>Totals</b>	<u>\$ 8,035,756</u>	<u>\$ 24,979,638</u>	<u>\$ 24,453,770</u>	<u>\$ 719</u>	<u>\$ 8,562,343</u>	<u>\$ 26,018,394</u>	<u>\$ 25,378,717</u>	<u>\$ 2,030,373</u>	<u>\$ 11,232,393</u>

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

SOUTH 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, 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.

SOUTH 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, and scholarships.

*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:

Proceeds of long-term debt which includes money received in relation to the issuance of bonds or other long-term debt issues.

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

SOUTH GIBSON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

*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.

SOUTH GIBSON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

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.

SOUTH 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. Negative Receipts and Disbursements**

The financial statement contains some receipts and/or disbursements which appear as negative entries. This is result of errors made in the prior period that were corrected by reversing the original entry. Since the original and correction entries were made in separate periods, negative receipts and/or disbursements were shown in the current period.

**Note 8. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable federal grants. The reimbursement for expenditures made by the School Corporation were not received by June 30, 2014 or 2015. Other funds with deficit cash balances were the result of disbursements in excess of receipts.

SOUTH GIBSON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 9.  *Holding Corporations***

The School Corporation has entered into a capital lease with South Gibson 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 2014 and 2015 totaled \$2,862,000 and \$2,862,500, respectively.

(This page intentionally left blank.)

## 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.

SOUTH 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	Construction	Projects at FBGS/GSHS GO Bonds 2015	School Lunch
Cash and investments - beginning	\$ 1,878,577	\$ 1,689,708	\$ 239,810	\$ 94,190	\$ 2,403,066	\$ 99,002	\$ -	\$ 249,970	\$ -	\$ 411,555
Receipts:										
Local sources	133,307	2,965,137	430,861	1,893,245	1,108,728	89,438	-	26	-	656,697
Intermediate sources	574	-	-	-	-	-	-	-	-	-
State sources	11,553,069	-	-	-	-	-	-	-	-	14,695
Federal sources	-	-	-	-	-	-	-	-	-	258,224
Other	146,199	-	-	337	1,706	-	-	-	-	-
Total receipts	11,833,149	2,965,137	430,861	1,893,582	1,110,434	89,438	-	26	-	929,616
Disbursements:										
Current:										
Instruction	8,068,392	-	-	-	-	-	-	-	-	-
Support services	3,615,096	-	-	898,210	1,335,062	84,808	-	-	-	-
Noninstructional services	228,152	-	-	-	-	-	-	-	-	909,913
Facilities acquisition and construction	-	-	-	589,620	-	-	-	32,838	-	-
Debt services	-	2,862,000	416,413	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	11,911,640	2,862,000	416,413	1,487,830	1,335,062	84,808	-	32,838	-	909,913
Excess (deficiency) of receipts over disbursements	(78,491)	103,137	14,448	405,752	(224,628)	4,630	-	(32,812)	-	19,703
Other financing sources (uses):										
Sale of capital assets	719	-	-	-	-	-	-	-	-	-
Transfers in	44	-	-	-	453,142	-	761,300	-	-	-
Transfers out	-	(31,077)	(3,650)	(13,520)	(770,865)	(760)	-	-	-	-
Total other financing sources (uses)	763	(31,077)	(3,650)	(13,520)	(317,723)	(760)	761,300	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(77,728)	72,060	10,798	392,232	(542,351)	3,870	761,300	(32,812)	-	19,703
Cash and investments - ending	\$ 1,800,849	\$ 1,761,768	\$ 250,608	\$ 486,422	\$ 1,860,715	\$ 102,872	\$ 761,300	\$ 217,158	\$ -	\$ 431,258

SOUTH 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)

	Textbook Rental	Repair and Replacement	Self- Insurance	Levy Excess	Gibson County Special Services	Educational License Plates	Safe Haven Grant 2011/2012	Safe Haven Grant 2014/2015	2900 Toyota MMI
Cash and investments - beginning	\$ (14,832)	\$ 890,553	\$ -	\$ 400,537	\$ (127,900)	\$ -	\$ (4,387)	\$ -	\$ 1,534
Receipts:									
Local sources	68,537	-	815,916	-	-	-	-	-	5,280
Intermediate sources	-	-	-	-	-	169	-	-	-
State sources	38,288	-	-	-	-	-	4,212	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	595,445	-	-	-	-
Total receipts	106,825	-	815,916	-	595,445	169	4,212	-	5,280
Disbursements:									
Current:									
Instruction	-	-	-	-	122,079	-	-	-	4,127
Support services	89,068	5,588	-	-	459,355	66	(175)	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	665,644	-	-	-	-	-	-
Total disbursements	89,068	5,588	665,644	-	581,434	66	(175)	-	4,127
Excess (deficiency) of receipts over disbursements	17,757	(5,588)	150,272	-	14,011	103	4,387	-	1,153
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	5,967	-	-	52,605	-	-	-	-	-
Transfers out	-	-	-	(453,142)	-	-	-	-	-
Total other financing sources (uses)	5,967	-	-	(400,537)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	23,724	(5,588)	150,272	(400,537)	14,011	103	4,387	-	1,153
Cash and investments - ending	\$ 8,892	\$ 884,965	\$ 150,272	\$ -	\$ (113,889)	\$ 103	\$ -	\$ -	\$ 2,687

SOUTH 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)

	Pioneer Grant GSHS Spear	Cinergy Grant	Youth Resources	Walmart Grant Barton	Fractions Project Rowe	Community Foundation Alliance	FBCS Art Contest	Duke Energy Donation Shiloh	Psi Iota Zeta Gamma
Cash and investments - beginning	\$ 453	\$ 67	\$ 3	\$ 2,212	\$ 89	\$ 922	\$ 27,884	\$ 425	\$ 250
Receipts:									
Local sources	-	-	-	-	-	8,894	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	8,894	-	-	-
Disbursements:									
Current:									
Instruction	-	10	-	-	-	1,111	7,132	425	-
Support services	453	-	-	2,000	-	3,594	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	453	10	-	2,000	-	4,705	7,132	425	-
Excess (deficiency) of receipts over disbursements	(453)	(10)	-	(2,000)	-	4,189	(7,132)	(425)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(453)	(10)	-	(2,000)	-	4,189	(7,132)	(425)	-
Cash and investments - ending	\$ -	\$ 57	\$ 3	\$ 212	\$ 89	\$ 5,111	\$ 20,752	\$ -	\$ 250

SOUTH 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)

	Tobacco Prevention/ Cessation	SINE - FBCS Summer Workshop	Indiana Youth Institute	Augmented Communication	District Trial Training Grant	Community Transformation Grant	IMI Classroom Donation	Dollar General Literacy Grant	High Ability Grant 2012/2013
Cash and investments - beginning	\$ 500	\$ 51	\$ -	\$ 1,336	\$ (575)	\$ (139)	\$ -	\$ -	\$ 888
Receipts:									
Local sources	-	-	750	-	-	4,334	350	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	750	-	-	4,334	350	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	4,195	350	-	888
Support services	-	-	190	-	(575)	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	190	-	(575)	4,195	350	-	888
Excess (deficiency) of receipts over disbursements	-	-	560	-	575	139	-	-	(888)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	560	-	575	139	-	-	(888)
Cash and investments - ending	\$ 500	\$ 51	\$ 560	\$ 1,336	\$ -	\$ -	\$ -	\$ -	\$ -

SOUTH 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)

	High Ability Grant 2013/2014	High Ability Grant 2014/2015	2014 Secured Schools Safety Grant	Non-English Speaking Programs P.L. 273-1999	School Technology	Performance Based Awards	Innovative School Improvement Grant	Title I 2011/2012	Title I 2012/2013
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 888	\$ 2,011	\$ -	\$ (193,662)	\$ 44	\$ (12,642)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	32,171	-	-	-	7,620	-	304,467	-	-
Federal sources	-	-	-	-	-	-	-	-	30,917
Other	-	-	-	-	-	-	-	-	-
Total receipts	32,171	-	-	-	7,620	-	304,467	-	30,917
Disbursements:									
Current:									
Instruction	28,910	-	-	888	-	-	13,762	-	14,245
Support services	-	-	36,500	-	7,624	-	97,043	-	3,468
Noninstructional services	-	-	-	-	-	-	-	-	562
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	28,910	-	36,500	888	7,624	-	110,805	-	18,275
Excess (deficiency) of receipts over disbursements	3,261	-	(36,500)	(888)	(4)	-	193,662	-	12,642
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(44)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	(44)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,261	-	(36,500)	(888)	(4)	-	193,662	(44)	12,642
Cash and investments - ending	\$ 3,261	\$ -	\$ (36,500)	\$ -	\$ 2,007	\$ -	\$ -	\$ -	\$ -

SOUTH 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 2013/2014	Title I 2014/2015	Sp Ed IDEA Part B 611 FY 2013	Sp Ed IDEA Part B 611 FY 2014	Sp Ed IDEA Part B 611 FY 2015	Technical Assistance Grant	Special Education Improvement	Special Ed Preschool FY 2013	Special Ed Preschool FY 2014
Cash and investments - beginning	\$ -	\$ -	\$ (29,025)	\$ -	\$ -	\$ -	\$ -	\$ (1,710)	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	2,295	-	1,710	18,855
Federal sources	88,077	-	212,768	182,545	-	-	67,329	-	-
Other	-	-	-	-	-	-	6,000	-	-
Total receipts	88,077	-	212,768	182,545	-	2,295	73,329	1,710	18,855
Disbursements:									
Current:									
Instruction	89,813	-	168,866	186,116	-	-	-	-	18,855
Support services	18,113	-	14,877	27,055	-	2,295	73,329	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	107,926	-	183,743	213,171	-	2,295	73,329	-	18,855
Excess (deficiency) of receipts over disbursements	(19,849)	-	29,025	(30,626)	-	-	-	1,710	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(19,849)	-	29,025	(30,626)	-	-	-	1,710	-
Cash and investments - ending	\$ (19,849)	\$ -	\$ -	\$ (30,626)	\$ -	\$ -	\$ -	\$ -	\$ -

SOUTH 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)

	Sp Ed Preschool 619 FY 2015	Improving Teaching Quality, No Child Left, Title II, Part A	Title II Part A 2011/2012	Title II Part A FY 2012	Title II Part A 2013/2014	Safe Schools Healthy Students	Prepaid Food	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (3,299)	\$ -	\$ 4,519	\$ -	\$ 22,883	\$ 8,035,756
Receipts:									
Local sources	-	-	-	-	-	-	-	-	8,181,500
Intermediate sources	-	-	-	-	-	-	-	-	743
State sources	-	-	-	-	-	-	-	-	11,977,382
Federal sources	-	-	1,123	47,760	12,536	-	-	-	901,279
Other	-	-	-	-	-	-	-	3,169,047	3,918,734
Total receipts	-	-	1,123	47,760	12,536	-	-	3,169,047	24,979,638
Disbursements:									
Current:									
Instruction	-	-	-	35,000	-	-	-	-	8,765,164
Support services	-	-	1,123	9,461	13,520	2,075	-	-	6,799,223
Noninstructional services	-	-	-	-	-	-	-	-	1,138,627
Facilities acquisition and construction	-	-	-	-	-	-	-	-	622,458
Debt services	-	-	-	-	-	-	-	-	3,278,413
Nonprogrammed charges	-	-	-	-	-	-	-	3,184,241	3,849,885
Total disbursements	-	-	1,123	44,461	13,520	2,075	-	3,184,241	24,453,770
Excess (deficiency) of receipts over disbursements	-	-	-	3,299	(984)	(2,075)	-	(15,194)	525,868
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	719
Transfers in	-	-	-	-	-	-	-	-	1,273,058
Transfers out	-	-	-	-	-	-	-	-	(1,273,058)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	719
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	3,299	(984)	(2,075)	-	(15,194)	526,587
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (984)	\$ 2,444	\$ -	\$ 7,689	\$ 8,562,343

SOUTH 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, 2015

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	Projects at FBCE/GSHS GO Bonds 2015	School Lunch
Cash and investments - beginning	\$ 1,800,849	\$ 1,761,768	\$ 250,608	\$ 486,422	\$ 1,860,715	\$ 102,872	\$ 761,300	\$ 217,158	\$ -	\$ 431,258
Receipts:										
Local sources	110,826	2,958,188	432,003	2,369,600	998,563	91,021	-	17	-	567,769
Intermediate sources	574	-	-	-	-	-	-	-	-	-
State sources	11,531,393	-	-	-	-	-	-	-	-	14,706
Federal sources	-	-	-	-	-	-	-	-	-	294,052
Other	190,192	-	-	500	891	-	-	-	-	-
Total receipts	11,832,985	2,958,188	432,003	2,370,100	999,454	91,021	-	17	-	876,527
Disbursements:										
Current:										
Instruction	8,000,968	-	-	-	-	-	-	-	-	-
Support services	3,300,403	-	-	1,137,460	1,339,948	84,136	118,668	-	-	-
Noninstructional services	234,780	-	-	-	-	-	-	-	-	944,912
Facilities acquisition and construction	-	-	-	894,268	-	-	-	217,175	94,651	-
Debt services	-	2,862,500	419,211	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	11,536,151	2,862,500	419,211	2,031,728	1,339,948	84,136	118,668	217,175	94,651	944,912
Excess (deficiency) of receipts over disbursements	296,834	95,688	12,792	338,372	(340,494)	6,885	(118,668)	(217,158)	(94,651)	(68,385)
Other financing sources (uses):										
Proceeds of long-term debt	-	30,373	-	-	-	-	-	-	2,000,000	-
Transfers in	-	12,022	2,966	-	29,978	-	91,890	-	-	-
Transfers out	(90,696)	(24,045)	(5,932)	-	(106,879)	-	-	-	-	-
Total other financing sources (uses)	(90,696)	18,350	(2,966)	-	(76,901)	-	91,890	-	2,000,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	206,138	114,038	9,826	338,372	(417,395)	6,885	(26,778)	(217,158)	1,905,349	(68,385)
Cash and investments - ending	\$ 2,006,987	\$ 1,875,806	\$ 260,434	\$ 824,794	\$ 1,443,320	\$ 109,757	\$ 734,522	\$ -	\$ 1,905,349	\$ 362,873

SOUTH 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, 2015  
 (Continued)

	Textbook Rental	Repair and Replacement	Self- Insurance	Levy Excess	Gibson County Special Services	Educational License Plates	Safe Haven Grant 2011/2012	Safe Haven Grant 2014/2015	2900 Toyota MMI
Cash and investments - beginning	\$ 8,892	\$ 884,965	\$ 150,272	\$ -	\$ (113,889)	\$ 103	\$ -	\$ -	\$ 2,687
Receipts:									
Local sources	122,759	-	1,786,491	-	-	-	-	-	10,800
Intermediate sources	-	-	-	-	-	168	-	-	-
State sources	36,310	-	-	-	-	-	-	18,000	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	531,863	-	-	-	-
Total receipts	159,069	-	1,786,491	-	531,863	168	-	18,000	10,800
Disbursements:									
Current:									
Instruction	-	-	-	-	131,722	-	-	-	11,557
Support services	49,454	-	-	-	394,616	26	-	18,000	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	1,162,258	-	-	-	-	-	-
Total disbursements	49,454	-	1,162,258	-	526,338	26	-	18,000	11,557
Excess (deficiency) of receipts over disbursements	109,615	-	624,233	-	5,525	142	-	-	(757)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	29,977	-	-	-	-	-
Transfers out	-	-	-	(29,977)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	109,615	-	624,233	-	5,525	142	-	-	(757)
Cash and investments - ending	\$ 118,507	\$ 884,965	\$ 774,505	\$ -	\$ (108,364)	\$ 245	\$ -	\$ -	\$ 1,930

SOUTH 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, 2015  
 (Continued)

	Pioneer Grant GSHS Spear	Cinergy Grant	Youth Resources	Walmart Grant Barton	Fractions Project Rowe	Community Foundation Alliance	FBCS Art Contest	Duke Energy Donation Shiloh	Psi Iota Zeta Gamma
Cash and investments - beginning	\$ -	\$ 57	\$ 3	\$ 212	\$ 89	\$ 5,111	\$ 20,752	\$ -	\$ 250
Receipts:									
Local sources	-	-	-	-	-	3,900	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	3,900	-	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	9	5,300	20,125	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	9	5,300	20,125	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	(9)	(1,400)	(20,125)	-	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	(9)	(1,400)	(20,125)	-	-
Cash and investments - ending	\$ -	\$ 57	\$ 3	\$ 212	\$ 80	\$ 3,711	\$ 627	\$ -	\$ 250

SOUTH 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, 2015  
 (Continued)

	Tobacco Prevention/ Cessation	SINE - FBBS Summer Workshop	Indiana Youth Institute	Augmented Communication	District Trial Training Grant	Community Transformation Grant	IMI Classroom Donation	Dollar General Literacy Grant	High Ability Grant 2012/2013
Cash and investments - beginning	\$ 500	\$ 51	\$ 560	\$ 1,336	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	4,000	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	4,000	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	560	174	-	-	-	4,000	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	560	174	-	-	-	4,000	-
Excess (deficiency) of receipts over disbursements	-	-	(560)	(174)	-	-	-	-	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(560)	(174)	-	-	-	-	-
Cash and investments - ending	\$ 500	\$ 51	\$ -	\$ 1,162	\$ -	\$ -	\$ -	\$ -	\$ -

SOUTH 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, 2015  
 (Continued)

	High Ability Grant 2013/2014	High Ability Grant 2014/2015	2014 Secured Schools Safety Grant	Non-English Speaking Programs P.L. 273-1999	School Technology	Performance Based Awards	Innovative School Improvement Grant	Title I 2011/2012	Title I 2012/2013
Cash and investments - beginning	\$ 3,261	\$ -	\$ (36,500)	\$ -	\$ 2,007	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	33,378	88,180	-	7,671	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	33,378	88,180	-	7,671	-	-	-	-
Disbursements:									
Current:									
Instruction	3,261	29,014	-	-	-	90,696	-	-	-
Support services	-	-	13,100	-	5,748	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	3,261	29,014	13,100	-	5,748	90,696	-	-	-
Excess (deficiency) of receipts over disbursements	(3,261)	4,364	75,080	-	1,923	(90,696)	-	-	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	90,696	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	90,696	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,261)	4,364	75,080	-	1,923	-	-	-	-
Cash and investments - ending	\$ -	\$ 4,364	\$ 38,580	\$ -	\$ 3,930	\$ -	\$ -	\$ -	\$ -

SOUTH 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, 2015  
 (Continued)

	Title I 2013/2014	Title I 2014/2015	Sp Ed IDEA Part B 611 FY 2013	Sp Ed IDEA Part B 611 FY 2014	Sp Ed IDEA Part B 611 FY 2015	Technical Assistance Grant	Special Education Improvement	Special Ed Preschool FY 2013	Special Ed Preschool FY 2014
Cash and investments - beginning	\$ (19,849)	\$ -	\$ -	\$ (30,626)	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	855	-	-	-
Federal sources	42,874	113,725	47,780	266,852	180,463	-	-	-	
Other	-	-	-	-	-	-	-	-	-
Total receipts	42,874	113,725	47,780	266,852	180,463	855	-	-	
Disbursements:									
Current:									
Instruction	18,060	114,495	-	191,206	176,638	-	-	-	
Support services	4,965	15,131	47,780	47,265	36,135	855	-	-	
Noninstructional services	-	-	-	-	-	-	-	-	
Facilities acquisition and construction	-	-	-	-	-	-	-	-	
Debt services	-	-	-	-	-	-	-	-	
Nonprogrammed charges	-	-	-	-	-	-	-	-	
Total disbursements	23,025	129,626	47,780	238,471	212,773	855	-	-	
Excess (deficiency) of receipts over disbursements	19,849	(15,901)	-	28,381	(32,310)	-	-	-	
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	
Transfers in	-	-	-	-	-	-	-	-	
Transfers out	-	-	-	-	-	-	-	-	
Total other financing sources (uses)	-	-	-	-	-	-	-	-	
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	19,849	(15,901)	-	28,381	(32,310)	-	-	-	
Cash and investments - ending	\$ -	\$ (15,901)	\$ -	\$ (2,245)	\$ (32,310)	\$ -	\$ -	\$ -	\$ -

SOUTH 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, 2015  
 (Continued)

	Sp Ed Preschool 619 FY 2015	Improving Teaching Quality, No Child Left, Title II, Part A	Title II Part A 2011/2012	Title II Part A FY 2012	Title II Part A 2013/2014	Safe Schools Healthy Students	Prepaid Food	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (984)	\$ 2,444	\$ -	\$ 7,689	\$ 8,562,343
Receipts:									
Local sources	-	-	-	-	-	-	-	-	9,455,937
Intermediate sources	-	-	-	-	-	-	-	-	742
State sources	18,652	-	-	-	-	-	-	-	11,749,145
Federal sources	-	12,154	-	912	41,715	-	-	-	1,000,527
Other	-	-	-	-	-	-	18,847	3,069,750	3,812,043
Total receipts	<u>18,652</u>	<u>12,154</u>	<u>-</u>	<u>912</u>	<u>41,715</u>	<u>-</u>	<u>18,847</u>	<u>3,069,750</u>	<u>26,018,394</u>
Disbursements:									
Current:									
Instruction	18,652	-	-	-	-	-	-	-	8,811,703
Support services	-	15,088	-	912	40,731	-	-	-	6,675,155
Noninstructional services	-	-	-	-	-	-	-	-	1,179,692
Facilities acquisition and construction	-	-	-	-	-	-	-	-	1,206,094
Debt services	-	-	-	-	-	-	-	-	3,281,711
Nonprogrammed charges	-	-	-	-	-	-	-	3,062,104	4,224,362
Total disbursements	<u>18,652</u>	<u>15,088</u>	<u>-</u>	<u>912</u>	<u>40,731</u>	<u>-</u>	<u>-</u>	<u>3,062,104</u>	<u>25,378,717</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(2,934)</u>	<u>-</u>	<u>-</u>	<u>984</u>	<u>-</u>	<u>18,847</u>	<u>7,646</u>	<u>639,677</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	2,030,373
Transfers in	-	-	-	-	-	-	-	-	257,529
Transfers out	-	-	-	-	-	-	-	-	(257,529)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,030,373</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>(2,934)</u>	<u>-</u>	<u>-</u>	<u>984</u>	<u>-</u>	<u>18,847</u>	<u>7,646</u>	<u>2,670,050</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (2,934)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,444</u>	<u>\$ 18,847</u>	<u>\$ 15,335</u>	<u>\$ 11,232,393</u>

SOUTH GIBSON SCHOOL CORPORATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2015

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 1,003,496</u>	<u>\$ 161,753</u>

SOUTH GIBSON SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
South Gibson School Building Corporation	2007 GSHS Renovation	\$ 330,482	7/10/2008	1/10/2028
South Gibson School Building Corporation	2008 GSHS Renovation	2,527,368	7/10/2008	1/10/2028
Energy Savings Operating Lease	Energy Savings Project	<u>283,656</u>	6/30/2009	1/15/2019
Total governmental activities		<u>3,141,506</u>		
Total of annual lease payments		<u>\$ 3,141,506</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	2004 Pension Debt	\$ 600,000	\$ 420,511
General obligation bonds	2015 FBGS/GSHS Renovation	<u>2,000,000</u>	<u>236,000</u>
Total governmental activities		<u>2,600,000</u>	<u>656,511</u>
Totals		<u>\$ 2,600,000</u>	<u>\$ 656,511</u>

(This page intentionally left blank.)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

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

**Report on Compliance for Each Major Federal Program**

We have audited the South 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, 2013 to June 30, 2015. 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, 2013 to June 30, 2015.

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

**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.

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

Our consideration of 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

May 16, 2016

(This page intentionally left blank.)

## 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.

SOUTH GIBSON SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2014 and 2015

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 06-30-14	Total Federal Awards Expended 06-30-15
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY13/14 FY14/15	\$ 28,745 -	\$ - 32,351
Total - School Breakfast Program				<u>28,745</u>	<u>32,351</u>
National School Lunch Program	Indiana Department of Education	10.555	FY13/14 FY14/15	334,172 -	- 322,980
Total - National School Lunch Program				<u>334,172</u>	<u>322,980</u>
Total - Child Nutrition Cluster				<u>362,917</u>	<u>355,331</u>
Total - Department of Agriculture				<u>362,917</u>	<u>355,331</u>
<u>Department of Education</u>					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
Title I - FY12/13			13-2765	30,917	-
Title I - FY13/14			14-2765	88,075	-
Title I - FY13/14			14-2765	-	42,874
Title I - FY14/15			15-2765	-	113,726
Total - Title I Grants to Local Educational Agencies				<u>118,992</u>	<u>156,600</u>
Special Education Cluster (IDEA)					
Special Education - Grants to States	Indiana Department of Education	84.027			
Sp Ed IDEA Part B 611 - FY2013			14213-079-PN01	212,767	-
Sp Ed IDEA Part B 611 - FY2013			14213-079-PN01	-	47,780
Sp Ed IDEA Part B 611 - FY2014			14214-079-PN01	182,544	-

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

SOUTH GIBSON SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2014 and 2015  
(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 06-30-14	Total Federal Awards Expended 06-30-15
<u>Department of Education (continued)</u>					
Special Education Cluster (IDEA) (continued)					
Special Education - Grants to States (continued)					
Sp Ed IDEA Part B 611 - FY2014			14214-079-PN01	-	266,852
Sp Ed IDEA Part B. 611 FY2015			14215-079-PN01	-	180,464
Sp Ed Technical Assistance FY14			99914-79-TA01	2,295	-
Sp Ed Technical Assistance FY14			99914-79-TA01	-	855
Special Education Improvement			EDS A58-3-1-3DL-1430	<u>67,329</u>	<u>-</u>
Total - Special Education - Grants to States				<u>464,935</u>	<u>495,951</u>
Special Education - Preschool Grants	Indiana Department of Education	84.173			
Sp Ed Preschool Part B 619 - FY 2013			45713-79-PN01	1,710	-
Sp Ed Preschool Part B 619 - FY 2014			45714-79-PN01	18,855	-
Sp Ed Preschool Part B 619 - FY2015			45715-79-PN01	<u>-</u>	<u>18,652</u>
Total - Special Education - Preschool Grants				<u>20,565</u>	<u>18,652</u>
Total - Special Education Cluster (IDEA)				<u>485,500</u>	<u>514,603</u>
Improving Teacher Quality State Grants	Indiana Department of Education	84.367			
Title II - Part A FY 11/12			12-2765	1,123	-
Title II - Part A FY 12/13			13-2765	47,760	-
Title II - Part A - FY2012			13-2765	-	912
Title II - Part A FY13/14			14-2765	12,536	-
Title II Part A - FY2013			14-2765	-	41,715
Title II Part A - FY2014			14-2765	<u>-</u>	<u>12,154</u>
Total - Improving Teacher Quality State Grants				<u>61,419</u>	<u>54,781</u>
Total - Department of Education				<u>665,911</u>	<u>725,984</u>
Total federal awards expended				<u>\$ 1,028,828</u>	<u>\$ 1,081,315</u>

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

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

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) 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, 2014 and 2015. This noncash assistance is also included in the federal expenditures presented in the SEFA.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>2014</u>	<u>2015</u>
National School Lunch Program	10.555	<u>\$ 68,462</u>	<u>\$ 61,278</u>

SOUTH 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?	no
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?	no

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition 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**

No matters are reportable.

**Section III - Federal Award Findings and Questioned Costs**

No matters are reportable.

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.