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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)


January 26, 2018

Board of Directors  
Sunman-Dearborn Schools Endowment Corporation, Inc.  
1 Trojan Place, Suite B  
St. Leon, IN 47012

We have reviewed the report prepared by Sunman-Dearborn Schools Endowment Corporation, Inc. and opined upon by Barnes, Dennig & Co., Ltd., Independent Public Accountants, for the period January 1, 2016 to December 31, 2016. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Sunman-Dearborn Schools Endowment Corporation, Inc. as of December 31, 2016 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Barnes, Dennig & Co., Ltd. prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

  
Paul D. Joyce, CPA  
State Examiner

# **Sunman-Dearborn Schools Endowment Corporation, Inc.**

**Financial Statements for the Years Ended  
December 31, 2016 and 2015  
Independent Auditors' Report**

**SUNMAN DEARBORN EDUCATIONAL FOUNDATION, INC.**

**Years Ended December 31, 2016 and 2015**

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## **Independent Auditors' Report**

To the Board of Directors  
Sunman Dearborn Educational Foundation, Inc.

### **Report on Financial Statements**

We have audited the accompanying financial statements of Sunman Dearborn Educational Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity'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 statements.

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sunman Dearborn Educational Foundation, Inc., as of December 31, 2016, and the results of its operations and its cash flows for the respective year then ended in accordance with accounting principles generally accepted in the United States of America.

BARNES DENNIG

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**Independent Auditors' Report  
(Continued)**

**Prior Period Financial Statements**

The financial statements of Sunman Dearborn Educational Foundation, Inc., as of December 31, 2015, were audited by other auditors whose report dated September 15, 2016, expressed an unmodified opinion on those statements.

*Barnes, Dennig & Co., Ltd.*

August 17, 2017  
Cincinnati, Ohio

**SUNMAN DEARBORN EDUCATIONAL FOUNDATION, INC.**

**Statements of Financial Position  
Years Ended December 31, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>Assets:</b>		
Cash	\$ 337,176	\$ 310,865
Contributions receivable	<u>17,515</u>	<u>18,718</u>
<b>Total assets</b>	<b><u>\$ 354,691</u></b>	<b><u>\$ 329,583</u></b>
<b>Liabilities and net assets:</b>		
Grants payable	\$ -	\$ 22,488
Unrestricted net assets	<u>354,691</u>	<u>307,095</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 354,691</u></b>	<b><u>\$ 329,583</u></b>

See accompanying notes to financial statements

**SUNMAN DEARBORN EDUCATIONAL FOUNDATION, INC.**

**Statements of Activities  
Years Ended December 31, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>Revenues:</b>		
Contributions	<u>\$ 255,921</u>	<u>\$ 271,508</u>
<b>Expenses:</b>		
Grants	200,507	187,519
Management and general	<u>7,818</u>	<u>8,110</u>
Total expenses	<u>208,325</u>	<u>195,629</u>
<b>Change in net assets</b>	47,596	75,879
<b>Unrestricted net assets at beginning of year</b>	<u>307,095</u>	<u>231,216</u>
<b>Unrestricted net assets at end of year</b>	<u><u>\$ 354,691</u></u>	<u><u>\$ 307,095</u></u>

See accompanying notes to financial statements

**SUNMAN DEARBORN EDUCATIONAL FOUNDATION, INC.**

**Statements of Cash Flows  
Years Ended December 31, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 47,596	\$ 75,879
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Contributions receivable	1,203	(18,718)
Grants payable	<u>(22,488)</u>	<u>(67,357)</u>
Net cash used by operating activities	<u>26,311</u>	<u>(10,196)</u>
<b>Change in cash</b>	26,311	(10,196)
<b>Cash - beginning of year</b>	<u>310,865</u>	<u>321,061</u>
<b>Cash - end of year</b>	<u><u>\$ 337,176</u></u>	<u><u>\$ 310,865</u></u>

See accompanying notes to financial statements

# SUNMAN DEARBORN EDUCATIONAL FOUNDATION, INC.

## Notes to Financial Statements

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Nature of Operations*

The Sunman-Dearborn Schools Endowment Corporation, Inc. (the "Corporation") is an Indiana not-for-profit corporation organized to provide educational resources in the form of grants for the Sunman-Dearborn Community Schools.

#### *Financial Statement Presentation*

The Corporation reports information regarding its financial position and activities in three classes of net assets: unrestricted net assets which have no donor-imposed restrictions; temporarily restricted net assets which have donor-imposed restrictions; temporarily restricted assets which have donor-imposed restrictions that will likely expire in the future; and permanently restricted net assets which have donor-imposed restrictions which do not expire. The Corporation does not have any temporarily or permanently restricted net assets at December 31, 2016 and 2015.

#### *Contributions Receivable*

The Corporation carries its receivables at the amount expected to be collected less an allowance for doubtful accounts. All receivables are due within one year and are considered fully collectible by management. Therefore, no allowance for doubtful accounts has been provided in the financial statements.

#### *Contributions*

Contributions of cash and other assets without donor stipulations concerning the use of such assets are reported as revenues of the unrestricted net asset class. Contributions of cash or other assets to be used in accordance with donor stipulations are reported as revenues of the temporarily or permanently restricted net asset classes. Temporarily restricted contributions whose restrictions are met in the same period as the contribution are reported as unrestricted revenue.

The expiration of a donor-imposed restriction on a contribution is recognized in the period in which the restriction expires and at that time the related resources are reclassified to unrestricted net assets. A restriction expires when the stipulated time period has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### *Subsequent Events*

The Corporation evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through August 17, 2017, the date on which the financial statements were available to be issued.

**SUNMAN DEARBORN EDUCATIONAL FOUNDATION, INC.**

**Notes to Financial Statements  
(Continued)**

**NOTE 2 GRANTS PAYABLE**

Grants payable of \$-0- and \$22,488 as of December 31, 2016 and 2015, respectively, consist of amounts awarded, but not paid until the next year, to various schools in the Sunman-Dearborn School District for various programs.

**NOTE 3 CONCENTRATION OF CREDIT RISK**

All contributions received by the Corporation in 2016 and 2015 are from the City of Lawrenceburg.

The Corporation maintains its cash in deposit accounts, which, at times, may exceed federally insured limits. The Corporation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.