

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

EAST GIBSON SCHOOL CORPORATION
GIBSON COUNTY, INDIANA

July 1, 2014 to June 30, 2016



FILED

03/23/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	E. Jean Krieg Ginger Schenks	07-01-14 to 12-31-15 01-01-16 to 12-31-18
Superintendent of Schools	Dr. Henry M. Brewster	07-01-14 to 12-31-18
President of the School Board	Steve Heldt Stephen Sevier	07-01-14 to 12-31-16 01-01-17 to 12-31-18



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the East Gibson School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, 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 from 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 to 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, 2014 to June 30, 2016.

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, 2014 to June 30, 2016, 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 February 6, 2018, 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 solely 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 effectiveness of the School Corporation's 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

February 6, 2018



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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 EAST 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 East Gibson School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated February 6, 2018, 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a 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.

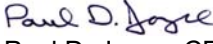
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free from 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

February 6, 2018

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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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EAST GIBSON SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2015 and 2016

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
General	\$ 811,220	\$ 5,988,664	\$ 6,340,744	\$ (2,516)	\$ 456,624	\$ 6,000,448	\$ 6,213,797	\$ 7,300	\$ 250,575
Debt Service	311,149	305,641	361,802	-	254,988	314,694	350,231	14,047	233,498
Retirement/Severance Bond Debt Service	72,616	211,576	178,505	-	105,687	116,731	173,391	4,368	53,395
Capital Projects	279,336	901,088	466,068	(58,749)	655,607	852,093	814,810	(129,951)	562,939
School Transportation	541,292	941,673	685,506	(199,800)	597,659	872,038	710,310	(132,761)	626,626
School Bus Replacement	59,817	-	52,528	-	7,289	311	-	-	7,600
Rainy Day	1,173,690	-	31,241	250,000	1,392,449	-	99,336	311,455	1,604,568
Construction	(1,157)	216,260	223,852	8,749	-	38,508	38,508	-	-
New Gym Floor	4,550	13,485	-	-	18,035	-	18,035	-	-
School Lunch	28,769	397,870	363,100	-	63,539	398,320	379,156	-	82,703
Textbook Rental	-	-	-	-	-	46,841	5,131	2,849	44,559
Levy Excess	70,007	-	-	-	70,007	-	-	(70,007)	-
Educational License Plates	66	131	-	-	197	94	235	-	56
SAFE School Haven	-	-	-	-	-	23,404	18,784	-	4,620
School Resource Officer	-	-	-	-	-	2,973	10,442	-	(7,469)
Horace Mann Gift	-	-	-	-	-	500	500	-	-
Welborn Grant 1st Year	5,059	30,350	29,273	-	6,136	250	5,336	-	1,050
Community Foundation Alliance	-	9,000	9,000	-	-	-	-	-	-
Wellness Grant HHST	-	650	646	-	4	3,750	3,730	-	24
High Ability Gifted & Talented	6,199	-	6,199	-	-	-	-	-	-
State High Ability Grant Program	-	27,321	27,313	-	8	-	8	-	-
Formative Assessment	-	-	-	-	-	11,816	1,256	(7,300)	3,260
IN Preschool Grants	-	-	-	-	-	28,861	26,261	-	2,600
Secured Schools Safety Grant	(1,716)	2,354	3,154	2,516	-	-	-	-	-
Scholarships and Awards	793	-	-	-	793	-	-	-	793
Non-English Speaking Programs	-	-	-	-	-	352	349	-	3
School Technology	1,443	5,931	5,748	-	1,626	6,564	6,485	-	1,705
Title I 2015/2016	-	-	-	-	-	87,789	107,737	-	(19,948)
Title I 2013/2014	(6,746)	43,785	37,039	-	-	-	-	-	-
Title I 2014/2015	-	90,335	96,095	-	(5,760)	61,056	55,296	-	-
2015 IDEA PT B 611	-	-	-	-	-	157,184	172,394	-	(15,210)
Special Education Part B 611	-	43	43	-	-	-	-	-	-
Special Education Part B (611) 2013/2014	(6,722)	41,647	34,925	-	-	-	-	-	-
Part B 611 IDEA Grant FY 15	-	152,578	160,336	-	(7,758)	48,631	40,873	-	-
Technical Assistance for Special Ed	(40)	1,938	1,898	-	-	594	594	-	-
2012 IDEA PT B 619	-	-	-	-	-	8,433	8,456	-	(23)
Preschool Part B (619) FY 15	-	8,449	8,449	-	-	-	-	-	-
Improving Teacher Quality, No Child Left, Title II, Part A	(1,841)	3,717	1,876	-	-	24,540	28,315	-	(3,775)
Title II Part A	-	33,978	35,072	-	(1,094)	1,094	-	-	-
Payroll Withholding Clearing	1,041	1,427,535	1,427,642	-	934	1,452,251	1,450,187	-	2,998
Totals	\$ 3,348,825	\$ 10,855,999	\$ 10,588,054	\$ 200	\$ 3,616,970	\$ 10,560,120	\$ 10,739,943	\$ -	\$ 3,437,147

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

EAST GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, the following: 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. Amounts received from taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community service activities, and other revenue from local sources.

Intermediate sources. Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

EAST GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

State sources. Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Other receipts. Amounts received from various sources, including, but not limited to, the following: 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. Amounts disbursed for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services. Amounts disbursed for food service operations and community service operations.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Debt service. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges. Amounts disbursed 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:

Sale of capital assets. Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

EAST GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Transfers in. Amounts 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. Amounts 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 amounts 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 amounts 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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) 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.

EAST GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

State statutes authorize the School Corporation to invest in securities including, but not limited to, the following: 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.

EAST 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.

C. Additional Pension Plan

The School Corporation also contributes to an additional pension plan unique to the School Corporation. Information regarding this plan may be obtained from the School Corporation.

Note 7. 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 grants. The reimbursement for expenditures made by the School Corporation was not received by June 30 for each fiscal year.

EAST GIBSON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. *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.

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OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. 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 School Corporation's Financial Reports 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.

EAST GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2015

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	New Gym Floor	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 811,220	\$ 311,149	\$ 72,616	\$ 279,336	\$ 541,292	\$ 59,817	\$ 1,173,690	\$ (1,157)	\$ 4,550	\$ 28,769	\$ -
Receipts:											
Local sources	39,821	305,641	211,576	900,689	934,419	-	-	-	13,485	198,016	-
Intermediate sources	141	-	-	-	5,786	-	-	-	-	-	-
State sources	5,948,604	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	199,854	-
Other receipts	98	-	-	399	1,468	-	-	216,260	-	-	-
Total receipts	<u>5,988,664</u>	<u>305,641</u>	<u>211,576</u>	<u>901,088</u>	<u>941,673</u>	<u>-</u>	<u>-</u>	<u>216,260</u>	<u>13,485</u>	<u>397,870</u>	<u>-</u>
Disbursements:											
Instruction	4,199,258	-	-	-	-	-	25,129	-	-	-	-
Support services	2,087,949	-	-	322,816	685,506	52,528	6,112	223,852	-	-	-
Noninstructional services	53,537	-	-	-	-	-	-	-	-	363,100	-
Facilities acquisition and construction	-	-	-	143,252	-	-	-	-	-	-	-
Debt service	-	361,802	178,505	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>6,340,744</u>	<u>361,802</u>	<u>178,505</u>	<u>466,068</u>	<u>685,506</u>	<u>52,528</u>	<u>31,241</u>	<u>223,852</u>	<u>-</u>	<u>363,100</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(352,080)</u>	<u>(56,161)</u>	<u>33,071</u>	<u>435,020</u>	<u>256,167</u>	<u>(52,528)</u>	<u>(31,241)</u>	<u>(7,592)</u>	<u>13,485</u>	<u>34,770</u>	<u>-</u>
Other financing sources (uses):											
Sale of capital assets	-	-	-	-	200	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	250,000	8,749	-	-	-
Transfers out	<u>(2,516)</u>	<u>-</u>	<u>-</u>	<u>(58,749)</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,516)</u>	<u>-</u>	<u>-</u>	<u>(58,749)</u>	<u>(199,800)</u>	<u>-</u>	<u>250,000</u>	<u>8,749</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(354,596)</u>	<u>(56,161)</u>	<u>33,071</u>	<u>376,271</u>	<u>56,367</u>	<u>(52,528)</u>	<u>218,759</u>	<u>1,157</u>	<u>13,485</u>	<u>34,770</u>	<u>-</u>
Cash and investments - ending	<u>\$ 456,624</u>	<u>\$ 254,988</u>	<u>\$ 105,687</u>	<u>\$ 655,607</u>	<u>\$ 597,659</u>	<u>\$ 7,289</u>	<u>\$ 1,392,449</u>	<u>\$ -</u>	<u>\$ 18,035</u>	<u>\$ 63,539</u>	<u>\$ -</u>

EAST GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2015

	Levy Excess	Educational License Plates	SAFE School Haven	School Resource Officer	Horace Mann Gift	Welborn Grant 1st Year	Community Foundation Alliance	Wellness Grant HHST	High Ability Gifted & Talented	State High Ability Grant Program
Cash and investments - beginning	\$ 70,007	\$ 66	\$ -	\$ -	\$ -	\$ 5,059	\$ -	\$ -	\$ 6,199	\$ -
Receipts:										
Local sources	-	-	-	-	-	30,350	9,000	650	-	-
Intermediate sources	-	131	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	27,321
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	131	-	-	-	30,350	9,000	650	-	27,321
Disbursements:										
Instruction	-	-	-	-	-	5,169	-	-	-	27,313
Support services	-	-	-	-	-	-	9,000	-	6,199	-
Noninstructional services	-	-	-	-	-	24,104	-	646	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	29,273	9,000	646	6,199	27,313
Excess (deficiency) of receipts over disbursements	-	131	-	-	-	1,077	-	4	(6,199)	8
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	-	131	-	-	-	1,077	-	4	(6,199)	8
Cash and investments - ending	\$ 70,007	\$ 197	\$ -	\$ -	\$ -	\$ 6,136	\$ -	\$ 4	\$ -	\$ 8

EAST GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2015

	Formative Assessment	IN Preschool Grants	Secured Schools Safety Grant	Scholarships and Awards	Non-English Speaking Programs	School Technology	Title I 2015/2016	Title I 2013/2014	Title I 2014/2015	2015 IDEA PT B 611
Cash and investments - beginning	\$ -	\$ -	\$ (1,716)	\$ 793	\$ -	\$ 1,443	\$ -	\$ (6,746)	\$ -	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	2,354	-	-	5,931	-	-	-	-
Federal sources	-	-	-	-	-	-	-	43,785	90,335	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	2,354	-	-	5,931	-	43,785	90,335	-
Disbursements:										
Instruction	-	-	-	-	-	-	-	36,672	92,603	-
Support services	-	-	3,154	-	-	5,748	-	269	3,273	-
Noninstructional services	-	-	-	-	-	-	-	98	219	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	3,154	-	-	5,748	-	37,039	96,095	-
Excess (deficiency) of receipts over disbursements	-	-	(800)	-	-	183	-	6,746	(5,760)	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	2,516	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	2,516	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	1,716	-	-	183	-	6,746	(5,760)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 793	\$ -	\$ 1,626	\$ -	\$ -	\$ (5,760)	\$ -

EAST GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2015

	Special Education Part B 611	Special Education Part B (611) 2013/2014	Part B 611 IDEA Grant FY 15	Technical Assistance for Special Ed	2012 IDEA PT B 619	Preschool Part B (619) FY 15	Improving Teacher Quality, No Child Left, Title II, Part A	Title II Part A	Payroll Withholding Clearing	Totals
Cash and investments - beginning	\$ -	\$ (6,722)	\$ -	\$ (40)	\$ -	\$ -	\$ (1,841)	\$ -	\$ 1,041	\$ 3,348,825
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	2,643,647
Intermediate sources	-	-	-	-	-	-	-	-	-	6,058
State sources	-	-	-	-	-	-	-	-	-	5,984,210
Federal sources	43	41,647	152,578	1,938	-	8,449	3,717	33,978	-	576,324
Other receipts	-	-	-	-	-	-	-	-	1,427,535	1,645,760
Total receipts	43	41,647	152,578	1,938	-	8,449	3,717	33,978	1,427,535	10,855,999
Disbursements:										
Instruction	43	32,992	153,002	239	-	8,208	1,876	35,072	-	4,617,576
Support services	-	1,933	7,334	-	-	241	-	-	-	3,415,914
Noninstructional services	-	-	-	-	-	-	-	-	-	441,704
Facilities acquisition and construction	-	-	-	1,659	-	-	-	-	-	144,911
Debt service	-	-	-	-	-	-	-	-	-	540,307
Nonprogrammed charges	-	-	-	-	-	-	-	-	1,427,642	1,427,642
Total disbursements	43	34,925	160,336	1,898	-	8,449	1,876	35,072	1,427,642	10,588,054
Excess (deficiency) of receipts over disbursements	-	6,722	(7,758)	40	-	-	1,841	(1,094)	(107)	267,945
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	200
Transfers in	-	-	-	-	-	-	-	-	-	261,265
Transfers out	-	-	-	-	-	-	-	-	-	(261,265)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	200
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	6,722	(7,758)	40	-	-	1,841	(1,094)	(107)	268,145
Cash and investments - ending	\$ -	\$ -	\$ (7,758)	\$ -	\$ -	\$ -	\$ -	\$ (1,094)	\$ 934	\$ 3,616,970

EAST GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	New Gym Floor	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 456,624	\$ 254,988	\$ 105,687	\$ 655,607	\$ 597,659	\$ 7,289	\$ 1,392,449	\$ -	\$ 18,035	\$ 63,539	\$ -
Receipts:											
Local sources	54,353	314,694	116,731	852,093	868,623	311	-	-	-	189,933	17,796
Intermediate sources	141	-	-	-	3,415	-	-	-	-	-	-
State sources	5,944,519	-	-	-	-	-	-	-	-	3,920	28,645
Federal sources	539	-	-	-	-	-	-	-	-	204,467	-
Other receipts	896	-	-	-	-	-	-	38,508	-	-	400
Total receipts	6,000,448	314,694	116,731	852,093	872,038	311	-	38,508	-	398,320	46,841
Disbursements:											
Instruction	4,282,371	-	-	-	47	-	72,244	-	-	-	4,593
Support services	1,845,600	-	-	629,602	685,263	-	27,092	38,508	18,035	16,005	538
Noninstructional services	85,826	-	-	-	-	-	-	-	-	363,151	-
Facilities acquisition and construction	-	-	-	185,208	25,000	-	-	-	-	-	-
Debt service	-	350,231	173,391	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,213,797	350,231	173,391	814,810	710,310	-	99,336	38,508	18,035	379,156	5,131
Excess (deficiency) of receipts over disbursements	(213,349)	(35,537)	(56,660)	37,283	161,728	311	(99,336)	-	(18,035)	19,164	41,710
Other financing sources (uses):											
Transfers in	7,300	16,896	4,368	20,049	17,239	-	311,455	-	-	-	2,849
Transfers out	-	(2,849)	-	(150,000)	(150,000)	-	-	-	-	-	-
Total other financing sources (uses)	7,300	14,047	4,368	(129,951)	(132,761)	-	311,455	-	-	-	2,849
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(206,049)	(21,490)	(52,292)	(92,668)	28,967	311	212,119	-	(18,035)	19,164	44,559
Cash and investments - ending	\$ 250,575	\$ 233,498	\$ 53,395	\$ 562,939	\$ 626,626	\$ 7,600	\$ 1,604,568	\$ -	\$ -	\$ 82,703	\$ 44,559

EAST GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	Levy Excess	Educational License Plates	SAFE School Haven	School Resource Officer	Horace Mann Gift	Welborn Grant 1st Year	Community Foundation Alliance	Wellness Grant HHST	High Ability Gifted & Talented	State High Ability Grant Program
Cash and investments - beginning	\$ 70,007	\$ 197	\$ -	\$ -	\$ -	\$ 6,136	\$ -	\$ 4	\$ -	\$ 8
Receipts:										
Local sources	-	-	15,500	600	500	250	-	3,750	-	-
Intermediate sources	-	94	-	-	-	-	-	-	-	-
State sources	-	-	7,904	2,373	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	94	23,404	2,973	500	250	-	3,750	-	-
Disbursements:										
Instruction	-	-	-	-	500	-	-	-	-	-
Support services	-	235	18,784	10,442	-	-	-	3,090	-	8
Noninstructional services	-	-	-	-	-	5,336	-	640	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	235	18,784	10,442	500	5,336	-	3,730	-	8
Excess (deficiency) of receipts over disbursements	-	(141)	4,620	(7,469)	-	(5,086)	-	20	-	(8)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(70,007)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(70,007)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(70,007)	(141)	4,620	(7,469)	-	(5,086)	-	20	-	(8)
Cash and investments - ending	\$ -	\$ 56	\$ 4,620	\$ (7,469)	\$ -	\$ 1,050	\$ -	\$ 24	\$ -	\$ -

EAST GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	Formative Assessment	IN Preschool Grants	Secured Schools Safety Grant	Scholarships and Awards	Non-English Speaking Programs	School Technology	Title I 2015/2016	Title I 2013/2014	Title I 2014/2015	2015 IDEA PT B 611
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 793	\$ -	\$ 1,626	\$ -	\$ -	\$ (5,760)	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	11,816	28,861	-	-	352	6,564	-	-	-	-
Federal sources	-	-	-	-	-	-	87,789	-	61,056	157,184
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	11,816	28,861	-	-	352	6,564	87,789	-	61,056	157,184
Disbursements:										
Instruction	-	7,384	-	-	349	-	101,571	-	33,237	172,394
Support services	1,256	18,877	-	-	-	6,485	6,166	-	22,059	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,256	26,261	-	-	349	6,485	107,737	-	55,296	172,394
Excess (deficiency) of receipts over disbursements	10,560	2,600	-	-	3	79	(19,948)	-	5,760	(15,210)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(7,300)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(7,300)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,260	2,600	-	-	3	79	(19,948)	-	5,760	(15,210)
Cash and investments - ending	\$ 3,260	\$ 2,600	\$ -	\$ 793	\$ 3	\$ 1,705	\$ (19,948)	\$ -	\$ -	\$ (15,210)

EAST GIBSON SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	Special Education Part B 611	Special Education Part B (611) 2013/2014	Part B 611 IDEA Grant FY 15	Technical Assistance for Special Ed	2012 IDEA PT B 619	Preschool Part B (619) FY 15	Improving Teacher Quality, No Child Left, Title II, Part A	Title II Part A	Payroll Withholding Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (7,758)	\$ -	\$ -	\$ -	\$ -	\$ (1,094)	\$ 934	\$ 3,616,970
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	2,435,134
Intermediate sources	-	-	-	-	-	-	-	-	-	3,650
State sources	-	-	-	-	-	-	-	-	-	6,034,954
Federal sources	-	-	48,631	594	8,433	-	24,540	1,094	-	594,327
Other receipts	-	-	-	-	-	-	-	-	1,452,251	1,492,055
Total receipts	-	-	48,631	594	8,433	-	24,540	1,094	1,452,251	10,560,120
Disbursements:										
Instruction	-	-	40,873	-	8,456	-	28,315	-	-	4,752,334
Support services	-	-	-	-	-	-	-	-	-	3,348,045
Noninstructional services	-	-	-	-	-	-	-	-	-	454,953
Facilities acquisition and construction	-	-	-	594	-	-	-	-	-	210,802
Debt service	-	-	-	-	-	-	-	-	-	523,622
Nonprogrammed charges	-	-	-	-	-	-	-	-	1,450,187	1,450,187
Total disbursements	-	-	40,873	594	8,456	-	28,315	-	1,450,187	10,739,943
Excess (deficiency) of receipts over disbursements	-	-	7,758	-	(23)	-	(3,775)	1,094	2,064	(179,823)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	380,156
Transfers out	-	-	-	-	-	-	-	-	-	(380,156)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	7,758	-	(23)	-	(3,775)	1,094	2,064	(179,823)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (23)	\$ -	\$ (3,775)	\$ -	\$ 2,998	\$ 3,437,147

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EAST GIBSON SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2016

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	<u>\$ 153,716</u>	<u>\$ 46,527</u>

EAST GIBSON SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
U.S. Bank	printer lease OC Campus	\$ 8,752	5/1/2015	4/30/2020
U.S. Bank	printer lease BTS/FES	<u>9,873</u>	12/1/2015	11/30/2020
Total governmental activities		<u>18,625</u>		
Total of annual lease payments		<u>\$ 18,625</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Common School Loan	\$ 1,632,710	\$ 338,617
General obligation bonds	Pension Bonds	<u>559,389</u>	<u>172,814</u>
Total governmental activities		<u>2,192,099</u>	<u>511,431</u>
Totals		<u>\$ 2,192,099</u>	<u>\$ 511,431</u>

EAST GIBSON SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2016

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:	
Land	\$ 446,000
Buildings	12,598,254
Improvements other than buildings	883,118
Machinery, equipment, and vehicles	<u>1,732,310</u>
Total governmental activities	<u>15,659,682</u>
Total capital assets	<u>\$ 15,659,682</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

Report on Compliance for Each Major Federal Program

We have audited the East Gibson School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2014 to June 30, 2016. 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, 2014 to June 30, 2016.

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

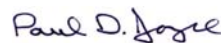
Report on Internal Control over Compliance

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 a 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 a 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

February 6, 2018

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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.

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EAST GIBSON SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2015 and 2016

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	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY 14/15-2725	\$ -	\$ 43,828	\$ -	\$ -
School Breakfast Program			FY 15/16-2725	-	-	-	46,219
Total - School Breakfast Program				-	43,828	-	46,219
National School Lunch Program	Indiana Department of Education	10.555	FY 14/15-2725	-	151,795	-	-
National School Lunch Program - Commodities	Indiana Department of Education	10.555	FY 15/16-2725	-	-	-	158,248
			FY 14/15-2725	-	21,468	-	-
			FY 15/16-2725	-	-	-	22,884
Total - National School Lunch Program				-	173,263	-	181,132
Total - Child Nutrition Cluster				-	217,091	-	227,351
Total - Department of Agriculture				-	217,091	-	227,351
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027	Project # 14213-077-PN01	-	43	-	-
			Project # 14214-077-PN01	-	41,648	-	-
			Project # 14215-077-PN01	-	152,578	-	-
			Project # 14215-077-PN01	-	-	-	48,631
			Project # 99914-077-TA01	-	1,938	-	-
			Project # 99914-077-TA01	-	-	-	594
			Project #14216-071-PN01	-	-	-	157,184
Total - Special Education_Grants to States				-	196,207	-	206,409
Special Education_Preschool Grants	Indiana Department of Education	84.173	Project # 45715-077-PN01	-	8,449	-	-
			Project # 45716-071-PN01	-	-	-	8,433
Total - Special Education_Preschool Grants				-	8,449	-	8,433
Total - Special Education Cluster (IDEA)				-	204,656	-	214,842
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	Project # 14-2725	-	43,785	-	-
			Project # 15-2725	-	90,335	-	-
			Project # 15-2725	-	-	-	61,056
			Project #16-2725	-	-	-	87,789
Total - Title I Grants to Local Educational Agencies				-	134,120	-	148,845
Improving Teacher Quality State Grants Title IIA	Indiana Department of Education	84.367	FFY2013	-	3,717	-	-
			FFY2014	-	33,978	-	-
			FFY2014	-	-	-	1,094
			FFY2015	-	-	-	24,540
Total - Improving Teacher Quality State Grants				-	37,695	-	25,634
Total - Department of Education				-	376,471	-	389,321
Total federal awards expended				\$ -	\$ 593,562	\$ -	\$ 616,672

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

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2015 and 2016. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

EAST GIBSON SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; 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 finding 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
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Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

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AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the School Corporation. The document is presented as intended by the School Corporation.

Dr. Henry M Brewster
Superintendent

David Edwards
Director of Maintenance/
Transportation

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Tammy Schroeder
Executive Secretary
Payroll/Personnel

Ginger Schenks
Treasurer

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-004

Fiscal year in which the finding initially occurred: 2012-2013
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Dr. Henry M. Brewster
Contact Phone Number: 812-749-4755

Status of Audit Finding:

Since the last Audit, Dr. Brewster meets monthly with our Aramark Food Service Director and goes over each line of the District Invoice and receives a Client Operating Statement for the month. These both give a better understanding of details charged from Aramark. The Cafeteria ECA Treasurer writes the check to Aramark for the monthly expenses. Dr. Brewster keeps copies of each month's report and invoice in a binder with the food service agreement we have with Aramark.

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

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/>.