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September 6, 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, 2017 to December 31, 2017. 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, 2017 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
December 31, 2017 and 2016
Independent Auditors' Report**

SUNMAN-DEARBORN SCHOOLS ENDOWMENT CORPORATION, INC.

December 31, 2017 and 2016

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Independent Auditors' Report

To the Board of Directors
Sunman-Dearborn Schools Endowment Corporation, Inc.

Report on Financial Statements

We have audited the accompanying financial statements of Sunman-Dearborn Schools Endowment Corporation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017 and 2016 and the related statements of activities and cash flows for the years 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 audits. We conducted our audits 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 Schools Endowment Corporation, Inc., as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Barnes, Dennig & Co., Ltd.

April 6, 2018
Cincinnati, Ohio

SUNMAN-DEARBORN SCHOOLS ENDOWMENT CORPORATION, INC.

**Statements of Financial Position
Years Ended December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Assets:		
Cash	\$ 365,324	\$ 337,176
Contributions receivable	<u>16,388</u>	<u>17,515</u>
Total assets	<u>\$ 381,712</u>	<u>\$ 354,691</u>
Unrestricted net assets	<u>\$ 381,712</u>	<u>\$ 354,691</u>

See accompanying notes to financial statements

SUNMAN-DEARBORN SCHOOLS ENDOWMENT CORPORATION, INC.

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

	<u>2017</u>	<u>2016</u>
Revenues:		
Contributions	\$ 239,722	\$ 255,921
Expenses:		
Grants	205,001	200,507
Management and general	<u>7,700</u>	<u>7,818</u>
Total expenses	<u>212,701</u>	<u>208,325</u>
Change in net assets	27,021	47,596
Unrestricted net assets, beginning of year	<u>354,691</u>	<u>307,095</u>
Unrestricted net assets, end of year	<u>\$ 381,712</u>	<u>\$ 354,691</u>

See accompanying notes to financial statements

SUNMAN-DEARBORN SCHOOLS ENDOWMENT CORPORATION, INC.

Statements of Cash Flows
Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Change in net assets	\$ 27,021	\$ 47,596
Adjustments to reconcile change in net assets to net cash from operating activities:		
Changes in:		
Contributions receivable	1,127	1,203
Grants payable	-	(22,488)
	<u>28,148</u>	<u>26,311</u>
Net cash provided by operating activities		
	<u>28,148</u>	<u>26,311</u>
Change in cash	28,148	26,311
Cash, beginning of year	<u>337,176</u>	<u>310,865</u>
Cash, end of year	<u><u>\$ 365,324</u></u>	<u><u>\$ 337,176</u></u>

See accompanying notes to financial statements

SUNMAN-DEARBORN SCHOOLS ENDOWMENT CORPORATION, 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, 2017 and 2016.

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.

Income Taxes

The Corporation is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and a similar provision of Indiana law.

The Corporation's IRS Form 990 is subject to review and examination by federal and state authorities. The Corporation believes it has appropriate support for any tax positions taken, and therefore, does not have any uncertain income tax positions to the financial statements.

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.

SUNMAN-DEARBORN SCHOOLS ENDOWMENT CORPORATION, INC.

**Notes to Financial Statements
(Continued)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 April 6, 2018, the date on which the financial statements were available to be issued.

NOTE 2 CONCENTRATION OF CREDIT RISK

All contributions received by the Corporation in 2017 and 2016 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.