

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, 2011 to June 30, 2013



FILED
05/07/2014

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 Government Auditing Standards	6-7
Financial Statement:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis	10-11
Notes to Financial Statement	12-17
Supplementary Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis	20-31
Schedule of Payables and Receivables	32
Schedule of Leases and Debt	33
Schedule of Capital Assets	35
Audit Result and Comment:	
Overdrawn Cash Balances	36
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	42-43
Notes to Schedule of Expenditures of Federal Awards	44
Schedule of Findings and Questioned Costs	45
Exit Conference	46

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Elaine Tenbarge	07-01-11 to 12-31-14
Superintendent of Schools	Dr. Stacey Humbaugh	07-01-11 to 06-30-14
President of the School Board	Janet McBee David Lewis Elizabeth Hirsch Tim Nurrenbern	07-01-11 to 12-31-11 01-01-12 to 12-31-12 01-01-13 to 12-31-13 01-01-14 to 12-31-14



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, 2011 to June 30, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

As discussed in Note 1 of the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013.

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, 2011 to June 30, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 20, 2014, 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.


Accompanying Information

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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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.


Paul D. Joyce, CPA
State Examiner

March 20, 2014



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON 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, 2011 to June 30, 2013, and the related notes to the financial statement, and have issued our report thereon dated March 20, 2014, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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


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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

March 20, 2014

(This page intentionally left blank.)

FINANCIAL STATEMENT

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, 2012 and 2013

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
General	\$ 2,569,088	\$ 11,313,302	\$ 11,429,533	\$ 999	\$ 2,453,856	\$ 12,129,238	\$ 11,844,838	\$ (859,679)	\$ 1,878,577
Debt Service	1,483,060	3,818,383	3,667,500	(33,744)	1,600,199	3,354,009	3,264,500	-	1,689,708
School Pension Debt	236,513	418,688	417,127	(3,783)	234,291	422,818	417,299	-	239,810
Capital Projects	278,304	1,318,036	1,470,430	(14,205)	111,705	1,379,255	1,396,770	-	94,190
School Transportation	1,524,117	1,759,336	1,107,460	(15,177)	2,160,816	1,434,782	1,192,532	-	2,403,066
School Bus Replacement	92,502	46,095	42,466	-	96,131	87,030	84,159	-	99,002
Construction	915,821	384	265,908	-	650,297	138	400,465	-	249,970
School Lunch	504,302	885,357	867,839	-	521,820	908,255	1,018,520	-	411,555
Textbook Rental	285,603	111,151	128,485	-	268,269	115,979	399,080	-	(14,832)
Repair and Replacement	-	-	-	-	-	55,111	24,237	859,679	890,553
Levy Excess	333,628	-	-	66,909	400,537	-	-	-	400,537
Gibson County Special Services	-	894,114	947,704	-	(53,590)	590,896	665,206	-	(127,900)
Educational License Plates	37	244	131	-	150	188	338	-	-
Safe Haven Grant 2011/2012	-	20,000	20,000	-	-	10,288	14,675	-	(4,387)
Toyota Motor Manufacturing Ind	2,303	14,040	13,412	-	2,931	10,028	11,425	-	1,534
Pioneer Grant-GSHS-Spear	453	-	-	-	453	-	-	-	453
Cinergy Grant	186	-	119	-	67	-	-	-	67
Youth Resources	3	-	-	-	3	-	-	-	3
Walmart Grant - Barton	212	2,000	-	-	2,212	-	-	-	2,212
Fractions Project-Rowe	89	-	-	-	89	-	-	-	89
Toyota Motor Manufacturing	1,541	-	1,541	-	-	-	-	-	-
Community Foundation Alliance	422	500	-	-	922	-	-	-	922
S.I.N.E. Reading Renaissance	1,691	-	-	-	1,691	-	1,691	-	-
FBCS Art Contest	30,609	-	2,451	-	28,158	-	274	-	27,884
Duke Energy Donation-Shiloh	-	500	75	-	425	-	-	-	425
Girls Softball Grant-Drainage	180	-	180	-	-	-	-	-	-
PSI IOTA - Zeta Gamma	250	-	-	-	250	-	-	-	250
Tobacco Prevention/Cessation	500	-	-	-	500	-	-	-	500
S.I.N.E. FBCS Summer Workshop	1,426	-	1,375	-	51	-	-	-	51

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, 2012 and 2013
(Continued)

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
Indiana Youth Institute	-	750	750	-	-	-	-	-	-
Augmented Communication Grant	-	3,000	-	-	3,000	-	1,664	-	1,336
Distinct Trial Training Grant	-	-	-	-	-	3,000	3,575	-	(575)
Community Transformation Grant	-	-	-	-	-	5,055	5,194	-	(139)
High Ability 2010/2011	10,497	-	10,497	-	-	-	-	-	-
High Ability 2011/2012	-	32,205	29,279	-	2,926	-	2,926	-	-
High Ability 2012/2013	-	-	-	-	-	33,004	32,116	-	888
Non-English Speaking Programs P.L. 273-1999	888	-	-	-	888	-	-	-	888
School Technology / ENA	1,768	7,069	7,069	-	1,768	7,623	7,380	-	2,011
Innovative School Improvement Grant	-	-	-	-	-	-	193,662	-	(193,662)
Title I - 2010/2011	-	10,542	10,542	-	-	-	-	-	-
Title I - 2011/2012	-	89,499	95,571	-	(6,072)	27,831	21,715	-	44
Title I - 2012/2013	-	-	-	-	-	95,122	107,764	-	(12,642)
Assistive Technology Grant	-	22,300	22,300	-	-	-	-	-	-
PL 101-476 IDEA FY 2012	-	295,890	364,498	-	(68,608)	166,412	97,804	-	-
Special Ed IDEA Part B 611 FY 2013	-	-	-	-	-	206,347	235,372	-	(29,025)
PL 99-457 Preschool FY 2012	-	19,279	19,279	-	-	-	-	-	-
Special Ed Preschool FY 2013	-	-	-	-	-	17,780	19,490	-	(1,710)
Drug-Free 2009/2010	750	765	1,515	-	-	-	-	-	-
Title II-Part A 2009/2010	-	7,347	7,347	-	-	-	-	-	-
Title II-Part A 2010/2011	-	28,203	31,565	-	(3,362)	7,061	3,699	-	-
Title II-Part A 2011/2012	-	40,000	40,000	-	-	16,415	16,415	-	-
Title II-Part A 2012/2013	-	-	-	-	-	9,868	13,167	-	(3,299)
Safe Schools, Healthy Students	17,342	101,505	115,949	-	2,898	89,736	88,115	-	4,519
Title I Grants to LEAs (Stimulus)	-	6,501	6,501	-	-	-	-	-	-
Education Jobs	-	5,277	5,277	-	-	7,403	7,403	-	-
Payroll Withholdings	82	3,114,793	3,105,357	-	9,518	3,227,273	3,213,908	-	22,883
Totals	\$ 8,294,167	\$ 24,387,055	\$ 24,257,032	\$ 999	\$ 8,425,189	\$ 24,417,945	\$ 24,807,378	\$ -	\$ 8,035,756

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, transportation fees, investment income, food services, School Corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

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, 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 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 an agent 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
1 North Capital Street, 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
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is primarily a result of the Indiana Department of Education requiring that these grant funds be spent prior to being reimbursed. The grant funds were expected to have negative balances because the manner in which grants were administered. The reimbursements for the expenditures made by the School Corporation were not received by June 30. The cash deficit in Gibson County Special Services fund arose from services being provided prior to the billing of participating school corporations. This deficit is to be paid from future receipts. The cash deficit in the Textbook Rental fund arose primarily from the purchase of 700 Chromebook computers to be used as textbooks at Gibson Southern High School. This deficit is to be paid from future receipts.

SOUTH GIBSON SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENT
 (Continued)

Note 8. Restatements

For the year ended June 30, 2012, certain changes have been made to some of the beginning balances of the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances.

<u>Fund Name</u>	<u>Balance as of June 30, 2011</u>	<u>Prior Period Adjustment</u>	<u>Balance as of July 1, 2011</u>
Payroll Withholdings	<u>\$ -</u>	<u>\$ 82</u>	<u>\$ 82</u>

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 2012 and 2013 totaled \$1,749,500 and \$2,305,000, respectively.

The School Corporation has entered into a capital lease with Haubstadt-Owensville 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 2012 and 2013 totaled \$2,368,000 and \$959,500, respectively.

(This page intentionally left blank.)

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Report 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.

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 Report of the School Corporation which is 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 supplementary 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, 2012

	General	Debt Service	School Pension Debt	Capital Projects	School Transportation	School Bus Replacement	Construction	School Lunch	Textbook Rental	Repair and Replacement
Cash and investments - beginning	\$ 2,569,088	\$ 1,483,060	\$ 236,513	\$ 278,304	\$ 1,524,117	\$ 92,502	\$ 915,821	\$ 504,302	\$ 285,603	\$ -
Receipts:										
Local sources	105,494	3,818,383	418,688	1,317,631	1,757,828	46,095	384	600,906	78,567	-
Intermediate sources	574	-	-	-	-	-	-	-	-	-
State sources	11,034,956	-	-	-	-	-	-	16,587	32,584	-
Federal sources	-	-	-	-	-	-	-	266,126	-	-
Other	172,278	-	-	405	1,508	-	-	1,738	-	-
Total receipts	11,313,302	3,818,383	418,688	1,318,036	1,759,336	46,095	384	885,357	111,151	-
Disbursements:										
Current:										
Instruction	7,879,615	-	-	-	-	-	-	-	-	-
Support services	3,322,080	-	-	999,576	1,107,460	42,466	-	-	128,485	-
Noninstructional services	227,838	-	-	-	-	-	-	867,839	-	-
Facilities acquisition and construction	-	-	-	470,854	-	-	265,908	-	-	-
Debt services	-	3,667,500	417,127	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	11,429,533	3,667,500	417,127	1,470,430	1,107,460	42,466	265,908	867,839	128,485	-
Excess (deficiency) of receipts over disbursements	(116,231)	150,883	1,561	(152,394)	651,876	3,629	(265,524)	17,518	(17,334)	-
Other financing sources (uses):										
Sale of capital assets	999	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(33,744)	(3,783)	(14,205)	(15,177)	-	-	-	-	-
Total other financing sources (uses)	999	(33,744)	(3,783)	(14,205)	(15,177)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(115,232)	117,139	(2,222)	(166,599)	636,699	3,629	(265,524)	17,518	(17,334)	-
Cash and investments - ending	\$ 2,453,856	\$ 1,600,199	\$ 234,291	\$ 111,705	\$ 2,160,816	\$ 96,131	\$ 650,297	\$ 521,820	\$ 268,269	\$ -

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, 2012
 (Continued)

	Levy Excess	Gibson County Special Services	Educational License Plates	Safe Haven Grant 2011/2012	Toyota Motor Manufacturing Ind	Pioneer Grant- GSHS-Spear	Cinergy Grant	Youth Resources	Walmart Grant - Barton	Fractions Project- Rowe
Cash and investments - beginning	\$ 333,628	\$ -	\$ 37	\$ -	\$ 2,303	\$ 453	\$ 186	\$ 3	\$ 212	\$ 89
Receipts:										
Local sources	-	250,263	-	-	14,040	-	-	-	2,000	-
Intermediate sources	-	-	244	-	-	-	-	-	-	-
State sources	-	-	-	20,000	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	643,851	-	-	-	-	-	-	-	-
Total receipts	-	894,114	244	20,000	14,040	-	-	-	2,000	-
Disbursements:										
Current:										
Instruction	-	90,404	131	-	13,412	-	119	-	-	-
Support services	-	857,300	-	20,000	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	947,704	131	20,000	13,412	-	119	-	-	-
Excess (deficiency) of receipts over disbursements	-	(53,590)	113	-	628	-	(119)	-	2,000	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	66,909	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	66,909	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	66,909	(53,590)	113	-	628	-	(119)	-	2,000	-
Cash and investments - ending	\$ 400,537	\$ (53,590)	\$ 150	\$ -	\$ 2,931	\$ 453	\$ 67	\$ 3	\$ 2,212	\$ 89

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, 2012
 (Continued)

	Toyota Motor Manufacturing	Community Foundation Alliance	S.I.N.E. Reading Renaissance	FBCS Art Contest	Duke Energy Donation Shiloh	Girls Softball Grant-Drainage	PSI IOTA - Zeta Gamma	Tobacco Prevention/ Cessation	S.I.N.E. FBCS Summer Workshop	Indiana Youth Institute
Cash and investments - beginning	\$ 1,541	\$ 422	\$ 1,691	\$ 30,609	\$ -	\$ 180	\$ 250	\$ 500	\$ 1,426	\$ -
Receipts:										
Local sources	-	500	-	-	500	-	-	-	-	750
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	500	-	-	500	-	-	-	-	750
Disbursements:										
Current:										
Instruction	-	-	-	2,451	75	180	-	-	1,375	-
Support services	-	-	-	-	-	-	-	-	-	750
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	1,541	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,541	-	-	2,451	75	180	-	-	1,375	750
Excess (deficiency) of receipts over disbursements	(1,541)	500	-	(2,451)	425	(180)	-	-	(1,375)	-
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	(1,541)	500	-	(2,451)	425	(180)	-	-	(1,375)	-
Cash and investments - ending	\$ -	\$ 922	\$ 1,691	\$ 28,158	\$ 425	\$ -	\$ 250	\$ 500	\$ 51	\$ -

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, 2012
 (Continued)

	Augmented Communication Grant	Distinct Trial Training Grant	Community Transformation Grant	High Ability 2010/2011	High Ability 2011/2012	High Ability 2012/2013	Non-English Speaking Programs P.L. 273-1999	School Technology / ENA	Innovative School Improvement Grant
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 10,497	\$ -	\$ -	\$ 888	\$ 1,768	\$ -
Receipts:									
Local sources	3,000	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	32,205	-	-	7,069	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,205</u>	<u>-</u>	<u>-</u>	<u>7,069</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	-	-	-	10,497	29,279	-	-	-	-
Support services	-	-	-	-	-	-	-	7,069	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,497</u>	<u>29,279</u>	<u>-</u>	<u>-</u>	<u>7,069</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>(10,497)</u>	<u>2,926</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>(10,497)</u>	<u>2,926</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,926</u>	<u>\$ -</u>	<u>\$ 888</u>	<u>\$ 1,768</u>	<u>\$ -</u>

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, 2012
 (Continued)

	Title I - 2010/2011	Title I - 2011/2012	Title I - 2012/2013	Assistive Technology Grant	PL 101-476 IDEA FY 2012	Special Ed IDEA Part B 611 FY 2013	PL 99-45 Preschool FY 2012	Special Ed Preschool FY 2013	Drug-Free 2009/2010
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	19,279	-	-
Federal sources	10,542	89,499	-	22,300	295,890	-	-	-	765
Other	-	-	-	-	-	-	-	-	-
Total receipts	10,542	89,499	-	22,300	295,890	-	19,279	-	765
Disbursements:									
Current:									
Instruction	10,188	90,261	-	22,300	311,084	-	19,279	-	1,515
Support services	354	5,310	-	-	53,414	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	10,542	95,571	-	22,300	364,498	-	19,279	-	1,515
Excess (deficiency) of receipts over disbursements	-	(6,072)	-	-	(68,608)	-	-	-	(750)
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	-	(6,072)	-	-	(68,608)	-	-	-	(750)
Cash and investments - ending	\$ -	\$ (6,072)	\$ -	\$ -	\$ (68,608)	\$ -	\$ -	\$ -	\$ -

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, 2012
 (Continued)

	Title II-Part A 2009/2010	Title II-Part A 2010/2011	Title II-Part A 2011/2012	Title II-Part A 2012/2013	Safe Schools, Healthy Students	Title I Grants to LEAs (Stimulus)	Education Jobs	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 17,342	\$ -	\$ -	\$ 82	\$ 8,294,167
Receipts:									
Local sources	-	-	-	-	-	-	-	-	8,415,029
Intermediate sources	-	-	-	-	-	-	-	-	818
State sources	-	-	-	-	-	-	-	-	11,162,680
Federal sources	7,347	28,203	40,000	-	-	6,501	5,277	-	772,450
Other	-	-	-	-	101,505	-	-	3,114,793	4,036,078
Total receipts	7,347	28,203	40,000	-	101,505	6,501	5,277	3,114,793	24,387,055
Disbursements:									
Current:									
Instruction	-	12,364	40,000	-	80	-	5,277	-	8,539,886
Support services	7,347	19,201	-	-	94,207	6,501	-	-	6,671,520
Noninstructional services	-	-	-	-	-	-	-	-	1,095,677
Facilities acquisition and construction	-	-	-	-	21,662	-	-	-	759,965
Debt services	-	-	-	-	-	-	-	-	4,084,627
Nonprogrammed charges	-	-	-	-	-	-	-	3,105,357	3,105,357
Total disbursements	7,347	31,565	40,000	-	115,949	6,501	5,277	3,105,357	24,257,032
Excess (deficiency) of receipts over disbursements	-	(3,362)	-	-	(14,444)	-	-	9,436	130,023
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	999
Transfers in	-	-	-	-	-	-	-	-	66,909
Transfers out	-	-	-	-	-	-	-	-	(66,909)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	999
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(3,362)	-	-	(14,444)	-	-	9,436	131,022
Cash and investments - ending	\$ -	\$ (3,362)	\$ -	\$ -	\$ 2,898	\$ -	\$ -	\$ 9,518	\$ 8,425,189

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, 2013

	General	Debt Service	School Pension Debt	Capital Projects	School Transportation	School Bus Replacement	Construction	School Lunch	Textbook Rental	Repair and Replacement
Cash and investments - beginning	\$ 2,453,856	\$ 1,600,199	\$ 234,291	\$ 111,705	\$ 2,160,816	\$ 96,131	\$ 650,297	\$ 521,820	\$ 268,269	\$ -
Receipts:										
Local sources	112,006	3,354,009	422,818	1,366,602	1,428,756	87,030	138	607,861	78,508	-
Intermediate sources	917	-	-	-	-	-	-	-	-	-
State sources	11,019,852	-	-	-	-	-	-	17,322	37,471	-
Federal sources	-	-	-	-	-	-	-	283,072	-	-
Other	996,463	-	-	12,653	6,026	-	-	-	-	55,111
Total receipts	<u>12,129,238</u>	<u>3,354,009</u>	<u>422,818</u>	<u>1,379,255</u>	<u>1,434,782</u>	<u>87,030</u>	<u>138</u>	<u>908,255</u>	<u>115,979</u>	<u>55,111</u>
Disbursements:										
Current:										
Instruction	8,160,776	-	-	-	-	-	-	-	-	-
Support services	3,452,716	-	-	858,766	1,192,532	84,159	-	-	399,080	24,237
Noninstructional services	231,346	-	-	-	-	-	-	1,018,520	-	-
Facilities acquisition and construction	-	-	-	538,004	-	-	400,465	-	-	-
Debt services	-	3,264,500	417,299	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>11,844,838</u>	<u>3,264,500</u>	<u>417,299</u>	<u>1,396,770</u>	<u>1,192,532</u>	<u>84,159</u>	<u>400,465</u>	<u>1,018,520</u>	<u>399,080</u>	<u>24,237</u>
Excess (deficiency) of receipts over disbursements	<u>284,400</u>	<u>89,509</u>	<u>5,519</u>	<u>(17,515)</u>	<u>242,250</u>	<u>2,871</u>	<u>(400,327)</u>	<u>(110,265)</u>	<u>(283,101)</u>	<u>30,874</u>
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	859,679
Transfers out	(859,679)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(859,679)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>859,679</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(575,279)</u>	<u>89,509</u>	<u>5,519</u>	<u>(17,515)</u>	<u>242,250</u>	<u>2,871</u>	<u>(400,327)</u>	<u>(110,265)</u>	<u>(283,101)</u>	<u>890,553</u>
Cash and investments - ending	<u>\$ 1,878,577</u>	<u>\$ 1,689,708</u>	<u>\$ 239,810</u>	<u>\$ 94,190</u>	<u>\$ 2,403,066</u>	<u>\$ 99,002</u>	<u>\$ 249,970</u>	<u>\$ 411,555</u>	<u>\$ (14,832)</u>	<u>\$ 890,553</u>

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, 2013
 (Continued)

	Levy Excess	Gibson County Special Services	Educational License Plates	Safe Haven Grant 2011/2012	Toyota Motor Manufacturing Ind	Pioneer Grant- GSHS-Spear	Cinergy Grant	Youth Resources	Walmart Grant - Barton	Fractions Project- Rowe
Cash and investments - beginning	\$ 400,537	\$ (53,590)	\$ 150	\$ -	\$ 2,931	\$ 453	\$ 67	\$ 3	\$ 2,212	\$ 89
Receipts:										
Local sources	-	94	-	-	10,028	-	-	-	-	-
Intermediate sources	-	-	188	-	-	-	-	-	-	-
State sources	-	-	-	10,288	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	590,802	-	-	-	-	-	-	-	-
Total receipts	-	590,896	188	10,288	10,028	-	-	-	-	-
Disbursements:										
Current:										
Instruction	-	173,404	-	-	9,697	-	-	-	-	-
Support services	-	491,802	338	14,675	1,728	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	665,206	338	14,675	11,425	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	(74,310)	(150)	(4,387)	(1,397)	-	-	-	-	-
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	-	(74,310)	(150)	(4,387)	(1,397)	-	-	-	-	-
Cash and investments - ending	\$ 400,537	\$ (127,900)	\$ -	\$ (4,387)	\$ 1,534	\$ 453	\$ 67	\$ 3	\$ 2,212	\$ 89

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, 2013
 (Continued)

	Toyota Motor Manufacturing	Community Foundation Alliance	S.I.N.E. Reading Renaissance	FBCS Art Contest	Duke Energy Donation Shiloh	Girls Softball Grant-Drainage	PSI IOTA - Zeta Gamma	Tobacco Prevention/ Cessation	S.I.N.E. FBCS Summer Workshop	Indiana Youth Institute
Cash and investments - beginning	\$ -	\$ 922	\$ 1,691	\$ 28,158	\$ 425	\$ -	\$ 250	\$ 500	\$ 51	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	-	-	-
Disbursements:										
Current:										
Instruction	-	-	1,691	274	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	1,691	274	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	(1,691)	(274)	-	-	-	-	-	-
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	-	-	(1,691)	(274)	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ 922	\$ -	\$ 27,884	\$ 425	\$ -	\$ 250	\$ 500	\$ 51	\$ -

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, 2013
 (Continued)

	Augmented Communication Grant	Distinct Trial Training Grant	Community Transformation Grant	High Ability 2010/2011	High Ability 2011/2012	High Ability 2012/2013	Non-English Speaking Programs P.L. 273-1999	School Technology / ENA	Innovative School Improvement Grant
Cash and investments - beginning	\$ 3,000	\$ -	\$ -	\$ -	\$ 2,926	\$ -	\$ 888	\$ 1,768	\$ -
Receipts:									
Local sources	-	3,000	5,055	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	33,004	-	7,623	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	3,000	5,055	-	-	33,004	-	7,623	-
Disbursements:									
Current:									
Instruction	-	-	5,194	-	2,926	32,116	-	-	-
Support services	1,664	3,575	-	-	-	-	-	7,380	193,662
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	1,664	3,575	5,194	-	2,926	32,116	-	7,380	193,662
Excess (deficiency) of receipts over disbursements	(1,664)	(575)	(139)	-	(2,926)	888	-	243	(193,662)
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	(1,664)	(575)	(139)	-	(2,926)	888	-	243	(193,662)
Cash and investments - ending	\$ 1,336	\$ (575)	\$ (139)	\$ -	\$ -	\$ 888	\$ 888	\$ 2,011	\$ (193,662)

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, 2013
 (Continued)

	Title I - 2010/2011	Title I - 2011/2012	Title I - 2012/2013	Assistive Technology Grant	PL 101-476 IDEA FY 2012	Special Ed IDEA Part B 611 FY 2013	PL 99-45 Preschool FY 2012	Special Ed Preschool FY 2013	Drug-Free 2009/2010
Cash and investments - beginning	\$ -	\$ (6,072)	\$ -	\$ -	\$ (68,608)	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	17,780	-
Federal sources	-	27,831	95,122	-	166,412	206,347	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	27,831	95,122	-	166,412	206,347	-	17,780	-
Disbursements:									
Current:									
Instruction	-	20,711	101,354	-	83,181	199,067	-	19,490	-
Support services	-	1,004	6,204	-	14,623	36,305	-	-	-
Noninstructional services	-	-	206	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	21,715	107,764	-	97,804	235,372	-	19,490	-
Excess (deficiency) of receipts over disbursements	-	6,116	(12,642)	-	68,608	(29,025)	-	(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	-	6,116	(12,642)	-	68,608	(29,025)	-	(1,710)	-
Cash and investments - ending	\$ -	\$ 44	\$ (12,642)	\$ -	\$ -	\$ (29,025)	\$ -	\$ (1,710)	\$ -

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, 2013
 (Continued)

	Title II-Part A 2009/2010	Title II-Part A 2010/2011	Title II-Part A 2011/2012	Title II-Part A 2012/2013	Safe Schools, Healthy Students	Title I Grants to LEAs (Stimulus)	Education Jobs	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ (3,362)	\$ -	\$ -	\$ 2,898	\$ -	\$ -	\$ 9,518	\$ 8,425,189
Receipts:									
Local sources	-	-	-	-	-	-	-	-	7,475,905
Intermediate sources	-	-	-	-	-	-	-	-	1,105
State sources	-	-	-	-	-	-	-	-	11,143,340
Federal sources	-	7,061	16,415	9,868	-	-	7,403	-	819,531
Other	-	-	-	-	89,736	-	-	3,227,273	4,978,064
Total receipts	-	7,061	16,415	9,868	89,736	-	7,403	3,227,273	24,417,945
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	7,403	-	8,817,284
Support services	-	3,699	16,415	13,167	81,655	-	-	-	6,899,386
Noninstructional services	-	-	-	-	-	-	-	-	1,250,072
Facilities acquisition and construction	-	-	-	-	6,460	-	-	-	944,929
Debt services	-	-	-	-	-	-	-	-	3,681,799
Nonprogrammed charges	-	-	-	-	-	-	-	3,213,908	3,213,908
Total disbursements	-	3,699	16,415	13,167	88,115	-	7,403	3,213,908	24,807,378
Excess (deficiency) of receipts over disbursements	-	3,362	-	(3,299)	1,621	-	-	13,365	(389,433)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	859,679
Transfers out	-	-	-	-	-	-	-	-	(859,679)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	3,362	-	(3,299)	1,621	-	-	13,365	(389,433)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (3,299)	\$ 4,519	\$ -	\$ -	\$ 22,883	\$ 8,035,756

SOUTH GIBSON SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2013

<u>School Corporation</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 229,436</u>	<u>\$ 111,755</u>

SOUTH GIBSON SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LEASES AND DEBT
 June 30, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
South Gibson School Building Corporation	Gibson Southern High School Renovation	\$ 2,862,000	07-10-08	01-10-28
Energy Savings Operating Lease	Energy Savings Project	<u>283,656</u>	06-30-09	01-15-19
		<u>\$ 3,145,656</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Bonds payable:			
General obligation bonds	2004 Pension Bonds	<u>\$ 1,330,000</u>	<u>\$ 416,413</u>

(This page intentionally left blank.)

SOUTH GIBSON SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2013

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.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 549,394
Buildings	59,701,819
Improvements other than buildings	6,006,760
Machinery and equipment	<u>2,654,648</u>
Total capital assets	<u>\$ 68,912,621</u>

SOUTH GIBSON SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

OVERDRAWN CASH BALANCES

The financial statement presented in this report included the following funds with overdrawn cash balances at June 30, 2013:

<u>Funds</u>	<u>Amount Overdrawn</u>
Textbook Rental	\$ 14,832
Gibson County Special Services	127,900

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

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, 2011 to June 30, 2013. 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, 2011 to June 30, 2013.

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

March 20, 2014

(This page intentionally left blank.)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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, 2012 and 2013

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553			
		FY 11/12	\$ 28,090	\$ -
		FY 12/13	-	33,460
Total for program			<u>28,090</u>	<u>33,460</u>
National School Lunch Program				
	10.555			
		FY 11/12	301,608	-
		FY 12/13	-	319,611
Total for program			<u>301,608</u>	<u>319,611</u>
Total for federal grantor agency			<u>329,698</u>	<u>353,071</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies				
FY 10/11	84.010	11-2765	10,542	-
FY 11/12		12-2765	89,499	27,831
FY 12/13		13-2765	-	95,122
Total for program			<u>100,041</u>	<u>122,953</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act				
	84.389			
		11-2765	6,501	-
Total for cluster			<u>106,542</u>	<u>122,953</u>
Special Education Cluster (IDEA)				
Special Education - Grants to States				
FY 2012 Part B, 611	84.027	14212-079-PN01	295,890	166,412
FY 2013 Part B, 611		14213-079-PN01	-	206,347
Assistive Technology Grant (Individuals with Disabilities)		FY 09	22,300	-
Total for program			<u>318,190</u>	<u>372,759</u>

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, 2012 and 2013
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
Special Education Cluster (IDEA) (continued)				
Special Education - Preschool Grants				
	84.173			
		45712-79-PN01	19,279	-
		45713-79-PN01	-	17,780
			<u>19,279</u>	<u>17,780</u>
Total for program			<u>19,279</u>	<u>17,780</u>
Total for cluster			<u>337,469</u>	<u>390,539</u>
Pass-Through Metropolitan School District of Mount Vernon				
Safe and Drug-Free Schools and Communities - National Programs				
	84.184			
		Q184L080320	118,847	89,736
Total for program			<u>118,847</u>	<u>89,736</u>
Pass-Through Indiana Department of Education				
Safe and Drug-Free Schools and Communities - State Grants				
	84.186			
		09-2765	1,515	-
Total for program			<u>1,515</u>	<u>-</u>
Improving Teacher Quality State Grants				
	84.367			
		10-2765	7,347	-
		11-2765	28,803	7,061
		12-2765	40,000	16,415
		13-2765	-	9,868
Total for program			<u>76,150</u>	<u>33,344</u>
Education Jobs Fund				
	84.410			
		11-2765	5,277	7,403
Total for program			<u>5,277</u>	<u>7,403</u>
Total for federal grantor agency			<u>645,800</u>	<u>643,975</u>
Total federal awards expended			<u>\$ 975,498</u>	<u>\$ 997,046</u>

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 includes the federal grant activity of the South Gibson School Corporation (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 et seq.), 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, 2012 and 2013. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2012	2013
Child Nutrition Cluster:			
Food Commodities:			
National School Lunch Program	10.555	\$ 63,572	\$ 69,999

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.

SOUTH GIBSON SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on March 20, 2014, with Dr. Stacey Humbaugh, Superintendent of Schools; Tim A. Armstrong, Assistant Superintendent of Schools; Janet McBee, School Board member; and Elaine Tenbarge, Treasurer.