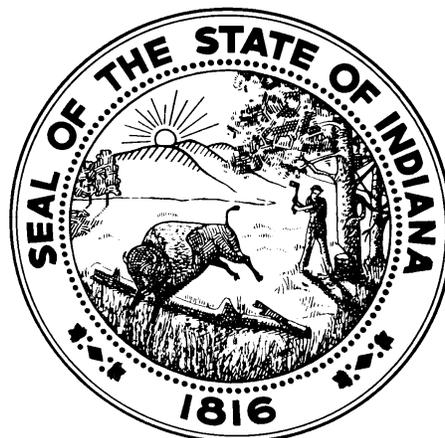


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

AUDIT REPORT  
OF

DEKALB COUNTY CENTRAL  
UNITED SCHOOL DISTRICT  
DEKALB COUNTY, INDIANA

July 1, 2006 to June 30, 2008



**FILED**

03/20/2009



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Angela M. Lockwood	07-01-06 to 06-30-09
Superintendent of Schools	Kenneth E. Fowble	07-01-06 to 06-30-09
President of the School Board	Rob M. Miller James A Miller Jay R. Kern	07-01-06 to 06-30-07 07-01-07 to 06-30-08 07-01-08 to 06-30-09



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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE DEKALB COUNTY CENTRAL  
UNITED SCHOOL DISTRICT, DEKALB COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the DeKalb County Central United School District (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2007 and 2008, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated March 5, 2009, 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 audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)

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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Corporation has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

March 5, 2009



**STATE OF INDIANA**  
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE DEKALB COUNTY CENTRAL  
UNITED SCHOOL DISTRICT, DEKALB COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the DeKalb County Central United School District (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated March 5, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
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 statements are 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.

This report is intended solely for the information and use of the School Corporation's management, the School Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

March 5, 2009

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				
Instruction	\$ 14,656,463	\$ -	\$ 124,871	\$ (14,531,592)
Support services	12,835,707	926,626	576,633	(11,332,448)
Community services	101,643	-	-	(101,643)
Nonprogrammed charges	5,197,673	-	-	(5,197,673)
Debt service	<u>6,960,861</u>	<u>-</u>	<u>-</u>	<u>(6,960,861)</u>
Total government	<u>\$ 39,752,347</u>	<u>\$ 926,626</u>	<u>\$ 701,504</u>	<u>(38,124,217)</u>
General receipts:				
Property taxes				16,599,914
Other local sources				3,292,032
State aid				14,802,457
Bonds and loans				3,899,505
Grants and contributions not restricted to specific programs				1,062,190
Sale of property, adjustments, and refunds				324,473
Investment earnings				<u>305,700</u>
Total general receipts				<u>40,286,271</u>
Change in net assets				2,162,054
Net assets - beginning				<u>4,235,204</u>
Net assets - ending				<u>\$ 6,397,258</u>
<u>Assets</u>				
Cash and investments				\$ 4,721,091
Restricted assets:				
Cash and investments				<u>1,676,167</u>
Total assets				<u>\$ 6,397,258</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 1,349,087
Other purposes				327,080
Unrestricted				<u>4,721,091</u>
Total net assets				<u>\$ 6,397,258</u>

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

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				
Instruction	\$ 14,149,848	\$ -	\$ 224,240	\$ (13,925,608)
Support services	14,005,030	996,617	701,489	(12,306,924)
Community services	88,888	-	-	(88,888)
Nonprogrammed charges	4,365,063	-	-	(4,365,063)
Debt service	<u>9,484,415</u>	<u>-</u>	<u>-</u>	<u>(9,484,415)</u>
Total government	<u>\$ 42,093,244</u>	<u>\$ 996,617</u>	<u>\$ 925,729</u>	<u>(40,170,898)</u>
General receipts:				
Property taxes				16,027,715
Other local sources				3,150,410
State aid				14,098,879
Bonds and loans				3,475,305
Grants and contributions not restricted to specific programs				1,489,194
Sale of property, adjustments, and refunds				379,704
Investment earnings				<u>210,152</u>
Total general receipts				<u>38,831,359</u>
Change in net assets				(1,339,539)
Net assets - beginning				<u>6,397,258</u>
Net assets - ending				<u>\$ 5,057,719</u>
<u>Assets</u>				
Cash and investments				\$ 4,369,511
Restricted assets:				
Cash and investments				<u>688,208</u>
Total assets				<u>\$ 5,057,719</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 308,872
Other purposes				379,336
Unrestricted				<u>4,369,511</u>
Total net assets				<u>\$ 5,057,719</u>

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

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2007

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 9,102,465	\$ 1,796,991	\$ 5,327,223	\$ 2,930,362	\$ 300,615	\$ 1,639,041	\$ 21,096,697
Intermediate sources	301	-	-	-	-	16,231	16,532
State sources	14,908,240	-	-	-	-	253,380	15,161,620
Federal sources	-	-	-	-	-	1,388,300	1,388,300
Bonds and loans	1,911,134	1,209,510	778,861	-	-	-	3,899,505
Sale of property, adjustments and refunds	-	506	-	163,959	-	-	164,465
Interfund loans	138,000	-	-	-	-	22,000	160,000
<b>Total receipts</b>	<b>26,060,140</b>	<b>3,007,007</b>	<b>6,106,084</b>	<b>3,094,321</b>	<b>300,615</b>	<b>3,318,952</b>	<b>41,887,119</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	17,055,317	-	-	-	-	1,048,643	18,103,960
Support services	5,955,024	1,801,170	44,007	2,559,970	368,746	2,106,790	12,835,707
Community services	87,370	-	-	-	-	14,273	101,643
Nonprogrammed charges	242,642	-	-	-	-	1,321,068	1,563,710
Debt services	541,052	635,181	5,377,703	278,055	-	128,870	6,960,861
Interfund loans	22,000	-	-	-	-	138,000	160,000
<b>Total disbursements</b>	<b>23,903,405</b>	<b>2,436,351</b>	<b>5,421,710</b>	<b>2,838,025</b>	<b>368,746</b>	<b>4,757,644</b>	<b>39,725,881</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>2,156,735</b>	<b>570,656</b>	<b>684,374</b>	<b>256,296</b>	<b>(68,131)</b>	<b>(1,438,692)</b>	<b>2,161,238</b>
<b>Other financing sources (uses):</b>							
Transfers in	17,591	46,076	-	-	-	198,784	262,451
Transfers out	(165,000)	-	(46,076)	(3,442)	-	(47,933)	(262,451)
<b>Total other financing sources (uses)</b>	<b>(147,409)</b>	<b>46,076</b>	<b>(46,076)</b>	<b>(3,442)</b>	<b>-</b>	<b>150,851</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>2,009,326</b>	<b>616,732</b>	<b>638,298</b>	<b>252,854</b>	<b>(68,131)</b>	<b>(1,287,841)</b>	<b>2,161,238</b>
Cash and investments - beginning	1,028,934	(73,457)	665,159	159,900	(197,930)	2,326,334	3,908,940
Cash and investments - ending	\$ 3,038,260	\$ 543,275	\$ 1,303,457	\$ 412,754	\$ (266,061)	\$ 1,038,493	6,070,178
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:							
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.							
							327,080
Net assets of governmental activities							\$ 6,397,258
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 3,038,260	\$ 543,275	\$ -	\$ 412,754	\$ (266,061)	\$ 992,863	\$ 4,721,091
Restricted assets:							
Cash and investments	-	-	1,303,457	-	-	45,630	1,349,087
<b>Total cash and investment assets - ending</b>	<b>\$ 3,038,260</b>	<b>\$ 543,275</b>	<b>\$ 1,303,457</b>	<b>\$ 412,754</b>	<b>\$ (266,061)</b>	<b>\$ 1,038,493</b>	<b>\$ 6,070,178</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ 1,303,457	\$ -	\$ -	\$ 45,630	\$ 1,349,087
Unrestricted	3,038,260	543,275	-	412,754	(266,061)	992,863	4,721,091
<b>Total cash and investment fund balance - ending</b>	<b>\$ 3,038,260</b>	<b>\$ 543,275</b>	<b>\$ 1,303,457</b>	<b>\$ 412,754</b>	<b>\$ (266,061)</b>	<b>\$ 1,038,493</b>	<b>\$ 6,070,178</b>

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

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2008

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 9,117,256	\$ 1,954,190	\$ 3,645,424	\$ 2,898,106	\$ 283,709	\$ 2,461,557	\$ 20,360,242
Intermediate sources	152	-	-	-	-	-	152
State sources	14,268,835	-	-	-	-	449,809	14,718,644
Federal sources	-	-	-	-	-	1,795,158	1,795,158
Bonds and loans	1,988,802	1,232,843	253,660	-	-	-	3,475,305
Sale of property, adjustments and refunds	1,412	-	-	176,229	-	4,416	182,057
<b>Total receipts</b>	<u>25,376,457</u>	<u>3,187,033</u>	<u>3,899,084</u>	<u>3,074,335</u>	<u>283,709</u>	<u>4,710,940</u>	<u>40,531,558</u>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	16,987,370	-	-	-	-	1,037,784	18,025,154
Support services	6,791,961	2,077,864	-	2,336,116	383,595	2,415,494	14,005,030
Community services	81,296	-	-	-	-	7,592	88,888
Nonprogrammed charges	303,317	-	-	-	-	16,549	319,866
Debt services	1,911,134	1,105,392	4,764,489	327,140	-	1,376,260	9,484,415
<b>Total disbursements</b>	<u>26,075,078</u>	<u>3,183,256</u>	<u>4,764,489</u>	<u>2,663,256</u>	<u>383,595</u>	<u>4,853,679</u>	<u>41,923,353</u>
Excess (deficiency) of receipts over disbursements	<u>(698,621)</u>	<u>3,777</u>	<u>(865,405)</u>	<u>411,079</u>	<u>(99,886)</u>	<u>(142,739)</u>	<u>(1,391,795)</u>
<b>Other financing sources (uses):</b>							
Transfers in	16,006	-	-	-	-	93,488	109,494
Transfers out	(75,000)	-	-	(3,442)	-	(31,052)	(109,494)
<b>Total other financing sources (uses)</b>	<u>(58,994)</u>	<u>-</u>	<u>-</u>	<u>(3,442)</u>	<u>-</u>	<u>62,436</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(757,615)</u>	<u>3,777</u>	<u>(865,405)</u>	<u>407,637</u>	<u>(99,886)</u>	<u>(80,303)</u>	<u>(1,391,795)</u>
Cash and investments - beginning	<u>3,038,260</u>	<u>543,275</u>	<u>1,303,457</u>	<u>412,754</u>	<u>(266,061)</u>	<u>1,038,493</u>	<u>6,070,178</u>
Cash and investments - ending	<u>\$ 2,280,645</u>	<u>\$ 547,052</u>	<u>\$ 438,052</u>	<u>\$ 820,391</u>	<u>\$ (365,947)</u>	<u>\$ 958,190</u>	<u>4,678,383</u>
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:							
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.							
							<u>379,336</u>
Net assets of governmental activities							<u>\$ 5,057,719</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 2,280,645	\$ 547,052	\$ -	\$ 820,391	\$ (365,947)	\$ 1,087,370	\$ 4,369,511
Restricted assets:							
Cash and investments	-	-	438,052	-	-	(129,180)	308,872
<b>Total cash and investment assets - ending</b>	<u>\$ 2,280,645</u>	<u>\$ 547,052</u>	<u>\$ 438,052</u>	<u>\$ 820,391</u>	<u>\$ (365,947)</u>	<u>\$ 958,190</u>	<u>\$ 4,678,383</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ 438,052	\$ -	\$ -	\$ (129,180)	\$ 308,872
Unrestricted	2,280,645	547,052	-	820,391	(365,947)	1,087,370	4,369,511
<b>Total cash and investment fund balance - ending</b>	<u>\$ 2,280,645</u>	<u>\$ 547,052</u>	<u>\$ 438,052</u>	<u>\$ 820,391</u>	<u>\$ (365,947)</u>	<u>\$ 958,190</u>	<u>\$ 4,678,383</u>

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

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2007

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 3,447,497
Miscellaneous	<u>187,282</u>
Total operating receipts	<u>3,634,779</u>
Operating disbursements:	
Insurance claims and expense	<u>3,633,963</u>
Change in net assets	816
Cash and investment fund balance - beginning	<u>326,264</u>
Cash and investment fund balance - ending	<u>\$ 327,080</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 327,080</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 327,080</u>

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

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2008

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 3,875,306
Miscellaneous	222,147
Total operating receipts	4,097,453
Operating disbursements:	
Insurance claims and expense	4,045,197
Change in net assets	52,256
Cash and investment fund balance - beginning	327,080
Cash and investment fund balance - ending	\$ 379,336
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 379,336
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 379,336

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

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2007

	Pension Trust Funds	Agency Funds
Additions:		
Contributions:		
Employer	\$ 16,700	
Investment earnings:		
Interest	<u>183,004</u>	
Total additions	<u>199,704</u>	
Deductions:		
Benefits	<u>307,412</u>	
Deficiency of total additions over total deductions	(107,708)	
Cash and investment fund balance - beginning	<u>4,220,374</u>	
Cash and investment fund balance - ending	<u>\$ 4,112,666</u>	<u>\$ 38,579</u>
Net assets:		
Cash and investments	<u>\$ 4,112,666</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 4,112,666</u>	

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

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2008

	Pension Trust Funds	Agency Funds
Additions:		
Contributions:		
Employer	\$ 6,205	
Investment earnings:		
Interest	<u>218,229</u>	
Total additions	<u>224,434</u>	
Deductions:		
Benefits	<u>563,666</u>	
Deficiency of total additions over total deductions	(339,232)	
Cash and investment fund balance - beginning	<u>4,112,666</u>	
Cash and investment fund balance - ending	<u>\$ 3,773,434</u>	<u>\$ 46,181</u>
Net assets:		
Cash and investments	<u>\$ 3,773,434</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 3,773,434</u>	

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

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS

I. 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 School Corporation's financial reporting entity is composed of the following:

Primary Government: DeKalb County Central United School District

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Venture

The School Corporation is a participant with other interested School Corporations in DeKalb, LaGrange, Noble, and Steuben Counties, in a joint venture to operate the Four County Area Vocational Cooperative (Co-op) which was created to provide vocational instruction for children. The School Corporation is obligated by contract to remit a proportionate share of annual costs to supplement the Co-op. Complete financial statements for the Co-op can be obtained from the Garrett-Keyser-Butler Community School District, 801 Houston Street, Garrett, Indiana 46738.

The School Corporations is a participant with other interested School Corporations in DeKalb, LaGrange, Noble, and Steuben Counties in a joint venture to operate the Northeast Indiana Special Education Cooperative (Co-op) which was created to provide programs and services for children with exceptional needs. The School Corporation is obligated by contract to remit a proportionate share of annual costs to supplement the Co-op. Complete financial statements for the Co-op can be obtained from DeKalb County Eastern Community School District, 300 Washington Street, Butler, Indiana 46721.

The School Corporation is a participant with interested school corporations in DeKalb County in a joint venture to operate an Alternative School. The Alternative School was created to serve students who are not successful in the traditional high school structure. The joint venture's continued existence depends on continued funding by the School Corporation. The School Corporation is the administrator for the Alternative School. The Alternative School's financial records are accounted for on the records of the School Corporation.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The debt service fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

The transportation operating fund accounts for financial resources for the transportation of school children to and from school.

The school bus replacement fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for health insurance provided to other departments on a cost-reimbursement basis.

The pension trust funds account for the activities of the retirement/severance bond fund and the post-retirement/severance future benefit fund which accumulate resources for pension benefit payments.

Agency funds accounts for assets held by the School Corporation as an agent for others and serve as control accounts for certain cash transactions during the time they are a liability to the School Corporation.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The cash and investment 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. Investment transactions are not presented on the financial statements.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any enterprise funds.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. 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% 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 become delinquent if not paid by May 10 and November 10, respectively.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

4. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

5. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided and (2) operating grants and contributions. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are reported as reimbursements.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

B. Cash and Investment Balance Deficits

At June 30, 2007 and 2008, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2007	2008
School Bus Replacement	\$ 266,061	\$ 365,947
Extra-Curricular Account Balance	1,185	3,794
School Pension Debt Service	-	129,180
Alternative Education	-	39,219

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation's deposit policy for custodial credit risk is to deposit in financial institutions eligible to receive state funds. At June 30, 2008, the School Corporation had deposit balances in the amount of \$6,695,993. None of this amount was exposed to custodial credit risk. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

As of June 30, 2008, the School Corporation had the following investments:

Investment Type	Primary Government Market Value
U.S. agencies	\$ 2,937,144

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Statutory Authorization for Investments

Indiana Code 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the School Corporation to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The School Corporation does not have a formal investment policy for custodial credit risk for investments.

The following investments held by the School Corporation were exposed to custodial credit risks because they are uninsured and unregistered with securities held by the counterparty, or the counterparty's trust department or agent, either in the government's name or not in the government's name:

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Primary Government:	
	2008
Investment Type	Not in the Government's Name
U.S. agencies	\$ 2,937,144

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School Corporation must follow state statute and limit the stated final maturities of the investments to no more than two years. The School Corporation's investment policy for interest rate risk is to limit the stated final maturities of the investments to no more than two years.

	Investment Maturities (in Years)	
Investment Type	Less Than 1	1-2
U.S. agencies	\$ 749,300	\$ 2,187,844

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below. The School Corporation does not have a formal investment policy for credit risk for investments.

Standard and Poor's Rating	Moody's Rating	Government Sponsored Enterprise
AAA	Aaa	\$ 2,937,144

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School Corporation does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2007 and 2008, were as follows:

Transfer From	Transfer To	2007	2008
General Fund	Other governmental funds	\$ 165,000	\$ 75,000
Capital Projects Fund	General Fund	3,442	3,442
Debt Service	Transportation Operating	46,076	-
Other governmental funds	General Fund	14,149	12,564
	Other governmental funds	33,784	18,488
<b>Totals</b>		<u>\$ 262,451</u>	<u>\$ 109,494</u>

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions.

IV. Other Information

A. Risk Management

The School Corporation is 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 (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Medical Benefits to Employees

The School Corporation has chosen to establish a risk financing fund for risks associated with medical benefits to employees. The risk financing fund is accounted for in the DeKalb Health Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$120,000 per year. In addition, the insurance company assumes the risk when the total claims (excluding prescriptions) per year exceed a predetermined aggregate amount. In 2008, this aggregate amount was \$2,317,861. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Premiums are paid into the fund by all insured funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based primarily upon the insured funds' number of employees.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

B. Holding Corporations

The School Corporation has entered into capital leases with DeKalb Central Building Corporation, DeKalb Central Elementary School Building Corporation and DeKalb Central Remodeling Building Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related parties of the School Corporation. Lease payments during the audit period totaled \$3,906,360, \$3,561,075, and \$1,763,000, respectively.

C. Termination Benefits

The School Corporation provides retirement benefits to all employees who are at least 55 years old and have worked at least fifteen years for the School Corporation. Teachers receive \$200 per unused sick day up to 120 days or 185 days depending upon a one-time election. The maximum days for all new teachers are 120 days. Classified staff are paid based upon their current daily rate of pay. At age 55, a classified employee would be paid 50% of unused sick days at retirement. This increases 5% with each year of service, up to a maximum of 100% with 25 years of service. The maximum number of sick days for classified employees is 130 days. Classified employees receive this payment upon retirement. Payment for teachers is paid in installments over a period of up to three years, depending upon the amount of the total payment. For the years ended June 30, 2007 and June 30, 2008, benefits of \$161,957 and \$175,109 respectively, were paid to retiring employees.

D. Other Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age fifty-five with at least fifteen years of service. Currently, 34 retirees meet these eligibility requirements. The School Corporation provides 100% (retiree pays \$1) of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the years ended June 30, 2007 and June 30, 2008, disbursements of \$155,853 and \$185,966 respectively, were recognized for postemployment benefits.

D. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), 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 the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF 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

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF 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. The report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 367,750
Interest on net pension obligation	(14,571)
Adjustment to annual required contribution	16,605
Annual pension cost	369,784
Contributions made	342,557
Increase in net pension obligation	27,227
Net pension obligation, beginning of year	(200,977)
Net pension obligation, end of year	\$ (173,750)

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

	PERF
Contribution rates:	
School Corporation	7.5%
Plan members	3%
Actuarial valuation date	07-01-07
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

<u>Actuarial Assumptions</u>	PERF
Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-05	\$ 284,586	108%	\$ (217,507)
	06-30-06	336,933	95%	(200,979)
	06-30-07	369,784	93%	(173,750)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' Retirement Fund (TRF), 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 TRF 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 member's contributions, set by state statute at 3% 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.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

TRF 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:

Teachers' Retirement Fund  
150 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 232-3860

Funding Policy and Annual Pension Costs

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.

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2006, 2007, and 2008, were \$385,566, \$450,048, and \$505,393, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 4,577,030	\$ 5,767,740	\$ (1,190,710)	79%	\$ 4,489,970	(27%)
07-01-06	5,067,847	6,064,553	(996,706)	84%	4,547,043	(22%)
07-01-07	5,530,617	6,527,493	(996,876)	85%	4,795,502	(21%)

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007

	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Alternative Education	Safety Fund	Early Intervention
<b>Receipts:</b>							
Local sources	\$ 28,751	\$ 890,733	\$ 282,595	\$ 83,294	\$ 20,728	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	130,002	23,270	55,638	-	25,382	-	-
Federal sources	-	497,725	-	-	-	-	-
Interfund loans	-	-	22,000	-	-	-	-
<b>Total receipts</b>	<b>158,753</b>	<b>1,411,728</b>	<b>360,233</b>	<b>83,294</b>	<b>46,110</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	158,979	-	-	-	188,388	-	-
Support services	-	1,418,268	154,505	-	-	51	1,137
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	5,522	-	-	1,315,546	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	138,000	-	-	-	-
<b>Total disbursements</b>	<b>164,501</b>	<b>1,418,268</b>	<b>292,505</b>	<b>1,315,546</b>	<b>188,388</b>	<b>51</b>	<b>1,137</b>
Excess (deficiency) of receipts over disbursements	(5,748)	(6,540)	67,728	(1,232,252)	(142,278)	(51)	(1,137)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	165,000	-	-
Transfers out	(14,149)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(14,149)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>165,000</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(19,897)	(6,540)	67,728	(1,232,252)	22,722	(51)	(1,137)
Cash and investments - beginning	274,778	283,951	2,114	1,232,252	9,041	51	1,137
Cash and investments - ending	<u>\$ 254,881</u>	<u>\$ 277,411</u>	<u>\$ 69,842</u>	<u>\$ -</u>	<u>\$ 31,763</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 254,881	\$ 277,411	\$ 69,842	\$ -	\$ 31,763	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 254,881</b>	<b>\$ 277,411</b>	<b>\$ 69,842</b>	<b>\$ -</b>	<b>\$ 31,763</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	254,881	277,411	69,842	-	31,763	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 254,881</b>	<b>\$ 277,411</b>	<b>\$ 69,842</b>	<b>\$ -</b>	<b>\$ 31,763</b>	<b>\$ -</b>	<b>\$ -</b>

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

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Safe Haven	Extra-Curricular	DEKKO Sailing Program	DEKKO Literacy	DEKKO All-Write	DEKKO Kindergarten Readiness	Cape III
<b>Receipts:</b>							
Local sources	\$ -	\$ 10,411	\$ 34,000	\$ -	\$ -	\$ -	\$ -
Intermediate sources	16,231	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>16,231</b>	<b>10,411</b>	<b>34,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	10,812	14,810	52,798	-	302	10,664
Support services	3,300	-	121,163	5,438	-	-	66,055
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>3,300</b>	<b>10,812</b>	<b>135,973</b>	<b>58,236</b>	<b>-</b>	<b>302</b>	<b>76,719</b>
Excess (deficiency) of receipts over disbursements	12,931	(401)	(101,973)	(58,236)	-	(302)	(76,719)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12,931	(401)	(101,973)	(58,236)	-	(302)	(76,719)
Cash and investments - beginning	-	(784)	122,559	58,236	12,200	302	185,308
Cash and investments - ending	<u>\$ 12,931</u>	<u>\$ (1,185)</u>	<u>\$ 20,586</u>	<u>\$ -</u>	<u>\$ 12,200</u>	<u>\$ -</u>	<u>\$ 108,589</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 12,931	\$ (1,185)	\$ 20,586	\$ -	\$ 12,200	\$ -	\$ 108,589
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 12,931</b>	<b>\$ (1,185)</b>	<b>\$ 20,586</b>	<b>\$ -</b>	<b>\$ 12,200</b>	<b>\$ -</b>	<b>\$ 108,589</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	12,931	(1,185)	20,586	-	12,200	-	108,589
<b>Total cash and investment fund balance - ending</b>	<b>\$ 12,931</b>	<b>\$ (1,185)</b>	<b>\$ 20,586</b>	<b>\$ -</b>	<b>\$ 12,200</b>	<b>\$ -</b>	<b>\$ 108,589</b>

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

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Cape Interest	Gifted and Talented	Drug Free DeKalb County	LEP Program Title III	Technology Fund	Comprehensive School Reform 2005-06
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 1,500	\$ -	\$ 18,364	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	17,980	-	1,108	-	-
Federal sources	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>17,980</b>	<b>1,500</b>	<b>1,108</b>	<b>18,364</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	31,629	13,263	-	630	-	43,991
Support services	-	-	1,500	1,084	14,121	29,252
Community services	-	-	-	-	-	273
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
<b>Total disbursements</b>	<b>31,629</b>	<b>13,263</b>	<b>1,500</b>	<b>1,714</b>	<b>14,121</b>	<b>73,516</b>
Excess (deficiency) of receipts over disbursements	(31,629)	4,717	-	(606)	4,243	(73,516)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(18,068)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,068)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(31,629)	4,717	-	(606)	4,243	(91,584)
Cash and investments - beginning	31,629	-	-	1,495	23,129	91,584
Cash and investments - ending	<u>\$ -</u>	<u>\$ 4,717</u>	<u>\$ -</u>	<u>\$ 889</u>	<u>\$ 27,372</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ 4,717	\$ -	\$ 889	\$ 27,372	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ 4,717</u>	<u>\$ -</u>	<u>\$ 889</u>	<u>\$ 27,372</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	4,717	-	889	27,372	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ 4,717</u>	<u>\$ -</u>	<u>\$ 889</u>	<u>\$ 27,372</u>	<u>\$ -</u>

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

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Comprehensive School Reform 2006-07	Title I Improvement 2006-07	Title I 2005-06	Title I 2006-07	Title V 2004-05	Title V 2005-06
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	305,000	6,559	20,000	328,794	-	-
Interfund loans	-	-	-	-	-	-
<b>Total receipts</b>	<u>305,000</u>	<u>6,559</u>	<u>20,000</u>	<u>328,794</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	137,174	478	37,093	248,156	-	-
Support services	137,881	225	18,820	61,827	4,515	9,772
Community services	8,000	-	-	6,000	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
<b>Total disbursements</b>	<u>283,055</u>	<u>703</u>	<u>55,913</u>	<u>315,983</u>	<u>4,515</u>	<u>9,772</u>
Excess (deficiency) of receipts over disbursements	<u>21,945</u>	<u>5,856</u>	<u>(35,913)</u>	<u>12,811</u>	<u>(4,515)</u>	<u>(9,772)</u>
Other financing sources (uses):						
Transfers in	18,068	-	-	15,716	-	-
Transfers out	-	-	(15,716)	-	-	-
<b>Total other financing sources (uses)</b>	<u>18,068</u>	<u>-</u>	<u>(15,716)</u>	<u>15,716</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	40,013	5,856	(51,629)	28,527	(4,515)	(9,772)
Cash and investments - beginning	-	-	51,629	-	4,515	13,354
Cash and investments - ending	<u>\$ 40,013</u>	<u>\$ 5,856</u>	<u>\$ -</u>	<u>\$ 28,527</u>	<u>\$ -</u>	<u>\$ 3,582</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 40,013	\$ 5,856	\$ -	\$ 28,527	\$ -	\$ 3,582
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 40,013</u>	<u>\$ 5,856</u>	<u>\$ -</u>	<u>\$ 28,527</u>	<u>\$ -</u>	<u>\$ 3,582</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	40,013	5,856	-	28,527	-	3,582
<b>Total cash and investment fund balance - ending</b>	<u>\$ 40,013</u>	<u>\$ 5,856</u>	<u>\$ -</u>	<u>\$ 28,527</u>	<u>\$ -</u>	<u>\$ 3,582</u>

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DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Title V 2006-07	Serve America	Title IV 2006-07	Title IV 2004-05	Title IV 2005-06	Title II, Part A 2005-06
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	6,569	-	12,681	-	-	110,573
Interfund loans	-	-	-	-	-	-
<b>Total receipts</b>	<b>6,569</b>	<b>-</b>	<b>12,681</b>	<b>-</b>	<b>-</b>	<b>110,573</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	3,181	5,000	-	-	77,916
Support services	180	456	-	9,553	8,253	29,969
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
<b>Total disbursements</b>	<b>180</b>	<b>3,637</b>	<b>5,000</b>	<b>9,553</b>	<b>8,253</b>	<b>107,885</b>
Excess (deficiency) of receipts over disbursements	6,389	(3,637)	7,681	(9,553)	(8,253)	2,688
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,389	(3,637)	7,681	(9,553)	(8,253)	2,688
Cash and investments - beginning	-	3,637	-	9,553	10,082	(2,688)
Cash and investments - ending	\$ 6,389	\$ -	\$ 7,681	\$ -	\$ 1,829	\$ -
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 6,389	\$ -	\$ 7,681	\$ -	\$ 1,829	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 6,389</b>	<b>\$ -</b>	<b>\$ 7,681</b>	<b>\$ -</b>	<b>\$ 1,829</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	6,389	-	7,681	-	1,829	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 6,389</b>	<b>\$ -</b>	<b>\$ 7,681</b>	<b>\$ -</b>	<b>\$ 1,829</b>	<b>\$ -</b>

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

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Title II, Part A 2006-07	21st Century Community Learning Centers 2007-08	Title II, Part D 2004-05	Title II, Part D 2005-06	School Pension Debt Service	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 268,665	\$ 1,639,041
Intermediate sources	-	-	-	-	-	16,231
State sources	-	-	-	-	-	253,380
Federal sources	76,000	24,399	-	-	-	1,388,300
Interfund loans	-	-	-	-	-	22,000
<b>Total receipts</b>	<b>76,000</b>	<b>24,399</b>	<b>-</b>	<b>-</b>	<b>268,665</b>	<b>3,318,952</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	13,379	-	-	-	1,048,643
Support services	8,030	-	386	1,049	-	2,106,790
Community services	-	-	-	-	-	14,273
Nonprogrammed charges	-	-	-	-	-	1,321,068
Debt services	-	-	-	-	128,870	128,870
Interfund loans	-	-	-	-	-	138,000
<b>Total disbursements</b>	<b>8,030</b>	<b>13,379</b>	<b>386</b>	<b>1,049</b>	<b>128,870</b>	<b>4,757,644</b>
Excess (deficiency) of receipts over disbursements	67,970	11,020	(386)	(1,049)	139,795	(1,438,692)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	198,784
Transfers out	-	-	-	-	-	(47,933)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150,851</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	67,970	11,020	(386)	(1,049)	139,795	(1,287,841)
Cash and investments - beginning	-	-	386	1,049	(94,165)	2,326,334
Cash and investments - ending	<u>\$ 67,970</u>	<u>\$ 11,020</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,630</u>	<u>\$ 1,038,493</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 67,970	\$ 11,020	\$ -	\$ -	\$ -	\$ 992,863
Restricted assets:						
Cash and investments	-	-	-	-	45,630	45,630
<b>Total cash and investment assets - ending</b>	<b>\$ 67,970</b>	<b>\$ 11,020</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 45,630</b>	<b>\$ 1,038,493</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 45,630	\$ 45,630
Unrestricted	67,970	11,020	-	-	-	992,863
<b>Total cash and investment fund balance - ending</b>	<b>\$ 67,970</b>	<b>\$ 11,020</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 45,630</b>	<b>\$ 1,038,493</b>

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

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008

	Special Education Preschool	School Lunch	Textbook Rental	Alternative Education	Safe Haven	Early Intervention
Receipts:						
Local sources	\$ 25,000	\$ 889,074	\$ 272,583	\$ 41,897	\$ -	\$ -
State sources	96,336	22,519	106,501	24,099	-	139,070
Federal sources	-	572,469	-	-	-	-
Sale of property, adjustments and refunds	-	4,416	-	-	-	-
<b>Total receipts</b>	<u>121,336</u>	<u>1,488,478</u>	<u>379,084</u>	<u>65,996</u>	<u>-</u>	<u>139,070</u>
Disbursements:						
Current:						
Instruction	177,405	-	-	211,978	-	61,030
Support services	-	1,495,825	157,986	-	12,931	74,000
Community services	-	-	-	-	-	1,200
Nonprogrammed charges	16,549	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<u>193,954</u>	<u>1,495,825</u>	<u>157,986</u>	<u>211,978</u>	<u>12,931</u>	<u>136,230</u>
Excess (deficiency) of receipts over disbursements	<u>(72,618)</u>	<u>(7,347)</u>	<u>221,098</u>	<u>(145,982)</u>	<u>(12,931)</u>	<u>2,840</u>
Other financing sources (uses):						
Transfers in	-	-	-	75,000	-	-
Transfers out	<u>(12,564)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>(12,564)</u>	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(85,182)	(7,347)	221,098	(70,982)	(12,931)	2,840
Cash and investments - beginning	<u>254,881</u>	<u>277,411</u>	<u>69,842</u>	<u>31,763</u>	<u>12,931</u>	<u>-</u>
Cash and investments - ending	<u>\$ 169,699</u>	<u>\$ 270,064</u>	<u>\$ 290,940</u>	<u>\$ (39,219)</u>	<u>\$ -</u>	<u>\$ 2,840</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 169,699	\$ 270,064	\$ 290,940	\$ (39,219)	\$ -	\$ 2,840
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 169,699</u>	<u>\$ 270,064</u>	<u>\$ 290,940</u>	<u>\$ (39,219)</u>	<u>\$ -</u>	<u>\$ 2,840</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>169,699</u>	<u>270,064</u>	<u>290,940</u>	<u>(39,219)</u>	<u>-</u>	<u>2,840</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 169,699</u>	<u>\$ 270,064</u>	<u>\$ 290,940</u>	<u>\$ (39,219)</u>	<u>\$ -</u>	<u>\$ 2,840</u>

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DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008  
 (Continued)

	Extra- Curricular	ALCOA Foundation Grant	DEKKO Sailing Program	DEKKO All-Write	Summer Literacy	Cape III
Receipts:						
Local sources	\$ 10,846	\$ 10,000	\$ -	\$ -	\$ 1,925	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>10,846</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>1,925</b>	<b>-</b>
Disbursements:						
Current:						
Instruction	13,455	-	-	8,225	-	6,807
Support services	-	5,547	20,586	-	-	34,793
Community services	-	2,162	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>13,455</b>	<b>7,709</b>	<b>20,586</b>	<b>8,225</b>	<b>-</b>	<b>41,600</b>
Excess (deficiency) of receipts over disbursements	(2,609)	2,291	(20,586)	(8,225)	1,925	(41,600)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,609)	2,291	(20,586)	(8,225)	1,925	(41,600)
Cash and investments - beginning	(1,185)	-	20,586	12,200	-	108,589
<b>Cash and investments - ending</b>	<b>\$ (3,794)</b>	<b>\$ 2,291</b>	<b>\$ -</b>	<b>\$ 3,975</b>	<b>\$ 1,925</b>	<b>\$ 66,989</b>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ (3,794)	\$ 2,291	\$ -	\$ 3,975	\$ 1,925	\$ 66,989
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ (3,794)</b>	<b>\$ 2,291</b>	<b>\$ -</b>	<b>\$ 3,975</b>	<b>\$ 1,925</b>	<b>\$ 66,989</b>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(3,794)	2,291	-	3,975	1,925	66,989
<b>Total cash and investment fund balance - ending</b>	<b>\$ (3,794)</b>	<b>\$ 2,291</b>	<b>\$ -</b>	<b>\$ 3,975</b>	<b>\$ 1,925</b>	<b>\$ 66,989</b>

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

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008  
 (Continued)

	Gifted and Talented	High Ability Grant	LEP Program Title III	Technology Fund	Comprehensive School Reform 2006-07	Comprehensive School Reform 2007-08
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ 8,082	\$ -	\$ -
State sources	-	43,647	10,637	-	-	-
Federal sources	-	-	-	-	-	276,700
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>43,647</b>	<b>10,637</b>	<b>8,082</b>	<b>-</b>	<b>276,700</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	4,717	24,760	466	-	25,069	-
Support services	-	3,000	1,471	6,804	14,944	276,700
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>4,717</b>	<b>27,760</b>	<b>1,937</b>	<b>6,804</b>	<b>40,013</b>	<b>276,700</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(4,717)</b>	<b>15,887</b>	<b>8,700</b>	<b>1,278</b>	<b>(40,013)</b>	<b>-</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(4,717)</b>	<b>15,887</b>	<b>8,700</b>	<b>1,278</b>	<b>(40,013)</b>	<b>-</b>
<b>Cash and investments - beginning</b>	<b>4,717</b>	<b>-</b>	<b>889</b>	<b>27,372</b>	<b>40,013</b>	<b>-</b>
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ 15,887</b>	<b>\$ 9,589</b>	<b>\$ 28,650</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ 15,887	\$ 9,589	\$ 28,650	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 15,887</b>	<b>\$ 9,589</b>	<b>\$ 28,650</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	15,887	9,589	28,650	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 15,887</b>	<b>\$ 9,589</b>	<b>\$ 28,650</b>	<b>\$ -</b>	<b>\$ -</b>

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

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008  
 (Continued)

	Title I Improvement 2006-07	Title I Improvement 2007-08	Title I 2006-07	Title I 2007-08	Title V 2005-06	Title V 2006-07
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	6,559	45,652	30,600	427,003	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<u>6,559</u>	<u>45,652</u>	<u>30,600</u>	<u>427,003</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	6,963	-	25,552	266,754	-	-
Support services	5,452	-	15,087	125,673	3,582	3,819
Community services	-	-	-	4,230	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<u>12,415</u>	<u>-</u>	<u>40,639</u>	<u>396,657</u>	<u>3,582</u>	<u>3,819</u>
Excess (deficiency) of receipts over disbursements	<u>(5,856)</u>	<u>45,652</u>	<u>(10,039)</u>	<u>30,346</u>	<u>(3,582)</u>	<u>(3,819)</u>
Other financing sources (uses):						
Transfers in	-	-	-	18,488	-	-
Transfers out	-	-	(18,488)	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(18,488)</u>	<u>18,488</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(5,856)</u>	<u>45,652</u>	<u>(28,527)</u>	<u>48,834</u>	<u>(3,582)</u>	<u>(3,819)</u>
Cash and investments - beginning	<u>5,856</u>	<u>-</u>	<u>28,527</u>	<u>-</u>	<u>3,582</u>	<u>6,389</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 45,652</u>	<u>\$ -</u>	<u>\$ 48,834</u>	<u>\$ -</u>	<u>\$ 2,570</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 45,652	\$ -	\$ 48,834	\$ -	\$ 2,570
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ 45,652</u>	<u>\$ -</u>	<u>\$ 48,834</u>	<u>\$ -</u>	<u>\$ 2,570</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	45,652	-	48,834	-	2,570
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ 45,652</u>	<u>\$ -</u>	<u>\$ 48,834</u>	<u>\$ -</u>	<u>\$ 2,570</u>

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

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008  
 (Continued)

	Camp Learn and Serve	Title IV 2006-07	Title IV 2005-06	Title IV 2007-08	Title II, Part A 2006-07	Title II, Part A 2007-08
<b>Receipts:</b>						
Local sources	\$ 700	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	-	4,900	36,159	76,000
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>700</b>	<b>-</b>	<b>-</b>	<b>4,900</b>	<b>36,159</b>	<b>76,000</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	-	-
Support services	-	7,681	1,829	2,815	95,053	6,834
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>7,681</b>	<b>1,829</b>	<b>2,815</b>	<b>95,053</b>	<b>6,834</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>700</b>	<b>(7,681)</b>	<b>(1,829)</b>	<b>2,085</b>	<b>(58,894)</b>	<b>69,166</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>700</b>	<b>(7,681)</b>	<b>(1,829)</b>	<b>2,085</b>	<b>(58,894)</b>	<b>69,166</b>
Cash and investments - beginning	-	7,681	1,829	-	67,970	-
Cash and investments - ending	\$ 700	\$ -	\$ -	\$ 2,085	\$ 9,076	\$ 69,166
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 700	\$ -	\$ -	\$ 2,085	\$ 9,076	\$ 69,166
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 700</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,085</b>	<b>\$ 9,076</b>	<b>\$ 69,166</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	700	-	-	2,085	9,076	69,166
<b>Total cash and investment fund balance - ending</b>	<b>\$ 700</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,085</b>	<b>\$ 9,076</b>	<b>\$ 69,166</b>

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

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008  
 (Continued)

	Project Lead the Way	21st Century Community Learning Centers 2007-08	21st Century Community Learning Centers 2008-09	Cops Grant	School Pension Debt Service	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 1,201,450	\$ 2,461,557
State sources	7,000	-	-	-	-	449,809
Federal sources	-	270,000	19,300	29,816	-	1,795,158
Sale of property, adjustments and refunds	-	-	-	-	-	4,416
<b>Total receipts</b>	<b>7,000</b>	<b>270,000</b>	<b>19,300</b>	<b>29,816</b>	<b>1,201,450</b>	<b>4,710,940</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	7,000	197,603	-	-	-	1,037,784
Support services	-	29,132	26	13,924	-	2,415,494
Community services	-	-	-	-	-	7,592
Nonprogrammed charges	-	-	-	-	-	16,549
Debt services	-	-	-	-	1,376,260	1,376,260
<b>Total disbursements</b>	<b>7,000</b>	<b>226,735</b>	<b>26</b>	<b>13,924</b>	<b>1,376,260</b>	<b>4,853,679</b>
Excess (deficiency) of receipts over disbursements	-	43,265	19,274	15,892	(174,810)	(142,739)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	93,488
Transfers out	-	-	-	-	-	(31,052)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,436</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	43,265	19,274	15,892	(174,810)	(80,303)
Cash and investments - beginning	-	11,020	-	-	45,630	1,038,493
Cash and investments - ending	<u>\$ -</u>	<u>\$ 54,285</u>	<u>\$ 19,274</u>	<u>\$ 15,892</u>	<u>\$ (129,180)</u>	<u>\$ 958,190</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ 54,285	\$ 19,274	\$ 15,892	\$ -	\$ 1,087,370
Restricted assets:						
Cash and investments	-	-	-	-	(129,180)	(129,180)
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ 54,285</u>	<u>\$ 19,274</u>	<u>\$ 15,892</u>	<u>\$ (129,180)</u>	<u>\$ 958,190</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	(129,180)	(129,180)
Unrestricted	-	54,285	19,274	15,892	-	1,087,370
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ 54,285</u>	<u>\$ 19,274</u>	<u>\$ 15,892</u>	<u>\$ (129,180)</u>	<u>\$ 958,190</u>

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

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PENSION TRUST FUNDS  
 For the Year Ended June 30, 2007

	Retirement/ Severance Bond	Post-Retirement/ Severance Future Benefit	Totals
Additions:			
Contributions:			
Employer	\$ -	\$ 16,700	\$ 16,700
Investment earnings:			
Interest	183,004	-	183,004
Total additions	183,004	16,700	199,704
Deductions:			
Benefits	307,412	-	307,412
Excess (deficiency) of total additions over total deductions	(124,408)	16,700	(107,708)
Cash and investment fund balance - beginning	4,220,374	-	4,220,374
Cash and investment fund balance - ending	\$ 4,095,966	\$ 16,700	\$ 4,112,666
Net assets:			
Cash and investments	\$ 4,095,966	\$ 16,700	\$ 4,112,666
Total net assets - cash and investment basis held in trust	\$ 4,095,966	\$ 16,700	\$ 4,112,666

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PENSION TRUST FUNDS  
 For the Year Ended June 30, 2008

	Retirement/ Severance Bond	Post-Retirement/ Severance Future Benefit	Totals
Additions:			
Contributions:			
Employer	\$ -	\$ 6,205	\$ 6,205
Investment earnings:			
Interest	218,229	-	218,229
Total additions	218,229	6,205	224,434
Deductions:			
Benefits	563,666	-	563,666
Excess (deficiency) of total additions over total deductions	(345,437)	6,205	(339,232)
Cash and investment fund balance - beginning	4,095,966	16,700	4,112,666
Cash and investment fund balance - ending	\$ 3,750,529	\$ 22,905	\$ 3,773,434
Net assets:			
Cash and investments	\$ 3,750,529	\$ 22,905	\$ 3,773,434
Total net assets - cash and investment basis held in trust	\$ 3,750,529	\$ 22,905	\$ 3,773,434

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2007

	Payroll	Prepaid Food	Totals
Cash and investment fund balances - ending	\$ -	\$ 38,579	\$ 38,579
	\$ -	\$ 38,579	\$ 38,579

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 COMBINING SCHEDULE OF CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2008

	Payroll	Prepaid Food	Totals
Cash and investment fund balances - ending	\$ -	\$ 46,181	\$ 46,181

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

For The Year Ended June 30, 2008

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>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 533,500
Buildings	35,688,977
Improvements other than buildings	3,977,079
Machinery and equipment	<u>7,706,381</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 47,905,937</u>

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2008

The School has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
DeKalb High School and Country Meadow Elementary School	\$ 7,800,000	\$ 1,169,825
DeKalb Middle School and Waterloo Elementary School	2,445,000	1,686,653
DeKalb High School Renovations	17,020,000	1,202,300
Computers 102094000004	5,793	5,927
Computers 102094000005	9,108	9,317
Computers 102094000006	112,047	95,227
Computers 102094000007	13,622	7,416
Computers 102094000008	191,228	96,078
Guaranteed energy savings contract	81,413	83,611
Bonds payable:		
General obligation bonds:		
Pension Bonds of 2004	5,020,000	1,373,775
Total governmental activities debt	<u>\$ 32,698,211</u>	<u>\$ 5,730,128</u>

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
AUDIT RESULT AND COMMENT

OVERDRAWN CASH BALANCES

The cash balances of the School Bus Replacement Fund, Extra-Curricular Account Balance Fund, School Pension Debt Service Fund, and Alternative Education Fund were overdrawn during the audit period. A similar comment appeared in prior Report B29497.

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)

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE DEKALB COUNTY CENTRAL  
UNITED SCHOOL DISTRICT, DEKALB COUNTY, INDIANA

Compliance

We have audited the compliance of the DeKalb County Central United School District (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2007 and 2008. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2007 and 2008.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(Continued)

expressing our opinion on compliance, 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 control deficiency in a School Corporation's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

This report is intended solely for the information and use of the School Corporation's management, the School Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

March 5, 2009

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2007 and 2008

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 06-30-07	Total Federal Awards Expended 06-30-08
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 56,687	\$ 64,844
National School Lunch Program	10.555		<u>532,023</u>	<u>588,738</u>
Total for federal grantor agency			<u>588,710</u>	<u>653,582</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>				
Pass-Through DeKalb County				
Public Safety Partnership and Community Policing Grants	16.710	2006-CKWX	-	<u>13,924</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Pass-Through Indiana Department of Education				
Title I Grants to Local Educational Agencies	84.010			
Basic Grant		06-1835	55,913	-
		07-0835	315,983	40,639
		08-1835	-	396,657
Improvement Grant		FY 06-07	<u>703</u>	<u>12,415</u>
Total for program			<u>372,599</u>	<u>449,711</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186			
		04-059	9,553	-
		05-118	8,253	1,829
		06-1835	5,000	7,681
		07-1835	-	<u>2,815</u>
Total for program			<u>22,806</u>	<u>12,325</u>
Twenty-First Century Community Learning Centers	84.287			
		FY 07-08	13,379	226,735
		FY 08-09	-	<u>26</u>
Total for program			<u>13,379</u>	<u>226,761</u>
State Grants for Innovative Programs	84.298			
		04-174	4,515	-
		05-143	9,772	3,582
		06-1835	<u>180</u>	<u>3,819</u>
Total for program			<u>14,467</u>	<u>7,401</u>
Education Technology State Grants	84.318			
		FY 04-05	386	-
		FY 05-06	<u>1,049</u>	-
Total for program			<u>1,435</u>	-
Comprehensive School Reform Demonstration	84.332			
		FY 05-06	73,516	-
		FY 06-07	283,056	40,013
		FY 07-08	-	<u>276,700</u>
Total for program			<u>356,572</u>	<u>316,713</u>
Improving Teacher Quality State Grants	84.367			
		05-093	107,885	-
		06-1835	8,030	95,053
		07-1835	-	<u>6,834</u>
Total for program			<u>115,915</u>	<u>101,887</u>
Total for federal grantor agency			<u>897,173</u>	<u>1,114,798</u>
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>				
Pass-Through Indiana Department of Education				
Learn and Serve America - School and Community Based Programs	94.004			
		FY 05-06	<u>3,637</u>	-
Total federal awards expended			<u>\$ 1,489,520</u>	<u>\$ 1,782,304</u>

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

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the DeKalb County Central United School District (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 the 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.

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2007 and 2008. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2007	2008
National School Lunch Program	10.555	\$ 103,956	\$ 64,101

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:  
 Material weaknesses identified? no  
 Significant deficiencies identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:  
 Material weaknesses identified? no  
 Significant deficiencies identified that are not considered to be material weaknesses? none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.332	Child Nutrition Cluster Comprehensive School Reform Demonstration

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on March 5, 2009, with Kenneth E. Fowble, Superintendent of Schools; Sherry L. Grate, Assistant Superintendent of Schools; Angela M. Lockwood, Treasurer; and Janell Gear, Deputy Treasurer. The officials concurred with our audit findings.