

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

GARRETT-KEYSER-BUTLER
COMMUNITY SCHOOL DISTRICT
DEKALB COUNTY, INDIANA

July 1, 2012 to June 30, 2014



FILED
02/11/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Business Manager/Treasurer	Pamela Good	07-01-12 to 06-30-15
Superintendent of Schools	Dennis Stockdale	07-01-12 to 06-30-15
President of the School Board	Jerry Weller Wayne Funk Chris Hoeffel Terry Yarde	07-01-12 to 12-31-12 01-01-13 to 12-31-13 01-01-14 to 12-31-14 01-01-15 to 12-31-15



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE GARRETT-KEYSER-BUTLER COMMUNITY
SCHOOL DISTRICT, DEKALB COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Garrett-Keyser-Butler Community School District (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2012 to June 30, 2014.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2012 to June 30, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.


Other Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 19, 2015, except for the Schedule of Expenditures of Federal Awards, as to which the date is January 20, 2016, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

May 19, 2015, except for the Schedule of Expenditures of Federal Awards, as to which the date is January 20, 2016



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

TO: THE OFFICIALS OF THE GARRETT-KEYSER-BUTLER COMMUNITY
SCHOOL DISTRICT, DEKALB COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Garrett-Keyser-Butler Community School District (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement, and have issued our report thereon dated May 19, 2015, except for the Schedule of Expenditures of Federal Awards, as to which the date is January 20, 2016, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

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


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

Compliance and Other Matters

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

May 19, 2015, except for the Schedule of Expenditures of Federal Awards, as to which the date is January 20, 2016

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2013 and 2014

	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
General	\$ 351,353	\$ 11,323,843	\$ 10,896,977	\$ (21,874)	\$ 756,345	\$ 11,504,607	\$ 11,390,463	\$ (70,000)	\$ 800,489
Debt Service	628,107	2,006,350	2,281,330	-	353,127	2,217,205	2,196,212	(136,083)	238,037
Retirement/Severance Bond Debt Service	6,182	127,123	133,305	-	-	-	-	-	-
Capital Projects	22,365	926,520	937,296	-	11,589	1,096,285	1,146,641	42,110	3,343
School Transportation	46,913	693,911	702,594	(37,492)	738	667,592	732,816	67,226	2,740
School Bus Replacement	(27,764)	236,014	255,195	-	(46,945)	167,051	82,519	8,399	45,986
Rainy Day	111,735	-	21,864	40,000	129,871	-	62,517	-	67,354
Post-Retirement/Severance Future Benefits	228,685	-	114,795	-	113,890	-	82,880	45,000	76,010
Construction	(134,710)	1,961	200,002	341,013	8,262	-	193,802	500	(185,040)
High School Construction Bonds	365,000	18,247	285,412	-	97,835	-	79,588	-	18,247
School Lunch	129,769	934,321	984,741	(2,508)	76,841	893,907	870,540	-	100,208
Textbook Rental	(56,188)	271,884	274,512	-	(58,816)	184,757	274,274	44,075	(104,258)
Levy Excess	-	25,727	-	-	25,727	-	-	(25,727)	-
Voc Adm 2011	39	38	68	-	9	-	9	-	-
Educational License Plates	330	188	104	-	414	168	500	-	82
Alternative Education	3,556	9,173	8,008	-	4,721	8,640	12,813	-	548
Safe Haven 2012-2013	-	10,000	10,000	-	-	-	-	-	-
Safe Haven 2013-2014	-	-	-	-	-	7,000	7,000	-	-
Early Intervention 2012-2013	-	9,653	9,653	-	-	-	-	-	-
Early Intervention 2013-2014	-	-	-	-	-	9,078	9,081	-	(3)
Miscellaneous Donations	(439)	11,160	4,510	-	6,211	1,421	2,209	-	5,423
Speech and Hearing Donation	208	200	66	-	342	-	342	-	-
Michelle James Memorial	8,622	291	309	-	8,604	177	87	-	8,694
Head Start Donations	5,285	37,780	28,802	-	14,263	42,005	26,928	-	29,340
Barbara Lehmann Memorial	-	5,388	480	-	4,908	-	-	-	4,908
Dekko Elementary Music Enhancement	52	-	-	-	52	-	-	-	52
Student Service	789	20	680	-	129	-	-	-	129
NEISIC Wellness 2010-2011	3,682	-	3,682	-	-	-	-	-	-
GKB Clinic	11,560	24,731	31,955	-	4,336	16,554	20,668	-	222
NEISIC Wellness 2011-2012	7,475	4,300	7,017	-	4,758	-	4,758	-	-
NEISIC Wellness 2012-2013	-	12,000	1,375	-	10,625	3,300	13,008	-	917
NEISIC Wellness 2013-2014	-	-	-	-	-	13,300	5,644	-	7,656
Herzer/Steris Unclaimed	8,653	191	-	-	8,844	67	-	-	8,911
Media Talbert Scholarship	8,365	81	250	-	8,196	80	-	-	8,276
Paul Bateman Scholarship	755	-	-	-	755	-	-	-	755
Top Ten Awards and Donations	3,840	3,900	3,500	-	4,240	5,050	8,682	-	608
Visual Arts Scholarship	2,491	11	-	-	2,502	18	-	-	2,520

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

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2013 and 2014
(Continued)

	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
Weilert Scholarship	38,516	358	1,250	-	37,624	234	500	-	37,358
Construction and Maintenance	3,105	1,621	956	-	3,770	3,593	771	-	6,592
Building Trades Gift Program	-	2,350	-	-	2,350	-	-	-	2,350
Talent Initiative	5,207	-	-	-	5,207	-	5,010	-	197
Secured Schools Safety	-	-	-	-	-	-	34,400	-	(34,400)
Telecommunications	355	-	-	-	355	-	-	-	355
Head Start Parent Group	-	1,795	1,125	-	670	750	44	-	1,376
Non English Speaking 2008-2009	2,824	-	2,291	-	533	-	533	-	-
Non English Speaking 2011-2012	269	-	269	-	-	-	-	-	-
Non English Speaking 2012-2013	-	3,017	3,017	-	-	-	-	-	-
Non English Speaking 2013-2014	-	-	-	-	-	3,472	3,279	-	193
School Technology	22,868	42,049	42,745	-	22,172	79,605	38,253	-	63,524
School Technology Computer Repair	2,248	32,794	84,407	50,000	635	42,825	66,127	25,000	2,333
High Ability Grant 2012-2013	-	31,008	25,903	-	5,105	-	5,105	-	-
High Ability Grant 2011-2012	2,186	-	2,186	-	-	-	-	-	-
Classroom Innovation Grant	(4,839)	104,835	121,188	-	(21,192)	86,854	72,042	-	(6,380)
Excess PTRC Distributions	17,672	-	17,672	-	-	-	-	-	-
High Ability Grant 2013-2014	-	-	-	-	-	31,180	27,596	-	3,584
Sale of Computers	-	15,820	-	-	15,820	44,120	59,290	-	650
Title I 2011-2012	(17,872)	56,503	38,631	-	-	-	-	-	-
Title I 2012-2013	-	141,501	159,308	-	(17,807)	58,183	40,376	-	-
Title I 2013-2014	-	-	-	-	-	145,993	162,545	-	(16,552)
Team Nutrition Training Grants	373	-	191	-	182	-	182	-	-
Head Start Lunch	3,747	74,607	80,860	-	(2,506)	55,250	36,615	-	16,129
Title II Part A 2012	(7,018)	31,808	25,500	-	(710)	10,883	10,173	-	-
Title II Part A 2011	-	329	329	-	-	-	-	-	-
Title II Part A 2013	-	-	-	-	-	18,476	26,139	-	(7,663)
Head Start 2012	-	544,100	544,100	-	-	-	-	-	-
Head Start 2013	-	436,144	436,299	-	(155)	535,053	534,898	-	-
Head Start 2014	-	-	-	-	-	447,824	448,081	-	(257)
Early Head Start 2012	-	260,292	260,292	-	-	-	-	-	-
Early Head Start 2013	-	237,932	237,932	-	-	295,991	295,991	-	-
Early Head Start 2014	-	-	-	-	-	194,121	194,195	-	(74)
Education Jobs	(239)	129,085	128,846	-	-	-	-	-	-
Payroll Withholdings	28,693	2,894,272	2,892,997	-	29,968	2,920,502	2,922,776	-	27,694
Totals	\$ 1,834,805	\$ 21,737,226	\$ 22,306,776	\$ 369,139	\$ 1,634,394	\$ 21,813,171	\$ 22,208,902	\$ 500	\$ 1,239,163

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

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The accompanying financial statement presents the financial information for the School Corporation.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community services activities, and other revenue from local sources.

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

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

State sources include distributions from the State of Indiana and are to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources include distributions from the federal government and are to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

F. Other Financing Sources and Uses

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The School Corporation may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRF plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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

C. Additional Pension Plans

The School Corporation also contributes to additional pension plans for a pension buy-out and a 401(a) plan unique to the School Corporation. Information regarding these plans may be obtained from the School Corporation.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of several grant fund disbursements not reimbursed as of June 30, 2014, lease payments due prior to property tax distribution, a disbursement for building trades home expended before sale, and Textbook Rental fund receipts not equaling disbursements.

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. *Holding Corporation*

The School Corporation has entered into five capital leases with Garrett-Keyser-Butler Middle School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years 2013 and 2014 totaled \$2,203,934 and \$2,199,044, respectively.

Note 9. *Other Postemployment Benefits*

The School Corporation provides health benefits to eligible retirees and their spouses. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's Office. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits	Construction
Cash and investments - beginning	\$ 351,353	\$ 628,107	\$ 6,182	\$ 22,365	\$ 46,913	\$ (27,764)	\$ 111,735	\$ 228,685	\$ (134,710)
Receipts:									
Local sources	32,591	2,006,350	127,123	920,787	693,026	236,014	-	-	-
Intermediate sources	6	-	-	-	-	-	-	-	-
State sources	11,262,750	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	28,496	-	-	5,733	885	-	-	-	1,961
Total receipts	11,323,843	2,006,350	127,123	926,520	693,911	236,014	-	-	1,961
Disbursements:									
Current:									
Instruction	7,150,937	-	-	-	-	-	-	96,247	-
Support services	3,210,685	-	-	671,778	702,594	255,195	21,864	18,548	-
Noninstructional services	175,827	-	-	-	-	-	-	-	-
Facilities acquisition and construction	359,528	-	-	265,518	-	-	-	-	200,002
Debt services	-	2,281,330	133,305	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	10,896,977	2,281,330	133,305	937,296	702,594	255,195	21,864	114,795	200,002
Excess (deficiency) of receipts over disbursements	426,866	(274,980)	(6,182)	(10,776)	(8,683)	(19,181)	(21,864)	(114,795)	(198,041)
Other financing sources (uses):									
Sale of capital assets	28,126	-	-	-	-	-	-	-	341,013
Transfers in	-	-	-	-	2,508	-	40,000	-	-
Transfers out	(50,000)	-	-	-	(40,000)	-	-	-	-
Total other financing sources (uses)	(21,874)	-	-	-	(37,492)	-	40,000	-	341,013
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	404,992	(274,980)	(6,182)	(10,776)	(46,175)	(19,181)	18,136	(114,795)	142,972
Cash and investments - ending	\$ 756,345	\$ 353,127	\$ -	\$ 11,589	\$ 738	\$ (46,945)	\$ 129,871	\$ 113,890	\$ 8,262

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	High School Construction Bonds	School Lunch	Textbook Rental	Levy Excess	Voc Adm 2011	Educational License Plates	Alternative Education	Safe Haven 2012-2013
Cash and investments - beginning	\$ 365,000	\$ 129,769	\$ (56,188)	\$ -	\$ 39	\$ 330	\$ 3,556	\$ -
Receipts:								
Local sources	-	349,227	203,087	25,727	38	-	-	-
Intermediate sources	-	-	-	-	-	188	-	-
State sources	-	9,684	68,620	-	-	-	9,173	10,000
Federal sources	-	575,410	-	-	-	-	-	-
Other	18,247	-	177	-	-	-	-	-
Total receipts	18,247	934,321	271,884	25,727	38	188	9,173	10,000
Disbursements:								
Current:								
Instruction	-	-	96,263	-	-	-	8,008	-
Support services	-	16,507	178,249	-	68	104	-	10,000
Noninstructional services	-	968,234	-	-	-	-	-	-
Facilities acquisition and construction	285,412	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	285,412	984,741	274,512	-	68	104	8,008	10,000
Excess (deficiency) of receipts over disbursements	(267,165)	(50,420)	(2,628)	25,727	(30)	84	1,165	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	(2,508)	-	-	-	-	-	-
Total other financing sources (uses)	-	(2,508)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(267,165)	(52,928)	(2,628)	25,727	(30)	84	1,165	-
Cash and investments - ending	\$ 97,835	\$ 76,841	\$ (58,816)	\$ 25,727	\$ 9	\$ 414	\$ 4,721	\$ -

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	Safe Haven 2013-2014	Early Intervention 2012-2013	Early Intervention 2013-2014	Miscellaneous Donations	Speech and Hearing Donation	Michelle James Memorial	Head Start Donations	Barbara Lehmann Memorial
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (439)	\$ 208	\$ 8,622	\$ 5,285	\$ -
Receipts:								
Local sources	-	183	-	11,160	200	291	29,944	5,388
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	9,470	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	7,836	-
Total receipts	-	9,653	-	11,160	200	291	37,780	5,388
Disbursements:								
Current:								
Instruction	-	9,653	-	85	66	309	12,192	-
Support services	-	-	-	1,432	-	-	16,610	480
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	2,993	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	9,653	-	4,510	66	309	28,802	480
Excess (deficiency) of receipts over disbursements	-	-	-	6,650	134	(18)	8,978	4,908
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	6,650	134	(18)	8,978	4,908
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 6,211	\$ 342	\$ 8,604	\$ 14,263	\$ 4,908

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Dekko Elementary Music Enhancement	Student Service	NEISIC Wellness 2010-2011	GKB Clinic	NEISIC Wellness 2011-2012	NEISIC Wellness 2012-2013	NEISIC Wellness 2013-2014	Herzer/ Steris Unclaimed
Cash and investments - beginning	\$ 52	\$ 789	\$ 3,682	\$ 11,560	\$ 7,475	\$ -	\$ -	\$ 8,653
Receipts:								
Local sources	-	20	-	24,731	4,300	12,000	-	191
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	20	-	24,731	4,300	12,000	-	191
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	680	3,682	31,955	7,017	1,375	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	680	3,682	31,955	7,017	1,375	-	-
Excess (deficiency) of receipts over disbursements	-	(660)	(3,682)	(7,224)	(2,717)	10,625	-	191
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(660)	(3,682)	(7,224)	(2,717)	10,625	-	191
Cash and investments - ending	\$ 52	\$ 129	\$ -	\$ 4,336	\$ 4,758	\$ 10,625	\$ -	\$ 8,844

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Media Talbert Scholarship	Paul Bateman Scholarship	Top Ten Awards and Donations	Visual Arts Scholarship	Weilert Scholarship	Construction and Maintenance	Building Trades Gift Program	Talent Initiative
Cash and investments - beginning	\$ 8,365	\$ 755	\$ 3,840	\$ 2,491	\$ 38,516	\$ 3,105	\$ -	\$ 5,207
Receipts:								
Local sources	81	-	3,900	11	358	1,621	2,350	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	81	-	3,900	11	358	1,621	2,350	-
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	956	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	250	-	3,500	-	1,250	-	-	-
Total disbursements	250	-	3,500	-	1,250	956	-	-
Excess (deficiency) of receipts over disbursements	(169)	-	400	11	(892)	665	2,350	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(169)	-	400	11	(892)	665	2,350	-
Cash and investments - ending	\$ 8,196	\$ 755	\$ 4,240	\$ 2,502	\$ 37,624	\$ 3,770	\$ 2,350	\$ 5,207

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Secured Schools Safety	Tele- communications	Head Start Parent Group	Non English Speaking 2008-2009	Non English Speaking 2011-2012	Non English Speaking 2012-2013	Non English Speaking 2013-2014	School Technology
Cash and investments - beginning	\$ -	\$ 355	\$ -	\$ 2,824	\$ 269	\$ -	\$ -	\$ 22,868
Receipts:								
Local sources	-	-	1,795	-	-	-	-	37,210
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	3,017	-	4,839
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	1,795	-	-	3,017	-	42,049
Disbursements:								
Current:								
Instruction	-	-	1,125	2,291	269	3,017	-	7,218
Support services	-	-	-	-	-	-	-	35,527
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	1,125	2,291	269	3,017	-	42,745
Excess (deficiency) of receipts over disbursements	-	-	670	(2,291)	(269)	-	-	(696)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	670	(2,291)	(269)	-	-	(696)
Cash and investments - ending	\$ -	\$ 355	\$ 670	\$ 533	\$ -	\$ -	\$ -	\$ 22,172

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	School Technology Computer Repair	High Ability Grant 2012-2013	High Ability Grant 2011-2012	Classroom Innovation Grant	Excess PTRC Distributions	High Ability Grant 2013-2014	Sale of Computers	Title I 2011-2012
Cash and investments - beginning	\$ 2,248	\$ -	\$ 2,186	\$ (4,839)	\$ 17,672	\$ -	\$ -	\$ (17,872)
Receipts:								
Local sources	32,794	-	-	954	-	-	15,820	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	31,008	-	103,881	-	-	-	-
Federal sources	-	-	-	-	-	-	-	56,503
Other	-	-	-	-	-	-	-	-
Total receipts	32,794	31,008	-	104,835	-	-	15,820	56,503
Disbursements:								
Current:								
Instruction	-	25,903	2,186	-	-	-	-	38,631
Support services	84,407	-	-	121,188	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	17,672	-	-	-
Total disbursements	84,407	25,903	2,186	121,188	17,672	-	-	38,631
Excess (deficiency) of receipts over disbursements	(51,613)	5,105	(2,186)	(16,353)	(17,672)	-	15,820	17,872
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	50,000	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	50,000	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,613)	5,105	(2,186)	(16,353)	(17,672)	-	15,820	17,872
Cash and investments - ending	\$ 635	\$ 5,105	\$ -	\$ (21,192)	\$ -	\$ -	\$ 15,820	\$ -

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Title I 2012-2013	Title I 2013-2014	Team Nutrition Training Grants	Head Start Lunch	Title II Part A 2012	Title II Part A 2011	Title II Part A 2013	Head Start 2012
Cash and investments - beginning	\$ -	\$ -	\$ 373	\$ 3,747	\$ (7,018)	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	141,501	-	-	74,607	31,808	329	-	544,033
Other	-	-	-	-	-	-	-	67
Total receipts	141,501	-	-	74,607	31,808	329	-	544,100
Disbursements:								
Current:								
Instruction	159,308	-	-	-	-	-	-	540,000
Support services	-	-	-	-	23,679	-	-	4,100
Noninstructional services	-	-	191	80,860	1,821	329	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	159,308	-	191	80,860	25,500	329	-	544,100
Excess (deficiency) of receipts over disbursements	(17,807)	-	(191)	(6,253)	6,308	-	-	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(17,807)	-	(191)	(6,253)	6,308	-	-	-
Cash and investments - ending	\$ (17,807)	\$ -	\$ 182	\$ (2,506)	\$ (710)	\$ -	\$ -	\$ -

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Head Start 2013	Head Start 2014	Early Head Start 2012	Early Head Start 2013	Early Head Start 2014	Education Jobs	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (239)	\$ 28,693	\$ 1,834,805
Receipts:								
Local sources	-	-	-	-	-	-	-	4,779,272
Intermediate sources	-	-	-	-	-	-	-	194
State sources	-	-	-	-	-	-	-	11,512,442
Federal sources	436,144	-	260,222	237,932	-	129,085	-	2,487,574
Other	-	-	70	-	-	-	2,894,272	2,957,744
Total receipts	436,144	-	260,292	237,932	-	129,085	2,894,272	21,737,226
Disbursements:								
Current:								
Instruction	436,299	-	259,065	237,932	-	128,846	-	9,215,850
Support services	-	-	1,227	-	-	-	-	5,419,907
Noninstructional services	-	-	-	-	-	-	-	1,227,262
Facilities acquisition and construction	-	-	-	-	-	-	-	1,113,453
Debt services	-	-	-	-	-	-	-	2,414,635
Nonprogrammed charges	-	-	-	-	-	-	2,892,997	2,915,669
Total disbursements	436,299	-	260,292	237,932	-	128,846	2,892,997	22,306,776
Excess (deficiency) of receipts over disbursements	(155)	-	-	-	-	239	1,275	(569,550)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	369,139
Transfers in	-	-	-	-	-	-	-	92,508
Transfers out	-	-	-	-	-	-	-	(92,508)
Total other financing sources (uses)	-	-	-	-	-	-	-	369,139
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(155)	-	-	-	-	239	1,275	(200,411)
Cash and investments - ending	\$ (155)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,968	\$ 1,634,394

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2014

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits	Construction
Cash and investments - beginning	\$ 756,345	\$ 353,127	\$ -	\$ 11,589	\$ 738	\$ (46,945)	\$ 129,871	\$ 113,890	\$ 8,262
Receipts:									
Local sources	34,471	2,217,205	-	828,577	665,570	167,051	-	-	-
Intermediate sources	14	-	-	-	-	-	-	-	-
State sources	11,344,410	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	100,000	-	-	200,000	-	-	-	-	-
Other	25,712	-	-	67,708	2,022	-	-	-	-
Total receipts	11,504,607	2,217,205	-	1,096,285	667,592	167,051	-	-	-
Disbursements:									
Current:									
Instruction	7,299,205	-	-	-	-	-	-	64,112	-
Support services	3,588,245	-	-	459,665	732,816	82,519	57,517	18,768	-
Noninstructional services	177,951	-	-	-	-	-	-	-	-
Facilities acquisition and construction	225,062	-	-	486,976	-	-	-	-	193,802
Debt services	100,000	2,196,212	-	200,000	-	-	5,000	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	11,390,463	2,196,212	-	1,146,641	732,816	82,519	62,517	82,880	193,802
Excess (deficiency) of receipts over disbursements	114,144	20,993	-	(50,356)	(65,224)	84,532	(62,517)	(82,880)	(193,802)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	500
Transfers in	-	80	-	42,110	67,226	8,399	-	45,000	-
Transfers out	(70,000)	(136,163)	-	-	-	-	-	-	-
Total other financing sources (uses)	(70,000)	(136,083)	-	42,110	67,226	8,399	-	45,000	500
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	44,144	(115,090)	-	(8,246)	2,002	92,931	(62,517)	(37,880)	(193,302)
Cash and investments - ending	\$ 800,489	\$ 238,037	\$ -	\$ 3,343	\$ 2,740	\$ 45,986	\$ 67,354	\$ 76,010	\$ (185,040)

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	High School Construction Bonds	School Lunch	Textbook Rental	Levy Excess	Voc Adm 2011	Educational License Plates	Alternative Education	Safe Haven 2012-2013
Cash and investments - beginning	\$ 97,835	\$ 76,841	\$ (58,816)	\$ 25,727	\$ 9	\$ 414	\$ 4,721	\$ -
Receipts:								
Local sources	-	308,204	114,666	-	-	-	-	-
Intermediate sources	-	-	-	-	-	168	-	-
State sources	-	10,427	70,091	-	-	-	8,640	-
Federal sources	-	575,276	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	893,907	184,757	-	-	168	8,640	-
Disbursements:								
Current:								
Instruction	-	-	84,430	-	-	-	12,813	-
Support services	-	-	189,844	-	-	500	-	-
Noninstructional services	-	870,540	-	-	-	-	-	-
Facilities acquisition and construction	79,588	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	9	-	-	-
Total disbursements	79,588	870,540	274,274	-	9	500	12,813	-
Excess (deficiency) of receipts over disbursements	(79,588)	23,367	(89,517)	-	(9)	(332)	(4,173)	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	44,075	-	-	-	-	-
Transfers out	-	-	-	(25,727)	-	-	-	-
Total other financing sources (uses)	-	-	44,075	(25,727)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(79,588)	23,367	(45,442)	(25,727)	(9)	(332)	(4,173)	-
Cash and investments - ending	\$ 18,247	\$ 100,208	\$ (104,258)	\$ -	\$ -	\$ 82	\$ 548	\$ -

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Safe Haven 2013-2014	Early Intervention 2012-2013	Early Intervention 2013-2014	Miscellaneous Donations	Speech and Hearing Donation	Michelle James Memorial	Head Start Donations	Barbara Lehmann Memorial
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 6,211	\$ 342	\$ 8,604	\$ 14,263	\$ 4,908
Receipts:								
Local sources	-	-	-	1,421	-	177	28,833	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	7,000	-	9,078	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	13,172	-
Total receipts	7,000	-	9,078	1,421	-	177	42,005	-
Disbursements:								
Current:								
Instruction	-	-	9,081	767	342	87	-	-
Support services	7,000	-	-	1,275	-	-	26,928	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	167	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	7,000	-	9,081	2,209	342	87	26,928	-
Excess (deficiency) of receipts over disbursements	-	-	(3)	(788)	(342)	90	15,077	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(3)	(788)	(342)	90	15,077	-
Cash and investments - ending	\$ -	\$ -	\$ (3)	\$ 5,423	\$ -	\$ 8,694	\$ 29,340	\$ 4,908

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Dekko Elementary Music Enhancement	Student Service	NEISIC Wellness 2010-2011	GKB Clinic	NEISIC Wellness 2011-2012	NEISIC Wellness 2012-2013	NEISIC Wellness 2013-2014	Herzer/ Steris Unclaimed
Cash and investments - beginning	\$ 52	\$ 129	\$ -	\$ 4,336	\$ 4,758	\$ 10,625	\$ -	\$ 8,844
Receipts:								
Local sources	-	-	-	16,554	-	3,300	13,300	67
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	-	16,554	-	3,300	13,300	67
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	-	20,668	60	2,703	5,644	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	4,698	10,305	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	20,668	4,758	13,008	5,644	-
Excess (deficiency) of receipts over disbursements	-	-	-	(4,114)	(4,758)	(9,708)	7,656	67
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(4,114)	(4,758)	(9,708)	7,656	67
Cash and investments - ending	\$ 52	\$ 129	\$ -	\$ 222	\$ -	\$ 917	\$ 7,656	\$ 8,911

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Media Talbert Scholarship	Paul Bateman Scholarship	Top Ten Awards and Donations	Visual Arts Scholarship	Weilert Scholarship	Construction and Maintenance	Building Trades Gift Program	Talent Initiative
Cash and investments - beginning	\$ 8,196	\$ 755	\$ 4,240	\$ 2,502	\$ 37,624	\$ 3,770	\$ 2,350	\$ 5,207
Receipts:								
Local sources	80	-	5,050	18	234	3,593	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	80	-	5,050	18	234	3,593	-	-
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	771	-	5,010
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	8,682	-	500	-	-	-
Total disbursements	-	-	8,682	-	500	771	-	5,010
Excess (deficiency) of receipts over disbursements	80	-	(3,632)	18	(266)	2,822	-	(5,010)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	80	-	(3,632)	18	(266)	2,822	-	(5,010)
Cash and investments - ending	\$ 8,276	\$ 755	\$ 608	\$ 2,520	\$ 37,358	\$ 6,592	\$ 2,350	\$ 197

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Secured Schools Safety	Tele- communications	Head Start Parent Group	Non English Speaking 2008-2009	Non English Speaking 2011-2012	Non English Speaking 2012-2013	Non English Speaking 2013-2014	School Technology
Cash and investments - beginning	\$ -	\$ 355	\$ 670	\$ 533	\$ -	\$ -	\$ -	\$ 22,172
Receipts:								
Local sources	-	-	750	-	-	-	-	74,769
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	3,472	4,836
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	750	-	-	-	3,472	79,605
Disbursements:								
Current:								
Instruction	-	-	44	533	-	-	3,279	13,993
Support services	-	-	-	-	-	-	-	24,260
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	34,400	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	34,400	-	44	533	-	-	3,279	38,253
Excess (deficiency) of receipts over disbursements	(34,400)	-	706	(533)	-	-	193	41,352
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(34,400)	-	706	(533)	-	-	193	41,352
Cash and investments - ending	\$ (34,400)	\$ 355	\$ 1,376	\$ -	\$ -	\$ -	\$ 193	\$ 63,524

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	School Technology Computer Repair	High Ability Grant 2012-2013	High Ability Grant 2011-2012	Classroom Innovation Grant	Excess PTRC Distributions	High Ability Grant 2013-2014	Sale of Computers	Title I 2011-2012
Cash and investments - beginning	\$ 635	\$ 5,105	\$ -	\$ (21,192)	\$ -	\$ -	\$ 15,820	\$ -
Receipts:								
Local sources	42,825	-	-	-	-	-	44,120	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	86,854	-	31,180	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	42,825	-	-	86,854	-	31,180	44,120	-
Disbursements:								
Current:								
Instruction	-	5,105	-	4,994	-	27,596	-	-
Support services	66,127	-	-	67,048	-	-	59,290	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	66,127	5,105	-	72,042	-	27,596	59,290	-
Excess (deficiency) of receipts over disbursements	(23,302)	(5,105)	-	14,812	-	3,584	(15,170)	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	25,000	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	25,000	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,698	(5,105)	-	14,812	-	3,584	(15,170)	-
Cash and investments - ending	\$ 2,333	\$ -	\$ -	\$ (6,380)	\$ -	\$ 3,584	\$ 650	\$ -

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Title I 2012-2013	Title I 2013-2014	Team Nutrition Training Grants	Head Start Lunch	Title II Part A 2012	Title II Part A 2011	Title II Part A 2013	Head Start 2012
Cash and investments - beginning	\$ (17,807)	\$ -	\$ 182	\$ (2,506)	\$ (710)	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	58,183	145,993	-	55,250	10,883	-	18,476	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	58,183	145,993	-	55,250	10,883	-	18,476	-
Disbursements:								
Current:								
Instruction	40,376	162,545	-	-	-	-	-	-
Support services	-	-	-	-	9,448	-	24,997	-
Noninstructional services	-	-	182	36,615	725	-	1,142	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	40,376	162,545	182	36,615	10,173	-	26,139	-
Excess (deficiency) of receipts over disbursements	17,807	(16,552)	(182)	18,635	710	-	(7,663)	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	17,807	(16,552)	(182)	18,635	710	-	(7,663)	-
Cash and investments - ending	\$ -	\$ (16,552)	\$ -	\$ 16,129	\$ -	\$ -	\$ (7,663)	\$ -

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Head Start 2013	Head Start 2014	Early Head Start 2012	Early Head Start 2013	Early Head Start 2014	Education Jobs	Payroll Withholdings	Totals
Cash and investments - beginning	\$ (155)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,968	\$ 1,634,394
Receipts:								
Local sources	-	-	-	-	-	-	-	4,570,835
Intermediate sources	-	-	-	-	-	-	-	182
State sources	-	-	-	-	-	-	-	11,575,988
Federal sources	535,053	447,824	-	295,957	194,121	-	-	2,337,016
Temporary loans	-	-	-	-	-	-	-	300,000
Other	-	-	-	34	-	-	2,920,502	3,029,150
Total receipts	535,053	447,824	-	295,991	194,121	-	2,920,502	21,813,171
Disbursements:								
Current:								
Instruction	528,913	448,081	-	290,006	194,195	-	-	9,190,497
Support services	5,985	-	-	5,985	-	-	-	5,463,073
Noninstructional services	-	-	-	-	-	-	-	1,087,155
Facilities acquisition and construction	-	-	-	-	-	-	-	1,034,998
Debt services	-	-	-	-	-	-	-	2,501,212
Nonprogrammed charges	-	-	-	-	-	-	2,922,776	2,931,967
Total disbursements	534,898	448,081	-	295,991	194,195	-	2,922,776	22,208,902
Excess (deficiency) of receipts over disbursements	155	(257)	-	-	(74)	-	(2,274)	(395,731)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	500
Transfers in	-	-	-	-	-	-	-	231,890
Transfers out	-	-	-	-	-	-	-	(231,890)
Total other financing sources (uses)	-	-	-	-	-	-	-	500
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	155	(257)	-	-	(74)	-	(2,274)	(395,231)
Cash and investments - ending	\$ -	\$ (257)	\$ -	\$ -	\$ (74)	\$ -	\$ 27,694	\$ 1,239,163

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 175,344</u>	<u>\$ 43,745</u>

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
SCHEDULE OF LEASES AND DEBT
December 31, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Garrett-Keyser-Butler MS Building Corporation	QSCB 2009	\$ 211,000	6/30/2010	12/31/2020
Garrett-Keyser-Butler MS Building Corporation	Garrett Middle School	1,263,000	7/15/2009	1/15/2020
Garrett-Keyser-Butler MS Building Corporation	Series 2014A JE Ober	50,000	6/30/2015	6/30/2030
Garrett-Keyser-Butler MS Building Corporation	Series 2014B HS	50,000	6/30/2015	6/30/2030
Garrett-Keyser-Butler MS Building Corporation	Build America Bonds HS	<u>707,000</u>	6/30/2011	12/31/2028
Total of annual lease payments		<u><u>\$ 2,281,000</u></u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Notes and loans payable	Computer Loan	\$ 321,203	\$ 133,202
Notes and loans payable	GESC 2012	167,258	48,349
Notes and loans payable	GESC 2009	508,602	103,362
Notes and loans payable	Computers GSB	15,737	16,074
Notes and loans payable	Computers Apples 2011	<u>240,233</u>	<u>247,875</u>
Totals		<u><u>\$ 1,253,033</u></u>	<u><u>\$ 548,862</u></u>

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GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CAPITAL ASSETS
December 31, 2014

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 687,637
Buildings	42,308,464
Improvements other than buildings	2,358,307
Machinery, equipment, and vehicles	<u>6,364,470</u>
Total capital assets	<u>\$ 51,718,878</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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STATE BOARD OF ACCOUNTS
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE**

TO: THE OFFICIALS OF THE GARRETT-KEYSER-BUTLER COMMUNITY
SCHOOL DISTRICT, DEKALB COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Garrett-Keyser-Butler Community School District's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2012 to June 30, 2014. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2012 to June 30, 2014.

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

Other Matters

This report replaces the previously issued Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance dated May 19, 2015. The Schedule of Expenditures of Federal Awards has been revised to correct a misstatement. This correction changed the determination of the major programs. The Special Education Cluster (IDEA) was also audited as a major program due to the change.

Report on Internal Control Over Compliance


Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001 and 2014-002 to be material weaknesses.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

May 19, 2015, except the Special Education Cluster (IDEA), as to which the date is January 20, 2016

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were prepared by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2013 and 2014

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	SL 12-13 SL 13-14	\$ 110,334 -	\$ - 98,722
Total - School Breakfast Program				110,334	98,722
National School Lunch Program	Indiana Department of Education	10.555	SL 12-13 SL 13-14	503,755 -	- 519,452
Total - National School Lunch Program				503,755	519,452
Summer Food Service Program for Children	Indiana Department of Education	10.559	SL 12-13 SL 13-14	29,199 -	- 19,013
Total - Summer Food Service Program for Children				29,199	19,013
Total - Child Nutrition Cluster				643,288	637,187
Child and Adult Care Food Program	Indiana Department of Education	10.558	2012-2013 2013-2014	74,606 -	- 55,250
Total - Child and Adult Care Food Program				74,606	55,250
Team Nutrition Grants	Indiana Department of Education	10.574	2011	191	182
Fresh Fruit and Vegetable Program	Indiana Department of Education	10.582	SL 13-14	-	5,861
Total - Department of Agriculture				718,085	698,480
<u>Department of Education</u>					
Title I, Part A Cluster	Indiana Department of Education				
Title I Grants to Local Educational Agencies		84.010	12-1820 13-1820 14-1820	56,503 141,501 -	- 58,183 145,993
Basic Grant					
Total - Title I, Part A Cluster				198,004	204,176

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

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2013 and 2014
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>Department of Education (continued)</u>					
Special Education Cluster (IDEA)					
Special Education - Grants to States	Indiana Department of Education	84.027			
			14212-046-PN01	155,476	-
			14213-046-PN01	287,217	170,285
			14214-046-PN01	-	298,124
			99914-046-TA01	-	4,491
				<u>442,693</u>	<u>472,900</u>
Total - Special Education - Grants to States					
Special Education - Preschool Grants	Indiana Department of Education	84.173			
			45713-046-PN01	16,862	-
			45714-046-PN01	-	15,783
				<u>16,862</u>	<u>15,783</u>
Total - Special Education - Preschool Grants					
Total - Special Education Cluster (IDEA)				<u>459,555</u>	<u>488,683</u>
Improving Teacher Quality State Grants	Indiana Department of Education	84.367			
			10-1820	329	-
			11-1820	27,668	10,883
			12-1820	-	18,476
				<u>27,997</u>	<u>29,359</u>
Total - Improving Teacher Quality State Grants					
Education Jobs Fund	Indiana Department of Education	84.410	FY12	129,085	-
Total - Department of Education				<u>814,641</u>	<u>722,218</u>
<u>Department of Health and Human Services</u>					
Head Start	Direct	93.600			
			5CH417747	804,255	-
			5CH417748	674,076	831,010
			5CH417749	-	641,945
				<u>1,478,331</u>	<u>1,472,955</u>
Total - Department of Health and Human Services					
Total federal awards expended				<u>\$ 3,011,057</u>	<u>\$ 2,893,653</u>

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

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the School Corporation and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2013 and 2014. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2013	2014
National School Lunch Program	10.555	\$ 67,878	\$ 67,771

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster
Title I, Part A Cluster
Special Education Cluster (IDEA)
Head Start Cluster

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

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

No matters are reportable.

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2014-001 - INTERNAL CONTROL OVER CHILD NUTRITION CLUSTER

Federal Agency: Department of Agriculture

Federal Program: National School Lunch Program, School Breakfast Program,
Summer Food Service Program for Children

CFDA Number: 10.553, 10.555, 10.559

Federal Award Number and Year (or Other Identifying Number): SL 12-13, SL 13-14

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and Reporting and Eligibility compliance requirements. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Eligibility

The School Corporation has not designed or implemented adequate policies or procedures to ensure the students' eligibility for free and reduced price lunches is properly determined in compliance with the program requirements. One person is solely responsible for determining the outcome of free and reduced lunch applications. An oversight or review process has not been established to ensure accurate eligibility determinations.

Reporting

The School Corporation has not designed or implemented adequate policies or procedures to ensure that required reports were accurately prepared. One employee was solely responsible for preparing and submitting the monthly reimbursement reports and the Annual Financial Report. There is no control in place to ensure that the submitted reports were accurate.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the programs. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

FINDING 2014-002 - INTERNAL CONTROL OVER HEAD START CLUSTER

Federal Agency: Department of Health and Human Services

Federal Program: Head Start

CFDA Number: 93.600

Federal Award Number and Year (or Other Identifying Number): 5CH417747, 5CH417748, 5CH417749
Direct Grant

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties such as an oversight or approval process, related to the grant agreement and the Cash Management and Reporting compliance requirements. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

The School Corporation has not designed or implemented adequate policies or procedures to ensure that the requests for reimbursement or required reports were accurately prepared. One person was responsible for preparing and submitting the requests and reports. There was no evidence of segregation of duties, such as an oversight or approval process.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

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AUDITEE PREPARED DOCUMENT

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

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT

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CORRECTIVE ACTION PLAN

FINDING 2014-001

Contact Person Responsible for Corrective Action: Pam Good
Contact Phone Number: 260-357-7004

Federal Agency: U.S. Department of Agriculture
Federal Program: National School Lunch Program, School Breakfast Program, Summer Food Service Program for Children
CFDA Number: 10.553, 10.555, 10.559
Federal Award Number and Year (or Other Identifying Number): SL 12-13 and SL 13-14
Pass-Through Entity: Indiana Department of Education

Description of Corrective Action Plan:

Free and Reduced Lunch Applications Eligibility: Garrett-Keyser-Butler CSD has two Food Service Co-Directors. To verify eligibility status of the free and reduced applications, the Food Service Co-Director (1) will review and approve/deny the submitted applications and initial and date. After this step is completed, the Food Service Co-Director (2) will also review and approve/deny the same applications to verify, and initial and date, upon agreement. Each application will contain two signatures and dates for verification purposes, thus integrating an internal control in the process.

Program Reporting: The Food Service Co-Director (1) will prepare the monthly sponsor claim for reimbursement of meals served. This information will be generated from the school lunch software, Meal Magic. The Food Service Co-Director (1) will date and initial the completed sponsor claim. The Food Service Co-Director (2) will review the totals between Meal Magic and the sponsor claim, and date and initial the verified sponsor claim.

The Business Manager will prepare the annual financial report from the data compiled in the financial software. This will be reviewed by the Food-Service Co-Director (2), who will initial and date prior to filing with the Indiana Department of Education.

Anticipated Completion Date: Immediately


Signature

Business Manager/Treasurer
Title

5/19/15
Date

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FINDING 2014-002

Contact Person Responsible for Corrective Action: Pam Good
Contact Phone Number: 260-357-7004

Federal Agency: Department of Health and Human Services
Federal Program: Head Start
CFDA Number: 93.600
Federal Award Number and Year (or Other Identifying Number): 5CH417747, 5CH417748,
5CH417749
Pass-Through Entity: Direct Grant

Description of Corrective Action Plan:

Federal Reimbursement Processing: The Business Manager will prepare the federal reimbursement using the information from the financial software. Detail of the expenditures, revenue, and fund balance will be used to determine the amount of the reimbursement. Upon completion of the Cash Request Form, the information will be submitted to the Head Start Director to initial and date upon verification. The approved form will be returned to the Business Manager to complete the request.

Anticipated Completion Date: Immediately



Signature

Business Manager/Treasurer
Title

5/19/15
Date

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OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the School Corporation. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.