

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

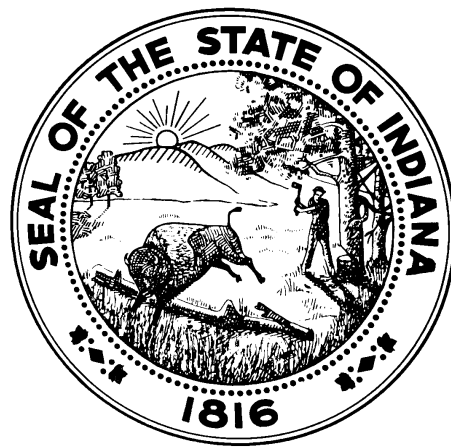
AUDIT REPORT

OF

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT

DEKALB COUNTY, INDIANA

July 1, 2006 to June 30, 2008



FILED

05/27/2009

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Monte S. Van Gessel Pamela S. Good	07-01-06 to 01-12-07 01-13-07 to 06-30-09
Superintendent of Schools	Alan C. Middleton Dennis L. Stockdale	07-01-06 to 12-31-07 01-01-08 to 06-30-09
President of the School Board	Jerry A. Weller	07-01-06 to 06-30-09



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

TO: THE OFFICIALS OF THE GARRETT-KEYSER-BUTLER
COMMUNITY 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 Garrett-Keyser-Butler Community 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 April 20, 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.

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

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 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

April 20, 2009



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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Garrett-Keyser-Butler Community 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 April 20, 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.

The School Corporation's response to the findings identified in our audit is described in the accompanying section of the report entitled Official Response and Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, 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

April 20, 2009

GARRETT-KEYSER-BUTLER COMMUNITY 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>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 10,449,581	\$ -	\$ 73,082	\$ (10,376,499)
Support services	6,470,377	413,792	371,442	(5,685,143)
Community services	155,225	-	-	(155,225)
Nonprogrammed charges	219,684	-	-	(219,684)
Debt service	<u>2,494,292</u>	<u>-</u>	<u>-</u>	<u>(2,494,292)</u>
Total government	<u>\$ 19,789,159</u>	<u>\$ 413,792</u>	<u>\$ 444,524</u>	<u>(18,930,843)</u>
General receipts:				
Property taxes				5,297,571
Other local sources				3,463,877
State aid				6,922,644
Bonds and loans				1,100,000
Grants and contributions not restricted to specific programs				2,252,294
Sale of property, adjustments, and refunds				97,596
Investment earnings				<u>48,806</u>
Total general receipts				<u>19,182,788</u>
Change in net assets				251,945
Net assets - beginning				<u>348,966</u>
Net assets - ending				<u>\$ 600,911</u>
<u>Assets</u>				
Cash and investments				\$ 596,893
Restricted assets:				
Cash and investments				<u>4,018</u>
Total assets				<u>\$ 600,911</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 4,018
Unrestricted				<u>596,893</u>
Total net assets				<u>\$ 600,911</u>

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

GARRETT-KEYSER-BUTLER COMMUNITY 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>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 10,683,372	\$ -	\$ 179,752	\$ (10,503,620)
Support services	7,601,254	399,253	398,880	(6,803,121)
Community services	199,289	-	-	(199,289)
Nonprogrammed charges	316,189	-	-	(316,189)
Debt service	3,894,230	-	-	(3,894,230)
Total government	\$ 22,694,334	\$ 399,253	\$ 578,632	(21,716,449)
General receipts:				
Property taxes				5,804,635
Other local sources				4,150,511
State aid				6,940,330
Bonds and loans				2,110,000
Grants and contributions not restricted to specific programs				2,119,734
Sale of property, adjustments, and refunds				375,599
Investment earnings				32,751
Total general receipts				21,533,560
Change in net assets				(182,889)
Net assets - beginning				600,911
Net assets - ending				\$ 418,022
<u>Assets</u>				
Cash and investments				\$ 567,900
Restricted assets:				
Cash and investments				(149,878)
Total assets				\$ 418,022
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ (149,878)
Unrestricted				567,900
Total net assets				\$ 418,022

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

GARRETT-KEYSER-BUTLER COMMUNITY 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	Special Education Preschool	ABE 2006-2007	Welding 2006-2007	2007 Voc ADM
Receipts:						
Local sources	\$ 3,140,793	\$ 580,789	\$ 8,034	\$ 46,628	\$ 252,333	\$ 414,525
Intermediate sources	134	-	-	-	-	-
State sources	6,852,767	-	66,562	-	-	-
Federal sources	6,750	-	-	324,670	-	-
Bonds and loans	535,000	185,000	-	-	-	-
Sale of property, adjustments and refunds	887	6,999	-	-	-	-
Total receipts	10,536,331	772,788	74,596	371,298	252,333	414,525
Disbursements:						
Current:						
Instruction	6,934,029	-	-	260,849	153,694	52,459
Support services	2,830,953	650,119	-	31,791	24,603	195,606
Community services	150,827	-	-	-	-	-
Nonprogrammed charges	210,105	-	8,037	-	-	-
Debt services	659,000	-	-	-	-	-
Total disbursements	10,784,914	650,119	8,037	292,640	178,297	248,065
Excess (deficiency) of receipts over disbursements	(248,583)	122,669	66,559	78,658	74,036	166,460
Other financing sources (uses):						
Transfers in	105,223	38,134	287	-	-	93,740
Transfers out	-	-	-	(17,298)	(1,000)	(114,283)
Total other financing sources (uses)	105,223	38,134	287	(17,298)	(1,000)	(20,543)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(143,360)	160,803	66,846	61,360	73,036	145,917
Cash and investments - beginning	(62,247)	(151,335)	103,483	-	-	-
Cash and investments - ending	\$ (205,607)	\$ 9,468	\$ 170,329	\$ 61,360	\$ 73,036	\$ 145,917
Cash and Investment Assets - Ending						
Cash and investments	\$ (205,607)	\$ 9,468	\$ 170,329	\$ 61,360	\$ 73,036	\$ 145,917
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (205,607)	\$ 9,468	\$ 170,329	\$ 61,360	\$ 73,036	\$ 145,917
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(205,607)	9,468	170,329	61,360	73,036	145,917
Total cash and investment fund balance - ending	\$ (205,607)	\$ 9,468	\$ 170,329	\$ 61,360	\$ 73,036	\$ 145,917

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

GARRETT-KEYSER-BUTLER COMMUNITY 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
(Continued)

	Vocational Capital Donations	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:						
Local sources	\$ 87,600	\$ 1,394,656	\$ 869,371	\$ 100,233	\$ 2,328,276	\$ 9,223,238
Intermediate sources	-	-	-	-	675	809
State sources	-	-	-	-	268,228	7,187,557
Federal sources	-	-	-	-	2,100,484	2,431,904
Bonds and loans	-	220,000	100,000	-	60,000	1,100,000
Sale of property, adjustments and refunds	-	-	267	68,240	21,203	97,596
Total receipts	87,600	1,614,656	969,638	168,473	4,778,866	20,041,104
Disbursements:						
Current:						
Instruction	-	-	-	-	3,048,550	10,449,581
Support services	-	-	940,020	106,326	1,690,959	6,470,377
Community services	-	-	-	-	4,398	155,225
Nonprogrammed charges	-	-	-	-	1,542	219,684
Debt services	-	1,648,712	-	-	186,580	2,494,292
Total disbursements	-	1,648,712	940,020	106,326	4,932,029	19,789,159
Excess (deficiency) of receipts over disbursements	87,600	(34,056)	29,618	62,147	(153,163)	251,945
Other financing sources (uses):						
Transfers in	-	56,278	23,628	2,143	397,276	716,709
Transfers out	(771)	(18,127)	-	-	(565,230)	(716,709)
Total other financing sources (uses)	(771)	38,151	23,628	2,143	(167,954)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	86,829	4,095	53,246	64,290	(321,117)	251,945
Cash and investments - beginning	843	344	(57,585)	(20,492)	535,955	348,966
Cash and investments - ending	\$ 87,672	\$ 4,439	\$ (4,339)	\$ 43,798	\$ 214,838	\$ 600,911
Cash and Investment Assets - Ending						
Cash and investments	\$ 87,672	\$ -	\$ (4,339)	\$ 43,798	\$ 215,259	\$ 596,893
Restricted assets:						
Cash and investments	-	4,439	-	-	(421)	4,018
Total cash and investment assets - ending	\$ 87,672	\$ 4,439	\$ (4,339)	\$ 43,798	\$ 214,838	\$ 600,911
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ 4,439	\$ -	\$ -	\$ (421)	\$ 4,018
Unrestricted	87,672	-	(4,339)	43,798	215,259	596,893
Total cash and investment fund balance - ending	\$ 87,672	\$ 4,439	\$ (4,339)	\$ 43,798	\$ 214,838	\$ 600,911

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

GARRETT-KEYSER-BUTLER COMMUNITY 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	Special Education Preschool	ABE 2006-2007	ABE 2007-2008	Cosmetology 2007-2008
Receipts:						
Local sources	\$ 3,297,337	\$ 603,392	\$ 8,974	\$ 561	\$ 34,829	\$ 172,356
Intermediate sources	134	-	-	-	-	-
State sources	6,961,321	-	47,623	-	-	-
Federal sources	-	-	-	-	214,807	-
Bonds and loans	1,360,000	200,000	-	-	-	-
Sale of property, adjustments and refunds	215,403	4,542	-	-	-	-
Total receipts	<u>11,834,195</u>	<u>807,934</u>	<u>56,597</u>	<u>561</u>	<u>249,636</u>	<u>172,356</u>
Disbursements:						
Current:						
Instruction	6,727,216	-	-	15,721	180,232	93,493
Support services	3,027,298	718,508	-	4,414	14,365	38,150
Community services	194,375	-	-	-	-	-
Nonprogrammed charges	285,613	-	30,326	-	-	-
Debt services	1,695,000	185,000	-	-	-	-
Total disbursements	<u>11,929,502</u>	<u>903,508</u>	<u>30,326</u>	<u>20,135</u>	<u>194,597</u>	<u>131,643</u>
Excess (deficiency) of receipts over disbursements	<u>(95,307)</u>	<u>(95,574)</u>	<u>26,271</u>	<u>(19,574)</u>	<u>55,039</u>	<u>40,713</u>
Other financing sources (uses):						
Transfers in	27,628	3,227	45	-	1,493	4,179
Transfers out	(9,000)	-	(11,615)	(41,786)	-	(3,225)
Total other financing sources (uses)	<u>18,628</u>	<u>3,227</u>	<u>(11,570)</u>	<u>(41,786)</u>	<u>1,493</u>	<u>954</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(76,679)</u>	<u>(92,347)</u>	<u>14,701</u>	<u>(61,360)</u>	<u>56,532</u>	<u>41,667</u>
Cash and investments - beginning	<u>(205,607)</u>	<u>9,468</u>	<u>170,329</u>	<u>61,360</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ (282,286)</u>	<u>\$ (82,879)</u>	<u>\$ 185,030</u>	<u>\$ -</u>	<u>\$ 56,532</u>	<u>\$ 41,667</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ (282,286)	\$ (82,879)	\$ 185,030	\$ -	\$ 56,532	\$ 41,667
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (282,286)</u>	<u>\$ (82,879)</u>	<u>\$ 185,030</u>	<u>\$ -</u>	<u>\$ 56,532</u>	<u>\$ 41,667</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(282,286)	(82,879)	185,030	-	56,532	41,667
Total cash and investment fund balance - ending	<u>\$ (282,286)</u>	<u>\$ (82,879)</u>	<u>\$ 185,030</u>	<u>\$ -</u>	<u>\$ 56,532</u>	<u>\$ 41,667</u>

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

GARRETT-KEYSER-BUTLER COMMUNITY 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
(Continued)

	Health Occupations 2007-2008	Construction Trades 2007-2008	Welding 2006-2007	Voc ADM 2008	2007 Voc ADM	Vocational Capital Donations
Receipts:						
Local sources	\$ 198,477	\$ 493,429	\$ 9,786	\$ 488,325	\$ 4,073	\$ 183,948
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	198,477	493,429	9,786	488,325	4,073	183,948
Disbursements:						
Current:						
Instruction	144,257	384,423	18,746	-	59,022	139,615
Support services	4,888	19,073	4,335	283,526	171,068	3,815
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	149,145	403,496	23,081	283,526	230,090	143,430
Excess (deficiency) of receipts over disbursements	49,332	89,933	(13,295)	204,799	(226,017)	40,518
Other financing sources (uses):						
Transfers in	-	-	-	122,112	87,412	-
Transfers out	(5,400)	(1,200)	(59,741)	(111,513)	-	-
Total other financing sources (uses)	(5,400)	(1,200)	(59,741)	10,599	87,412	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	43,932	88,733	(73,036)	215,398	(138,605)	40,518
Cash and investments - beginning	-	-	73,036	-	145,917	87,672
Cash and investments - ending	<u>\$ 43,932</u>	<u>\$ 88,733</u>	<u>\$ -</u>	<u>\$ 215,398</u>	<u>\$ 7,312</u>	<u>\$ 128,190</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 43,932	\$ 88,733	\$ -	\$ 215,398	\$ 7,312	\$ 128,190
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 43,932</u>	<u>\$ 88,733</u>	<u>\$ -</u>	<u>\$ 215,398</u>	<u>\$ 7,312</u>	<u>\$ 128,190</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	43,932	88,733	-	215,398	7,312	128,190
Total cash and investment fund balance - ending	<u>\$ 43,932</u>	<u>\$ 88,733</u>	<u>\$ -</u>	<u>\$ 215,398</u>	<u>\$ 7,312</u>	<u>\$ 128,190</u>

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

GARRETT-KEYSER-BUTLER COMMUNITY 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
(Continued)

	Technology Grant 2008	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:						
Local sources	\$ -	\$ 1,254,309	\$ 1,220,020	\$ 121,251	\$ 2,295,237	\$ 10,386,304
Intermediate sources	-	-	-	-	712	846
State sources	79,138	-	-	-	219,010	7,307,092
Federal sources	-	-	-	-	2,116,797	2,331,604
Bonds and loans	-	350,000	200,000	-	-	2,110,000
Sale of property, adjustments and refunds	-	-	4,928	9,500	141,226	375,599
Total receipts	79,138	1,604,309	1,424,948	130,751	4,772,982	22,511,445
Disbursements:						
Current:						
Instruction	-	-	-	-	2,920,647	10,683,372
Support services	-	-	1,412,770	228,214	1,670,830	7,601,254
Community services	-	-	-	-	4,914	199,289
Nonprogrammed charges	-	-	-	-	250	316,189
Debt services	-	1,653,775	100,000	-	260,455	3,894,230
Total disbursements	-	1,653,775	1,512,770	228,214	4,857,096	22,694,334
Excess (deficiency) of receipts over disbursements	79,138	(49,466)	(87,822)	(97,463)	(84,114)	(182,889)
Other financing sources (uses):						
Transfers in	-	7,788	4,799	556	343,218	602,457
Transfers out	-	(23,592)	-	-	(335,385)	(602,457)
Total other financing sources (uses)	-	(15,804)	4,799	556	7,833	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	79,138	(65,270)	(83,023)	(96,907)	(76,281)	(182,889)
Cash and investments - beginning	-	4,439	(4,339)	43,798	214,838	600,911
Cash and investments - ending	\$ 79,138	\$ (60,831)	\$ (87,362)	\$ (53,109)	\$ 138,557	\$ 418,022
Cash and Investment Assets - Ending						
Cash and investments	\$ 79,138	\$ -	\$ (87,362)	\$ (53,109)	\$ 227,604	\$ 567,900
Restricted assets:						
Cash and investments	-	(60,831)	-	-	(89,047)	(149,878)
Total cash and investment assets - ending	\$ 79,138	\$ (60,831)	\$ (87,362)	\$ (53,109)	\$ 138,557	\$ 418,022
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ (60,831)	\$ -	\$ -	\$ (89,047)	\$ (149,878)
Unrestricted	79,138	-	(87,362)	(53,109)	227,604	567,900
Total cash and investment fund balance - ending	\$ 79,138	\$ (60,831)	\$ (87,362)	\$ (53,109)	\$ 138,557	\$ 418,022

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

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
CASH AND INVESTMENT BALANCES
FIDUCIARY FUND
For the Year Ended June 30, 2007

	<u>Agency Fund</u>
<u>Assets</u>	
Cash and investments fund balance - ending	<u>\$ 23,333</u>

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

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
CASH AND INVESTMENT BALANCES
FIDUCIARY FUND
For the Year Ended June 30, 2008

	<u>Agency Fund</u>
<u>Assets</u>	
Cash and investments fund balance - ending	\$ <u>14,488</u>

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

GARRETT-KEYSER-BUTLER COMMUNITY 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: Garrett-Keyser-Butler Community 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 Ventures

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 an amount annually to supplement the Co-op. The Co-op's financial transactions are accounted for in several special revenue funds on the records of the School Corporation.

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 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 an amount annually to supplement the Co-op. Complete financial statements for the Co-op can be obtained from DeKalb Eastern Community School District, 300 East Washington Street, Butler, IN 46721.

Related Organizations

The School Corporation's officials are also responsible for appointing the members of the boards of other organizations, but the School Corporation's accountability for these organizations does not extend beyond making the appointments. The School Corporation appoints the board members of the Garrett Public Library.

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.

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

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. However, there are no business-type activities to report at this time.

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

The special education preschool fund accounts for receipts and disbursements for the operation of programs and services for special education preschool students.

The ABE 2006-2007, and ABE 2007-2008 funds account for receipts and disbursements for the operation of programs and services for the adult basic education students.

The Cosmetology 2007-2008 fund accounts for receipts and disbursements for the operation of the cosmetology program.

The Welding 2006-2007 fund accounts for receipts and disbursements for the operation of the welding program.

The 2007 Voc ADM and 2008 Voc ADM funds account for the receipt and disbursements for the vocational education administration.

The vocational capital donations fund accounts for receipts and disbursements of donations for special renovation or building projects for vocational education.

The Health Occupations 2007-2008 fund accounts for receipts and disbursements for the operation of the health occupations program.

The Construction Trades 2007-2008 fund accounts for receipts and disbursements for the operation of the construction trades program.

The Technology Grant 2008 fund accounts for receipts and disbursements for the purchase of technology equipment.

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

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 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 type:

Agency fund accounts for assets held by the School Corporation as an agent for payroll taxes and serve as control of accounts for certain cash transaction during the time they are a liability to the School Corporation.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental 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.

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

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.

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.

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

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.

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 not reported as reimbursements but as adjustments to disbursements in the respective funds.
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 statement 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

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

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.

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
General Fund	\$ 205,607	\$ 282,286
Transportation Operating	-	82,879
Debt Service	-	60,831
Capital Projects	4,339	87,362
School Bus Replacement	-	53,109
School Lunch	21,975	40,270
Textbook Rental	106,713	70,522
Vocational Program Carryover	-	52,250
Voc ADM 2006	887	-
Perkins 2007-2008	-	45,765
Vocational Building Maintenance	18,150	64,909
Vocational Transportation	3,828	-
Adult and Continuing Education	20,553	24
Retirement/Severance Debt Service	421	89,047
Building Trades House	170,318	33
Early Head Start 2008	-	225
Head Start Summer Lunch	-	144

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

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

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 does not have a deposit policy for custodial credit risk. At June 30, 2008, the School Corporation had deposit balances in the amount of \$425,115.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. As of June 30, 2008, the School Corporation had the following investments:

Investment Type	Primary Government Market Value
Corporate stock	\$ 7,395

Investment Policies

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 unit 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 fifty percent (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.

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

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 unit'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 District does not have a formal investment policy for custodial credit risk for investments. At June 30, 2008, the School District held investments in the amount of \$7,395.

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 District does not have a formal investment policy for interest rate risk for investments.

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 District does not have a formal investment policy for credit risk for investments.

<u>Standard and Poor's Rating</u>	<u>Moody's Rating</u>	<u>Corporate Stock</u>
Unknown	Unknown	<u>\$ 7,395</u>

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.

B. Interfund Transfers

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

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

Transfer From	Transfer To	2007	2008
General Fund	Other governmental funds	\$ -	\$ 9,000
Special Education Preschool	General Fund	-	11,615
ABE 2006-2007	ABE 2007-2008	-	1,493
	2007 Voc ADM	-	25,818
	Other governmental funds	17,298	14,475
Cosmetology 2007-2008	Voc ADM 2008	-	1,262
	2007 Voc ADM	-	1,263
	Other governmental funds	-	700
Health Occupations 2007-2008	Voc ADM 2008	-	1,450
	2007 Voc ADM	-	1,450
	Other governmental funds	-	2,500
Construction Trades 2007-2008	Other governmental funds	-	1,200
Welding 2006-2007	Other governmental funds	1,000	59,741
Voc ADM 2008	Other governmental funds	-	111,513
2007 Voc ADM	Other governmental funds	114,283	-
Vocational Capital Donations	Other governmental funds	771	-
Debt Service	Transportation Operating	18,127	-
	Other governmental funds	-	23,592
Other governmental funds	General Fund	105,223	16,013
	Transportation Operating	20,007	3,227
	Special Education Preschool	287	45
	Cosmetology 2007-2008	-	4,179
	Voc ADM 2008	-	119,400
	2007 Voc ADM	93,740	58,881
	Debt Service	56,278	7,788
	Capital Projects	23,628	4,799
	School Bus Replacement	2,143	556
	Other governmental funds	<u>263,924</u>	<u>120,497</u>
Totals		<u>\$ 716,709</u>	<u>\$ 602,457</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; 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.

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

B. Holding Corporation

The School Corporation has entered into a capital lease with Garrett-Keyser-Butler 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 ended June 30, 2007 and 2008, totaled \$1,368,060 and \$1,320,740, respectively.

C. Subsequent Events

April 16, 2009, the School Corporation refunded \$11,025,000 First Mortgage Refunding Bonds, Series 1998 and Series 1999 with \$11,405,000 First Mortgage Refunding Bonds, Series 2009. This new bond series will lower semiannual bond payments.

D. Pension Plans

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

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 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.

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

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 166,504
Interest on net pension obligation	(14,548)
Adjustment to annual required contribution	16,578
Annual pension cost	168,534
Contributions made	184,338
Decrease in net pension obligation	(15,804)
Net pension obligation, beginning of year	(200,660)
Net pension obligation, end of year	\$ (216,464)

	PERF
Contribution rates:	
School Corporation	6.75%
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

Actuarial Assumptions	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%

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 154,447	104%	\$ (205,838)
	06-30-07	174,673	97%	(200,660)
	06-30-08	168,534	109%	(216,464)

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.

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, 2008, 2007, and 2006, were \$255,580, \$215,942, and \$210,877, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

GARRETT-KEYSER-BUTLER COMMUNITY 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)
07-01-06	\$ 2,370,547	\$ 2,611,577	\$ (241,030)	91%	\$ 2,464,576	(10%)
07-01-07	2,550,718	2,634,169	(83,451)	97%	2,477,834	(3%)
07-01-08	2,510,668	2,638,759	(128,091)	95%	2,798,766	(5%)

GARRETT-KEYSER-BUTLER COMMUNITY 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

	School Lunch	Textbook Rental	Levy Excess	Autos 2006-2007	CAD 2006-2007	Vocational Program Carryover	Autos 2005-2006
Receipts:							
Local sources	\$ 319,562	\$ 95,812	\$ 33,478	\$ 190,602	\$ 88,172	\$ 83,424	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	10,757	14,470	-	-	-	-	-
Federal sources	280,853	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	450	-	-	-	-	20,753	-
Total receipts	611,622	110,282	33,478	190,602	88,172	104,177	-
Disbursements:							
Current:							
Instruction	-	127,602	-	115,932	54,900	146,522	16,688
Support services	665,963	-	-	37,458	10,595	254	6,343
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	665,963	127,602	-	153,390	65,495	146,776	23,031
Excess (deficiency) of receipts over disbursements	(54,341)	(17,320)	33,478	37,212	22,677	(42,599)	(23,031)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	157,143	274
Transfers out	-	-	(213,752)	(1,274)	(8,500)	-	(28,517)
Total other financing sources (uses)	-	-	(213,752)	(1,274)	(8,500)	157,143	(28,243)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(54,341)	(17,320)	(180,274)	35,938	14,177	114,544	(51,274)
Cash and investments - beginning	32,366	(89,393)	213,752	-	-	(74,892)	51,274
Cash and investments - ending	(21,975)	(106,713)	33,478	35,938	14,177	39,652	-
Cash and Investment Assets - Ending							
Cash and investments	\$ (21,975)	\$ (106,713)	\$ 33,478	\$ 35,938	\$ 14,177	\$ 39,652	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	(21,975)	(106,713)	33,478	35,938	14,177	39,652	-
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(21,975)	(106,713)	33,478	35,938	14,177	39,652	-
Total cash and investment fund balance - ending	(21,975)	(106,713)	33,478	35,938	14,177	39,652	-

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

GARRETT-KEYSER-BUTLER COMMUNITY 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)

	CAD Drafting 2005-2006	Criminal Justice 2005-2006	Cosmetology 2006-2007	Criminal Justice 2006-2007	Vocational Education	Health Occupations 2006-2007	Industrial Maintenance 2006-2007
Receipts:							
Local sources	\$ 6,470	\$ 5,343	\$ 167,382	\$ 102,202	\$ 21,627	\$ 183,135	\$ 52,512
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	6,470	5,343	167,382	102,202	21,627	183,135	52,512
Disbursements:							
Current:							
Instruction	7,626	11,826	95,562	55,156	18,562	129,741	22,967
Support services	481	207	32,643	2,752	-	3,950	17,671
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	8,107	12,033	128,205	57,908	18,562	133,691	40,638
Excess (deficiency) of receipts over disbursements	(1,637)	(6,690)	39,177	44,294	3,065	49,444	11,874
Other financing sources (uses):							
Transfers in	-	-	-	-	730	-	-
Transfers out	(12,099)	(28,412)	(1,000)	(1,000)	-	(1,730)	(500)
Total other financing sources (uses)	(12,099)	(28,412)	(1,000)	(1,000)	730	(1,730)	(500)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(13,736)	(35,102)	38,177	43,294	3,795	47,714	11,374
Cash and investments - beginning	13,736	35,102	-	-	2,488	-	-
Cash and investments - ending	\$ -	\$ -	\$ 38,177	\$ 43,294	\$ 6,283	\$ 47,714	\$ 11,374
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ 38,177	\$ 43,294	\$ 6,283	\$ 47,714	\$ 11,374
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 38,177	\$ 43,294	\$ 6,283	\$ 47,714	\$ 11,374
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	38,177	43,294	6,283	47,714	11,374
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 38,177	\$ 43,294	\$ 6,283	\$ 47,714	\$ 11,374

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

GARRETT-KEYSER-BUTLER COMMUNITY 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)

	Machine Trades 2006-2007	Marine Mechanics 2006-2007	GED/JAIL/ EW/LCC/COL	Machine Trades 2005-2006	Marine Mechanics 2005-2006	Welding 2005-2006	Office Supervision 2005-2006
Receipts:							
Local sources	\$ 116,474	\$ 122,374	\$ 23,909	\$ 25,143	\$ 14,959	\$ 5,063	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	116,474	122,374	23,909	25,143	14,959	5,063	-
Disbursements:							
Current:							
Instruction	68,174	90,456	20,473	11,257	10,079	24,644	-
Support services	17,725	28,521	5,366	1,733	5,934	3,886	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	85,899	118,977	25,839	12,990	16,013	28,530	-
Excess (deficiency) of receipts over disbursements	30,575	3,397	(1,930)	12,153	(1,054)	(23,467)	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(500)	(500)	-	(21,804)	(6,257)	(35,901)	(2,720)
Total other financing sources (uses)	(500)	(500)	-	(21,804)	(6,257)	(35,901)	(2,720)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	30,075	2,897	(1,930)	(9,651)	(7,311)	(59,368)	(2,720)
Cash and investments - beginning	-	-	5,935	9,651	7,311	59,368	2,720
Cash and investments - ending	\$ 30,075	\$ 2,897	\$ 4,005	\$ -	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 30,075	\$ 2,897	\$ 4,005	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 30,075	\$ 2,897	\$ 4,005	\$ -	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	30,075	2,897	4,005	-	-	-	-
Total cash and investment fund balance - ending	\$ 30,075	\$ 2,897	\$ 4,005	\$ -	\$ -	\$ -	\$ -

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

GARRETT-KEYSER-BUTLER COMMUNITY 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)

	Perkins 2005-2006	Voc ADM 2006	Office Supervision 2006-2007	Perkins 2006-2007	Education License Plate Fees	Early Intervention	Miscellaneous Donations
Receipts:							
Local sources	\$ -	\$ 94,109	\$ 28,306	\$ -	\$ -	\$ -	\$ 17,180
Intermediate sources	-	-	-	-	675	-	-
State sources	-	-	-	-	-	10,042	-
Federal sources	80,305	-	-	231,692	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	80,305	94,109	28,306	231,692	675	10,042	17,180
Disbursements:							
Current:							
Instruction	35,538	50,156	21,067	103,815	-	9,731	992
Support services	-	171,414	642	7,730	-	-	111
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	35,538	221,570	21,709	111,545	-	9,731	1,103
Excess (deficiency) of receipts over disbursements	44,767	(127,461)	6,597	120,147	675	311	16,077
Other financing sources (uses):							
Transfers in	11,421	46,521	-	33,333	-	-	-
Transfers out	(2,084)	-	(500)	(127,072)	-	-	-
Total other financing sources (uses)	9,337	46,521	(500)	(93,739)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	54,104	(80,940)	6,097	26,408	675	311	16,077
Cash and investments - beginning	(54,104)	80,053	-	-	489	-	263
Cash and investments - ending	\$ -	\$ (887)	\$ 6,097	\$ 26,408	\$ 1,164	\$ 311	\$ 16,340
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ (887)	\$ 6,097	\$ 26,408	\$ 1,164	\$ 311	\$ 16,340
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ (887)	\$ 6,097	\$ 26,408	\$ 1,164	\$ 311	\$ 16,340
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	(887)	6,097	26,408	1,164	311	16,340
Total cash and investment fund balance - ending	\$ -	\$ (887)	\$ 6,097	\$ 26,408	\$ 1,164	\$ 311	\$ 16,340

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

GARRETT-KEYSER-BUTLER COMMUNITY 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)

	Speech and Hearing Donation	Michelle James Memorial Reading	Head Start Donations	DEKKO/ K.A.R.E.	DEKKO/ Middle School Literacy	DEKKO/ Elementary Music Enhancement	Student Service
Receipts:							
Local sources	\$ -	\$ 245	\$ 35,818	\$ 5,000	\$ -	\$ 2,108	\$ 606
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	245	35,818	5,000	-	2,108	606
Disbursements:							
Current:							
Instruction	-	162	-	6,948	-	1,216	-
Support services	-	-	35,701	-	-	-	570
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	162	35,701	6,948	-	1,216	570
Excess (deficiency) of receipts over disbursements	-	83	117	(1,948)	-	892	36
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	369
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	369
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	83	117	(1,948)	-	892	405
Cash and investments - beginning	71	7,423	11,467	5,753	325	-	1,504
Cash and investments - ending	<u>\$ 71</u>	<u>\$ 7,506</u>	<u>\$ 11,584</u>	<u>\$ 3,805</u>	<u>\$ 325</u>	<u>\$ 892</u>	<u>\$ 1,909</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 71	\$ 7,506	\$ 11,584	\$ 3,805	\$ 325	\$ 892	\$ 1,909
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 71</u>	<u>\$ 7,506</u>	<u>\$ 11,584</u>	<u>\$ 3,805</u>	<u>\$ 325</u>	<u>\$ 892</u>	<u>\$ 1,909</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	71	7,506	11,584	3,805	325	892	1,909
Total cash and investment fund balance - ending	<u>\$ 71</u>	<u>\$ 7,506</u>	<u>\$ 11,584</u>	<u>\$ 3,805</u>	<u>\$ 325</u>	<u>\$ 892</u>	<u>\$ 1,909</u>

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

GARRETT-KEYSER-BUTLER COMMUNITY 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)

	Terraforma/ Summer Read 2007	Wal-Mart Summer Read 2007	Professional Development 2005-2006	Professional Development 2006-2007	Cape III/ Terra Firma	Scholarships and Awards	Media Talbert Scholarship
Receipts:							
Local sources	\$ 7,000	\$ 1,250	\$ -	\$ -	\$ -	\$ -	\$ 277
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	20,799	-	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	7,000	1,250	-	20,799	-	-	277
Disbursements:							
Current:							
Instruction	2,035	880	13,513	18,697	68,628	-	-
Support services	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	500	500
Debt services	-	-	-	-	-	-	-
Total disbursements	2,035	880	13,513	18,697	68,628	500	500
Excess (deficiency) of receipts over disbursements	4,965	370	(13,513)	2,102	(68,628)	(500)	(223)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,965	370	(13,513)	2,102	(68,628)	(500)	(223)
Cash and investments - beginning	-	-	13,513	-	92,882	500	8,824
Cash and investments - ending	<u>\$ 4,965</u>	<u>\$ 370</u>	<u>\$ -</u>	<u>\$ 2,102</u>	<u>\$ 24,254</u>	<u>\$ -</u>	<u>\$ 8,601</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 4,965	\$ 370	\$ -	\$ 2,102	\$ 24,254	\$ -	\$ 8,601
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 4,965	\$ 370	\$ -	\$ 2,102	\$ 24,254	\$ -	\$ 8,601
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	4,965	370	-	2,102	24,254	-	8,601
Total cash and investment fund balance - ending	\$ 4,965	\$ 370	\$ -	\$ 2,102	\$ 24,254	\$ -	\$ 8,601

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

GARRETT-KEYSER-BUTLER COMMUNITY 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)

	Paul Bateman Scholarship	Visual Arts Scholarship	Savings/ Retired Educators	Weilert Scholarship	Vocational Building Maintenance	Vocational Transportation	Indiana Coalition Quality Schools
Receipts:							
Local sources	\$ -	\$ 71	\$ -	\$ 1,424	\$ 19,205	\$ 519	\$ 1,575
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	71	-	1,424	19,205	519	1,575
Disbursements:							
Current:							
Instruction	-	-	-	-	9,047	200	-
Support services	-	-	-	-	156,410	10,021	93
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	475	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	475	-	165,457	10,221	93
Excess (deficiency) of receipts over disbursements	-	71	(475)	1,424	(146,252)	(9,702)	1,482
Other financing sources (uses):							
Transfers in	-	-	-	-	80,700	-	-
Transfers out	-	-	-	-	-	-	(369)
Total other financing sources (uses)	-	-	-	-	80,700	-	(369)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	71	(475)	1,424	(65,552)	(9,702)	1,113
Cash and investments - beginning	755	2,152	475	34,950	47,402	5,874	(1,113)
Cash and investments - ending	<u>\$ 755</u>	<u>\$ 2,223</u>	<u>\$ -</u>	<u>\$ 36,374</u>	<u>\$ (18,150)</u>	<u>\$ (3,828)</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 755	\$ 2,223	\$ -	\$ 36,374	\$ (18,150)	\$ (3,828)	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 755</u>	<u>\$ 2,223</u>	<u>\$ -</u>	<u>\$ 36,374</u>	<u>\$ (18,150)</u>	<u>\$ (3,828)</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	755	2,223	-	36,374	(18,150)	(3,828)	-
Total cash and investment fund balance - ending	<u>\$ 755</u>	<u>\$ 2,223</u>	<u>\$ -</u>	<u>\$ 36,374</u>	<u>\$ (18,150)</u>	<u>\$ (3,828)</u>	<u>\$ -</u>

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

GARRETT-KEYSER-BUTLER COMMUNITY 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)

	DEKKO Teaching Excellence	Education Technology Advance	Adult and Continuing Education	Tele- communications	Non English Speaking Grant	Gifted/Talented 2005-2006
Receipts:						
Local sources	\$ -	\$ -	\$ 34,082	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	90,000	108,631	-	352	-
Federal sources	-	-	-	-	464	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	90,000	142,713	-	816	-
Disbursements:						
Current:						
Instruction	2,748	-	120,624	-	869	10,361
Support services	-	90,000	24,192	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	2,748	90,000	144,816	-	869	10,361
Excess (deficiency) of receipts over disbursements	(2,748)	-	(2,103)	-	(53)	(10,361)
Other financing sources (uses):						
Transfers in	-	-	6,963	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	6,963	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,748)	-	4,860	-	(53)	(10,361)
Cash and investments - beginning	2,789	-	(25,413)	355	591	10,361
Cash and investments - ending	<u>\$ 41</u>	<u>\$ -</u>	<u>\$ (20,553)</u>	<u>\$ 355</u>	<u>\$ 538</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 41	\$ -	\$ (20,553)	\$ 355	\$ 538	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 41</u>	<u>\$ -</u>	<u>\$ (20,553)</u>	<u>\$ 355</u>	<u>\$ 538</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	41	-	(20,553)	355	538	-
Total cash and investment fund balance - ending	<u>\$ 41</u>	<u>\$ -</u>	<u>\$ (20,553)</u>	<u>\$ 355</u>	<u>\$ 538</u>	<u>\$ -</u>

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

GARRETT-KEYSER-BUTLER COMMUNITY 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)

	Gifted/Talented 2006-2007	Title I 2005-2006	Title I 2006-2007	Innovative Program Title V	2007 Title V Innovative Program	2006 Safe and Drug Free
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	13,177	-	-	-	-	-
Federal sources	-	9,000	66,236	-	2,957	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	13,177	9,000	66,236	-	2,957	-
Disbursements:						
Current:						
Instruction	4,254	9,390	66,101	-	-	-
Support services	-	-	-	705	2,788	4,366
Community services	-	699	-	366	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	4,254	10,089	66,101	1,071	2,788	4,366
Excess (deficiency) of receipts over disbursements	8,923	(1,089)	135	(1,071)	169	(4,366)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,923	(1,089)	135	(1,071)	169	(4,366)
Cash and investments - beginning	-	1,089	-	1,071	-	4,366
Cash and investments - ending	\$ 8,923	\$ -	\$ 135	\$ -	\$ 169	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 8,923	\$ -	\$ 135	\$ -	\$ 169	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 8,923	\$ -	\$ 135	\$ -	\$ 169	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	8,923	-	135	-	169	-
Total cash and investment fund balance - ending	\$ 8,923	\$ -	\$ 135	\$ -	\$ 169	\$ -

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

GARRETT-KEYSER-BUTLER COMMUNITY 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)

	2007 Safe and Drug Free	Head Start Lunch	Title II/Part A/ Teacher Quality	2006 Title II/ Part D Enhanced Education	Head Start 2006	Head Start 2007
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 35,556	\$ 20,819
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	4,232	58,611	55,034	-	508,015	484,100
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	4,232	58,611	55,034	-	543,571	504,919
Disbursements:						
Current:						
Instruction	-	-	-	-	544,345	501,690
Support services	3,993	51,277	43,732	2,305	-	-
Community services	-	-	3,263	70	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	3,993	51,277	46,995	2,375	544,345	501,690
Excess (deficiency) of receipts over disbursements	239	7,334	8,039	(2,375)	(774)	3,229
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	239	7,334	8,039	(2,375)	(774)	3,229
Cash and investments - beginning	-	13,907	37,874	2,420	774	-
Cash and investments - ending	\$ 239	\$ 21,241	\$ 45,913	\$ 45	\$ -	\$ 3,229
Cash and Investment Assets - Ending						
Cash and investments	\$ 239	\$ 21,241	\$ 45,913	\$ 45	\$ -	\$ 3,229
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 239	\$ 21,241	\$ 45,913	\$ 45	\$ -	\$ 3,229
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	239	21,241	45,913	45	-	3,229
Total cash and investment fund balance - ending	\$ 239	\$ 21,241	\$ 45,913	\$ 45	\$ -	\$ 3,229

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

GARRETT-KEYSER-BUTLER COMMUNITY 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)

	Early Head Start 2006	Early Head Start 2007	Retirement/ Severance Debt Service	Building Trades House	Vocational Building Purchase	Cosmetology 2005-2006
Receipts:						
Local sources	\$ 307	\$ -	\$ 181,529	\$ 92,071	\$ 52,888	\$ 15,738
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	182,319	136,666	-	-	-	-
Bonds and loans	-	-	60,000	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	<u>182,626</u>	<u>136,666</u>	<u>241,529</u>	<u>92,071</u>	<u>52,888</u>	<u>15,738</u>
Disbursements:						
Current:						
Instruction	182,629	136,666	-	-	-	30,266
Support services	-	-	-	129,727	100,000	4,612
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	186,580	-	-	-
Total disbursements	<u>182,629</u>	<u>136,666</u>	<u>186,580</u>	<u>129,727</u>	<u>100,000</u>	<u>34,878</u>
Excess (deficiency) of receipts over disbursements	<u>(3)</u>	<u>-</u>	<u>54,949</u>	<u>(37,656)</u>	<u>(47,112)</u>	<u>(19,140)</u>
Other financing sources (uses):						
Transfers in	-	-	6,186	-	33,333	-
Transfers out	-	-	-	-	-	(7,708)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>6,186</u>	<u>-</u>	<u>33,333</u>	<u>(7,708)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(3)</u>	<u>-</u>	<u>61,135</u>	<u>(37,656)</u>	<u>(13,779)</u>	<u>(26,848)</u>
Cash and investments - beginning	<u>3</u>	<u>-</u>	<u>(61,556)</u>	<u>(132,662)</u>	<u>19,118</u>	<u>26,848</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (421)</u>	<u>\$ (170,318)</u>	<u>\$ 5,339</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ (170,318)	\$ 5,339	\$ -
Restricted assets:						
Cash and investments	-	-	(421)	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (421)</u>	<u>\$ (170,318)</u>	<u>\$ 5,339</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ (421)	\$ -	\$ -	\$ -
Unrestricted	-	-	-	(170,318)	5,339	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (421)</u>	<u>\$ (170,318)</u>	<u>\$ 5,339</u>	<u>\$ -</u>

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

GARRETT-KEYSER-BUTLER COMMUNITY 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)

	HOE/DHC 2005-2006	Ind. Maintenance 2005-2006	ABE 2005-2006	Voc ADM 2005	Herzer Donation	Totals
Receipts:						
Local sources	\$ 6,927	\$ 13,231	\$ 2,792	\$ -	\$ -	\$ 2,328,276
Intermediate sources	-	-	-	-	-	675
State sources	-	-	-	-	-	268,228
Federal sources	-	-	-	-	-	2,100,484
Bonds and loans	-	-	-	-	-	60,000
Sale of property, adjustments and refunds	-	-	-	-	-	21,203
Total receipts	6,927	13,231	2,792	-	-	4,778,866
Disbursements:						
Current:						
Instruction	29,352	2,979	35,234	250	-	3,048,550
Support services	975	2,132	5,981	-	-	1,690,959
Community services	-	-	-	-	-	4,398
Nonprogrammed charges	-	-	-	-	67	1,542
Debt services	-	-	-	-	-	186,580
Total disbursements	30,327	5,111	41,215	250	67	4,932,029
Excess (deficiency) of receipts over disbursements	(23,400)	8,120	(38,423)	(250)	(67)	(153,163)
Other financing sources (uses):						
Transfers in	2,755	-	17,298	250	-	397,276
Transfers out	(16,900)	(2,731)	(43,400)	-	-	(565,230)
Total other financing sources (uses)	(14,145)	(2,731)	(26,102)	250	-	(167,954)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(37,545)	5,389	(64,525)	-	(67)	(321,117)
Cash and investments - beginning	37,545	(5,389)	64,525	-	8,463	535,955
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 8,396	\$ 214,838
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 8,396	\$ 215,259
Restricted assets:						
Cash and investments	-	-	-	-	-	(421)
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ -	\$ 8,396	\$ 214,838
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	(421)
Unrestricted	-	-	-	-	8,396	215,259
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ -	\$ 8,396	\$ 214,838

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

GARRETT-KEYSER-BUTLER COMMUNITY 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

	School Lunch	Textbook Rental	Levy Excess	Autos 2006-2007	CAD 2006-2007	Vocational Program Carryover	Autos 2007-2008
Receipts:							
Local sources	\$ 348,844	\$ 111,922	\$ -	\$ -	\$ 2,246	\$ 47,273	\$ 210,791
Intermediate sources	-	-	-	-	-	-	-
State sources	9,903	19,907	-	-	-	-	-
Federal sources	308,960	-	-	-	-	-	-
Sale of property, adjustments and refunds	360	-	-	-	-	-	-
Total receipts	668,067	131,829	-	-	2,246	47,273	210,791
Disbursements:							
Current:							
Instruction	-	119,230	-	20,155	8,432	180,225	127,389
Support services	686,362	-	-	5,770	855	83,089	44,637
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	686,362	119,230	-	25,925	9,287	263,314	172,026
Excess (deficiency) of receipts over disbursements	(18,295)	12,599	-	(25,925)	(7,041)	(216,041)	38,765
Other financing sources (uses):							
Transfers in	-	23,592	-	-	-	124,139	-
Transfers out	-	-	(33,478)	(10,013)	(7,136)	-	(2,950)
Total other financing sources (uses)	-	23,592	(33,478)	(10,013)	(7,136)	124,139	(2,950)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(18,295)	36,191	(33,478)	(35,938)	(14,177)	(91,902)	35,815
Cash and investments - beginning	(21,975)	(106,713)	33,478	35,938	14,177	39,652	-
Cash and investments - ending	\$ (40,270)	\$ (70,522)	\$ -	\$ -	\$ -	\$ (52,250)	\$ 35,815
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ (40,270)	\$ (70,522)	\$ -	\$ -	\$ -	\$ (52,250)	\$ 35,815
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (40,270)	\$ (70,522)	\$ -	\$ -	\$ -	\$ (52,250)	\$ 35,815
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(40,270)	(70,522)	-	-	-	(52,250)	35,815
Total cash and investment fund balance - ending	\$ (40,270)	\$ (70,522)	\$ -	\$ -	\$ -	\$ (52,250)	\$ 35,815

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

GARRETT-KEYSER-BUTLER COMMUNITY 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)

	CAD 2007-2008	Criminal Justice 2007-2008	Cosmetology 2006-2007	Criminal Justice 2006-2007	Vocational Education	Health Occupations 2006-2007	Industrial Maintenance 2006-2007
Receipts:							
Local sources	\$ 110,047	\$ 105,283	\$ 1,176	\$ -	\$ 17,256	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	110,047	105,283	1,176	-	17,256	-	-
Disbursements:							
Current:							
Instruction	50,738	58,101	25,566	10,142	17,323	21,481	4,407
Support services	11,307	3,582	6,947	108	100	-	3,187
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	62,045	61,683	32,513	10,250	17,423	21,481	7,594
Excess (deficiency) of receipts over disbursements	48,002	43,600	(31,337)	(10,250)	(167)	(21,481)	(7,594)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(9,400)	(7,700)	(6,840)	(33,044)	-	(26,233)	(3,780)
Total other financing sources (uses)	(9,400)	(7,700)	(6,840)	(33,044)	-	(26,233)	(3,780)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	38,602	35,900	(38,177)	(43,294)	(167)	(47,714)	(11,374)
Cash and investments - beginning	-	-	38,177	43,294	6,283	47,714	11,374
Cash and investments - ending	<u>\$ 38,602</u>	<u>\$ 35,900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,116</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 38,602	\$ 35,900	\$ -	\$ -	\$ 6,116	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 38,602</u>	<u>\$ 35,900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,116</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	38,602	35,900	-	-	6,116	-	-
Total cash and investment fund balance - ending	<u>\$ 38,602</u>	<u>\$ 35,900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,116</u>	<u>\$ -</u>	<u>\$ -</u>

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

GARRETT-KEYSER-BUTLER COMMUNITY 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)

	Machine Trades 2006-2007	Marine Mechanics 2006-2007	GED/JAIL/ EW/LCC/COL	Machine Trades 2007-2008	Marine Mechanics 2007-2008	Welding 2007-2008	Office Supervision 2007-2008
Receipts:							
Local sources	\$ -	\$ -	\$ 37,081	\$ 116,459	\$ 140,122	\$ 226,701	\$ 39,766
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	-	37,081	116,459	140,122	226,701	39,766
Disbursements:							
Current:							
Instruction	11,936	12,437	25,288	69,702	90,985	158,935	146
Support services	2,857	4,476	-	15,555	28,987	32,774	24,807
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	14,793	16,913	25,288	85,257	119,972	191,709	24,953
Excess (deficiency) of receipts over disbursements	(14,793)	(16,913)	11,793	31,202	20,150	34,992	14,813
Other financing sources (uses):							
Transfers in	-	14,016	-	-	-	-	-
Transfers out	(15,282)	-	-	(1,525)	(1,500)	(2,850)	(500)
Total other financing sources (uses)	(15,282)	14,016	-	(1,525)	(1,500)	(2,850)	(500)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(30,075)	(2,897)	11,793	29,677	18,650	32,142	14,313
Cash and investments - beginning	30,075	2,897	4,005	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ 15,798	\$ 29,677	\$ 18,650	\$ 32,142	\$ 14,313
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ -	\$ 15,798	\$ 29,677	\$ 18,650	\$ 32,142	\$ 14,313
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 15,798	\$ 29,677	\$ 18,650	\$ 32,142	\$ 14,313
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	15,798	29,677	18,650	32,142	14,313
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 15,798	\$ 29,677	\$ 18,650	\$ 32,142	\$ 14,313

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

GARRETT-KEYSER-BUTLER COMMUNITY 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)

	Culinary Arts 2007-2008	Voc ADM 2006	Office Supervision 2006-2007	Perkins 2007-2008	Education License Plate Fees	Early Intervention	Miscellaneous Donations
Receipts:							
Local sources	\$ 109,073	\$ 887	\$ -	\$ -	\$ -	\$ -	\$ 9,360
Intermediate sources	-	-	-	-	712	-	-
State sources	-	-	-	-	-	30,439	-
Federal sources	-	-	-	294,716	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	109,073	887	-	294,716	712	30,439	9,360
Disbursements:							
Current:							
Instruction	65,095	-	-	197,827	-	311	3,964
Support services	12,395	-	-	4,630	-	30,439	8,040
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	77,490	-	-	202,457	-	30,750	12,004
Excess (deficiency) of receipts over disbursements	31,583	887	-	92,259	712	(311)	(2,644)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(2,625)	-	(6,097)	(164,432)	-	-	-
Total other financing sources (uses)	(2,625)	-	(6,097)	(164,432)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	28,958	887	(6,097)	(72,173)	712	(311)	(2,644)
Cash and investments - beginning	-	(887)	6,097	26,408	1,164	311	16,340
Cash and investments - ending	\$ 28,958	\$ -	\$ -	\$ (45,765)	\$ 1,876	\$ -	\$ 13,696
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 28,958	\$ -	\$ -	\$ (45,765)	\$ 1,876	\$ -	\$ 13,696
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 28,958	\$ -	\$ -	\$ (45,765)	\$ 1,876	\$ -	\$ 13,696
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	28,958	-	-	(45,765)	1,876	-	13,696
Total cash and investment fund balance - ending	\$ 28,958	\$ -	\$ -	\$ (45,765)	\$ 1,876	\$ -	\$ 13,696

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

GARRETT-KEYSER-BUTLER COMMUNITY 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)

	Speech and Hearing Donation	Michelle James Memorial Reading	Head Start Donations	DEKKO/ K.A.R.E.	DEKKO/ Middle School Literacy	DEKKO/ Elementary Music Enhancement	Student Service
Receipts:							
Local sources	\$ 250	\$ 401	\$ 31,404	\$ 2,881	\$ -	\$ -	\$ 1,100
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	13,820	-	-	-	-
Total receipts	250	401	45,224	2,881	-	-	1,100
Disbursements:							
Current:							
Instruction	-	-	-	5,059	-	520	-
Support services	-	-	36,214	-	319	-	1,264
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	36,214	5,059	319	520	1,264
Excess (deficiency) of receipts over disbursements	250	401	9,010	(2,178)	(319)	(520)	(164)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	250	401	9,010	(2,178)	(319)	(520)	(164)
Cash and investments - beginning	71	7,506	11,584	3,805	325	892	1,909
Cash and investments - ending	\$ 321	\$ 7,907	\$ 20,594	\$ 1,627	\$ 6	\$ 372	\$ 1,745
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 321	\$ 7,907	\$ 20,594	\$ 1,627	\$ 6	\$ 372	\$ 1,745
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 321	\$ 7,907	\$ 20,594	\$ 1,627	\$ 6	\$ 372	\$ 1,745
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	321	7,907	20,594	1,627	6	372	1,745
Total cash and investment fund balance - ending	\$ 321	\$ 7,907	\$ 20,594	\$ 1,627	\$ 6	\$ 372	\$ 1,745

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

GARRETT-KEYSER-BUTLER COMMUNITY 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)

	Terrafirma/ Summer Read 2007	Wal-Mart Summer Read 2007	Professional Development 2006-2007	Professional Development 2007-2008	Professional Development 2008-2009	Cape III/ Terra Firma	Media Talbert Scholarship
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 277
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	11,501	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	-	-	-	11,501	-	277
Disbursements:							
Current:							
Instruction	4,965	370	2,102	8,383	5,621	10,718	-
Support services	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	250
Debt services	-	-	-	-	-	-	-
Total disbursements	4,965	370	2,102	8,383	5,621	10,718	250
Excess (deficiency) of receipts over disbursements	(4,965)	(370)	(2,102)	(8,383)	5,880	(10,718)	27
Other financing sources (uses):							
Transfers in	-	-	-	9,000	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	9,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,965)	(370)	(2,102)	617	5,880	(10,718)	27
Cash and investments - beginning	4,965	370	2,102	-	-	24,254	8,601
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 617	\$ 5,880	\$ 13,536	\$ 8,628
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ 617	\$ 5,880	\$ 13,536	\$ 8,628
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ 617	\$ 5,880	\$ 13,536	\$ 8,628
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	617	5,880	13,536	8,628
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ 617	\$ 5,880	\$ 13,536	\$ 8,628

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

GARRETT-KEYSER-BUTLER COMMUNITY 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)

	Paul Bateman Scholarship	Visual Arts Scholarship	Weilert Scholarship	Vocational Building Maintenance	Vocational Transportation	DEKKO Teaching Excellence	Adult and Continuing Education
Receipts:							
Local sources	\$ -	\$ 93	\$ 1,800	\$ 54,033	\$ 6,709	\$ -	\$ 37,702
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	110,972
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	93	1,800	54,033	6,709	-	148,674
Disbursements:							
Current:							
Instruction	-	-	-	5,256	72	41	115,833
Support services	-	-	-	173,716	14,727	-	26,787
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	-	178,972	14,799	41	142,620
Excess (deficiency) of receipts over disbursements	-	93	1,800	(124,939)	(8,090)	(41)	6,054
Other financing sources (uses):							
Transfers in	-	-	-	78,180	12,100	-	14,475
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	78,180	12,100	-	14,475
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	93	1,800	(46,759)	4,010	(41)	20,529
Cash and investments - beginning	755	2,223	36,374	(18,150)	(3,828)	41	(20,553)
Cash and investments - ending	\$ 755	\$ 2,316	\$ 38,174	\$ (64,909)	\$ 182	\$ -	\$ (24)
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 755	\$ 2,316	\$ 38,174	\$ (64,909)	\$ 182	\$ -	\$ (24)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 755	\$ 2,316	\$ 38,174	\$ (64,909)	\$ 182	\$ -	\$ (24)
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	755	2,316	38,174	(64,909)	182	-	(24)
Total cash and investment fund balance - ending	\$ 755	\$ 2,316	\$ 38,174	\$ (64,909)	\$ 182	\$ -	\$ (24)

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

GARRETT-KEYSER-BUTLER COMMUNITY 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)

	Tele- communications	Non English Speaking Grant	Gifted/Talented 2006-2007	High Ability Grant	Title I 2006-2007	Title I 2007-2008
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	3,568	-	32,720	-	-
Federal sources	-	1,360	-	-	5,400	109,169
Sale of property, adjustments and refunds	-	-	-	-	-	12,000
Total receipts	-	4,928	-	32,720	5,400	121,169
Disbursements:						
Current:						
Instruction	-	3,763	8,923	7,103	5,535	107,665
Support services	-	-	-	-	-	-
Community services	-	-	-	-	-	1,550
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	-	3,763	8,923	7,103	5,535	109,215
Excess (deficiency) of receipts over disbursements	-	1,165	(8,923)	25,617	(135)	11,954
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,165	(8,923)	25,617	(135)	11,954
Cash and investments - beginning	355	538	8,923	-	135	-
Cash and investments - ending	<u>\$ 355</u>	<u>\$ 1,703</u>	<u>\$ -</u>	<u>\$ 25,617</u>	<u>\$ -</u>	<u>\$ 11,954</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 355	\$ 1,703	\$ -	\$ 25,617	\$ -	\$ 11,954
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 355</u>	<u>\$ 1,703</u>	<u>\$ -</u>	<u>\$ 25,617</u>	<u>\$ -</u>	<u>\$ 11,954</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	355	1,703	-	25,617	-	11,954
Total cash and investment fund balance - ending	<u>\$ 355</u>	<u>\$ 1,703</u>	<u>\$ -</u>	<u>\$ 25,617</u>	<u>\$ -</u>	<u>\$ 11,954</u>

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

GARRETT-KEYSER-BUTLER COMMUNITY 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)

	2007 Title V Innovative Program	Title V, Part A	2007 Safe and Drug Free	2008 Safe and Drug Free	Head Start Summer Lunch	Head Start Lunch
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	2,891	-	4,200	-	60,110
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	2,891	-	4,200	-	60,110
Disbursements:						
Current:						
Instruction	-	-	-	-	-	1,116
Support services	-	-	95	-	144	72,217
Community services	169	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	169	-	95	-	144	73,333
Excess (deficiency) of receipts over disbursements	(169)	2,891	(95)	4,200	(144)	(13,223)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(169)	2,891	(95)	4,200	(144)	(13,223)
Cash and investments - beginning	169	-	239	-	-	21,241
Cash and investments - ending	\$ -	\$ 2,891	\$ 144	\$ 4,200	\$ (144)	\$ 8,018
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 2,891	\$ 144	\$ 4,200	\$ (144)	\$ 8,018
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 2,891	\$ 144	\$ 4,200	\$ (144)	\$ 8,018
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	2,891	144	4,200	(144)	8,018
Total cash and investment fund balance - ending	\$ -	\$ 2,891	\$ 144	\$ 4,200	\$ (144)	\$ 8,018

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

GARRETT-KEYSER-BUTLER COMMUNITY 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 II/Part A/ Teacher Quality	Title II/Part A/ 2008	Head Start 2007	Head Start 2008	Early Head Start 2007	Early Head Start 2008
Receipts:						
Local sources	\$ -	\$ -	\$ 28,088	\$ -	\$ 538	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	56,387	498,071	473,400	157,933	144,200
Sale of property, adjustments and refunds	-	-	17,201	11,951	15,098	355
Total receipts	-	56,387	543,360	485,351	173,569	144,555
Disbursements:						
Current:						
Instruction	-	-	545,389	484,049	173,569	144,780
Support services	40,156	19,749	1,200	-	-	-
Community services	3,150	45	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	43,306	19,794	546,589	484,049	173,569	144,780
Excess (deficiency) of receipts over disbursements	(43,306)	36,593	(3,229)	1,302	-	(225)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(43,306)	36,593	(3,229)	1,302	-	(225)
Cash and investments - beginning	45,913	45	3,229	-	-	-
Cash and investments - ending	\$ 2,607	\$ 36,638	\$ -	\$ 1,302	\$ -	\$ (225)
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 2,607	\$ 36,638	\$ -	\$ 1,302	\$ -	\$ (225)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 2,607	\$ 36,638	\$ -	\$ 1,302	\$ -	\$ (225)
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,607	36,638	-	1,302	-	(225)
Total cash and investment fund balance - ending	\$ 2,607	\$ 36,638	\$ -	\$ 1,302	\$ -	\$ (225)

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

GARRETT-KEYSER-BUTLER COMMUNITY 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)

	Retirement/ Severance Debt Service	Building Trades House	Vocational Building Purchase	Herzer Donation	COPS Grant Security	Totals
Receipts:						
Local sources	\$ 170,779	\$ 111,043	\$ 191,117	\$ -	\$ 22,735	\$ 2,295,237
Intermediate sources	-	-	-	-	-	712
State sources	-	-	-	-	-	219,010
Federal sources	-	-	-	-	-	2,116,797
Sale of property, adjustments and refunds	-	68,807	-	1,634	-	141,226
	<u>170,779</u>	<u>179,850</u>	<u>191,117</u>	<u>1,634</u>	<u>22,735</u>	<u>4,772,982</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	-	2,920,647
Support services	-	9,565	241,038	-	22,735	1,670,830
Community services	-	-	-	-	-	4,914
Nonprogrammed charges	-	-	-	-	-	250
Debt services	260,455	-	-	-	-	260,455
	<u>260,455</u>	<u>9,565</u>	<u>241,038</u>	<u>-</u>	<u>22,735</u>	<u>4,857,096</u>
Excess (deficiency) of receipts over disbursements	<u>(89,676)</u>	<u>170,285</u>	<u>(49,921)</u>	<u>1,634</u>	<u>-</u>	<u>(84,114)</u>
Other financing sources (uses):						
Transfers in	1,050	-	66,666	-	-	343,218
Transfers out	-	-	-	-	-	(335,385)
	<u>1,050</u>	<u>-</u>	<u>66,666</u>	<u>-</u>	<u>-</u>	<u>7,833</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(88,626)</u>	<u>170,285</u>	<u>16,745</u>	<u>1,634</u>	<u>-</u>	<u>(76,281)</u>
Cash and investments - beginning	<u>(421)</u>	<u>(170,318)</u>	<u>5,339</u>	<u>8,396</u>	<u>-</u>	<u>214,838</u>
Cash and investments - ending	<u>\$ (89,047)</u>	<u>\$ (33)</u>	<u>\$ 22,084</u>	<u>\$ 10,030</u>	<u>\$ -</u>	<u>\$ 138,557</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ (33)	\$ 22,084	\$ 10,030	\$ -	\$ 227,604
Restricted assets:						
Cash and investments	(89,047)	-	-	-	-	(89,047)
Total cash and investment assets - ending	<u>\$ (89,047)</u>	<u>\$ (33)</u>	<u>\$ 22,084</u>	<u>\$ 10,030</u>	<u>\$ -</u>	<u>\$ 138,557</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ (89,047)	\$ -	\$ -	\$ -	\$ -	\$ (89,047)
Unrestricted	-	(33)	22,084	10,030	-	227,604
Total cash and investment fund balance - ending	<u>\$ (89,047)</u>	<u>\$ (33)</u>	<u>\$ 22,084</u>	<u>\$ 10,030</u>	<u>\$ -</u>	<u>\$ 138,557</u>

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

GARRETT-KEYSER-BUTLER COMMUNITY 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	\$ 870,624
Buildings	24,114,296
Improvements other than buildings	2,356,255
Machinery and equipment	<u>4,725,970</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 32,067,145</u>

GARRETT-KEYSER-BUTLER COMMUNITY 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:		
School building improvements	\$ 11,430,000	\$ 678,330
2007 School bus lease	248,212	68,981
2008 School bus lease	70,100	-
Notes and loans payable:		
Common school loans	154,528	63,201
Bleachers and football press box	154,755	21,970
Bonds payable:		
General obligation bonds:		
2004 Pension bond	980,000	107,340
Tax Anticipation Warrants	<u>950,000</u>	<u>950,000</u>
Total governmental activities debt	<u>\$ 13,987,595</u>	<u>\$ 1,889,822</u>

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
AUDIT RESULTS AND COMMENTS

ADVANCE PAYMENTS

A review of a Head Start employee's timecard for the pay period ending December 14, 2007, found that estimated hours to be worked until December 31, 2007, were added to the December 14, 2007, payroll.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

SERVICE AND TIME RECORDS

An attempt to verify the number of unused vacation days paid to a retiree was performed. Three forms of documentation were used; Komputrol Attendance Report; Teacher's Service Record; and Absence Reports. These three forms of recording leave time did not agree. We could not verify the actual number of days used because the Absence Reports were not signed and approved by anyone. Due to the records not agreeing we could not verify that the proper payment was made.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

CREDIT CARDS

School Corporation employees are using credit cards in some instances to purchase items without an approved credit card policy. The monthly billings for the credit cards are sent to School Corporation employees instead of the Central office.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the Board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
AUDIT RESULTS AND COMMENTS
(Continued)

- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
- (7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
- (8) If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

DEPOSITS (Applies to Garrett Elementary)

Some receipts were written for amounts which could not be verified to bank deposits. A receipt for "Pizza Man" fundraiser sales could not be verified as being deposited.

Tickets, goods for sale, billings, and other collections, are considered accountable items for which a corresponding deposit must be made in the bank accounts of the governmental unit.

The deposit ticket or attached documentation must provide a detailed listing of the deposit, which includes at a minimum, check numbers and corresponding names of the payors. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 7)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON 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 GARRETT-KEYSER-BUTLER
COMMUNITY SCHOOL DISTRICT, DEKALB COUNTY, INDIANA

Compliance

We have audited the compliance of the Garrett-Keyser-Butler Community 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. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2008-1, 2008-2, 2008-3, 2008-4, and 2008-5.

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)

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 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.

The School Corporation's response to the findings identified in our audit is described in the accompanying Official Response and Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, 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

April 20, 2009

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOT 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
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 47,536	\$ 44,302
National School Lunch Program	10.555		295,056	308,884
Total for cluster			<u>342,592</u>	<u>353,186</u>
Child and Adult Care Food Program	10.558		58,747	59,834
Total for federal grantor agency			<u>401,339</u>	<u>413,020</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Pass-Through DeKalb County				
Public Safety Partnership and Community Policing Grants	16.710		-	22,735
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Adult Education - State Grant Program	84.002			
		SY 06-07	324,670	-
		SY 07-08	-	214,807
Total for program			<u>324,670</u>	<u>214,807</u>
Title I Grants to Local Education Agencies	84.010			
		06-1820	10,089	-
		07-1820	66,101	5,536
		08-1820	-	109,169
Total for program			<u>76,190</u>	<u>114,705</u>
Vocational Education - Basic Grants to States	84.048			
		06-4700-1820	80,305	-
		07-4700-1820	231,692	73,395
		08-4700-1820	-	221,321
Total for program			<u>311,997</u>	<u>294,716</u>
Safe and Drug Free Schools and Communities - State Grants	84.186			
		06-146	4,366	-
		07-1820	3,993	95
Total for program			<u>8,359</u>	<u>95</u>
State Grants for Innovative Programs	84.298			
		05-097	1,072	-
		06-1820	2,788	169
Total for program			<u>3,860</u>	<u>169</u>
Education Technology State Grants	84.318			
		SY 05-06	494	-
		SY 06-07	1,881	45
Total for program			<u>2,375</u>	<u>45</u>
Improving Teacher Quality State Grants	84.367			
		SY 05-06	37,874	-
		SY 06-07	9,122	43,306
		SY 07-08	-	19,749
Total for program			<u>46,996</u>	<u>63,055</u>
Total for federal grantor agency			<u>774,447</u>	<u>687,592</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Direct Grant				
Head Start	93.600			
		Head Start 2006	488,222	-
		Head Start 2007	484,100	484,000
		Head Start 2008	-	473,400
		Early Head Start 2006	180,772	-
		Early Head Start 2007	136,666	172,004
		Early Head Start 2008	-	144,200
Total for federal grantor agency			<u>1,289,760</u>	<u>1,273,604</u>
Total federal awards expended			<u>\$ 2,465,546</u>	<u>\$ 2,396,951</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

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Garrett-Keyser-Butler Community 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
School Breakfast Program	10.553	\$ 8,567	\$ 6,107
National School Lunch Program	10.555	53,172	38,118

GARRETT-KEYSER-BUTLER COMMUNITY 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? yes

Identification of Major Programs:

CFDA Number	Name of Federal Program
93.600	Head Start

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.

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

Section III – Federal Award Findings and Questioned Costs

FINDING 2008-1, EQUIPMENT INVENTORY

Federal Agency: U.S. Department of Health and Human Services
Direct Grant:
Federal Program: Head Start
CFDA number: 93.600

EDGAR 80.32(d)(1) states: "Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property."

A review of the 2006 Head Start Inventory list found that the list did not include the following required elements: source of funding and award number, whether title vested with the grantee or Federal Government, percentage of Federal ownership, and condition of the asset.

The Head Start Inventory list in place had several of the required elements. Title to equipment acquired by a non-Federal entity with Federal awards vests with the non-Federal entity.

Failure to maintain adequate information on the inventories of capital assets may result in property and equipment being lost, stolen, or otherwise misappropriated and not being detected.

We recommended that the School Corporation design a form for listing equipment that includes all the required information.

FINDING 2008-2, PROCUREMENT CODE OF STANDARDS

Federal Agency: U.S. Department of Health and Human Services
Direct Grant:
Federal Program: Head Start
CFDA number: 93.600

EDGAR 80.36(b)(3) states in part: "Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved."

The School Corporation did not develop a written code of conduct prohibiting employees, agents, and officers from participating in award or administration of contracts in which there was a real or apparent conflict of interest.

A review of the School District Policy and Financial Policy Handbooks found the only policies covering standards of conduct were limited to School Board members and did not cover employees engaged in awarding and administering contracts.

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

To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents, or by contractors or their agents.

A code of conduct should be written that provides assurances that employees, agents, and officers are prohibited from participating in award or administration of contracts in which there is a real or apparent conflict of interest.

FINDINGS 2008-3, COMPENSATION FOR PERSONNEL SERVICES

Federal Agency: U.S. Department of Health and Human Services
Direct Grant:
Federal Program: Head Start
CFDA Number: 93.600

2 CFR Part 225, (8)(h)(1) states in part: "Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit."

The grantee did not base salary charges to Head Start on properly documented payrolls. A review of timecards for the pay period ending December 13, 2007, found the grantee added a prepayment of salaries for all Head Start employees to the normal payroll.

The School District Payroll Clerk requested the Head Start Director predict all employee salary hours through the end of December and submit them the first pay period of the month (December) to ensure the School District was able to post total employee earnings on a report to the Internal Revenue Service.

Failure by the School Corporation to ensure the end-of-year payroll was based on actual time worked could lead to the loss of the funds to the School Corporation.

Officials at the School Corporation should establish procedures to ensure its end-of-year payroll is based on actual time worked. Reports to the Internal Revenue Service should be prepared after actual payroll has been charged.

FINDING 2008-4, ADMINISTRATIVE PERSONNEL COSTS

Federal Agency: U.S. Department of Health and Human Services
Direct Grant:
Federal Program: Head Start
CFDA number: 93.600

2 CFR Part 225, (8)(h)(4) states in part: "Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation . . ."

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

A review of Payroll Distribution reports for the Business Manager and School Superintendent found both had a portion of their salaries charged to the Head Start grant. These charges were not based upon actual activity.

The amount of the School Superintendent's salary charged to the Head Start grant was determined by the School District Board of Trustees as a part of the employment contract, and the amount of the Business Manager's salary charged to the Head Start grant was determined by School Administrators in prior-year periods.

Failure by the School Corporation to ensure the end-of-year payroll was based on actual time worked could lead to the loss of the funds to the School Corporation.

We recommended implementation of a procedure that includes recording Head Start activities on a Head Start Time Allocation Sheet.

FINDING 2008-5, REPORTING SYSTEMS

Federal Agency: U.S. Department of Health and Human Services
Direct Grant:
Federal Program: Head Start
CFDA number: 93.600

1304.51(h)(1) Management Systems and Procedures states in part: "Grantee and delegate agencies must establish and maintain efficient and effective reporting systems that: (1) Generate periodic reports of financial status and program operations in order to control program quality, maintain program accountability, and advise governing bodies, policy groups, and staff of program progress . . . "

A review of the Policy Council report summarizing expenditures, found the format did not include budget categories for monthly expenditures or year-to-date budget amounts to allow comparison of expenditures for budget variance.

Financial information presented to the Governing Board consisted of three separate reports – expenditures, revenues, and fund balances. A review of the reports found they consisted only of transaction listings.

An inadequate reporting system may not effectively provide the governing body and the Policy Council with financial information to enable them to maintain program accountability.

We recommended Officials develop a new reporting form that includes the budget details necessary to maintain program accountability.

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No items were reportable.

Garrett - Keyser - Butler Community School District

SUPERINTENDENT
Dennis L. Stockdale

BOARD OF EDUCATION
Wayne E. Funk
Anthony L. Griffin
Jerry L. Parker
Ronald E. Weimer
Jerry A. Weller

CORRECTIVE ACTION PLAN

Date: March 30, 2009

FINDING 2008-1, EQUIPMENT INVENTORY

Federal Agency: U.S. Department of Health and Human Services
Direct Grant: 05CH4177
Federal Program: Head Start
CFDA Number: 93.600
Auditee Contact Person: Sharon Molargik
Title of Contact Person: Director
Phone Number: 260-357-3333
Expected Completion Date: June 30, 2008

Corrective Action Planned:

The source of funding, award number, title and condition of all equipment (those items purchased at a cost of \$5,000 or more), have been added to the inventory list.

FINDING 2008-2, PROCUREMENT CODE OF STANDARDS

Federal Agency: U.S. Department of Health and Human Services
Direct Grant: 05CH4177
Federal Program: Head Start
CFDA Number: 93.600
Auditee Contact Person: Sharon Molargik
Title of Contact Person: Director
Phone Number: 260-357-3333
Expected Completion Date: June 30, 2008

Corrective Action Planned:

A Code of Conduct in reference to awarding contracts, etc., was approved at the Board meeting on October 27, 2008.

FINDING 2008-3, COMPENSATION FOR PERSONNEL SERVICES

Federal Agency: U.S. Department of Health and Human Services
Direct Grant: 05CH4177
Federal Program: Head Start
CFDA Number: 93.600
Auditee Contact Person: Sharon Molargik
Title of Contact Person: Director
Phone Number: 260-357-3333
Expected Completion Date: June 30, 2008

Corrective Action Planned:

Fiscal staff in the Central Office of the Grantee are new to their positions in the past year to year-and-a-half. The new personnel no longer require the prediction of certain payrolls and have put an end to that practice. There can be no documentation that this requirement has been met until after the end of the year. The payroll clerk and the Head Start Director will be working during winter break to provide final pay for the year at the proper time.

FINDING 2008-4, ADMINISTRATIVE PERSONNEL COSTS

Federal Agency: U.S. Department of Health and Human Services
Direct Grant: 05CH4177
Federal Program: Head Start
CFDA Number: 93.600
Auditee Contact Person: Sharon Molargik
Title of Contact Person: Director
Phone Number: 260-357-3333
Expected Completion Date: June 30, 2008

Corrective Action Planned:

Immediately after the letter describing review findings was received, the Central Office of the Garrett-Keyser-Butler School Corporation implemented a procedure that includes recording Head Start activities on a Head Start Time Allocation Sheet.

At a scheduled Board Meeting on November 8, 2008, the Board re-assigned the allocation to the Executive Director, based on the information on the Head Start Time Allocation sheet. The new allocation is scheduled to begin with the January, 2009, budget year.

FINDING 2008-5, REPORTING SYSTEMS

Federal Agency: U.S. Department of Health and Human Services
Direct Grant: 05CH4177
Federal Program: Head Start
CFDA Number: 93.600

Auditee Contact Person: Sharon Molargik
Title of Contact Person: Director
Phone Number: 260-357-3333
Expected Completion Date: June 30, 2008

Corrective Action Planned:

After attending Fiscal Training sponsored by T/TAS of Western Kentucky University, in September, the Director has developed a new reporting form that includes the budget details, as identified, necessary to maintain program accountability.

Sharon Molargik
4/20/09

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on April 20, 2009, with Pamela S. Good, Treasurer; Dennis L. Stockdale, Superintendent of Schools; and Jerry Parker, Board member. The official response has been made a part of this report and may be found on pages 71 and 72.

Garrett - Keyser - Butler Community School District

SUPERINTENDENT
Dennis L. Stockdale

BOARD OF EDUCATION
Wayne E. Funk
Anthony L. Griffin
Jerry L. Parker
Ronald E. Weimer
Jerry A. Weller

Please let the following serve as our official response to the most recent audit report.

Date: 4-20-09

DEPOSITS – Garrett Elementary

Status of Finding: A receipt for "Pizza Man" fundraiser sales could not be verified as being deposited.

Discussions were conducted between the State Board of Accounts and the Garrett Elementary principal and extra curricular treasurer. A new software system was implemented at the same time as this deposit was made. The State Board of Accounts conducted additional testing and did not find any discrepancies.

ADVANCE PAYMENTS

Status of Finding: A review of Head Start Employee's timecard for the pay period ending December 14, 2007 found that estimated hours to be worked until December 31, 2007 was added to the December 14, 2007 payroll.

Fiscal staff in the Central Office of the Grantee are new to their positions in the past year to year-and-a-half. The new personnel no longer require the prediction of certain payrolls and put an end to that practice. There can be no documentation that this requirement has been met until after the end of the year.

SERVICE AND TIME RECORDS

Status of Finding: During review of payroll an attempt to verify the number of unused vacation days paid to a retiree was performed. Three forms of documentation were used; Komputrol Attendance Report; Teacher's Service Record; and Absence Reports. These three forms of recording leave did not agree. You could not verify the actual number of days used because the Absence Reports were not signed and approved by anyone. Due to the records not agreeing it was not possible to verify that the proper payment was made.

All administrative and non-certified employees are now required to document time worked on the bi-weekly payroll time sheet. These forms must be signed and approved before payment is authorized. Copies are attached.

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EXCELLENCE IN EDUCATION, STRENGTH IN CHARACTER

CREDIT CARDS

Status of Finding: School corporation employees are using credit cards in some instances to purchase items without an approved credit card policy. The monthly billings for the credit card are sent to school corporation employees instead of the central office.

A credit card policy was submitted to the school board on April 27, 2009. The policy will be read at the April 27, 2009 meeting and approved at the May 18, 2009 meeting. A copy of the board policy is attached. Addresses of card holders will be changed to be sent to the central office.



Pamela Good, Business Manager

4/20/09

Date