

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

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

July 1, 2016 to June 30, 2018



FILED
03/21/2019

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|----------------------------------|--------------------------------------|----------------------|
| Treasurer | Pamela S. Good | 07-01-16 to 06-30-19 |
| Superintendent of Schools | Dennis Stockdale (Vacant) | 07-01-16 to 07-22-16 |
| | | 07-23-16 to 08-31-16 |
| | Tonya K. Weaver | 09-01-16 to 06-30-20 |
| President of the School Board | | 07-01-16 to 12-31-16 |
| | Terry Yarde | 01-01-17 to 12-31-18 |
| | Larry W. Getts, Jr. Wayne E. Funk | 01-01-19 to 12-31-19 |



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Garrett-Keyser-Butler Community School District (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2016 to June 30, 2018.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2016 to June 30, 2018, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 14, 2019, 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 solely 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 effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

February 14, 2019



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Garrett-Keyser-Butler Community School District (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated February 14, 2019, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

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


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

Compliance and Other Matters

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

February 14, 2019

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Years Ended June 30, 2017 and 2018

| Fund | Cash and Investments 07-01-16 | Receipts | Disbursements | Other Financing Sources (Uses) | Cash and Investments 06-30-17 | Receipts | Disbursements | Other Financing Sources (Uses) | Cash and Investments 06-30-18 |
|--|-------------------------------------|---------------|---------------|--------------------------------------|-------------------------------------|---------------|---------------|--------------------------------------|-------------------------------------|
| General | \$ 723,369 | \$ 11,786,043 | \$ 11,775,436 | \$ (57,500) | \$ 676,476 | \$ 12,105,381 | \$ 11,812,680 | \$ 11,286 | \$ 980,463 |
| Debt Service | 618,472 | 2,471,433 | 2,365,516 | (57,254) | 667,135 | 2,424,082 | 2,364,385 | (52,855) | 673,977 |
| Capital Projects | 32,836 | 1,113,744 | 1,038,490 | 6,047 | 114,137 | 1,159,511 | 1,182,528 | 1,442 | 92,562 |
| School Transportation | 99,617 | 833,604 | 739,734 | (30,000) | 163,487 | 858,055 | 747,848 | (57,000) | 216,694 |
| School Bus Replacement | 99,393 | 258,913 | 325,333 | 46,279 | 79,252 | 223,198 | 117,617 | 371 | 185,204 |
| Rainy Day | 176,449 | - | - | 30,000 | 206,449 | - | - | 57,000 | 263,449 |
| Post-Retirement/Severance Future Benefits | 30,828 | - | 21,338 | - | 9,490 | 20,000 | 852 | - | 28,638 |
| Construction | (75,983) | 81 | 148,222 | 79,288 | (144,836) | 2,497 | 123,199 | 153,000 | (112,538) |
| High School Construction Bonds | 3,341 | - | 3,341 | - | - | - | - | - | - |
| School Lunch | 95,085 | 946,431 | 982,145 | - | 59,371 | 963,865 | 941,798 | - | 81,438 |
| Textbook Rental | (11,667) | 198,856 | 181,126 | 107,254 | 113,317 | 251,088 | 261,981 | 52,855 | 155,279 |
| Repair and Replacement | - | 208,735 | 208,735 | - | - | - | - | - | - |
| Educational License Plates | 362 | 312 | 226 | - | 448 | - | 6 | - | 442 |
| Alternative Education | - | 10,501 | 10,501 | - | - | 8,811 | 8,811 | - | - |
| Safe Haven 2016-2017 | - | - | 25,000 | - | (25,000) | 25,000 | - | - | - |
| Safe Haven 2017-2018 | - | - | - | - | - | 25,000 | 25,000 | - | - |
| Early Intervention 2016-2017 | - | 8,153 | - | - | 8,153 | - | 8,153 | - | - |
| Lilly Endowment Ends 12/31/17 | - | 30,000 | 13,233 | - | 16,767 | - | 8,447 | - | 8,320 |
| Miscellaneous Donations | 10,248 | 69,740 | 71,045 | - | 8,943 | 10,457 | 6,785 | - | 12,615 |
| Speech and Hearing Donation | - | - | - | - | - | 33,000 | - | - | 33,000 |
| Michelle James Memorial | 8,628 | 214 | - | - | 8,842 | 2,060 | 260 | - | 10,642 |
| Northeast Indiana Area Health Education Center | - | - | - | - | - | 213,000 | 2,310 | - | 210,690 |
| Head Start Donations | 28,265 | 66,342 | 63,773 | - | 30,834 | 48,068 | 30,100 | - | 48,802 |
| Barbara Lehmann Memorial | 4,908 | - | 2,743 | - | 2,165 | - | 1,302 | - | 863 |
| Small Wonders Donations | 4,384 | 1,740 | 790 | - | 5,334 | - | 267 | - | 5,067 |
| Dekko Elementary Music Enhancement | 52 | - | 52 | - | - | - | - | - | - |
| Student Service | 126 | - | 28 | - | 98 | - | - | - | 98 |
| Dekko Site Project | - | - | - | - | - | 50,584 | 49,843 | - | 741 |
| GKB Clinic | (6,344) | 27,230 | 20,715 | - | 171 | 44,946 | 24,891 | - | 20,226 |
| NEISIC Wellness 2014-2015 | 4,813 | - | 4,813 | - | - | - | - | - | - |
| NEISIC Wellness 2015-2016 | 9,255 | - | 9,255 | - | - | - | - | - | - |
| NEISIC Wellness 2016-2017 | - | 16,830 | 1,063 | - | 15,767 | - | 5,195 | - | 10,572 |
| Herzer/Steris Unclaimed | 9,018 | 54 | - | - | 9,072 | 71 | - | - | 9,143 |
| Media Talbert Scholarship | 8,340 | 52 | 250 | - | 8,142 | 52 | - | - | 8,194 |
| Paul Bateman Scholarship | 755 | - | - | - | 755 | - | - | - | 755 |
| Top Ten Awards and Donations | 280 | 4,000 | 4,280 | - | - | 6,620 | 6,620 | - | - |
| Visual Arts Scholarship | 2,544 | 15 | - | - | 2,559 | 15 | 250 | - | 2,324 |
| Charles D Davis Scholarship | - | 1,000 | - | - | 1,000 | 1,000 | 1,000 | - | 1,000 |
| Weilert Scholarship | 36,556 | 239 | 1,000 | - | 35,795 | 277 | 1,000 | - | 35,072 |
| Construction and Maintenance | 3,027 | 1,359 | 2,560 | - | 1,826 | 1,819 | 1,659 | - | 1,986 |
| Building Trades Gift Program | 670 | - | - | - | 670 | - | - | - | 670 |
| Formative Assessment | 22 | 20,556 | 20,578 | - | - | - | - | - | - |
| Secured Schools Safety Grant | - | 50,000 | 50,000 | - | - | 22,717 | 22,717 | - | - |

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Years Ended June 30, 2017 and 2018

| Fund | Cash and Investments 07-01-16 | Receipts | Disbursements | Other Financing Sources (Uses) | Cash and Investments 06-30-17 | Receipts | Disbursements | Other Financing Sources (Uses) | Cash and Investments 06-30-18 |
|---|-------------------------------------|---------------|---------------|--------------------------------------|-------------------------------------|---------------|---------------|--------------------------------------|-------------------------------------|
| Head Start Parent Group | 1,206 | - | - | - | 1,206 | - | - | - | 1,206 |
| Non English Speaking 2015-2016 | 356 | - | 356 | - | - | - | - | - | - |
| Non English Speaking 2016-2017 | - | 4,003 | 1,568 | - | 2,435 | - | 2,435 | - | - |
| Non English Speaking 2017-2018 | - | - | - | - | - | 3,750 | 1,988 | - | 1,762 |
| School Technology | 60,336 | 47,653 | 93,789 | - | 14,200 | 14,238 | 21,250 | - | 7,188 |
| School Technology Computer Repair | 5,718 | 16,269 | 28,671 | 7,500 | 816 | 9,916 | 4,722 | - | 6,010 |
| Career and Technical Performance Grant | - | 27,447 | 20,429 | - | 7,018 | 21,499 | 25,269 | - | 3,248 |
| Performance Based Awards | - | 23,799 | 88,619 | - | (64,820) | 126,615 | 61,795 | - | - |
| Indiana School Academic Improvement Program (ISAIP) | (28,114) | 57,554 | 29,440 | - | - | - | - | - | - |
| SDN Cohort 1 | - | 5,436 | 8,586 | - | (3,150) | 9,564 | 6,414 | - | - |
| High Ability Grant 2015-2016 | 6,978 | - | 6,978 | - | - | - | - | - | - |
| High Ability Grant 2016-2017 | - | 32,415 | 26,564 | - | 5,851 | - | 5,851 | - | - |
| High Ability Grant 2017-2018 | - | - | - | - | - | 32,274 | 27,602 | - | 4,672 |
| Title I 2015-2016 | (24,103) | 56,892 | 32,789 | - | - | - | - | - | - |
| Title I 2016-2017 | - | 218,480 | 240,126 | - | (21,646) | 54,843 | 33,197 | - | - |
| Title I 2016-2017 SIG | - | 3,115 | 3,115 | - | - | 41,885 | 41,885 | - | - |
| Title I 2017-2018 | - | - | - | - | - | 188,189 | 208,865 | - | (20,676) |
| Title I 2017-2018 SIG | - | - | - | - | - | 42 | 3,554 | - | (3,512) |
| 21st Century Learning Center | - | - | - | - | - | 166,686 | 190,290 | - | (23,604) |
| Head Start Lunch | 3,750 | 95,336 | 82,303 | - | 16,783 | 93,992 | 94,726 | - | 16,049 |
| Title II Part A 2016 | (575) | 730 | 155 | - | - | - | - | - | - |
| Title II Part A 2017 | (6,510) | 34,268 | 28,373 | - | (615) | 13,319 | 12,704 | - | - |
| Title II Part A 2018 | - | 175 | 810 | - | (635) | 19,935 | 20,368 | - | (1,068) |
| Head Start 2015 | (6,420) | 68,609 | 62,189 | - | - | - | - | - | - |
| Head Start 2016 | - | 499,371 | 499,371 | - | - | - | - | - | - |
| Head Start 2017 | - | 504,071 | 504,071 | - | - | 581,786 | 581,786 | - | - |
| Head Start 2018 | - | - | - | - | - | 521,279 | 521,279 | - | - |
| Head Start duration 2016 | - | - | - | - | - | 157,188 | 157,188 | - | - |
| Early Head Start duration 2016 | - | - | - | - | - | 102,800 | 102,800 | - | - |
| Early Head Start 2015 | (5,643) | 74,789 | 69,146 | - | - | - | - | - | - |
| Early Head Start 2016 | - | 262,811 | 262,811 | - | - | - | - | - | - |
| Early Head Start 2017 | - | 257,513 | 257,513 | - | - | 311,013 | 311,013 | - | - |
| Early Head Start 2018 | - | - | - | - | - | 265,032 | 265,032 | - | - |
| Prepaid Food | 2,094 | 287,593 | 284,298 | - | 5,389 | 300,919 | 297,370 | - | 8,938 |
| Payroll Withholdings | 21,419 | 3,005,935 | 3,003,976 | - | 23,378 | 2,999,157 | 2,998,342 | - | 24,193 |
| Totals | \$ 1,948,141 | \$ 23,710,441 | \$ 23,727,367 | \$ 131,614 | \$ 2,062,829 | \$ 24,537,095 | \$ 23,755,229 | \$ 166,099 | \$ 3,010,794 |

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

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

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

Intermediate sources. Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

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

State sources. Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Other receipts. Amounts received from various sources, including, but not limited to, the following: return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

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

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

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services. Amounts disbursed for food service operations and community service operations.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Debt service. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, self-insurance payments, and other disbursements not listed in another category above.

F. Other Financing Sources and Uses

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

Sale of capital assets. Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

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

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

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

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in

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

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

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

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

Funding Policy and Annual Pension Cost

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

C. Additional Pension Plans

The School Corporation also contributes to additional pension plans for a pension buy-out and a 401(a) plan unique to the School Corporation. To qualify for the pension buyout, teachers must have been employed prior to July 1, 2000, have ten (10) years of service with the School Corporation, plus have a minimum of twenty (20) years of total credible service as defined in Indiana Code and meet the Rule of 85 (years of service combined with employee's age must be at least 85). Eligible teachers receive an annual deposit as long as the teacher is continuing employment at the School Corporation and has not reached the age of 59. The School Corporation also contributes annually to a 401(a) plan for all teachers, a designated amount set forth by a deposit schedule. Additional information regarding these plans may be obtained from the School Corporation.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. Negative balances in grant funds are due primarily to the time lapse between when expenditures are made by the School Corporation and when reimbursements are received from the granting agency. The Construction fund's deficit balance at June 30, 2017, and June 30, 2018, are due to construction expenses being paid prior to collecting revenue from the future sale of the constructed assets.

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

Note 8. Restatements

For the year ended June 30, 2017, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances:

| Fund | Balance as of June 30, 2016 | Prior Period Adjustment | Balance as of July 1, 2016 |
|--------------|-----------------------------------|----------------------------|----------------------------------|
| School Lunch | \$ 97,179 | \$ (2,094) | \$ 95,085 |
| Prepaid Food | - | 2,094 | 2,094 |

Note 9. Holding Corporation

The School Corporation has entered into five capital leases with Garrett-Keyser-Butler Middle School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2017 and 2018 totaled, \$2,364,387 and \$2,364,387, respectively.

Note 10. Other Postemployment Benefits

The School Corporation provides health benefits to eligible retirees and their spouses. The Post-Retirement/Severance Future Benefits fund is used to pay for health benefits for retired administrators with language in their contract. This fund includes monies for teachers that participated in the retirement incentive package dated November 2, 2017. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

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

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

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GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

| | General | Debt Service | Capital Projects | School Transportation | School Bus Replacement | Rainy Day | Post-Retirement/ Severance Future Benefits | Construction | High School Construction Bonds |
|---|------------|--------------|------------------|-----------------------|------------------------|------------|---|--------------|--------------------------------|
| Cash and investments - beginning | \$ 723,369 | \$ 618,472 | \$ 32,836 | \$ 99,617 | \$ 99,393 | \$ 176,449 | \$ 30,828 | \$ (75,983) | \$ 3,341 |
| Receipts: | | | | | | | | | |
| Local sources | 23,900 | 2,471,433 | 1,086,456 | 822,622 | 258,913 | - | - | - | - |
| Intermediate sources | 9 | - | - | - | - | - | - | - | - |
| State sources | 11,699,514 | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - | - |
| Other receipts | 62,620 | - | 27,288 | 10,982 | - | - | - | 81 | - |
| Total receipts | 11,786,043 | 2,471,433 | 1,113,744 | 833,604 | 258,913 | - | - | 81 | - |
| Disbursements: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | 7,679,582 | - | - | - | - | - | - | - | - |
| Support services | 3,776,390 | - | 570,126 | 739,734 | 325,333 | - | 21,338 | - | - |
| Noninstructional services | 186,032 | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | 133,432 | - | 468,364 | - | - | - | - | 148,222 | 3,341 |
| Debt service | - | 2,365,516 | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | 11,775,436 | 2,365,516 | 1,038,490 | 739,734 | 325,333 | - | 21,338 | 148,222 | 3,341 |
| Excess (deficiency) of receipts over disbursements | 10,607 | 105,917 | 75,254 | 93,870 | (66,420) | - | (21,338) | (148,141) | (3,341) |
| Other financing sources (uses): | | | | | | | | | |
| Sale of capital assets | - | - | 6,047 | - | 46,279 | - | - | 79,288 | - |
| Transfers in | - | - | - | - | - | 30,000 | - | - | - |
| Transfers out | (57,500) | (57,254) | - | (30,000) | - | - | - | - | - |
| Total other financing sources (uses) | (57,500) | (57,254) | 6,047 | (30,000) | 46,279 | 30,000 | - | 79,288 | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (46,893) | 48,663 | 81,301 | 63,870 | (20,141) | 30,000 | (21,338) | (68,853) | (3,341) |
| Cash and investments - ending | \$ 676,476 | \$ 667,135 | \$ 114,137 | \$ 163,487 | \$ 79,252 | \$ 206,449 | \$ 9,490 | \$ (144,836) | \$ - |

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
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 For the Year Ended June 30, 2017

| | School Lunch | Textbook Rental | Repair and Replacement | Educational License Plates | Alternative Education | Safe Haven 2016-2017 | Safe Haven 2017-2018 | Early Intervention 2016-2017 | Lilly Endowment Ends 12/31/17 |
|---|-----------------|--------------------|------------------------------|----------------------------------|--------------------------|----------------------------|----------------------------|------------------------------------|--|
| Cash and investments - beginning | \$ 95,085 | \$ (11,667) | \$ - | \$ 362 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Receipts: | | | | | | | | | |
| Local sources | 348,947 | 130,540 | 208,735 | - | - | - | - | - | 30,000 |
| Intermediate sources | - | - | - | 312 | - | - | - | - | - |
| State sources | 11,054 | 68,316 | - | - | 10,501 | - | - | 8,153 | - |
| Federal sources | 586,430 | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - | - | - |
| Total receipts | 946,431 | 198,856 | 208,735 | 312 | 10,501 | - | - | 8,153 | 30,000 |
| Disbursements: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | - | 181,126 | - | - | 10,501 | - | - | - | - |
| Support services | 1,479 | - | - | 226 | - | 25,000 | - | - | 13,233 |
| Noninstructional services | 980,666 | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | 208,735 | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | 982,145 | 181,126 | 208,735 | 226 | 10,501 | 25,000 | - | - | 13,233 |
| Excess (deficiency) of receipts over disbursements | (35,714) | 17,730 | - | 86 | - | (25,000) | - | 8,153 | 16,767 |
| Other financing sources (uses): | | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - | - |
| Transfers in | - | 107,254 | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | 107,254 | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (35,714) | 124,984 | - | 86 | - | (25,000) | - | 8,153 | 16,767 |
| Cash and investments - ending | \$ 59,371 | \$ 113,317 | \$ - | \$ 448 | \$ - | \$ (25,000) | \$ - | \$ 8,153 | \$ 16,767 |

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

| | Miscellaneous Donations | Speech and Hearing Donation | Michelle James Memorial | Northeast Indiana Area Health Education Center | Head Start Donations | Barbara Lehmann Memorial | Small Wonders Donations | Dekko Elementary Music Enhancement | Student Service |
|---|----------------------------|--------------------------------------|-------------------------------|---|----------------------------|--------------------------------|-------------------------------|---|--------------------|
| Cash and investments - beginning | \$ 10,248 | \$ - | \$ 8,628 | \$ - | \$ 28,265 | \$ 4,908 | \$ 4,384 | \$ 52 | \$ 126 |
| Receipts: | | | | | | | | | |
| Local sources | 69,740 | - | 214 | - | 65,282 | - | 1,740 | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | 1,060 | - | - | - | - |
| Total receipts | 69,740 | - | 214 | - | 66,342 | - | 1,740 | - | - |
| Disbursements: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | 15,216 | - | - | - | 45,039 | 2,743 | - | 52 | - |
| Support services | 5,737 | - | - | - | 18,734 | - | - | - | 28 |
| Noninstructional services | - | - | - | - | - | - | 790 | - | - |
| Facilities acquisition and construction | 50,092 | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | 71,045 | - | - | - | 63,773 | 2,743 | 790 | 52 | 28 |
| Excess (deficiency) of receipts over disbursements | (1,305) | - | 214 | - | 2,569 | (2,743) | 950 | (52) | (28) |
| Other financing sources (uses): | | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (1,305) | - | 214 | - | 2,569 | (2,743) | 950 | (52) | (28) |
| Cash and investments - ending | \$ 8,943 | \$ - | \$ 8,842 | \$ - | \$ 30,834 | \$ 2,165 | \$ 5,334 | \$ - | \$ 98 |

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
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 For the Year Ended June 30, 2017

| | Dekko Site Project | GKB Clinic | NEISIC Wellness 2014-2015 | NEISIC Wellness 2015-2016 | NEISIC Wellness 2016-2017 | Herzer/Steris Unclaimed | Media Talbert Scholarship | Paul Bateman Scholarship | Top Ten Awards and Donations |
|---|--------------------------|---------------|---------------------------------|---------------------------------|---------------------------------|----------------------------|---------------------------------|--------------------------------|------------------------------------|
| Cash and investments - beginning | \$ - | \$ (6,344) | \$ 4,813 | \$ 9,255 | \$ - | \$ 9,018 | \$ 8,340 | \$ 755 | \$ 280 |
| Receipts: | | | | | | | | | |
| Local sources | - | 27,230 | - | - | 16,830 | 54 | 52 | - | 4,000 |
| Intermediate sources | - | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - | - | - |
| Total receipts | - | 27,230 | - | - | 16,830 | 54 | 52 | - | 4,000 |
| Disbursements: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | - | - | - | - | - | - | - | - | - |
| Support services | - | 20,715 | 4,813 | 9,255 | 1,063 | - | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | 250 | - | 4,280 |
| Total disbursements | - | 20,715 | 4,813 | 9,255 | 1,063 | - | 250 | - | 4,280 |
| Excess (deficiency) of receipts over disbursements | - | 6,515 | (4,813) | (9,255) | 15,767 | 54 | (198) | - | (280) |
| Other financing sources (uses): | | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | 6,515 | (4,813) | (9,255) | 15,767 | 54 | (198) | - | (280) |
| Cash and investments - ending | \$ - | \$ 171 | \$ - | \$ - | \$ 15,767 | \$ 9,072 | \$ 8,142 | \$ 755 | \$ - |

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
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 For the Year Ended June 30, 2017

| | Visual Arts Scholarship | Charles D Davis Scholarship | Weilert Scholarship | Construction and Maintenance | Building Trades Gift Program | Formative Assessment | Secured Schools Safety Grant | Head Start Parent Group | Non English Speaking 2015-2016 |
|---|-------------------------------|-----------------------------------|------------------------|------------------------------------|------------------------------------|-------------------------|---------------------------------------|-------------------------------|--------------------------------------|
| Cash and investments - beginning | \$ 2,544 | \$ - | \$ 36,556 | \$ 3,027 | \$ 670 | \$ 22 | \$ - | \$ 1,206 | \$ 356 |
| Receipts: | | | | | | | | | |
| Local sources | 15 | 1,000 | 239 | 1,359 | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | 20,556 | 50,000 | - | - |
| Federal sources | - | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - | - | - |
| Total receipts | 15 | 1,000 | 239 | 1,359 | - | 20,556 | 50,000 | - | - |
| Disbursements: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | - | - | - | - | - | 20,578 | - | - | 356 |
| Support services | - | - | - | 2,560 | - | - | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | 50,000 | - | - |
| Debt service | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | 1,000 | - | - | - | - | - | - |
| Total disbursements | - | - | 1,000 | 2,560 | - | 20,578 | 50,000 | - | 356 |
| Excess (deficiency) of receipts over disbursements | 15 | 1,000 | (761) | (1,201) | - | (22) | - | - | (356) |
| Other financing sources (uses): | | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 15 | 1,000 | (761) | (1,201) | - | (22) | - | - | (356) |
| Cash and investments - ending | \$ 2,559 | \$ 1,000 | \$ 35,795 | \$ 1,826 | \$ 670 | \$ - | \$ - | \$ 1,206 | \$ - |

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2017

| | Non English Speaking 2016-2017 | Non English Speaking 2017-2018 | School Technology | School Technology Computer Repair | Career and Technical Performance Grant | Performance Based Awards | Indiana School Academic Improvement Program (ISAIP) | SDN Cohort 1 | High Ability Grant 2015-2016 |
|---|--------------------------------------|--------------------------------------|----------------------|--|---|--------------------------------|--|--------------------|------------------------------------|
| Cash and investments - beginning | \$ - | \$ - | \$ 60,336 | \$ 5,718 | \$ - | \$ - | \$ (28,114) | \$ - | \$ 6,978 |
| Receipts: | | | | | | | | | |
| Local sources | - | - | 41,345 | 16,269 | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - | - |
| State sources | 4,003 | - | 6,308 | - | 7,018 | 23,799 | 57,554 | 5,436 | - |
| Federal sources | - | - | - | - | 20,429 | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - | - | - |
| Total receipts | 4,003 | - | 47,653 | 16,269 | 27,447 | 23,799 | 57,554 | 5,436 | - |
| Disbursements: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | 1,568 | - | 37,173 | - | 20,429 | 88,619 | - | - | 6,978 |
| Support services | - | - | 56,616 | 28,671 | - | - | 29,440 | 8,586 | - |
| Noninstructional services | - | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | 1,568 | - | 93,789 | 28,671 | 20,429 | 88,619 | 29,440 | 8,586 | 6,978 |
| Excess (deficiency) of receipts over disbursements | 2,435 | - | (46,136) | (12,402) | 7,018 | (64,820) | 28,114 | (3,150) | (6,978) |
| Other financing sources (uses): | | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | 7,500 | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | 7,500 | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 2,435 | - | (46,136) | (4,902) | 7,018 | (64,820) | 28,114 | (3,150) | (6,978) |
| Cash and investments - ending | \$ 2,435 | \$ - | \$ 14,200 | \$ 816 | \$ 7,018 | \$ (64,820) | \$ - | \$ (3,150) | \$ - |

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2017

| | High Ability Grant 2016-2017 | High Ability Grant 2017-2018 | Title I 2015-2016 | Title I 2016-2017 | Title I 2016-2017 SIG | Title I 2017-2018 | Title I 2017-2018 SIG | 21st Century Learning Center | Head Start Lunch |
|---|------------------------------------|------------------------------------|----------------------|----------------------|--------------------------|----------------------|--------------------------|---------------------------------------|------------------------|
| Cash and investments - beginning | \$ - | \$ - | \$ (24,103) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,750 |
| Receipts: | | | | | | | | | |
| Local sources | - | - | - | - | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - | - |
| State sources | 32,415 | - | - | - | - | - | - | - | - |
| Federal sources | - | - | 56,892 | 218,480 | 3,115 | - | - | - | 95,336 |
| Other receipts | - | - | - | - | - | - | - | - | - |
| Total receipts | 32,415 | - | 56,892 | 218,480 | 3,115 | - | - | - | 95,336 |
| Disbursements: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | 26,564 | - | 32,789 | 239,926 | - | - | - | - | - |
| Support services | - | - | - | 200 | 3,115 | - | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - | - | 82,303 |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | 26,564 | - | 32,789 | 240,126 | 3,115 | - | - | - | 82,303 |
| Excess (deficiency) of receipts over disbursements | 5,851 | - | 24,103 | (21,646) | - | - | - | - | 13,033 |
| Other financing sources (uses): | | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 5,851 | - | 24,103 | (21,646) | - | - | - | - | 13,033 |
| Cash and investments - ending | \$ 5,851 | \$ - | \$ - | \$ (21,646) | \$ - | \$ - | \$ - | \$ - | \$ 16,783 |

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

| | Title II Part A 2016 | Title II Part A 2017 | Title II Part A 2018 | Head Start 2015 | Head Start 2016 | Head Start 2017 | Head Start 2018 | Head Start duration 2016 |
|---|-------------------------|-------------------------|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------------------------|
| Cash and investments - beginning | \$ (575) | \$ (6,510) | \$ - | \$ (6,420) | \$ - | \$ - | \$ - | \$ - |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | 9 | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - |
| Federal sources | - | 34,268 | 175 | 68,609 | 499,362 | 504,071 | - | - |
| Other receipts | 730 | - | - | - | - | - | - | - |
| Total receipts | 730 | 34,268 | 175 | 68,609 | 499,371 | 504,071 | - | - |
| Disbursements: | | | | | | | | |
| Current: | | | | | | | | |
| Instruction | - | - | - | 62,189 | 498,921 | 504,071 | - | - |
| Support services | - | 26,312 | 635 | - | 450 | - | - | - |
| Noninstructional services | 155 | 2,061 | 175 | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Total disbursements | 155 | 28,373 | 810 | 62,189 | 499,371 | 504,071 | - | - |
| Excess (deficiency) of receipts over disbursements | 575 | 5,895 | (635) | 6,420 | - | - | - | - |
| Other financing sources (uses): | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 575 | 5,895 | (635) | 6,420 | - | - | - | - |
| Cash and investments - ending | \$ - | \$ (615) | \$ (635) | \$ - | \$ - | \$ - | \$ - | \$ - |

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

| | Early Head Start duration 2016 | Early Head Start 2015 | Early Head Start 2016 | Early Head Start 2017 | Early Head Start 2018 | Prepaid Food | Payroll Withholdings | Totals |
|---|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-----------------|-------------------------|--------------|
| Cash and investments - beginning | \$ - | \$ (5,643) | \$ - | \$ - | \$ - | \$ 2,094 | \$ 21,419 | \$ 1,948,141 |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | - | - | - | 5,626,924 |
| Intermediate sources | - | - | - | - | - | - | - | 321 |
| State sources | - | - | - | - | - | - | - | 12,004,627 |
| Federal sources | - | 74,789 | 262,811 | 257,513 | - | - | - | 2,682,280 |
| Other receipts | - | - | - | - | - | 287,593 | 3,005,935 | 3,396,289 |
| Total receipts | - | 74,789 | 262,811 | 257,513 | - | 287,593 | 3,005,935 | 23,710,441 |
| Disbursements: | | | | | | | | |
| Current: | | | | | | | | |
| Instruction | - | 69,146 | 262,361 | 257,513 | - | - | - | 10,063,440 |
| Support services | - | - | 450 | - | - | - | - | 5,690,239 |
| Noninstructional services | - | - | - | - | - | - | - | 1,252,182 |
| Facilities acquisition and construction | - | - | - | - | - | - | - | 1,062,186 |
| Debt service | - | - | - | - | - | - | - | 2,365,516 |
| Nonprogrammed charges | - | - | - | - | - | 284,298 | 3,003,976 | 3,293,804 |
| Total disbursements | - | 69,146 | 262,811 | 257,513 | - | 284,298 | 3,003,976 | 23,727,367 |
| Excess (deficiency) of receipts over disbursements | - | 5,643 | - | - | - | 3,295 | 1,959 | (16,926) |
| Other financing sources (uses): | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | 131,614 |
| Transfers in | - | - | - | - | - | - | - | 144,754 |
| Transfers out | - | - | - | - | - | - | - | (144,754) |
| Total other financing sources (uses) | - | - | - | - | - | - | - | 131,614 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | 5,643 | - | - | - | 3,295 | 1,959 | 114,688 |
| Cash and investments - ending | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,389 | \$ 23,378 | \$ 2,062,829 |

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

| | General | Debt Service | Capital Projects | School Transportation | School Bus Replacement | Rainy Day | Post-Retirement/ Severance Future Benefits | Construction | High School Construction Bonds |
|---|------------|--------------|------------------|-----------------------|------------------------|------------|---|--------------|--------------------------------|
| Cash and investments - beginning | \$ 676,476 | \$ 667,135 | \$ 114,137 | \$ 163,487 | \$ 79,252 | \$ 206,449 | \$ 9,490 | \$ (144,836) | \$ - |
| Receipts: | | | | | | | | | |
| Local sources | 133,934 | 2,424,082 | 1,153,098 | 855,471 | 223,198 | - | 20,000 | - | - |
| Intermediate sources | 19 | - | - | - | - | - | - | - | - |
| State sources | 11,909,969 | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - | - |
| Other receipts | 61,459 | - | 6,413 | 2,584 | - | - | - | 2,497 | - |
| Total receipts | 12,105,381 | 2,424,082 | 1,159,511 | 858,055 | 223,198 | - | 20,000 | 2,497 | - |
| Disbursements: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | 7,733,231 | - | - | - | - | - | - | - | - |
| Support services | 3,714,115 | - | 606,008 | 747,848 | 117,617 | - | 852 | - | - |
| Noninstructional services | 187,628 | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | 177,706 | - | 576,520 | - | - | - | - | 123,199 | - |
| Debt service | - | 2,364,385 | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | 11,812,680 | 2,364,385 | 1,182,528 | 747,848 | 117,617 | - | 852 | 123,199 | - |
| Excess (deficiency) of receipts over disbursements | 292,701 | 59,697 | (23,017) | 110,207 | 105,581 | - | 19,148 | (120,702) | - |
| Other financing sources (uses): | | | | | | | | | |
| Sale of capital assets | 11,286 | - | 1,442 | - | 371 | - | - | 153,000 | - |
| Transfers in | - | - | - | - | - | 57,000 | - | - | - |
| Transfers out | - | (52,855) | - | (57,000) | - | - | - | - | - |
| Total other financing sources (uses) | 11,286 | (52,855) | 1,442 | (57,000) | 371 | 57,000 | - | 153,000 | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 303,987 | 6,842 | (21,575) | 53,207 | 105,952 | 57,000 | 19,148 | 32,298 | - |
| Cash and investments - ending | \$ 980,463 | \$ 673,977 | \$ 92,562 | \$ 216,694 | \$ 185,204 | \$ 263,449 | \$ 28,638 | \$ (112,538) | \$ - |

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

| | School Lunch | Textbook Rental | Repair and Replacement | Educational License Plates | Alternative Education | Safe Haven 2016-2017 | Safe Haven 2017-2018 | Early Intervention 2016-2017 | Lilly Endowment Ends 12/31/17 |
|---|-----------------|--------------------|------------------------------|----------------------------------|--------------------------|----------------------------|----------------------------|------------------------------------|--|
| Cash and investments - beginning | \$ 59,371 | \$ 113,317 | \$ - | \$ 448 | \$ - | \$ (25,000) | \$ - | \$ 8,153 | \$ 16,767 |
| Receipts: | | | | | | | | | |
| Local sources | 359,636 | 180,105 | - | - | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - | - |
| State sources | 10,779 | 70,983 | - | - | 8,811 | 25,000 | 25,000 | - | - |
| Federal sources | 593,450 | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - | - | - |
| Total receipts | 963,865 | 251,088 | - | - | 8,811 | 25,000 | 25,000 | - | - |
| Disbursements: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | - | 180,553 | - | - | 8,811 | - | - | 8,153 | - |
| Support services | 284 | 81,428 | - | 6 | - | - | 25,000 | - | 8,447 |
| Noninstructional services | 941,514 | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | 941,798 | 261,981 | - | 6 | 8,811 | - | 25,000 | 8,153 | 8,447 |
| Excess (deficiency) of receipts over disbursements | 22,067 | (10,893) | - | (6) | - | 25,000 | - | (8,153) | (8,447) |
| Other financing sources (uses): | | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - | - |
| Transfers in | - | 52,855 | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | 52,855 | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 22,067 | 41,962 | - | (6) | - | 25,000 | - | (8,153) | (8,447) |
| Cash and investments - ending | \$ 81,438 | \$ 155,279 | \$ - | \$ 442 | \$ - | \$ - | \$ - | \$ - | \$ 8,320 |

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

| | Miscellaneous Donations | Speech and Hearing Donation | Michelle James Memorial | Northeast Indiana Area Health Education Center | Head Start Donations | Barbara Lehmann Memorial | Small Wonders Donations | Dekko Elementary Music Enhancement | Student Service |
|---|----------------------------|--------------------------------------|-------------------------------|---|----------------------------|--------------------------------|-------------------------------|---|--------------------|
| Cash and investments - beginning | \$ 8,943 | \$ - | \$ 8,842 | \$ - | \$ 30,834 | \$ 2,165 | \$ 5,334 | \$ - | \$ 98 |
| Receipts: | | | | | | | | | |
| Local sources | 10,457 | 33,000 | 2,060 | 213,000 | 46,885 | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | 1,183 | - | - | - | - |
| Total receipts | 10,457 | 33,000 | 2,060 | 213,000 | 48,068 | - | - | - | - |
| Disbursements: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | 5,892 | - | 260 | 2,310 | 6,791 | 1,302 | - | - | - |
| Support services | 893 | - | - | - | 23,309 | - | - | - | - |
| Noninstructional services | - | - | - | - | - | - | 267 | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | 6,785 | - | 260 | 2,310 | 30,100 | 1,302 | 267 | - | - |
| Excess (deficiency) of receipts over disbursements | 3,672 | 33,000 | 1,800 | 210,690 | 17,968 | (1,302) | (267) | - | - |
| Other financing sources (uses): | | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 3,672 | 33,000 | 1,800 | 210,690 | 17,968 | (1,302) | (267) | - | - |
| Cash and investments - ending | \$ 12,615 | \$ 33,000 | \$ 10,642 | \$ 210,690 | \$ 48,802 | \$ 863 | \$ 5,067 | \$ - | \$ 98 |

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

| | Dekko Site Project | GKB Clinic | NEISIC Wellness 2014-2015 | NEISIC Wellness 2015-2016 | NEISIC Wellness 2016-2017 | Herzer/Steris Unclaimed | Media Talbert Scholarship | Paul Bateman Scholarship | Top Ten Awards and Donations |
|---|--------------------------|---------------|---------------------------------|---------------------------------|---------------------------------|----------------------------|---------------------------------|--------------------------------|------------------------------------|
| Cash and investments - beginning | \$ - | \$ 171 | \$ - | \$ - | \$ 15,767 | \$ 9,072 | \$ 8,142 | \$ 755 | \$ - |
| Receipts: | | | | | | | | | |
| Local sources | 50,584 | 44,946 | - | - | - | 71 | 52 | - | 6,620 |
| Intermediate sources | - | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - | - | - |
| Total receipts | 50,584 | 44,946 | - | - | - | 71 | 52 | - | 6,620 |
| Disbursements: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | 49,843 | - | - | - | - | - | - | - | - |
| Support services | - | 24,891 | - | - | 5,195 | - | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | 6,620 |
| Total disbursements | 49,843 | 24,891 | - | - | 5,195 | - | - | - | 6,620 |
| Excess (deficiency) of receipts over disbursements | 741 | 20,055 | - | - | (5,195) | 71 | 52 | - | - |
| Other financing sources (uses): | | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 741 | 20,055 | - | - | (5,195) | 71 | 52 | - | - |
| Cash and investments - ending | \$ 741 | \$ 20,226 | \$ - | \$ - | \$ 10,572 | \$ 9,143 | \$ 8,194 | \$ 755 | \$ - |

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

| | Visual Arts Scholarship | Charles D Davis Scholarship | Weilert Scholarship | Construction and Maintenance | Building Trades Gift Program | Formative Assessment | Secured Schools Safety Grant | Head Start Parent Group | Non English Speaking 2015-2016 |
|---|-------------------------------|-----------------------------------|------------------------|------------------------------------|------------------------------------|-------------------------|---------------------------------------|-------------------------------|--------------------------------------|
| Cash and investments - beginning | \$ 2,559 | \$ 1,000 | \$ 35,795 | \$ 1,826 | \$ 670 | \$ - | \$ - | \$ 1,206 | \$ - |
| Receipts: | | | | | | | | | |
| Local sources | 15 | 1,000 | 277 | 1,819 | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | 22,717 | - | - |
| Federal sources | - | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - | - | - |
| Total receipts | 15 | 1,000 | 277 | 1,819 | - | - | 22,717 | - | - |
| Disbursements: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | - | - | - | - | - | - | - | - | - |
| Support services | - | - | - | 1,659 | - | - | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | 22,717 | - | - |
| Debt service | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | 250 | 1,000 | 1,000 | - | - | - | - | - | - |
| Total disbursements | 250 | 1,000 | 1,000 | 1,659 | - | - | 22,717 | - | - |
| Excess (deficiency) of receipts over disbursements | (235) | - | (723) | 160 | - | - | - | - | - |
| Other financing sources (uses): | | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (235) | - | (723) | 160 | - | - | - | - | - |
| Cash and investments - ending | \$ 2,324 | \$ 1,000 | \$ 35,072 | \$ 1,986 | \$ 670 | \$ - | \$ - | \$ 1,206 | \$ - |

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

| | Non English Speaking 2016-2017 | Non English Speaking 2017-2018 | School Technology | School Technology Computer Repair | Career and Technical Performance Grant | Performance Based Awards | Indiana School Academic Improvement Program (ISAIP) | SDN Cohort 1 | High Ability Grant 2015-2016 |
|---|--------------------------------------|--------------------------------------|----------------------|--|---|--------------------------------|--|--------------------|------------------------------------|
| Cash and investments - beginning | \$ 2,435 | \$ - | \$ 14,200 | \$ 816 | \$ 7,018 | \$ (64,820) | \$ - | \$ (3,150) | \$ - |
| Receipts: | | | | | | | | | |
| Local sources | - | - | 6,468 | 9,916 | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - | - |
| State sources | - | 3,750 | 7,770 | - | 21,499 | 126,615 | - | 9,564 | - |
| Federal sources | - | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - | - | - |
| Total receipts | - | 3,750 | 14,238 | 9,916 | 21,499 | 126,615 | - | 9,564 | - |
| Disbursements: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | 2,435 | 1,988 | 12,145 | - | 25,269 | 61,795 | - | - | - |
| Support services | - | - | 9,105 | 4,722 | - | - | - | 6,414 | - |
| Noninstructional services | - | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | 2,435 | 1,988 | 21,250 | 4,722 | 25,269 | 61,795 | - | 6,414 | - |
| Excess (deficiency) of receipts over disbursements | (2,435) | 1,762 | (7,012) | 5,194 | (3,770) | 64,820 | - | 3,150 | - |
| Other financing sources (uses): | | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (2,435) | 1,762 | (7,012) | 5,194 | (3,770) | 64,820 | - | 3,150 | - |
| Cash and investments - ending | \$ - | \$ 1,762 | \$ 7,188 | \$ 6,010 | \$ 3,248 | \$ - | \$ - | \$ - | \$ - |

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

| | High Ability Grant 2016-2017 | High Ability Grant 2017-2018 | Title I 2015-2016 | Title I 2016-2017 | Title I 2016-2017 SIG | Title I 2017-2018 | Title I 2017-2018 SIG | 21st Century Learning Center | Head Start Lunch |
|---|------------------------------------|------------------------------------|----------------------|----------------------|--------------------------|----------------------|--------------------------|---------------------------------------|------------------------|
| Cash and investments - beginning | \$ 5,851 | \$ - | \$ - | \$ (21,646) | \$ - | \$ - | \$ - | \$ - | \$ 16,783 |
| Receipts: | | | | | | | | | |
| Local sources | - | - | - | - | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - | - |
| State sources | - | 32,274 | - | - | - | - | - | - | - |
| Federal sources | - | - | - | 54,843 | 41,885 | 188,189 | 42 | 166,686 | 93,992 |
| Other receipts | - | - | - | - | - | - | - | - | - |
| Total receipts | - | 32,274 | - | 54,843 | 41,885 | 188,189 | 42 | 166,686 | 93,992 |
| Disbursements: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | 5,851 | 27,602 | - | 33,197 | 31,650 | 208,865 | - | - | - |
| Support services | - | - | - | - | 10,235 | - | 3,554 | 190,290 | - |
| Noninstructional services | - | - | - | - | - | - | - | - | 94,726 |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | 5,851 | 27,602 | - | 33,197 | 41,885 | 208,865 | 3,554 | 190,290 | 94,726 |
| Excess (deficiency) of receipts over disbursements | (5,851) | 4,672 | - | 21,646 | - | (20,676) | (3,512) | (23,604) | (734) |
| Other financing sources (uses): | | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (5,851) | 4,672 | - | 21,646 | - | (20,676) | (3,512) | (23,604) | (734) |
| Cash and investments - ending | \$ - | \$ 4,672 | \$ - | \$ - | \$ - | \$ (20,676) | \$ (3,512) | \$ (23,604) | \$ 16,049 |

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

| | Title II Part A 2016 | Title II Part A 2017 | Title II Part A 2018 | Head Start 2015 | Head Start 2016 | Head Start 2017 | Head Start 2018 | Head Start duration 2016 |
|---|-------------------------|-------------------------|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------------------------|
| Cash and investments - beginning | \$ - | \$ (615) | \$ (635) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - |
| Federal sources | - | 13,319 | 19,935 | - | - | 581,786 | 521,279 | 157,188 |
| Other receipts | - | - | - | - | - | - | - | - |
| Total receipts | - | 13,319 | 19,935 | - | - | 581,786 | 521,279 | 157,188 |
| Disbursements: | | | | | | | | |
| Current: | | | | | | | | |
| Instruction | - | - | - | - | - | 581,156 | 521,279 | 157,188 |
| Support services | - | 12,704 | 18,586 | - | - | 630 | - | - |
| Noninstructional services | - | - | 1,782 | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Total disbursements | - | 12,704 | 20,368 | - | - | 581,786 | 521,279 | 157,188 |
| Excess (deficiency) of receipts over disbursements | - | 615 | (433) | - | - | - | - | - |
| Other financing sources (uses): | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | 615 | (433) | - | - | - | - | - |
| Cash and investments - ending | \$ - | \$ - | \$ (1,068) | \$ - | \$ - | \$ - | \$ - | \$ - |

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

| | Early Head Start duration 2016 | Early Head Start 2015 | Early Head Start 2016 | Early Head Start 2017 | Early Head Start 2018 | Prepaid Food | Payroll Withholdings | Totals |
|---|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-----------------|-------------------------|--------------|
| Cash and investments - beginning | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,389 | \$ 23,378 | \$ 2,062,829 |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | - | - | - | 5,776,694 |
| Intermediate sources | - | - | - | - | - | - | - | 19 |
| State sources | - | - | - | - | - | - | - | 12,274,731 |
| Federal sources | 102,800 | - | - | 311,013 | 265,032 | - | - | 3,111,439 |
| Other receipts | - | - | - | - | - | 300,919 | 2,999,157 | 3,374,212 |
| Total receipts | 102,800 | - | - | 311,013 | 265,032 | 300,919 | 2,999,157 | 24,537,095 |
| Disbursements: | | | | | | | | |
| Current: | | | | | | | | |
| Instruction | 102,800 | - | - | 310,743 | 265,032 | - | - | 10,346,141 |
| Support services | - | - | - | 270 | - | - | - | 5,614,062 |
| Noninstructional services | - | - | - | - | - | - | - | 1,225,917 |
| Facilities acquisition and construction | - | - | - | - | - | - | - | 900,142 |
| Debt service | - | - | - | - | - | - | - | 2,364,385 |
| Nonprogrammed charges | - | - | - | - | - | 297,370 | 2,998,342 | 3,304,582 |
| Total disbursements | 102,800 | - | - | 311,013 | 265,032 | 297,370 | 2,998,342 | 23,755,229 |
| Excess (deficiency) of receipts over disbursements | - | - | - | - | - | 3,549 | 815 | 781,866 |
| Other financing sources (uses): | | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - | 166,099 |
| Transfers in | - | - | - | - | - | - | - | 109,855 |
| Transfers out | - | - | - | - | - | - | - | (109,855) |
| Total other financing sources (uses) | - | - | - | - | - | - | - | 166,099 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | - | - | - | - | 3,549 | 815 | 947,965 |
| Cash and investments - ending | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 8,938 | \$ 24,193 | \$ 3,010,794 |

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2018

| <u>Government or Enterprise</u> | <u>Accounts Payable</u> | <u>Accounts Receivable</u> |
|---------------------------------|-------------------------|----------------------------|
| Governmental activities | <u>\$ 69,426</u> | <u>\$ 48,860</u> |

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF LEASES AND DEBT
 June 30, 2018

| Lessor | Purpose | Annual Lease Payment | Lease Beginning Date | Lease Ending Date |
|---|------------------------------|----------------------------|----------------------------|-------------------------|
| Governmental activities: | | | | |
| Garrett-Keyser-Butler MS Building Corporation | QSCB 2009 | \$ 211,000 | 6/30/2010 | 12/31/2020 |
| Garrett-Keyser-Butler MS Building Corporation | Build America Bonds HS | 707,000 | 6/30/2011 | 12/31/2020 |
| Garrett-Keyser-Butler MS Building Corporation | Garrett Middle School | 1,252,000 | 7/15/2009 | 1/15/2020 |
| Garrett-Keyser-Butler MS Building Corporation | Series 2014A JE Ober | 105,500 | 6/30/2015 | 6/30/2030 |
| Garrett-Keyser-Butler MS Building Corporation | Series 2014B HS | 104,250 | 6/30/2015 | 6/30/2030 |
| Garrett-Keyser-Butler MS Building Corporation | GKBMSBC Refunding Bonds 2017 | <u>2,161,500</u> | 7/15/2018 | 1/15/2029 |
| Total of annual lease payments | | <u>\$ 4,541,250</u> | | |

| Description of Debt | Ending Principal Balance | Principal and Interest Due Within One Year |
|--------------------------|--------------------------------|---|
| Type | Purpose | |
| Governmental activities: | | |
| Notes and loans payable | 2016 Apple | \$ 266,552 |
| Notes and loans payable | 2016 Roof & furniture | \$ 135,297 |
| Notes and loans payable | 2017 Apple | 218,145 |
| Notes and loans payable | GESC 2009 | 387,495 |
| | | <u>149,324</u> |
| Totals | | <u>\$ 1,021,516</u> |
| | | <u>\$ 483,650</u> |

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CAPITAL ASSETS
June 30, 2018

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

| | <u>Ending Balance</u> |
|------------------------------------|-----------------------------|
| Governmental activities: | |
| Land | \$ 725,585 |
| Buildings | 46,943,865 |
| Improvements other than buildings | 2,709,091 |
| Machinery, equipment, and vehicles | <u>6,011,001</u> |
| Total capital assets | <u><u>\$ 56,389,542</u></u> |

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

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

Report on Compliance for Each Major Federal Program

We have audited the Garrett-Keyser-Butler Community School District's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2016 to June 30, 2018. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2016 to June 30, 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2018-002 and 2018-003. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2018-001, 2018-002, and 2018-003, that we consider to be material weaknesses.

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

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

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

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

February 14, 2019

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2017 and 2018

| Federal Grantor Agency Cluster Title/Program Title/Project Title | Pass-Through Entity or Direct Grant | Federal CFDA Number | Pass-Through Entity (or Other) Identifying Number | Passed Through to Subrecipient 06-30-17 | Total Federal Awards Expended 06-30-17 | Passed Through to Subrecipient 06-30-18 | Total Federal Awards Expended 06-30-18 |
|---|-------------------------------------|---------------------------|--|---|---|---|---|
| <u>Department of Agriculture</u> | | | | | | | |
| Child Nutrition Cluster | | | | | | | |
| School Breakfast Program | Indiana Department of Education | 10.553 | | | | | |
| | | | FY 16-17 | \$ - | \$ 124,873 | \$ - | \$ - |
| | | | FY 17-18 | - | - | - | 116,430 |
| Total - School Breakfast Program | | | | - | 124,873 | - | 116,430 |
| National School Lunch Program | | | | | | | |
| | Indiana Department of Education | 10.555 | | | | | |
| | | | FY 16-17 | - | 441,448 | - | - |
| | | | FY 17-18 | - | - | - | 445,776 |
| Commodities | | | FY 16-18 | - | 80,324 | - | 77,664 |
| Total - National School Lunch Program | | | | - | 521,772 | - | 523,440 |
| Summer Food Service Program for Children | | | | | | | |
| | Indiana Department of Education | 10.559 | | | | | |
| | | | FY 16-17 | - | 20,109 | - | - |
| | | | FY 17-18 | - | - | - | 31,244 |
| Total - Summer Food Service Program for Children | | | | - | 20,109 | - | 31,244 |
| Total - Child Nutrition Cluster | | | | - | 666,754 | - | 671,114 |
| Child and Adult Care Food Program | | | | | | | |
| | Indiana Department of Education | 10.558 | | | | | |
| | | | FY 16-17 | - | 95,335 | - | - |
| | | | FY 17-18 | - | - | - | 93,993 |
| Total - Child and Adult Care Food Program | | | | - | 95,335 | - | 93,993 |
| Total - Department of Agriculture | | | | - | 762,089 | - | 765,107 |
| <u>Department of Education</u> | | | | | | | |
| Special Education Cluster (IDEA) | | | | | | | |
| Special Education Grants to States | Indiana Department of Education | 84.027 | | | | | |
| | | | 14216-044-PN01 | - | 72,607 | - | - |
| | | | 14217-044-PN01 | - | 366,208 | - | 61,880 |
| | | | 18611-044-PN01 | - | - | - | 373,127 |
| Total - Special Education Grants to States | | | | - | 438,815 | - | 435,007 |
| Special Education Preschool Grants | | | | | | | |
| | Indiana Department of Education | 84.173 | | | | | |
| | | | 45717-044-PN01 | - | 16,144 | - | - |
| | | | 18619-044-PN01 | - | - | - | 15,965 |
| Total - Special Education Preschool Grants | | | | - | 16,144 | - | 15,965 |
| Total - Special Education Cluster (IDEA) | | | | - | 454,959 | - | 450,972 |

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2017 and 2018

| Federal Grantor Agency Cluster Title/Program Title/Project Title | Pass-Through Entity or Direct Grant | Federal CFDA Number | Pass-Through Entity (or Other) Identifying Number | Passed Through to Subrecipient 06-30-17 | Total Federal Awards Expended 06-30-17 | Passed Through to Subrecipient 06-30-18 | Total Federal Awards Expended 06-30-18 |
|--|-------------------------------------|---------------------------|--|---|---|---|---|
| Title I Grants to Local Educational Agencies | Indiana Department of Education | 84.010 | 16-1820 | - | 56,891 | - | - |
| | | | 17-1820 | - | 221,595 | - | 96,729 |
| | | | 18-1820 | - | - | - | 188,231 |
| Total - Title I Grants to Local Educational Agencies | | | | - | 278,486 | - | 284,960 |
| Twenty-First Century Community Learning Centers | Indiana Department of Education | 84.287 | 5287C170014 | - | - | - | 166,686 |
| Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) | Indiana Department of Education | 84.367 | 15-1820 | - | 34,268 | - | 13,319 |
| | | | 16-1820 | - | 175 | - | 19,935 |
| Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) | | | | - | 34,443 | - | 33,254 |
| Total - Department of Education | | | | - | 767,888 | - | 935,872 |
| <u>Department of Health and Human Services</u> Head Start | Direct Grant | 93.600 | 05CH4177/50 | - | 143,397 | - | - |
| | | | 05CH010363/01 | - | 762,172 | - | - |
| | | | 05CH010363/02 | - | 761,584 | - | 1,152,788 |
| | | | 05CH010363/03 | - | - | - | 786,310 |
| Total - Head Start | | | | - | 1,667,153 | - | 1,939,098 |
| Total - Department of Health and Human Services | | | | - | 1,667,153 | - | 1,939,098 |
| Total federal awards expended | | | | \$ - | \$ 3,197,130 | \$ - | \$ 3,640,077 |

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

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2017 and 2018. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Special Education Cooperative

The School Corporation is a member of the Northeast Indiana Special Education Cooperative (Cooperative), which operates the Special Education program for the School Corporation. As a result, some activity for the Special Education Cluster (IDEA) that is presented on the Schedule of Expenditures of Federal Awards is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the Cooperative.

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

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

| | |
|--|---------------|
| Internal control over major programs: | |
| Material weaknesses identified? | yes |
| Significant deficiencies identified? | none reported |
| Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? | yes |

Identification of Major Programs and type of auditor's report issued on compliance for each:

| CFDA Number | Name of Federal Program or Cluster | Opinion Issued |
|-------------|------------------------------------|----------------|
| | Child Nutrition Cluster | Unmodified |
| | Special Education Cluster (IDEA) | Unmodified |
| 93.600 | Head Start | Unmodified |

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

| | |
|--|----|
| Auditee qualified as low-risk auditee? | no |
|--|----|

Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

FINDING 2018-001

Subject: Child Nutrition Cluster - Internal Controls

Federal Agency: Department of Agriculture

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

CFDA Number: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 16-17, FY 17-18

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Eligibility, Procurement and Suspension and Debarment

Audit Finding: Material Weakness

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

Repeat Finding

This is a repeat of Finding 2016-003 from the immediately prior audit as it pertains to Procurement.

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the compliance requirements listed above.

Eligibility

The School Corporation used a food service software, which automatically made the eligibility determinations dependent upon the information entered into the software by applicants or school personnel. There was one employee exclusively entering the information into the food service software. The School Corporation had established an internal control policy over eligibility as recommended by the Indiana Department of Education; however, there was no evidence provided to support that the policy was properly implemented.

Procurement

The School Corporation utilized an educational service center for food service bids. The educational service center administered the bidding process, as well as verified that the vendors were not suspended or debarred. The educational service center made a recommendation to the School Corporation for the winning bids. However, there were no controls in place to ensure that the School Corporation and School Board formally approved the bids or awarded the contracts to the successful bidders. An oversight, review, or approval process had not been established.

Context

Internal control issues were systemic, occurring throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

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

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2018-002

Subject: Head Start - Allowable Costs/Cost Principles
Federal Agency: Department of Health and Human Services
Federal Program: Head Start
CFDA Number: 93.600
Federal Award Number and Year (or Other Identifying Number): 05CH010363/02
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement to ensure that all costs charged to the Head Start program were allowable.

Disbursements made by the School Corporation out of the Head Start funds for payroll, technology, medical, transportation, and maintenance expenses were paid without adequate documentation to ensure compliance with the Allowable Costs/Cost Principles compliance requirement. The School Corporation did not have a program approved indirect cost rate plan, and many of these expenses were identified as indirect costs. The costs in question totaled \$36,490.

Context

Internal control issues were systemic, occurring throughout the audit period, and enabled noncompliance with the Allowable Costs/Cost Principles compliance requirement.

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

(a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.

(b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. . . .

(g) Be adequately documented. . . ."

2 CFR 200.430(i) states in part:

"*Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed.

These records must:

(i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;

(ii) Be incorporated into the official records of the non-Federal entity;

(iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS); . . .

(vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Allowable Costs/Cost Principles compliance requirement.

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

Effect

The failure to establish internal controls enabled noncompliance to go undetected. The failure to comply with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

Questioned costs identified totaled \$36,490.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2018-003

Subject: Head Start - Matching

Federal Agency: Department of Health and Human Services

Federal Program: Head Start

CFDA Number: 93.600

Federal Award Numbers and Years (or Other Identifying Numbers): 05CH010363/01, 05CH010363/02

Compliance Requirement: Matching, Level of Effort, Earmarking

Audit Findings: Material Weakness, Other Matters

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the matching requirements to ensure that the required non-federal share of program expenditures were met.

For the award 05CH010363/01, closed-out on December 31, 2016, the School Corporation's Head Start program total non-federal share was 8 percent (\$74,726) less than the required 20 percent match. For the award 05CH010363/02, closed-out on December 31, 2017, the School Corporation's Head Start program total non-federal share was 5 percent (\$124,819) less than the required 20 percent match.

Context

Internal control issues were systemic, occurring throughout the audit period, and enabled noncompliance with the matching requirements.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.300(b) states in part: "The non-Federal entity is responsible for complying with all requirements of the Federal award. . . ."

2 CFR 200.306(b) states:

"For all Federal awards, any shared costs or matching funds and all contributions, including cash and third party in-kind contributions, must be accepted as part of the non-Federal entity's cost sharing or matching when such contributions meet all of the following criteria:

- (1) Are verifiable from the non-Federal entity's records;
- (2) Are not included as contributions for any other Federal award;
- (3) Are necessary and reasonable for accomplishment of project or program objectives;
- (4) Are allowable under Subpart E—Costs Principles of this part;
- (5) Are not paid by the Federal Government under another Federal award except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs;
- (6) Are provided for in the approved budget when required by the Federal awarding agency; and
- (7) Conform to other provisions of this part, as applicable."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the matching requirements.

Effect

The failure to establish internal controls enabled noncompliance to go undetected. The failure to comply with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

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

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
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SUPERINTENDENT
Tonya K. Weaver



BOARD OF EDUCATION
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-001

Fiscal year in which the finding initially occurred: 2015-16
Contact Person Responsible for Corrective Action: Pamela Good (Business Manager)
Contact Phone Number: (260) 357-7004

Status of Audit Finding:

1. The school district contacts DeKalb County Eastern (the LEA for the NEISEC) annually to retrieve the Special Ed COOP federal amounts to include on the annual report.
2. The Business Manager includes the commodities information located on the School and Nutrition website (Indiana Department of Education) and includes on the annual report.
3. The Business Manager reviews all the grant allocations, expenditures, and reimbursements to ensure they are stated in the correct year and the SEFA is correctly presented at the time of submission.

FINDING 2016-002

Fiscal year in which the finding initially occurred: 2015-16
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Pamela Good (Business Manager)
Contact Phone Number: (260) 357-7004

Status of Audit Finding:

The Business Manager for the school corporation updates the Paid Equity Report monthly, which includes the fund balance of the School Lunch and Prepaid Accounts. This amount is compared to the three-month total that is calculated from the annual report prepared by the Business Manager and reviewed by the School Lunch Director in June. The Paid Equity report is then reviewed and signed and dated by the Business Manager and School Lunch Director monthly.

FINDING 2016-003

Fiscal year in which the finding initially occurred: 2015-16
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Pamela Good (Business Manager)
Contact Phone Number: (260) 357-7004

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Status of Audit Finding:

The School Corporation procures bids through Region 8, an education service center. The bids are reviewed by the School Lunch Director, and forwarded to the Business Manager. The bids are then presented to the School Board for approval, and upon approval, returned to Region 8.

FINDING 2016-004

Fiscal year in which the finding initially occurred: 2015-16

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Pamela Good (Business Manager)

Contact Phone Number: (260) 357-7004

Status of Audit Finding:

A copy of the Corrective Action Plan from DeKalb County Eastern (the LEA for the NEISEC) states "Payroll records for each individual employee show funding allocation from IDEA part B grant and IDEA Preschool grant. NEISEC Director will print off and sign all Semi-Annual Certifications semi-annually." Upon verbal verification from DeKalb Eastern, these processes are currently in place.

Pamela Good
(Signature)

Business Manager
(Title)

1/14/2019
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

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Dr. Danny E. Weimer - Secretary
Larry W. Getts, Jr. - Member
Jerry A. Weller - Member

CORRECTIVE ACTION PLAN

FINDING 2018-001

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

Views of Responsible Official: The school corporation will incorporate additional internal controls regarding eligibility determinations and submission of the Region 8 bids to the School Board.

Description of Corrective Action Plan:

For Eligibility; the School Corporation will follow the most current USDA and State rules and regulations to determine eligibility of Free and Reduced meals. The internal controls procedure listed has been put into place.

1. We will print a list of all applications received (print and online). This is obtained through the Meal Magic software and is a list of all manually entered applications for the current school year.
2. We will select 10% of the applications listed for review (recalculate the determination).
3. The person performing the review will sign/initial and date a copy of the Meal Magic determination/application sheet. If an application was initially submitted on paper and then the data was entered into Meal Magic, the person who entered the data will have already signed the original, and it will be stapled to the reviewed copy.
4. The person that completes the 10% review will be a different person than the one that enters application data into the Meal Magic system.
5. This process will be completed in October of each year.
6. A separate folder or file will be created to keep documentation (the full list of applications (with a count total), a list of the 10% selected for review (with a count total), copies of the signed reviewed applications/determinations, a cover-sheet that explains the process and when it was completed (signed by the person that performs it).

For Procurement; this finding was discovered at the last audit in December 2017. At that time, a corrective action plan was developed. The School Lunch Director reviews the bids from Region 8. The bid is forwarded to the Business Manager. The bids are then presented to the School board for approval, and upon approval, returned to the School Lunch Director and Region 8.

Anticipated Completion Date:

For Eligibility; the school Lunch Director and Business Manager will implement this process immediately.
For Procurement; this process is in place and ongoing.

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FINDING 2018-002

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

Views of Responsible Official: The School Corporation will incorporate additional internal controls related to the Head Start grant agreement and the Allowable Costs/Cost Principles compliance requirement. Prior to the origination of an annual invoice for Head Start from Garrett-Keyser-Butler CSD, verbal discussions were held with the management of Head Start based in Chicago. This group oversees the fiscal operations of the grant. From the conversation, GKB was instructed to use the cost allocation method to invoice Head Start for services provided by the school. This was the method chosen because the school has not applied for or ever received an indirect cost rate. Costs were determined for Human Resources, accounting, transportation, medical, maintenance, and technology. In addition, and upon receiving documentation from the Indiana Department of Education, the following is listed in their Indirect Rate documentation, "If an LEA has never received an approved negotiated indirect cost rate, the LEA may apply the de minimis rate." The de minimis rate as noted in 2 CFR 200.414 is 10%. Garrett-Keyser-Butler did not elect to use the 10%, but based on factual and calculated expenses, the school was able to substantiate a percentage around 2%, which was charged to the Head Start grant.

Description of Corrective Action Plan: The School Corporation will incorporate additional controls in the preparation of the annual invoice, and only charge direct costs to the Head Start program that can be substantiated through time records for payroll and documented visits for medical costs.

Anticipated Completion Date: The Business Manager will implement this process immediately.

FINDING 2018-003

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

Views of Responsible Official: The School Corporation will incorporate additional internal controls, related to the Head Start grant to ensure compliance with the Matching compliance requirement.

Description of Corrective Action Plan: The Head Start Director and Business Manager will monitor the non-federal expenses monthly and complete the process for a waiver in a timely manner. The Head Start Director and Business Manager will monitor this process and verify the waiver has or has not been granted.

Anticipated Completion Date: The Head Start Director and Business Manager will implement this process immediately.

Pamela Good

(Signature)

Business Manager

(Title)

2/13/2019

(Date)

OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.