

BOARD OF EDUCATION OF GARRETT COUNTY

FINANCIAL REPORT

JUNE 30, 2008

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BOARD OF EDUCATION OF GARRETT COUNTY

FINANCIAL REPORT

JUNE 30, 2008

BOARD OF EDUCATION OF GARRETT COUNTY

INDEX TO FINANCIAL REPORT

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 11
BASIC FINANCIAL STATEMENTS	
Government Wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet - Governmental Funds	14
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Assets	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	17
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budgetary Basis) :	
Current Expense Fund - Unrestricted	18
Current Expense Fund - Restricted	19
Food Service Fund	20
Statement of Fiduciary Net Assets	21
Notes to Financial Statements	22 - 40
SUPPLEMENTARY INFORMATION	
School Activities Fund Schedule of Revenues, Expenditures and Balance by School	41



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INDEPENDENT AUDITORS' REPORT

Board of Education of Garrett County
Oakland, Maryland

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Board of Education of Garrett County, a component unit of Garrett County, Maryland, as of and for the year ended June 30, 2008 which collectively comprise the Board's basic financial statements as listed in the index to financial report. These financial statements are the responsibility of the Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Board of Education of Garrett County as of June 30, 2008, and the respective changes in financial position thereof, and the respective budgetary comparison for the current expense fund and food service fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 26, 2008 on our consideration of the Board of Education of Garrett County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of our audit.

The management's discussion and analysis listed in the index to financial report is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The accompanying school activities fund schedule of revenues, expenditures, and balances by school is presented for purposes of additional analysis and is not a required part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Rodeheaver & Associates, P.C.

Oakland, Maryland
September 26, 2008

BASIC FINANCIAL STATEMENTS

BOARD OF EDUCATION OF GARRETT COUNTY
Oakland, Maryland

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

This section of the Board of Education of Garrett County School System's Financial Report represents our discussion and analysis of the School System's operations during the fiscal year ended June 30, 2008. Please read it in conjunction with the financial statements and notes to the basic financial statements which immediately follow this section to enhance the understanding of the School System's financial performance.

Government Accounting Standards require that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities.

The goal of the MD&A is for the School System's financial managers to present an objective and easily readable analysis of the Board's financial activities based on currently known facts.

Financial Highlights

- The Current Expense Fund total fund balance as of June 30, 2008, was \$800,000 in accordance with a policy by the Board of Garrett County Commissioners that the Board of Education maintains an undesignated/unreserved fund balance at the end of each year of \$800,000.
- On a system-wide basis the Board of Education of Garrett County closed the fiscal year ended June 30, 2008, with combined net assets of \$42 million for an increase of \$6.8 million in relation to the prior year.
- The unrestricted Current Expense Fund actual revenues of \$47,992,096 came within \$34,953 of equaling the final budget, exclusive of local appropriations.
- The unrestricted Current Expense Fund actual expenditures of \$47,992,096 were under the final budget by \$465,160 or one percent (1.0%) during the year from the final adopted budget.
- Major budget initiatives in fiscal year 2008 included:
 - Implementation of a teacher salary schedule that increased the beginning teacher salary to \$39,663 which was part of a 6.0% salary package pursuant to the terms of the second year of negotiated collective bargaining agreements with all four bargaining units.
 - Continuation of a coalition between County government, Garrett College and the Board of Education to standardize health insurance benefits for current and retired employees of these entities. All three entities have the same insurance premium rates, the same benefits and the same employee co-pays.
 - Purchase of new mathematics textbooks.
 - Purchase of Computer Numerical Control machines for both high schools for a pre-engineering program, Project Lead-the-Way.
 - Employment of instructional coaches at each high school to assist changing teachers' strategies in preparing students for state high school assessments.
 - Outlays for school construction totaling \$8.68 million. These outlays were financed with revenues from the County of \$1.98 million and from the State of \$6.70 million. Projects included Grantsville Elementary addition, Northern Middle renovation, and funds for school furniture. The Grantsville Elementary addition began in FY 2007 the Northern Middle began in FY 2006. Both projects will be completed in FY 2009.

BOARD OF EDUCATION OF GARRETT COUNTY
Oakland, Maryland

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

Overview of the Financial Statements

The Financial Report is comprised of three parts: Management's Discussion and Analysis or MD&A (this section), the basic financial statements, and other supplementary information. The basic financial statements include two separate sets of statements that present different views of the School System:

- The two statements in the first set are the District-wide statements that provide both short and long-term information about the School System's overall financial condition.
- The other set of statements contain fund financial statements that focus on individual parts of the School System, reporting its operations in more detail than the District-wide statements.

District-wide Financial Statements

The District-wide Financial Statements report information about the School System as a whole using accounting methods similar to a private sector business. It is designed to provide readers with a complete financial view of the entity known as the Board of Education of Garrett County.

The *statement of net assets*, page 12, includes all of the School System's assets and liabilities with the difference between the two reported as net assets. The *statement of activities*, page 13, presents information showing how the District's net assets changed during the most recent fiscal year.

In the District-wide financial statements, the system's activities are reported under the single category of governmental activities. All of the School System's basic services are included in governmental activities, such as regular and special education, transportation, and administration. County appropriations funded by property taxes and other fees, as well as state formula aid, finance most of these activities.

Although the School System charges premiums to employees to help defray the costs of the health and dental care benefits programs, the bulk of the cost of these programs is financed by appropriations in the unrestricted Current Expense Fund budget. All insurance costs along with social security, retirement, and worker's compensation are reported under Fixed Charges.

The District-wide perspective is unrelated to the budget and, accordingly, budget comparisons are not provided in this view.

The School Activities Funds are fiduciary funds and as such are not included in the District-wide financial statements.

BOARD OF EDUCATION OF GARRETT COUNTY
Oakland, Maryland

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

Fund Financial Statements

The fund financial statements provide more detailed information about the Garrett County public schools' funds, focusing on its most significant or "major" funds - not the School System as a whole. A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The School System's funds are in two categories, governmental funds and fiduciary funds. The Board of Education of Garrett County does not operate any enterprise activities that are reported as proprietary funds.

Budgetary presentation of individual fund financial information utilizing the current financial resources measurement focus and the budgetary basis of accounting is presented as part of the fund financial statements on pages 18 through 20.

Governmental Funds

Most of the School System's basic services are included in governmental funds, page 14, which generally focus on (1) how current financial resources and other financial assets that can be readily converted to cash flow in and out and (2) the balances left at the end of the year that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the School System's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information, page 15, following the governmental funds statements explains the relationship (or differences) between them.

Fiduciary Funds – School Activity Funds

The Board is the trustee, or fiduciary, for its student activity funds. These funds are reported as a separate Agency Fund (See page 21.) We exclude these activities from the Board of Education of Garrett County's other financial statements because the assets cannot be used to finance the Board's activities. We are responsible for ensuring that the assets reported in the School Activity Funds are used for their intended purpose.

Financial Analysis of the School System as a Whole

The School System's combined net assets increased in relation to FY 2007. The net assets increased by \$6.8 million or 19.37%. The increase in net assets is largely a result of two major school construction projects during FY 2008. The decrease in Restricted Net Assets is a result of a lower fund balance in the Food Service Fund.

The first chart below provides a summarized comparison of Net Assets between FY 2008 and FY 2007. The second chart shows program revenues and general revenues by major sources for FY 2008 and FY 2007 as well as program expenses by major function for both fiscal years. Percentage changes between the two years are shown as well.

BOARD OF EDUCATION OF GARRETT COUNTY
Oakland, Maryland

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

Financial Analysis of the School System as a Whole (Continued)

Condensed Statement of Net Assets

	2008	2007	Percentage Change
Current and other assets	\$ 10,144,417	\$ 9,116,308	11.28%
Capital assets	41,787,549	34,853,594	19.90%
Total assets	\$ 51,931,966	\$ 43,969,902	18.11%
Current and other liabilities	\$ 9,270,707	\$ 8,009,258	15.75%
Long-term liabilities	620,741	741,311	-16.26%
Total liabilities	\$ 9,891,448	\$ 8,750,569	13.04%
Net assets			
Invested in capital assets net of related debt	\$ 41,770,192	\$ 34,818,710	19.96%
Restricted	169,281	366,577	-53.82%
Unrestricted	101,045	34,046	196.79%
Total net assets	\$ 42,040,518	\$ 35,219,333	19.37%

Changes in Net Assets from Operating Results

	2008	2007	Percentage Change
Program revenues:			
Charges for services	\$ 1,199,999	\$ 1,164,033	3.09%
Operating grants and contributions	8,040,142	7,579,482	6.08%
Capital grants and contributions	8,801,792	1,650,876	433.16%
General revenues:			
County government	21,612,852	19,309,902	11.93%
State (unrestricted)	25,315,178	23,005,685	10.04%
Federal	519,247	563,671	-7.88%
Other	376,449	584,574	-35.60%
Total Revenues	\$ 65,865,659	\$ 53,858,223	22.29%
Administration (central and school)	\$ 3,816,174	\$ 3,667,906	4.04%
Instruction			
(regular and special education)	30,381,154	28,192,757	7.76%
Student services and health	1,114,192	1,038,323	7.31%
Transportation	4,161,974	3,846,434	8.20%
Maintenance and operations	4,843,816	4,647,428	4.23%
Fixed charges	11,716,415	10,549,292	11.06%
Food services	2,798,029	2,578,652	8.51%
Other	212,720	237,749	-10.53%
Total Expenses	\$ 59,044,474	\$ 54,758,541	7.83%
Change in Net Assets	\$ 6,821,185	\$ -900,318	

**BOARD OF EDUCATION OF GARRETT COUNTY
Oakland, Maryland**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

Financial Analysis of the School System as a Whole (Continued)

Revenues increased by 22.29% and expenditures increased by 7.83%. The revenue increase is higher than the expenditure increase as a result of recognizing all the revenue for school construction and renovation while the expenditures are capitalized and depreciated over a forty year period. The increase in revenue for capital grants for FY 2008 compared to FY 2007 of 433.16% reflects two very large ongoing construction projects in FY 2008 compared to much smaller school construction projects in FY 2007. The decrease in general federal revenues of 7.88% is largely a result of a lower reimbursement rate for Medicaid Assistance in FY 2008. The decrease in other revenue of 35.60% is due to lower interest rates earned on deposits and the fact that e-rate telephone rebates are no longer received as revenue but are reflected in lower telephone rates.

Results of operations for the School System as a whole are presented on page 13, the Statement of Activities. Approximately \$59 million in expenses are reported. The majority of revenue received by the Board of Education of Garrett County is from the State of Maryland. The State uses multiple formulas to calculate the allocation of aid to Maryland public school systems. Grant revenues can be derived by formula or awarded on a competitive basis. Charges for services are principally meals revenue derived from food service operations.

The Food Service program is primarily self-funded by children's payments and federal and state food and nutrition subsidies; however, the Current Expense Fund pays the cost of employee health insurance and worker's compensation premium costs for the Food Service program. In FY 2008, the Current Expense Fund also transferred \$53,942 in order for the Food Service Fund to avoid closing FY 2008 with a negative undesignated/unreserved fund balance.

The table on the next page presents the cost of the major school system functions: Administration (County & School Level), Instruction and Special Education, Student Personnel Services, Student Health Services, Student Transportation, Operation of Plant and Maintenance of Plant, Fixed Charges, and Others. The table also shows each function's net cost (total cost less fees generated by the functions and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on County and State taxpayers by each of these functions.

**BOARD OF EDUCATION OF GARRETT COUNTY
Oakland, Maryland**

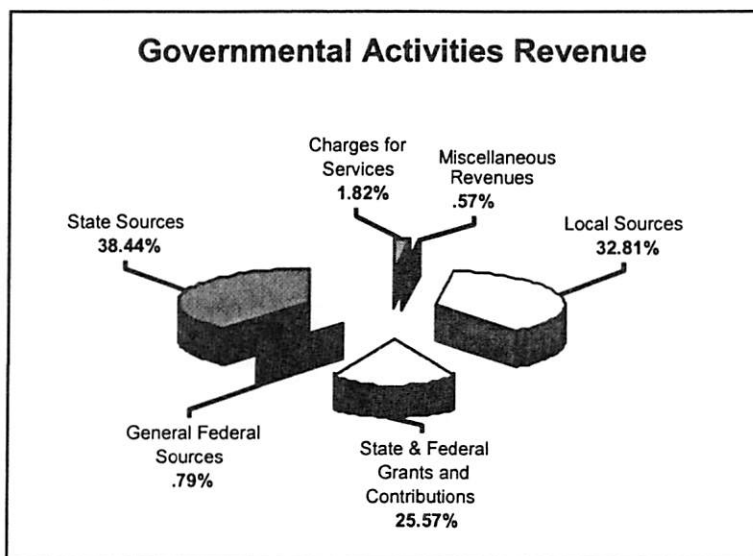
**MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

Financial Analysis of the School System as a Whole (Continued)

	Total Cost of Services			Net Cost of Services		
	2008	2007	Percentage Change	2008	2007	Percentage Change
Administration (County & School Level)	\$ 3,816,174	\$ 3,667,906	4.04%	\$ 3,644,587	\$ 3,494,157	4.31%
Instruction and Special Education	30,381,154	28,192,757	7.76%	18,722,371	23,627,713	-20.76%
Student Personnel Services	696,410	640,798	8.68%	696,315	639,769	8.84%
Student Health Services	417,782	397,525	5.10%	402,657	382,400	5.30%
Student Transportation	4,161,974	3,846,434	8.20%	1,655,811	1,528,180	3.92%
Operation of Plant and Maintenance of Plant	4,843,816	4,647,428	4.23%	4,357,354	4,544,540	-4.12%
Fixed Charges	11,716,415	10,549,292	11.06%	10,981,842	9,789,413	12.18%
Food Services	2,798,029	2,578,652	8.51%	544,044	358,663	51.69%
All others	212,720	237,749	-10.53%	-2,440	-685	-256.20%
Total	\$ 59,044,474	\$ 54,758,541	7.83%	\$ 41,002,541	\$ 44,364,150	-7.58%

The cost of all governmental activities was \$59,044,474. Some of this cost was financed by users of the School System's programs through tuition and user fees of \$1,199,999. Operating and Capital Grants and contributions from the federal and state governments for certain programs were \$16,841,934. This left a net cost of services of \$41,002,541.

Most of the School System's total revenue of \$65,865,659 was provided through County and State of Maryland taxpayers. County sources totaled \$24,031,496, State sources totaled \$35,162,040, Federal sources totaled \$5,089,912 and the remainder was financed with charges for services and miscellaneous revenues.



Financial Analysis of the School System's Funds

The School System's financial performance as a whole is reflected in its governmental funds. At the completion of the current year, the combined fund balances for all governmental funds totaled \$969,281. This is \$197,296 less than the FY 2007 ending balance of \$1,166,577. The lower balance in FY 2008 is due to a lower balance in the Food Service Fund. The General Current Expense Fund maintains an \$800,000 undesignated/unreserved fund balance at the end

**BOARD OF EDUCATION OF GARRETT COUNTY
Oakland, Maryland**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

Financial Analysis of the School System's Funds (Continued)

of each fiscal year in accordance with the policy of the Board of Garrett County Commissioners. The \$800,000 represents 1.6% of the Current Expense Fund budget. The Food Service Fund accounted for the remaining governmental fund balance of \$169,281.

The undesignated/unreserved fund balance as of June 30, 2008 was \$800,000 in the Current Expense Fund and \$0 in the Food Service Fund. There was no change between years in the Current Expense Fund undesignated/unreserved fund balance and there was a decrease between years of \$197,296 in the Food Service Fund undesignated/unreserved fund balance. The decrease in the Food Service Fund balance is largely due to increases in wages and significantly higher food costs in FY 2008.

Local appropriations and state revenues account for about 99% of the total Unrestricted Current Expense Fund revenues. Both are stable and highly predictable. Total actual Unrestricted Current Expense Fund revenues less local appropriations, were within one tenth of a percent (0.1%) during the year from the final adopted budget.

General (Current Expense) Budgetary Highlights

The Unrestricted Current Expense Fund operates under a legally adopted annual budget. The budget is subdivided into State mandated categories of expenditures including Administration, Mid-level Administration, Instructional Salaries, Textbooks and Instructional Supplies, Other Instructional Costs, Special Education, Student Personnel Services, Student Health Services, Student Transportation, Operation of Plant, Maintenance of Plant, Fixed Charges, and Community Services. The legal level of budgetary control is at the category level. Unexpended and encumbered appropriations terminate at the end of the fiscal year. The under budget variation in local source revenue resulted from a reduction in the appropriations from Garrett County in order to reduce the ending fund balance to \$800,000. The under budget variation in administration expenditures was due to the indirect cost allocation from the restricted current expense fund. The variation between the original and final budget was primarily in state funding and was largely due to additional private placements in special education and additional out-of-county living placements that resulted in the receipt of additional state funding.

Capital and Debt Administration

By the end of fiscal year 2008, the School System had over \$73.8 million invested in a broad range of capital assets including land, buildings and improvements, furniture, vehicles, and other

BOARD OF EDUCATION OF GARRETT COUNTY
Oakland, Maryland

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

Capital and Debt Administration (Continued)

equipment. This amount represents a net increase of \$8.5 million. More detailed information about the school system's capital assets can be found in Note 3 to the financial statements.

The Capital Improvement Program included funding for school construction and renovation projects as follows:

	<u>Local Funding</u>	<u>State Funding</u>
• Equipment	\$ 871	\$
• Crellin Paving/Sidewalks	8,208	
• Grantsville Addition	324,848	1,253,649
• Northern Middle School Renovation	1,647,001	5,443,000
• Northern High Fire Alarm	<u>1,600</u>	
	\$ <u>1,982,528</u>	\$ <u>6,696,649</u>

Long-term Debt

At year-end the School System had \$716,312 in long-term debt and other long-term obligations outstanding. Ninety-eight percent (98%) of this represents obligations for accumulated unpaid leave for the system's staff, and the remainder represents long-term financing for upgrading various schools' HVAC systems and removal of asbestos.

Factors Impacting the School System

Full funding of the State of Maryland *Bridge to Excellence in Public School Act* was accomplished in FY 2008. The *Bridge to Excellence in Public Schools Act*, enacted in 2002, provides substantially increased funding to Garrett County Public Schools. Two factors that could negatively impact future revenue is the county's wealth potential and declining enrollment. The County's wealth potential impacts state-aid as state-aid is distributed in reverse order of each County's per pupil wealth ranking. As a county's wealth potential increases, state-aid decreases. The county has experienced a loss of enrollment in all but one of the past several years. The State of Maryland has projected a spending gap in the next three to four years. This situation, if realized, could stress the State's ability to support ongoing public service needs.

The Master Plan for Garrett County Public Schools, required under the *Bridge to Excellence Act*, provides a multi-year action plan to guide the school system in preparing students to reach high levels of academic achievement and to be contributing members of a democratic society. The plan directs the use of current and new state, federal, and local funds to eliminate achievement gaps among subgroups of students and to challenge each student to higher academic levels. The plan organizes and aligns research-based practices, instructional services, professional development, and resource distribution to guide the Garrett County Public Schools Budget that is now linked to Master Plan strategies.

**BOARD OF EDUCATION OF GARRETT COUNTY
Oakland, Maryland**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

Factors Impacting the School System (Continued)

The State's *Bridge to Excellence in Public Schools Act* and the Federal *No Child Left Behind Acts* established certain requirements for Public School Systems. These requirements include, but are not limited to: that all students in core academic subjects are taught by "highly qualified" teachers, that all students must reach proficiency levels on state assessments by 2014, that all economically disadvantaged children must have access to a pre-kindergarten program, new certification and assessment requirements for paraprofessionals, and extensive tracking and reporting requirements. All of these new requirements have significant potential cost impacts associated with them.

Salary agreements with all four collective bargaining units have been reached through June 30, 2009. All of these agreements will result in higher operating costs in both salaries and fixed charges.

New accounting standards for reporting the Board's post-employment health insurance benefits will go into effect for the Board for the fiscal year ending June 30, 2009. Under GASB Statement Number 45 benefits will be accrued during the employee's active years of service for government-wide financial reporting purposes. Initial review by the Board's actuary projects this annual cost to be in the range of \$1,050 for each active employee. Under GASB Statement Number 45 there is no requirement to fund this accrued annual liability; however, an amount equal to the actuary's latest estimate of the annual required contribution has been fully funded in the Board's 2009 budget.

Pay-as-you go expenses incurred by the Board on behalf of qualified retirees will continue to be reported in the government funds financial statements after the adoption of the new standard. The additional accrued expense for active employees under the provisions of GASB Statement Number 45 will represent an additional expense in the government-wide financial statements above and beyond the pay-as-you go expenses currently being reported.

Contacting the School System's Financial Management

This financial report is designed to provide the citizens of Garrett County, taxpayers, parents and students, with a general overview of the Board of Education of Garrett County's finances and to demonstrate the School System's accountability for the resources it receives. If you have any questions about this report or need additional financial information, contact Ervin Fink, Executive Director of Administration, or Judy Travis, Financial Coordinator, at the Board of Education of Garrett County, 40 South Second Street, Oakland, MD 21550.

BOARD OF EDUCATION OF GARRETT COUNTY

STATEMENT OF NET ASSETS

June 30, 2008

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 6,541,323
Accounts receivable	
County	1,527,385
State	1,843,583
Federal	41,432
Other	21,413
Inventory	169,281
Non-depreciable capital assets	10,303,902
Depreciable capital assets, net of accumulated depreciation	<u>31,483,647</u>
TOTAL ASSETS	<u><u>\$ 51,931,966</u></u>
LIABILITIES	
Accrued payroll and withholding	\$ 5,859,632
Accounts payable and accrued expenses	2,823,281
Deferred revenue	492,223
Compensated absences payable:	
Current portion	84,000
Long-term portion	614,955
Long-term debt:	
Current portion	11,571
Long-term portion	<u>5,786</u>
Total Liabilities	<u><u>\$ 9,891,448</u></u>
NET ASSETS	
Invested in capital assets, net of related debt	\$ 41,770,192
Restricted for food service	169,281
Unrestricted	<u>101,045</u>
Total Net Assets	<u><u>\$ 42,040,518</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 51,931,966</u></u>

The Notes to Financial Statements are an integral part of this statement.

BOARD OF EDUCATION OF GARRETT COUNTY

STATEMENT OF ACTIVITIES

Year Ended June 30, 2008

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expenses) Revenues and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		
Governmental activities:					
Administration	\$ 1,106,801	\$	\$ 90,381	\$	\$ (1,016,420)
Mid-level administration	2,709,373		81,206		(2,628,167)
Instruction - Salaries	21,457,295	3,901	1,574,429		(19,878,965)
- Textbooks and supplies	1,396,733		317,613		(1,079,120)
- Other	3,025,322		319,009	8,801,792	6,095,479
Special education	4,501,804		642,039		(3,859,765)
Student personnel services	696,410		95		(696,315)
Student health services	417,782		15,125		(402,657)
Student transportation	4,161,974	3,649	2,502,514		(1,655,811)
Operation of plant	3,972,623	23,465	341,761		(3,607,397)
Maintenance of plant	871,193		121,236		(749,957)
Fixed charges	11,716,415		734,573		(10,981,842)
Community services	212,720	17,691	197,469		2,440
Food services	2,798,029	1,151,293	1,102,692		(544,044)
Total governmental activities	\$ 59,044,474	\$ 1,199,999	\$ 8,040,142	\$ 8,801,792	\$ (41,002,541)
General revenues:					
Local appropriations				\$	21,612,852
State appropriations					25,315,178
Federal revenues					519,247
Miscellaneous					129,445
Unrestricted investment earnings					248,470
Gain (loss) on sale of equipment					(1,466)
Total general revenues				\$	47,823,726
Change in net assets				\$	6,821,185
Net Assets - beginning of year					35,219,333
Net Assets - end of year				\$	42,040,518

The Notes to Financial Statements are an integral part of this statement.

BOARD OF EDUCATION OF GARRETT COUNTY

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2008

	<u>Current Expense Fund</u>	<u>Food Service Fund</u>	<u>School Construction Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 6,290,708	\$ 250,615	\$	\$ 6,541,323
Accounts receivable				
County	1,465,341		62,044	1,527,385
State	896,365	43,187	904,031	1,843,583
Federal	41,432			41,432
Other	18,880	2,533		21,413
Due from other funds	120,343	53,952		174,295
Inventory		169,281		169,281
Total Assets	<u>\$ 8,833,069</u>	<u>\$ 519,568</u>	<u>\$ 966,075</u>	<u>\$ 10,318,712</u>
LIABILITIES				
Accrued payroll and withholdings	\$ 5,653,234	\$ 206,398	\$	\$ 5,859,632
Accounts payable and accrued expenses	1,851,976	12,246	959,059	2,823,281
Deferred revenue	473,907	18,316		492,223
Due to other funds	53,952	113,327	7,016	174,295
Total Liabilities	<u>\$ 8,033,069</u>	<u>\$ 350,287</u>	<u>\$ 966,075</u>	<u>\$ 9,349,431</u>
FUND BALANCES				
Reserved for inventories	\$	\$ 169,281	\$	\$ 169,281
Undesignated and unreserved	800,000			800,000
Total Fund Balances	<u>\$ 800,000</u>	<u>\$ 169,281</u>	<u>\$ 0</u>	<u>\$ 969,281</u>
Total Liabilities and Fund Balances	<u>\$ 8,833,069</u>	<u>\$ 519,568</u>	<u>\$ 966,075</u>	<u>\$ 10,318,712</u>

The Notes to Financial Statements are an integral part of this statement.

BOARD OF EDUCATION OF GARRETT COUNTY

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS**

June 30, 2008

Total fund balances - Governmental funds \$ 969,281

Amounts reported for governmental activities in the statement
of net assets are different because:

Capital assets used in governmental activities are not financial resources,
and therefore, are not reported in the funds. The cost of these assets
is \$73,848,380 , net of accumulated depreciation of \$32,060,831. 41,787,549

Long-term liabilities are not due and payable in the current period and
therefore are not reported as liabilities in the funds. Long-term liabilities
at year-end include the long-term portion of compensated absences. (716,312)

Total net assets - Governmental activities \$ 42,040,518

The Notes to Financial Statements are an integral part of this statement.

BOARD OF EDUCATION OF GARRETT COUNTY

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2008**

	<u>Current Expense Fund</u>	<u>Food Services Fund</u>	<u>School Construction Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Intergovernmental revenues				
Local sources	\$ 22,048,968	\$	\$ 1,982,528	\$ 24,031,496
State sources	28,361,282	104,109	6,696,649	35,162,040
Federal sources	4,091,329	998,583		5,089,912
Earnings on investments	245,676	2,794		248,470
Charges for services	54,469	1,151,293		1,205,762
Miscellaneous revenues	98,540	31,687		130,227
	<u>\$ 54,900,264</u>	<u>\$ 2,288,466</u>	<u>\$ 8,679,177</u>	<u>\$ 65,867,907</u>
Total Revenues				
EXPENDITURES				
Administration	\$ 1,091,671	\$	\$	\$ 1,091,671
Mid-level administration	2,709,373			2,709,373
Instruction - Salaries	21,457,295			21,457,295
- Textbooks and supplies	1,390,433			1,390,433
- Other	1,049,003			1,049,003
Special education	4,501,804			4,501,804
Student personnel services	696,410			696,410
Health services	417,782			417,782
Student transportation	4,161,974			4,161,974
Operation of plant and equipment	3,972,000			3,972,000
Maintenance of plant	883,808			883,808
Fixed charges	11,783,414			11,783,414
Food services		2,773,228		2,773,228
Community services	212,720			212,720
Capital outlay	259,000	8,500	8,679,177	8,946,677
Debt service	17,611			17,611
	<u>\$ 54,604,298</u>	<u>\$ 2,781,728</u>	<u>\$ 8,679,177</u>	<u>\$ 66,065,203</u>
Total Expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 295,966	\$ (493,262)	\$ 0	\$ (197,296)
OTHER FINANCING SOURCES (USES)				
Operating transfers in		295,966		295,966
Operating transfers out	(295,966)			(295,966)
NET CHANGE IN FUND BALANCES	\$ 0	\$ (197,296)	\$ 0	\$ (197,296)
Fund Balances - beginning of year	800,000	366,577		1,166,577
FUND BALANCES - end of year	\$ 800,000	\$ 169,281	\$ 0	\$ 969,281

The Notes to Financial Statements are an integral part of this statement.

BOARD OF EDUCATION OF GARRETT COUNTY

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2008**

Change in fund balances - Governmental funds \$ (197,296)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlays of \$9,112,389 exceeded depreciation expense of (\$1,793,744) in the current year. 7,318,645

Governmental funds report only the proceeds from the sale of capital assets. In the statement of activities the net book value is written-off against the proceeds, if any, when assets are disposed of or sold. (384,690)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 17,527

In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for compensated absences are measured by the amount of financial resources used. 66,999

Change in net assets - Governmental activities \$ 6,821,185

The Notes to Financial Statements are an integral part of this statement.

BOARD OF EDUCATION OF GARRETT COUNTY

**CURRENT EXPENSE FUND - UNRESTRICTED
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Intergovernmental revenues				
Local sources	\$ 22,461,160	\$ 22,479,175	\$ 22,048,968	\$ (430,207)
State sources	24,713,917	24,933,885	24,936,113	2,228
Federal sources	633,177	647,798	614,093	(33,705)
Earnings on investments	280,000	245,611	245,676	65
Charges for services	20,170	59,734	48,706	(11,028)
Miscellaneous revenues	9,940	91,053	98,540	7,487
	<u>\$ 48,118,364</u>	<u>\$ 48,457,256</u>	<u>\$ 47,992,096</u>	<u>\$ (465,160)</u>
EXPENDITURES				
Administration	\$ 1,244,698	\$ 1,172,104	\$ 1,001,290	\$ (170,814)
Mid-level administration	2,674,922	2,647,227	2,628,167	(19,060)
Instruction - Salaries	20,075,160	19,894,828	19,890,866	(3,962)
- Textbooks and supplies	1,031,203	1,076,171	1,072,820	(3,351)
- Other	703,722	847,075	829,600	(17,475)
Special education	3,539,808	3,864,594	3,859,765	(4,829)
Student personnel services	692,460	697,142	696,315	(827)
Health services	416,855	418,246	402,657	(15,589)
Student transportation	4,251,207	4,261,122	4,159,455	(101,667)
Operation of plant and equipment	3,823,211	3,979,989	3,943,740	(36,249)
Maintenance of plant	759,858	892,514	883,808	(8,706)
Fixed charges	8,174,091	8,093,612	8,040,545	(53,067)
Food services	220,341	325,529	295,966	(29,563)
Community services	158	15,252	15,251	(1)
Capital outlay	493,402	254,240	254,240	
Debt service	17,268	17,611	17,611	
	<u>\$ 48,118,364</u>	<u>\$ 48,457,256</u>	<u>\$ 47,992,096</u>	<u>\$ (465,160)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>\$ 0</u>	<u>\$ 0</u>	\$ 0	<u>\$ 0</u>
Fund Balance - beginning of year			<u>800,000</u>	
FUND BALANCE - end of year			<u>\$ 800,000</u>	

The Notes to Financial Statements are an integral part of this statement.

BOARD OF EDUCATION OF GARRETT COUNTY

**CURRENT EXPENSE FUND - RESTRICTED
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Intergovernmental revenues				
State sources	\$ 454,424	\$ 505,092	\$ 416,873	\$ (88,219)
Federal sources	3,194,271	3,882,155	3,477,236	(404,919)
Charges for services	<u>2,130</u>	<u>9,333</u>	<u>5,763</u>	<u>(3,570)</u>
Total Revenues	<u>\$ 3,650,825</u>	<u>\$ 4,396,580</u>	<u>\$ 3,899,872</u>	<u>\$ (496,708)</u>
EXPENDITURES				
Administration	\$ 84,264	\$ 104,971	\$ 90,381	\$ (14,590)
Mid-level administration	77,415	108,467	81,206	(27,261)
Instruction - Salaries	1,537,018	1,739,964	1,566,429	(173,535)
- Textbooks and supplies	116,065	367,311	317,613	(49,698)
- Other	177,580	319,443	219,403	(100,040)
Special education	656,354	673,838	642,039	(31,799)
Student personnel services			95	95
Health services	15,000	15,000	15,125	125
Student transportation	4,953	7,853	2,519	(5,334)
Operation of plant and equipment	25,764	31,140	28,260	(2,880)
Maintenance of plant				
Fixed charges	736,544	800,427	734,573	(65,854)
Community services	215,410	223,708	197,469	(26,239)
Capital outlay	<u>4,458</u>	<u>4,458</u>	<u>4,760</u>	<u>302</u>
Total Expenditures	<u>\$ 3,650,825</u>	<u>\$ 4,396,580</u>	<u>\$ 3,899,872</u>	<u>\$ (496,708)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 0</u>	<u>\$ 0</u>	\$ 0	<u>\$ 0</u>
Fund Balance - beginning of year			<u>0</u>	
FUND BALANCE - end of year			<u>\$ 0</u>	

The Notes to Financial Statements are an integral part of this statement.

BOARD OF EDUCATION OF GARRETT COUNTY

**FOOD SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 876,912	\$ 912,259	\$ 35,347
State of Maryland	81,368	104,109	22,741
Meals and food served	1,163,590	1,151,293	(12,297)
Interest earned	7,000	2,794	(4,206)
Federal donation of food	95,000	86,324	(8,676)
Other revenues	64,000	31,687	(32,313)
Total Revenues	<u>\$ 2,287,870</u>	<u>\$ 2,288,466</u>	<u>\$ 596</u>
EXPENDITURES			
Salaries and wages	\$ 1,142,000	\$ 1,133,887	\$ (8,113)
Contracted services	43,850	92,634	48,784
Supplies and materials	803,826	1,070,509	266,683
Other charges	456,086	476,198	20,112
Capital outlay	62,449	8,500	(53,949)
Total Expenditures	<u>\$ 2,508,211</u>	<u>\$ 2,781,728</u>	<u>\$ 273,517</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (220,341)</u>	<u>\$ (493,262)</u>	<u>\$ (272,921)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	<u>220,341</u>	<u>295,966</u>	<u>75,625</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>\$ (197,296)</u>	<u>\$ (197,296)</u>
Fund Balance - beginning of year		<u>366,577</u>	
FUND BALANCE - end of year		<u>\$ 169,281</u>	

The Notes to Financial Statements are an integral part of this statement.

BOARD OF EDUCATION OF GARRETT COUNTY

STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2008

	<u>School Activities Funds</u>
ASSETS	
Cash and cash equivalents	\$ 468,255
Investments	84,796
Accounts receivable	119
	<hr/>
Total Assets	\$ 553,169
	<hr/> <hr/>
 LIABILITIES	
Accounts payable	\$ 22
School activity funds payable	553,147
	<hr/>
Total Liabilities	\$ 553,169
	<hr/> <hr/>

The Notes to Financial Statements are an integral part of this statement.

BOARD OF EDUCATION OF GARRETT COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Board of Education of Garrett County (the Board) as currently constituted was established under Title 3, Subtitles 103 and 114, Education, of the Annotated Code of Maryland. The Board is a five-member elected body responsible for the operation of the Garrett County public school system.

The Board of Education of Garrett County is a component unit of Garrett County, Maryland by virtue of the County's responsibility for levying taxes and its budgetary control over the Board of Education. The financial statements of the Board are included in the financial statements of the County as required by generally accepted accounting principles.

The financial statements of the Board are prepared in conformity with U.S. generally accepted accounting principles (GAAP) applicable to governments.

B. Government-Wide and Fund Statements

The Government Accounting Standards Board (GASB) establishes reporting requirements and the reporting model for the annual financial reports of state and local governments. This model requires governments to report on the overall state of a government's financial health and not just individual funds. The reporting model was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions. In addition, the model provides enhanced information regarding the costs of delivering specific services to citizens and includes:

Management's Discussion and Analysis – Government Accounting Standards require that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to the analysis many private sector entities provide in their annual reports.

District-Wide Financial Statements – The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable), but also capital assets and long-term liabilities. Accrual accounting also reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter. Fiduciary funds are not included in government-wide financial statements.

BOARD OF EDUCATION OF GARRETT COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Statements (continued)

District-Wide Financial Statements (continued) – The basic financial statements include both government-wide (based on the Board as a whole) and fund financial statements. The Board does not engage in business-type activities and, as such, issues single column government-wide financial statements. In the government-wide statement of net assets, both the governmental activities' assets and liabilities (a) are presented on a consolidated basis and (b) are reflected, on a full accrual, economic resource basis, which incorporates non-current assets and receivables as well as long-term obligations.

Statement of Net Assets – The statement of net assets is designed to display the financial position of the Board of Education. The Board reports all capital assets in the government-wide statement of net assets and reports depreciation expense – the cost of “using up” capital assets – in the statement of activities. The net assets of the Board are broken down into three categories – 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

Statement of Activities – The government-wide statement of activities reports expenses and revenues in the format that focuses on the cost of each educational function. The expenses of individual functions are compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants). These directly matched revenues are called program revenues. This format enables the government-wide statement of activities to reflect both the gross and net cost per functional category (regular instruction, special education, student transportation, etc.) that are otherwise being supported by general government revenues.

Program revenues must be directly associated with a function and are restricted to meeting the operational or capital requirements of a particular function or activity. Multi-purpose grants and other items not properly included among program revenues are reported as general revenues. The operating grants include operating specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

Direct expenses are considered those that are clearly identifiable with a specific function or segment. The Board does not allocate indirect expenses.

Fund Financial Statements – Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All of the Board's funds are reported as major funds. In the fund financial statements, financial transactions and accounts of the Board are organized on the basis of funds.

BOARD OF EDUCATION OF GARRETT COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Statements (continued)

Fund Financial Statements (continued) - The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The fund statements are presented on a current financial resource and modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented which briefly explains the adjustments necessary to reconcile the fund financial statements to the governmental activities column of the government-wide financial statements.

Budgetary Comparison Schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the financial progress of their governments over the course of the year. The Board and many other governments revise their original budgets over the course of the year for a variety of reasons. Under the current reporting model, governments provide budgetary comparison information including the government's original budget and the final budget compared to actual results. These budgetary comparison schedules are presented as part of the basic financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Non-exchange transactions where the Board either gives or receives value without directly receiving or giving equal value in exchange include, for example, grants and contributions. Revenues from grants and contributions are recognized in the fiscal year in which all eligibility requirements have been satisfied.

It is the Board's policy to first use restricted assets for expenses incurred for which both restricted and unrestricted assets are available unless a local match is required. Where a local match is required, the expense is allocated to restricted and unrestricted assets based on the required match percentages.

BOARD OF EDUCATION OF GARRETT COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This focus is on the determination of, and changes in financial position. Generally, only current assets and current liabilities are included on the balance sheet. Revenues are recorded as soon as they are both measurable and available. Revenues are considered to be available if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major revenue sources subject to the availability criterion are local, state, and federal revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when the obligations are expected to be liquidated with expendable available resources.

The following types of transactions are reported as program revenues. Tuition paid directly by students and parents; and sales associated with the food service operations are identified as charges for services. State and federal support for each function is identified as operating grants and contributions. Grant-related revenue that is specifically restricted for use by a particular function is separated in the statement of activities.

The Board reports the following governmental funds in the fund financial statements:

Current Expense Fund - The Current Expense Fund is the general operating fund of the Board and is used to account for the revenues and expenditures necessary for the day-to-day operation of the Board. This fund is used to account for all financial resources except those required to be accounted for in another fund. State and federal grant programs are included in the restricted portion of this fund.

Food Service Fund - The Food Service Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures related to food service operations.

School Construction Fund - The School Construction Fund is used to account for the financial resources to be used for the acquisition, construction or renovation of the Board's major capital facilities.

School Activities Fund - The School Activities Funds are agency funds used to account for assets held by the Board in a trustee capacity. These funds belong to student and faculty organizations within each school and are under the direct responsibility of each school's principal.

BOARD OF EDUCATION OF GARRETT COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(continued)**

As a general rule, the effect of interfund and internal activity has been eliminated from the government-wide financial statements including the statement of activities. Interfund balances are not included in the government-wide statement of net assets. The Board distinguishes overhead costs, which are eliminated in the preparation of the statement of activities from interfund services provided and used between functions which are not eliminated in the statement of activities in the financial statement closing process. The Board does not allocate indirect expenses to functions in the fund financial statements.

D. Assets, Liabilities, and Net Assets or Equity

Cash and Cash Equivalents - For purposes of financial statement presentation, the Board considers all highly liquid investments (i.e. certificates of deposit and repurchase agreements) with a remaining maturity of three months or less when purchased to be cash equivalents.

Investments - Investments consist of certificates of deposit with a remaining maturity of more than three months when purchased. These investments are recorded at cost which approximates market value.

Receivables and Payables - All interfund receivables and payables are displayed in the fund statements as "due to/due from other funds." These amounts offset each other and are eliminated from the government-wide statement of net assets, so as to not overstate the Board's assets and liabilities. All other receivables are reported at net realizable value.

Inventories - Inventory balances reflected in the financial statements consist of food stuffs located in each school. Inventory is recorded in the financial statements using the consumption method. Under this method, expenditures are recognized when inventory is used. Inventories are valued on a first-in, first-out cost basis. Unit cost values of donated food are determined from USDA price lists.

Capital Assets - Capital assets, which include land and improvements, buildings and improvements, and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

BOARD OF EDUCATION OF GARRETT COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements	15
Equipment	5-12
Vehicles	8

Deferred Revenues - Deferred revenues represent amounts received from grantors in advance of incurrence of eligible expenditures for reimbursable-type grants at June 30, 2008.

Compensated Absences Payable - As of June 30, 2008, employees of the Board had accumulated approximately \$698,955 of vested annual leave and other compensatory leave benefits. These benefits include salaries and salary related payments. The current and long-term portion of this liability are presented in the government-wide financial statements at fiscal year-end.

School Construction Debt - The Board is not obligated to repay principal or interest on any debt incurred for school construction. Such bonds and loans are obligations of the county government. Accordingly, the Board does not record school construction debt service revenues, expenditures, or outstanding school construction debt in the accompanying financial statements.

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Fund balances in the governmental funds are reserved for inventories to indicate the amounts are not available for other expenditures. The Board of Garrett County Commissioners has agreed to fund the Board's Unrestricted Current Expense Fund budget at a level that allows the Board to maintain an undesignated/unreserved Current Expense Fund balance of \$800,000.

E. Budgets and Budgetary Accounting

The Board prepares its budget for the unrestricted component of the Current Expense Fund and Food Service Fund on a basis consistent with generally accepted accounting principles applicable to governmental entities except for retirement payments made on the Board's behalf to the State Retirement and Pension System of Maryland by the State of Maryland. The Board is not legally responsible for such payments.

BOARD OF EDUCATION OF GARRETT COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting (continued)

The budgetary basis does not reflect revenues and expenditures for such contributions as required by generally accepted accounting principles. In addition, certain reclassifications are made to the approved budgets to facilitate comparison for financial reporting purposes.

The restricted component of the Current Expense Fund budget accounts for special federal and state grant programs. Expenditures incurred under these programs are limited to the amounts expended under the respective grants.

School Construction Fund activity is budgeted on the basis of total project costs as approved by the Board of Public Works and County appropriations specifically allocated for capital outlay. Annual budgetary comparisons to actual expenditures are not presented in the financial statements for the School Construction Fund.

The superintendent submits the Current Expense Fund and Food Service Fund proposed budgets to the Board of Education. Upon approval by the Board, the proposed budgets are submitted to the county commissioners for approval. A copy of the budget as approved by the county commissioners is submitted to the State superintendent within 30 days after approval. All budget appropriations lapse at year end.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS

At June 30, 2008, cash and cash equivalents consisted of the following:

Cash in banks	\$ 6,506,273
Repurchase agreement	<u>35,050</u>
	<u>\$ 6,541,323</u>

BOARD OF EDUCATION OF GARRETT COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - CASH AND CASH EQUIVALENTS (Continued)

At year end, the carrying amount of the Board's combined deposits was \$6,506,273 and the bank balance was \$7,670,631. Of the bank balance, \$100,000 was covered by federal depository insurance and \$7,570,631 was covered by collateral held by the pledging banks' custodians as agent for the Board. The custodians' records indicate the Board's security interest.

Statutes require collateral to be pledged as security for uninsured deposits and the market value of such collateral shall be at least equal to the amount of monies on deposit. At June 30, 2008, the market value of collateral pledged as security for Board deposits approximated \$7,722,044.

Statutes authorize the Board to invest unexpended or surplus monies in obligations of the U.S. Government, federal government agency obligations and repurchase agreements secured by direct government or agency obligations. The Board follows the County's investment policy with respect to the portion of unexpended or surplus funds that may be concentrated at any one time in a specific type of investment instrument. This policy limits investments in U.S. Treasury obligations, federal government agency obligations and repurchase agreements to 100, 50 and 70 percent of the Board's overall deposit and investment portfolio, respectively.

The Board follows the County's policy for managing its exposure to fair value losses arising from increasing interest rates. The County's investment policy requires that the majority of investments be short-term (having a term of less than one year). Investments in instruments having long-term maturities are limited to direct federal government obligations and to securities issued by U.S. Government agencies. Under the terms of the County's policy the maximum length of maturity for any long-term investment is two years.

The Board utilizes repurchase agreements for temporary investment of Board funds. Securities underlying overnight repurchase agreements are pledged against a segregated collateral pool for the account of the Board and consist of U.S. Treasury securities, U.S. Government Agency securities, and other qualified investment grade securities. The securities are exposed to custodial credit risk because they are uninsured and collateralized with securities held by a third party custodian for the account of the Board, but not in the Board's name. At June 30, 2008, the Board held repurchase agreements of \$35,050 at various interest rates collateralized by U.S. government agency securities with a market value of \$35,751.

Fiduciary net assets at year-end consist of bank deposits held on behalf of school activity funds. All deposits held are fully insured or collateralized at June 30, 2008.

Fiduciary net assets also consist of investments in certificates of deposits with maturity dates in excess of three months. All certificates of deposits are fully insured at June 30, 2008.

BOARD OF EDUCATION OF GARRETT COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2008 was as follows:

<u>Governmental Activities</u>	<u>Balance June 30, 2007</u>	<u>Additions and Transfers</u>	<u>Dispositions and Transfers</u>	<u>Balance June 30, 2008</u>
Capital assets not being depreciated				
Land	\$ 867,363	\$	\$	\$ 867,363
Construction in progress	<u>737,984</u>	<u>8,776,380</u>	<u>(77,825)</u>	<u>9,436,539</u>
Total capital assets, not being depreciated	<u>\$ 1,605,347</u>	<u>\$ 8,776,380</u>	<u>\$ (77,825)</u>	<u>\$ 10,303,902</u>
Capital assets being depreciated				
Building and improvements	\$ 60,962,689	\$ 240,950	\$ (526,404)	\$ 60,677,235
Equipment	2,231,176	172,884	(25,355)	2,378,705
Vehicles	<u>507,997</u>	<u></u>	<u>(19,459)</u>	<u>488,538</u>
Total capital assets being depreciated	<u>\$ 63,701,862</u>	<u>\$ 413,834</u>	<u>\$ (571,218)</u>	<u>\$ 63,544,478</u>
Less accumulated depreciation				
Building and improvements	\$ 28,610,110	\$ 1,630,081	\$ (143,962)	\$ 30,096,229
Equipment	1,485,119	132,839	(23,107)	1,594,851
Vehicles	<u>358,386</u>	<u>30,824</u>	<u>(19,459)</u>	<u>369,751</u>
Total accumulated depreciation	<u>\$ 30,453,615</u>	<u>\$ 1,793,744</u>	<u>\$ (186,528)</u>	<u>\$ 32,060,831</u>
Capital assets being depreciated - net	<u>\$ 33,248,247</u>	<u>\$ (1,379,910)</u>	<u>\$ (384,690)</u>	<u>\$ 31,483,647</u>
Capital assets, net	<u>\$ 34,853,594</u>	<u>\$ 7,396,470</u>	<u>\$ (462,515)</u>	<u>\$ 41,787,549</u>

BOARD OF EDUCATION OF GARRETT COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CAPITAL ASSETS (Continued)

Depreciation expense for the year ended June 30, 2008 was charged to governmental functions as follows:

Administration	\$ 14,258
Instruction	1,705,446
Operation of plant	25,454
Maintenance of plant	23,785
Food service	<u>24,801</u>
 Total depreciation expense - governmental activities	 <u>\$ 1,793,744</u>

The Board had active construction projects as of June 30, 2008 as follows:

	<u>Spent-To -Date</u>	<u>Remaining Commitment</u>
Grantsville Elementary - Addition	\$ 1,639,072	\$ 4,061,730
Northern Middle - Renovation	7,589,775	8,087,845
Open Space Projects	<u>207,692</u>	<u>416,946</u>
 Total	 <u>\$ 9,436,539</u>	 <u>\$ 12,566,521</u>

NOTE 4 - INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances at June 30, 2008 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Current Expense	Food Service	\$ 113,327
Current Expense	School Construction	7,016
Food Service	Current Expense	<u>53,952</u>
		<u>\$ 174,295</u>

These interfund balances result from the time lag between the dates that payments of expenses and cash collections by one fund on behalf of another are made.

Transfers between funds consist of \$295,966 in benefit costs paid by the Current Expense Fund on behalf of the Food Service Fund.

BOARD OF EDUCATION OF GARRETT COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - COMPENSATED ABSENCES PAYABLE

Activity in compensated absences for the year ended June 30, 2008 was as follows:

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2008</u>	<u>Due Within</u> <u>One Year</u>
Current Expense Fund	\$ 737,728	\$ 67,396	\$ (124,952)	\$ 680,172	\$ 84,000
Food Service Fund	<u>28,226</u>	<u> </u>	<u>(9,443)</u>	<u>18,783</u>	<u> </u>
	<u>\$ 765,954</u>	<u>\$ 67,396</u>	<u>\$ (134,395)</u>	<u>\$ 698,955</u>	<u>\$ 84,000</u>

NOTE 6 - LONG-TERM DEBT

The Board is obligated under a loan agreement with the U.S. Environmental Protection Agency. The proceeds of this loan together with matching grant revenue was awarded to the Board under an EPA assistance agreement for the removal of asbestos in schools. Terms of this loan are as follows:

	<u>Balance</u> <u>June 30, 2008</u>
\$ 208,285 Dated May 4, 1990, subsequently amended July 18, 1991. \$5,786 semi-annual payments of principal only beginning May 30, 1992 for a period of 18 years.	<u>\$ 17,357</u>

BOARD OF EDUCATION OF GARRETT COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - LONG-TERM DEBT (Continued)

Maturities of long-term debt are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 11,571	\$ 0	\$ 11,571
2010	<u>5,786</u>	<u>0</u>	<u>5,786</u>
	<u>\$ 17,357</u>	<u>\$ 0</u>	<u>\$ 17,357</u>

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2008.

	<u>Balance 7/01/07</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/08</u>	<u>Due Within One Year</u>
U.S. EPA loans	\$ 28,928	\$	\$ (11,571)	\$ 17,357	\$ 11,571
First United Bank & Trust	<u>5,956</u>	<u> </u>	<u>(5,956)</u>	<u>0</u>	<u>0</u>
	<u>\$ 34,884</u>	<u>\$</u>	<u>\$ (17,527)</u>	<u>\$ 17,357</u>	<u>\$ 11,571</u>

Interest expense paid during the year ended June 30, 2008 was \$84.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

Other Post-Employment Benefits

The Board provides post-employment benefits in the form of contributions toward the cost of health insurance for qualified former employees. Eligible employees include any current employee who qualifies for retirement under the Maryland State Retirement and Pension System and also meets the eligibility requirements of the insurance post-employment program under which they retire.

The Board of Education of Garrett County adopted the Garrett County Employees Health Care Plan which included post-employment insurance benefits consistent with those benefits offered to employees of The Board of Garrett County Commissioners and Garrett College effective July 1, 2006.

The terms and conditions of this program are as follows:

BOARD OF EDUCATION OF GARRETT COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - COMMITMENTS AND CONTINGENCIES (Continued)

Other Post-Employment Benefits (continued)

The employee must have a minimum of 10 years full-time equivalent service with The Board of Education of Garrett County, The Board of Garrett County Commissioners, Garrett College, or a combination thereof;

Eligible employees are given the option to maintain health insurance coverage after they retire and until they reach age 65. After age 65, they can elect to be covered under the Social Security supplemental plan. Generally, retirees pay a percentage (from 0% to 60% depending upon years of service at retirement) of the COBRA equivalent cost of the pre-65 Maryland Point of Service individual plan benefit for themselves. After age 65, the Board pays the same percentage for the retirees' Medicare Supplemental Standard Program (including drugs). The following table outlines coverage percentages paid by the retiree and Board under the plan based on years of service at date of retirement:

	<u>Retiree %</u>	<u>Board %</u>
Less than 10 years	No coverage	No coverage
10 or less than 15 years	60%	40%
15 or less than 21 years	50%	50%
21 or less than 26 years	40%	60%
26 or less than 30 years	20%	80%
30 or more years	0%	100%

During the year ended June 30, 2008, there were 41 Board of Education retirees who met the eligibility requirements for participation in this new program. The Board expended \$188,031 during the year ended June 30, 2008, to finance the benefits of this program on a pay-as-you-go basis. These costs are reported in Current Expense Fund fixed charges.

For employees retiring between July 1, 2003 and June 30, 2006, an insurance post-employment benefit existed that offered a fixed amount of dollars toward the cost of insurance for eligible retirees. Eligibility requirements included having at least 15 years of service with the Board of Education of Garrett County and being enrolled in the insurance program for at least one year prior to retirement. The maximum number of years of benefit under this plan is 10. Participants may continue under the Board's health insurance policy or purchase insurance from any other plan that the individual may select. Benefits under the program are financed on a pay-as-you-go basis and include annual credits toward the cost of retiree health insurance premiums paid as follows:

30 years or more of service	\$3,000
25 years but less than 30 years	2,500
20 years but less than 25 years	2,000
15 years but less than 20 years	1,500

BOARD OF EDUCATION OF GARRETT COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - COMMITMENTS AND CONTINGENCIES (Continued)

Other Post-Employment Benefits (continued)

The benefit is further limited to the retiree's actual cost of insurance premiums. During the year ended June 30, 2008 the Board expended \$106,014 under this program. There are currently 51 retirees who meet the eligibility requirements and who are participating in this program. These costs are included in Current Expense Fund fixed charges.

In addition, during the year ended June 30, 2008, the Board expended \$47,748 under post-employment insurance benefit programs which were in effect for eligible employees retiring prior to July 1, 2003. There are currently 14 retirees who meet the eligibility requirements and who are participating in these programs. These programs are also financed on a pay-as-you-go basis. These costs are included in Current Expense Fund fixed charges.

New accounting standards for reporting these post-employment insurance benefits go into effect for the Board for the fiscal year ending June 30, 2009. Under GASB Statement Number 45, benefits will be accrued during the employee's active years of service for government-wide financial reporting purposes. Under GASB Statement Number 45 there is no requirement to fund this accrued annual liability; however, an amount equal to the actuary's latest estimate of the annual required contribution has been fully funded in the Board's 2009 budget.

Pay-as-you-go expenses incurred by the Board on behalf of qualified retirees will continue to be reported in the governmental funds financial statements after the adoption of the new standard. The additional accrued expense for active employees under the provisions of GASB Statement Number 45 represents an additional expense in the government-wide financial statements above and beyond the pay-as-you-go post employment benefits expenses currently being reported.

Financial Assistance Program Compliance

The Board participates in numerous Federal and State grant/loan programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Board has not complied with the laws and regulations governing the grant/loan programs, refunds of any money received may be required or, the collectibility of any related receivable at June 30, 2008 may be impaired. In the opinion of the Board, the amount, if any, of contingent liabilities relating to non-compliance with the laws and regulations governing the respective grant/loan programs is not material; consequently, no provision has been recorded in the accompanying financial statements for such contingencies.

Operating Leases

The Board has entered into various noncancellable operating leases primarily for instructional and operations equipment. Rent expense paid during the year ended June 30, 2008 was \$147,424.

BOARD OF EDUCATION OF GARRETT COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - COMMITMENTS AND CONTINGENCIES (Continued)

Operating Leases (continued)

Future minimum rental payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year as of June 30, 2008 are as follows:

2009	\$ 101,776
2010	98,085
2011	85,127
2012	42,117
2013	<u>791</u>
	<u>\$ 327,896</u>

NOTE 8 - STATE RETIREMENT PLANS

The Board of Education of Garrett County participates in the State Retirement and Pension System of Maryland, a cost sharing multiple-employer public employee retirement system. Substantially all employees of the Board are eligible to participate in the state system, which provides retirement disability and death benefits in accordance with State statutes. The State Retirement and Pension System of Maryland is administered in accordance with the State Personnel and Pensions Article of the Annotated Code of Maryland and managed by a board of trustees. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the Teachers and Employees Retirement and Pension Systems. The annual report for the year ended June 30, 2007 (most recent available data) may be obtained by writing to the State Retirement and Pension System of Maryland, 120 East Baltimore Street, Baltimore, MD 21202 or by calling 1-800-492-5909.

Employees covered under the Teachers and Employees Retirement Systems are required by State statute to contribute between 5.0% and 7.0% of earnable compensation depending upon the retirement options selected. Employees covered under the Teachers and Employees Pension Systems are generally required by State statute to contribute 2% of earnable compensation.

The State of Maryland, which is a non-employer contributor to the Teachers Retirement and Pension Systems, makes all non-employee contributions for participants whose salaries and wages are funded from the Unrestricted Current Expense Fund budget in amounts required by State statutes. Employers' contributions applicable to participants employed under restricted programs are funded by the restricted programs in amounts required by State statutes. The Board pays all employer contributions for participants classified as custodial and cafeteria personnel. Employer contribution rates are established by annual actuarial valuations, subject to the approval of the systems' Board of Trustees in accordance with the Annotated Code of Maryland.

BOARD OF EDUCATION OF GARRETT COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE 8 - STATE RETIREMENT PLANS (Continued)

The Board's annual pension cost of \$3,513,105 was equal to the Board's required and actual contributions as follows:

	<u>Teachers Systems</u>	<u>Employee Systems</u>
State contributions	\$ 3,008,296	\$
Board contributions:		
Federal programs	227,119	
Other	<u> </u>	<u>277,690</u>
	<u>\$ 3,235,415</u>	<u>\$ 277,690</u>

Employer contribution rates as a percentage of covered payrolls were as follows:

<u>9.71%</u>	<u>6.83%</u>
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The Board has recognized revenue and expenditures equal to the amount of non-employer contributions made by the State of Maryland as stated above, in the accompanying financial statements of the Unrestricted Current Expense Fund.

The Teachers and Employees Retirement and Pension Systems use the entry age normal cost method with projection and other actuarial assumptions adopted by the Board of Trustees to determine future contribution rates. Under this funding method, a total contribution rate is determined which consists of two elements, the normal cost rate and the unfunded actuarial liability rate.

The unfunded actuarial accrued liability is being amortized as a level percentage of payroll in distinct pieces. The liquidation period for the unfunded actuarial accrued liability which existed as of June 30, 2000 is 13 years to June 30, 2020. The additional unfunded actuarial liability which arose subsequent to June 30, 2000, is being amortized in separate annual layers over a 25 year period.

Assets are valued for funding purposes using a five-year moving average. Under this method, the actuarial value of assets is one-fifth of the current fiscal year market value plus four-fifths of the expected market value, where the expected market value is the preceding year's actuarial asset value adjusted for the current year's cash flows with interest accumulated at the actuarial assumed rate of return on investments.

BOARD OF EDUCATION OF GARRETT COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE 8 - STATE RETIREMENT PLANS (Continued)

The following significant assumptions were used in the actuarial valuation as of June 30, 2007:

- 1) A rate of return on investments of 7.75% compounded annually.
- 2) Projected salary increases of 3.5% compounded annually, attributable to inflation.
- 3) Additional projected salary increases ranging from 0.00% to 8.50% per year attributable to seniority and merit.
- 4) Post-retirement benefit increases ranging from 3% to 4% per year depending on the system.
- 5) Rates of mortality, termination of service, disablement, and retirement based on actual experience during the period from 2003 through 2006.
- 6) The aggregate active member payroll is assumed to increase by 3.5% annually.

There were no significant changes in actuarial assumptions, actuarial funding methods, benefit provisions or any other significant factors used to determine pension contribution requirements other than as described above.

Three Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2006	2,616,288	100%	0
June 30, 2007	2,884,638	100%	0
June 30, 2008	3,513,105	100%	0

BOARD OF EDUCATION OF GARRETT COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE 8 - STATE RETIREMENT PLANS (Continued)

Required Supplementary Information

**Schedule of Funding Progress
(Expressed in Thousands)**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
6/30/05	34,519,500	39,133,450	4,613,950	88.21%	8,603,761	54%
6/30/06	35,795,025	43,243,492	7,448,467	82.78%	9,287,576	80%
6/30/07	37,886,936	49,306,375	11,419,439	76.84%	9,971,012	115%

The Maryland State Retirement and Pension System's annual report does not make separate funding progress measurements by individual employers. The above schedule reflects the total Systems' funding progress as a whole.

NOTE 9 - RISK MANAGEMENT

The Board of Education of Garrett County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Board carries commercial insurance for substantially all risks of loss, including employee health and accident and workers' compensation. However, not all natural disasters are covered. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 10 - RELATED PARTIES

The Board of Education is closely related to Garrett County and the State of Maryland and is dependent on these two sources for the major portion of its current expense funding. The amounts received during the year are disclosed within the financial statements. In addition, the Board offices are located in building space appropriated to them by the County. The annual fair market value of the space occupied is \$148,000. The fair market value of the appropriated space is recorded in the accompanying government-wide and fund financial statements as both a revenue and an expenditure.

OTHER SUPPLEMENTARY INFORMATION

BOARD OF EDUCATION OF GARRETT COUNTY

**SCHOOL ACTIVITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND BALANCES BY SCHOOL
YEAR ENDED JUNE 30, 2008**

	<u>BALANCES</u> <u>July 1, 2007</u>	<u>REVENUES</u>	<u>EXPENDITURES</u>	<u>BALANCES</u> <u>June 30, 2008</u>
ELEMENTARY				
Accident	\$ 9,228	\$ 37,361	\$ 36,746	\$ 9,843
Bloomington	9,453	12,114	13,214	8,354
Broadford	22,848	60,314	66,015	17,147
Hickory Environmental	7,762	9,551	6,563	10,750
Crellin	3,630	16,481	17,179	2,932
Dennett Road	17,127	34,030	34,188	16,970
Friendsville	6,026	20,879	23,784	3,121
Grantsville	14,150	43,757	47,661	10,246
Kitzmilller	2,840	11,448	11,488	2,799
Route 40	4,540	13,073	11,910	5,703
Swan Meadow	2,794	10,214	11,244	1,764
Yough Glades	6,116	12,133	14,993	3,257
	<u>6,116</u>	<u>12,133</u>	<u>14,993</u>	<u>3,257</u>
Total Elementary	<u>\$ 106,513</u>	<u>\$ 281,355</u>	<u>\$ 294,984</u>	<u>\$ 92,884</u>
MIDDLE AND SENIOR HIGH				
Northern High	\$ 192,464	\$ 311,613	\$ 293,807	\$ 210,270
Southern High	150,147	457,264	453,761	153,650
Northern Middle	66,438	53,506	55,721	64,223
Southern Middle	32,993	72,923	73,795	32,121
	<u>32,993</u>	<u>72,923</u>	<u>73,795</u>	<u>32,121</u>
Total Middle and Senior High	<u>\$ 442,042</u>	<u>\$ 895,305</u>	<u>\$ 877,084</u>	<u>\$ 460,263</u>
TOTAL SCHOOLS	<u>\$ 548,555</u>	<u>\$ 1,176,661</u>	<u>\$ 1,172,068</u>	<u>\$ 553,147</u>