

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

AUDIT REPORT

OF

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION

CRAWFORD COUNTY, INDIANA

July 1, 2004 to June 30, 2006



**FILED**

02/12/2007



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Martha R. Stroud	07-01-04 to 06-30-07
Superintendent of Schools	Thomas E. Doddridge Dr. Mark A. Eastridge	07-01-04 to 12-31-04 01-01-05 to 06-30-10
President of the School Board	Tim Jellison Debbie Kaiser	07-01-04 to 06-30-06 07-01-06 to 06-30-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE CRAWFORD COUNTY COMMUNITY  
SCHOOL CORPORATION, CRAWFORD COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Crawford County Community School Corporation (School Corporation), as of and for the years ended June 30, 2005 and 2006, which collectively comprise the School Corporation's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2005 and 2006, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated December 19, 2006, 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 and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

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

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the School Corporation taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Schedule of Long-Term Debt is presented for additional analysis and is not a required part of the basic financial statements. The Schedule of Long-Term Debt has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

December 19, 2006



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

TO: THE OFFICIALS OF THE CRAWFORD COUNTY COMMUNITY  
SCHOOL CORPORATION, CRAWFORD COUNTY, INDIANA

We have audited the financial statements of the Crawford County Community School Corporation (School Corporation), as of and for the years ended June 30, 2005 and 2006, and have issued our report thereon dated December 19, 2006. 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.

Compliance

As part of obtaining reasonable assurance about whether the School Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

STATE BOARD OF ACCOUNTS

December 19, 2006

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
STATEMENT OF CASH AND INVESTMENTS  
June 30, 2005

<u>Assets</u>	<u>Governmental Activities</u>
Current assets:	
Cash and investments	\$ 3,317,878
Restricted assets:	
Cash and investments	<u>(83,992)</u>
Total assets	<u>\$ 3,233,886</u>
 <u>Net Assets</u>	
Restricted for:	
Debt service	\$ (83,992)
Unrestricted	<u>3,317,878</u>
Total net assets	<u>\$ 3,233,886</u>

The accompanying notes are an integral part of the financial statements.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
STATEMENT OF CASH AND INVESTMENTS  
June 30, 2006

<u>Assets</u>	<u>Governmental Activities</u>
Current assets:	
Cash and investments	\$ 4,716,766
Restricted assets:	
Cash and investments	<u>695,117</u>
Total assets	<u>\$ 5,411,883</u>
 <u>Net Assets</u>	
Restricted for:	
Debt service	\$ 695,117
Unrestricted	<u>4,716,766</u>
Total net assets	<u>\$ 5,411,883</u>

The accompanying notes are an integral part of the financial statements.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
STATEMENT OF CASH ACTIVITIES  
For the Year Ended June 30, 2005

Functions/Programs	Disbursements	Program Receipts			Net (Disbursement) Receipts
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Governmental activities:					
Instruction	\$ 6,218,306	\$ -	\$ 110,473	\$ -	\$ (6,107,833)
Support services	8,781,817	493,121	464,033	-	(7,824,663)
Community services	138,702	-	-	-	(138,702)
Nonprogrammed charges	647,959	-	-	-	(647,959)
Debt service	1,596,478	-	-	-	(1,596,478)
<b>Total governmental activities</b>	<b><u>\$ 17,383,262</u></b>	<b><u>\$ 493,121</u></b>	<b><u>\$ 574,506</u></b>	<b><u>\$ -</u></b>	<b><u>(16,315,635)</u></b>
General receipts:					
Property taxes					5,959,066
Other local sources					1,166,691
State aid					8,726,756
Grants and contributions not restricted					878,240
Bonds and loans					500,000
Sale of property, adjustments, and refunds					1,625,300
Investment earnings					32,186
Transfers:					
Intergovernmental					<u>7,502</u>
Total general receipts and transfers					<u>18,895,741</u>
Change in cash and investments					2,580,106
Net assets - beginning					<u>653,780</u>
Net assets - ending					<u><u>\$ 3,233,886</u></u>

The accompanying notes are an integral part of the financial statements.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
STATEMENT OF CASH ACTIVITIES  
For the Year Ended June 30, 2006

Functions/Programs	Disbursements	Program Receipts			Net (Disbursement) Receipts
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Governmental activities:					
Instruction	\$ 6,121,449	\$ -	\$ 158,953	\$ -	\$ (5,962,496)
Support services	9,363,004	542,257	534,772	-	(8,285,975)
Community services	146,978	-	-	-	(146,978)
Nonprogrammed charges	878,387	-	-	-	(878,387)
Debt service	3,885,489	-	-	-	(3,885,489)
<b>Total governmental activities</b>	<b><u>\$ 20,395,307</u></b>	<b><u>\$ 542,257</u></b>	<b><u>\$ 693,725</u></b>	<b><u>\$ -</u></b>	<b><u>(19,159,325)</u></b>
General receipts:					
Property taxes					7,124,166
Other local sources					1,313,991
State aid					9,361,511
Grants and contributions not restricted					1,087,205
Bonds and loans					1,926,320
Sale of property, adjustments, and refunds					278,190
Investment earnings					99,635
Transfers:					
Intergovernmental					<u>146,304</u>
Total general receipts and transfers					<u>21,337,322</u>
Change in cash and investments					2,177,997
Net assets - beginning					<u>3,233,886</u>
Net assets - ending					<u><u>\$ 5,411,883</u></u>

The accompanying notes are an integral part of the financial statements.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2005

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Construction	Other	Totals
<b>Receipts:</b>								
Local sources	\$3,036,930	\$ 1,431,547	\$ 1,617,836	\$ 1,008,911	\$ -	\$ -	\$ 553,871	\$ 7,649,095
Intermediate sources	1,968	-	-	-	-	-	-	1,968
State sources	8,831,644	-	-	-	-	-	243,659	9,075,303
Federal sources	2,006	-	-	-	-	-	1,102,194	1,104,200
Bonds and loans	500,000	-	-	-	-	-	-	500,000
Sale of property, adjustments and refunds	43,713	-	-	50	-	1,336,464	245,073	1,625,300
Intergovernmental transfers	2	-	-	-	-	-	7,500	7,502
<b>Total receipts</b>	<b>12,416,263</b>	<b>1,431,547</b>	<b>1,617,836</b>	<b>1,008,961</b>	<b>-</b>	<b>1,336,464</b>	<b>2,152,297</b>	<b>19,963,368</b>
<b>Disbursements:</b>								
Current:								
Instruction	5,330,515	-	-	-	-	-	887,791	6,218,306
Support services	4,574,335	1,077,581	-	1,103,007	-	871,810	1,155,084	8,781,817
Community services	126,600	-	-	-	-	-	12,102	138,702
Nonprogrammed charges	606,950	-	-	-	-	-	41,009	647,959
Debt services	-	-	1,596,478	-	-	-	-	1,596,478
<b>Total disbursements</b>	<b>10,638,400</b>	<b>1,077,581</b>	<b>1,596,478</b>	<b>1,103,007</b>	<b>-</b>	<b>871,810</b>	<b>2,095,986</b>	<b>17,383,262</b>
Excess (deficiency) of total receipts over (under) total disbursements	1,777,863	353,966	21,358	(94,046)	-	464,654	56,311	2,580,106
Cash and investments - beginning	1,090,237	(580,787)	(105,350)	(100,850)	6,325	-	344,205	653,780
Cash and investments - ending	<u>\$2,868,100</u>	<u>\$ (226,821)</u>	<u>\$ (83,992)</u>	<u>\$ (194,896)</u>	<u>\$ 6,325</u>	<u>\$ 464,654</u>	<u>\$ 400,516</u>	<u>\$ 3,233,886</u>

The accompanying notes are an integral part of the financial statements.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2006

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Construction	Other	Totals
<b>Receipts:</b>								
Local sources	\$ 2,871,200	\$ 1,615,722	\$ 2,284,538	\$ 1,583,871	\$ 76,465	\$ 500	\$ 646,936	\$ 9,079,232
Intermediate sources	274	-	-	-	-	-	544	818
State sources	9,506,851	-	-	-	-	-	152,550	9,659,401
Federal sources	-	149	-	-	-	-	1,482,890	1,483,039
Bonds and loans	-	-	-	-	-	1,926,320	-	1,926,320
Sale of property, adjustments and refunds	30,907	-	-	17,164	-	-	230,119	278,190
Intergovernmental transfers	-	100,856	-	-	-	-	45,448	146,304
<b>Total receipts</b>	<b>12,409,232</b>	<b>1,716,727</b>	<b>2,284,538</b>	<b>1,601,035</b>	<b>76,465</b>	<b>1,926,820</b>	<b>2,558,487</b>	<b>22,573,304</b>
<b>Disbursements:</b>								
Current:								
Instruction	5,154,626	-	-	-	-	-	966,823	6,121,449
Support services	5,189,621	1,105,727	-	1,028,554	-	719,755	1,319,347	9,363,004
Community services	131,650	-	-	-	-	-	15,328	146,978
Nonprogrammed charges	643,786	-	119,940	-	-	-	114,661	878,387
Debt services	2,500,000	-	1,385,489	-	-	-	-	3,885,489
<b>Total disbursements</b>	<b>13,619,683</b>	<b>1,105,727</b>	<b>1,505,429</b>	<b>1,028,554</b>	<b>-</b>	<b>719,755</b>	<b>2,416,159</b>	<b>20,395,307</b>
Excess (deficiency) of total receipts over (under) total disbursements	(1,210,451)	611,000	779,109	572,481	76,465	1,207,065	142,328	2,177,997
Cash and investments - beginning	2,868,100	(226,821)	(83,992)	(194,896)	6,325	464,654	400,516	3,233,886
Cash and investments - ending	<u>\$ 1,657,649</u>	<u>\$ 384,179</u>	<u>\$ 695,117</u>	<u>\$ 377,585</u>	<u>\$ 82,790</u>	<u>\$ 1,671,719</u>	<u>\$ 542,844</u>	<u>\$ 5,411,883</u>

The accompanying notes are an integral part of the financial statements.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH AND INVESTMENTS  
FIDUCIARY FUNDS  
For The Year Ended June 30, 2005

	Private-Purpose Trust Funds
Additions:	
Local sources	\$ 151,191
Sale of property, adjustments and refunds	226,677
Transfers	113,982
Total additions	491,850
Deductions:	
Instruction	321,824
Support services	96,426
Total deductions	418,250
Excess of total additions over total deductions	73,600
Cash and investments - beginning	(145,753)
Cash and investments - ending	\$ (72,153)

The accompanying notes are an integral part of the financial statements.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH AND INVESTMENTS  
FIDUCIARY FUNDS  
For The Year Ended June 30, 2006

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Local sources	\$ -	\$ 753,933
Federal sources	-	39,912
Bonds and loans	4,292,145	-
Transfers	<u>-</u>	<u>610</u>
 Total additions	 <u>4,292,145</u>	 <u>794,455</u>
Deductions:		
Instruction	-	238,975
Support services	<u>55,664</u>	<u>117,995</u>
 Total deductions	 <u>55,664</u>	 <u>356,970</u>
 Excess of total additions over total deductions	 4,236,481	 437,485
 Cash and investments - beginning	 <u>-</u>	 <u>(72,153)</u>
 Cash and investments - ending	 <u>\$ 4,236,481</u>	 <u>\$ 365,332</u>

The accompanying notes are an integral part of the financial statements.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
STATEMENT OF CASH AND INVESTMENTS  
FIDUCIARY FUNDS  
June 30, 2005

<u>Assets</u>	<u>Private-Purpose Trust Funds</u>
Cash and investments	\$ <u>(72,153)</u>
<u>Net Assets</u>	
Held in trust for employee benefits and other purposes	\$ <u>(72,153)</u>

The accompanying notes are an integral part of the financial statements.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
 STATEMENT OF CASH AND INVESTMENTS  
 FIDUCIARY FUNDS  
 June 30, 2006

<u>Assets</u>	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Cash and investments	\$ 4,236,481	\$ 365,332
	<u>                    </u>	<u>                    </u>
<u>Net Assets</u>		
Held in trust for employee benefits and other purposes	\$ 4,236,481	\$ 365,332
	<u>                    </u>	<u>                    </u>

The accompanying notes are an integral part of the financial statements.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: Crawford County Community School Corporation

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

Joint Ventures

The School Corporation is a participant with East Washington Community School Corporation, West Washington School Corporation, Paoli Community School Corporation, Salem Community School Corporation and Springs Valley Community School Corporation in a joint venture to operate South Central Area Special Education Cooperative which was created to provide instruction for handicapped children. The School Corporation is obligated by contract to remit a prorated amount annually to supplement the South Central Area Special Education Cooperative. Complete financial statements for the South Central Area Special Education Cooperative can be obtained from the South Central Area Special Education Cooperative's Administrative office at 9455 West Mt. Tabor Road, Campbellsburg, IN, 47108-9454.

The School Corporation is a participant with 23 other schools in a joint venture to operate Southern Indiana Education Interlocal which was created to provide services and supplies. The Southern Indiana Education Interlocal's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Southern Indiana Education Interlocal can be obtained from the joint venture's administrative office at 1102 Tree Lane Road, Jasper, Indiana, 47546.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. However, there are no business-type activities to report at this time.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Fund Financial Statements

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

The School Corporation reports the following major governmental funds:

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

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

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

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

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

The construction fund is used to account for disbursements of capital outlay made from receipts derived from the sale of general obligation bonds or from other outside sources.

Additionally, the School Corporation reports the following fund types:

The pension trust fund accounts for the activities of the Crawford County Community School Corporation Retirement Liability Fund, which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the Crawford County Community School Corporation.

C. Measurement Focus and Basis of Accounting

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

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

3. Compensated Absences

a. Sick Leave

Employees earn sick leave at the rate of 10 to 16 days per year. Unused sick leave may be accumulated indefinitely for certified employees and to a maximum of 90 days for non-certified. Accumulated sick leave is paid to employees through cash payments upon termination.

b. Vacation Leave

Nonteaching or administrative and noncertified School Corporation employees earn vacation leave of 10 days per year. Vacation leave does not accumulate from year to year.

c. Personal Leave

School Corporation employees earn personal leave at the rate of 5 days per year. Personal leave does not accumulate from year to year.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

4. Capital Assets

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

5. Long-Term Debt

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

6. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Government-Wide Financial Statements

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

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

III. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2005 and 2006, were as follows:

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

<u>Transfer From</u>	<u>Transfer To</u>	<u>2005</u>	<u>2006</u>
Debt Service	Transportation Operating	\$ -	\$ 100,856
Debt Service	Other governmental	-	19,084
Other governmental	General	2	-
	Other governmental	<u>7,500</u>	<u>26,374</u>
Totals		<u>\$ 7,502</u>	<u>\$ 146,314</u>

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

IV. Other Information

A. Risk Management

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

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

Medical Benefits to Employees

The School Corporation has chosen to establish a Voluntary Employees Beneficiary Association (VEBA) Trust to fund risks associated with medical benefits to employees. The Crawford County Community School Employee Benefit Trust is a separate account where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$50,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Amounts paid into the trust account by the School Corporation and are available to pay premiums, claims, and administrative costs of the program.

Job Related Illnesses or Injuries to Employees

During 2003 the School Corporation joined a public entity risk pool, the Indiana Public Employer's Plan, Inc., currently operating as a common risk management and insurance program for member governmental entities. This risk pool was formed in 1989 for the purpose of providing a medium for the funding and administration of job related illnesses or injuries to employees. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

B. Holding Corporations

The School Corporation has entered into capital leases with the Crawford Community School Building Corporation, and the Crawford County School Building Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. Lease payments for the audit period totaled \$1,183,500.

C. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health, dental, vision, and life benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 50 with at least 10 years of service. Currently, 25 retirees meet these eligibility requirements. The School Corporation provides \$2,500 of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2006, disbursements of \$62,500 were recognized for postemployment benefits.

I. Pension Plan

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

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

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

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

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Funding Policy and Annual Pension Cost

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

Information to segregate the assets/liabilities and the actuarial study figures between the School Corporation and the Utilities is not available.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 105,886
Interest on net pension obligation	(7,410)
Adjustment to annual required contribution	8,444
Annual pension cost	106,920
Contributions made	90,204
Increase in net pension obligation	16,716
Net pension obligation, beginning of year	(102,203)
Net pension obligation, end of year	\$ (85,487)
Contribution rates:	
School Corporation	6.75%
Plan members	3%
Actuarial valuation date	07-01-05
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97
Asset valuation method	4 year smoothed market

Actuarial Assumptions

Investment rate of return	6.75%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

Three Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-03	\$ 103,006	96%	\$ (83,263)
	06-30-04	85,654	122%	(102,203)
	06-30-05	106,920	105%	(85,487)

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

Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Costs

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

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 8.5% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2006, 2005, and 2004, were \$164,365, \$143,856, and \$132,324, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years, respectively.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 1,461,404	\$ 1,604,352	\$ (142,948)	91%	\$ 1,466,894	10%
07-01-04	1,501,636	1,850,203	(348,567)	81%	1,562,580	22%
07-01-05	1,573,047	1,997,463	(424,416)	79%	1,459,957	29%

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2006

Description of Debt	Ending Balance	Due Within One Year
Capital leases:		
Jr/Sr high school building	\$ 245,000	\$ 245,000
Elementary school buildings	9,330,000	45,000
Qualified zone academy bonds - school renovation project	1,591,152	56,827
Notes and loans payable:		
1996 Common school loan #A0409	384,849	40,510
1997 Common school loan #A0436	1,439,036	84,649
1997 Common school loan #A0439	2,940,000	168,000
2002 Common school loan #A0881	34,859	34,859
2004 Common school loan #A0510	901,875	48,750
Bonds payable:		
General obligation bonds:		
Retirement/pension bonds	<u>4,350,000</u>	<u>-</u>
Total long-term debt	<u>\$ 21,216,771</u>	<u>\$ 723,595</u>

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

PUBLIC WORKS PROJECT

The Crawford County School Corporation contracted with various vendors from October of 2003 to November of 2005 for the construction of a football field, bleachers and press box. The total amount paid on the project was \$264,597. There was no evidence presented for audit that sealed bids were requested or received.

Indiana Code 36-1-12-4(a) states in part: "This section applies whenever the cost of a public work project will be: (1) at least seventy-five thousand dollars (\$75,000) in: (A) a consolidated city or second class city; (B) a county containing a consolidated city or second class city; or (C) a regional water or sewage district established under IC 13-26; or (2) at least fifty thousand dollars (\$50,000) in a political subdivision or an agency not described in subdivision (1)."

Indiana Code 36-1-12-4(b) states in part: "The board must comply with the following procedure: (1) The board shall prepare general plans and specifications describing the kind of public work required, but shall avoid specifications which might unduly limit competition. . . . (2) The board shall file the plans and specifications in a place reasonably accessible to the public, which shall be specified in the notice required by subdivision (3). (3) Upon the filing of the plans and specifications, the board shall publish notice in accordance with IC 5-3-1 calling for sealed proposals for the public work needed . . ."

CAPITAL ASSET RECORDS

Information presented for audit indicated that the record of capital assets (Form 369) was not updated for the 2005-2006 school year.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Assets Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE CRAWFORD COUNTY COMMUNITY  
SCHOOL CORPORATION, CRAWFORD COUNTY, INDIANA

Compliance

We have audited the compliance of the Crawford County Community School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2005 and 2006. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2005 and 2006.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

STATE BOARD OF ACCOUNTS

December 19, 2006

CRAWFORD COUNTY COMMUNITY SCHOOLS CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2005 and 2006

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-05	Total Federal Awards Expended 06-30-06
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass -Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 126,906	\$ 157,044
National School Lunch Program	10.555		293,102	354,688
Summer Food Service Program for Children	10.559		<u>18,626</u>	<u>25,839</u>
Total for cluster			<u>438,634</u>	<u>537,571</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Direct Grant				
Twenty-First Century Community Learning Centers CARES	84.287		<u>321,640</u>	<u>342,767</u>
Pass -Through Indiana Department of Education				
Title I Grants to Local Educational Agencies	84.010			
FY 04-05		05-1300	505,508	-
FY 05-06		06-1300	<u>-</u>	<u>592,904</u>
Total for program			<u>505,508</u>	<u>592,904</u>
Special Education - Grants to States	84.027		<u>-</u>	<u>69,354</u>
Safe and Drug Free Schools and Communities - State Grants	84.186			
FY 03-04		03-155	2,000	-
FY 04-05		04-258	12,038	4,570
FY 05-06			<u>-</u>	<u>7,074</u>
Total for program			<u>14,038</u>	<u>11,644</u>
State Grants for Innovative Programs	84.298			
FY 03-04		02-095	5,213	-
FY 04-05		03-115	15,614	2,575
FY 05-06		04-122	<u>-</u>	<u>9,812</u>
Total for program			<u>20,827</u>	<u>12,387</u>
Education Technology State Grants	84.318		<u>16,789</u>	<u>15,051</u>
Improving Teacher Quality State Grants	84.367			
FY 03-04		03-117	111,437	-
FY 04-05		04-099	-	134,705
FY 05-06		05-040	<u>-</u>	<u>41,109</u>
Total for program			<u>111,437</u>	<u>175,814</u>
Total for federal grantor agency			<u>990,239</u>	<u>1,219,921</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
Pass-Through Indiana Department of Education				
Learn and Serve America - School and Community Based Programs	94.004		<u>-</u>	<u>3,761</u>
FY 05-06				
Pass-Through Indiana University				
AmeriCorps	94.006			
FY 04-05			<u>2,138</u>	<u>-</u>
Total for federal grantor agency			<u>2,138</u>	<u>3,761</u>
Total federal awards expended			<u>\$ 1,431,011</u>	<u>\$ 1,761,253</u>

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

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

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

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2005 and 2006. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2005	2006
Child Nutrition Cluster			
Food Commodities			
School Breakfast Program	10.553	\$ 6,457	\$ 8,876
National School Lunch Program	10.555	14,908	19,755

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued: Unqualified

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

Noncompliance material to financial statements noted? no

Federal Awards:

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

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.287	Child Nutrition Cluster Twenty-First Century Community Learning Centers

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on January 18, 2007, with Dr. Mark A. Eastridge, Superintendent of Schools; and Martha R. Stroud, Treasurer. The officials concurred with our audit findings.