

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

AUDIT REPORT

OF

CRAWFORDSVILLE COMMUNITY SCHOOL CORPORATION

MONTGOMERY COUNTY, INDIANA

July 1, 2004 to June 30, 2006



FILED

02/23/2007

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Paul Pfladderer	07-01-04 to 06-30-07
Superintendent of Schools	Dr. Kathleen Steele	07-01-04 to 06-30-07
President of the School Board	Dale Petrie	07-01-04 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 CRAWFORDSVILLE COMMUNITY
SCHOOL CORPORATION, MONTGOMERY COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Crawfordsville 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 January 17, 2007, 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.

STATE BOARD OF ACCOUNTS

January 17, 2007



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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 CRAWFORDSVILLE COMMUNITY
SCHOOL CORPORATION, MONTGOMERY COUNTY, INDIANA

We have audited the financial statements of the Crawfordsville Community School Corporation (School Corporation), as of and for the years ended June 30, 2005 and 2006, and have issued our report thereon dated January 17, 2007. 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.

We noted other matters involving the internal control over financial reporting that we have discussed with the management of the School Corporation on January 17, 2007. These immaterial instances of noncompliance were subsequently communicated to management in a separate letter.

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

January 17, 2007

CRAWFORDSVILLE COMMUNITY SCHOOLS
STATEMENT OF CASH AND INVESTMENTS
June 30, 2005

<u>Assets</u>	<u>Governmental Activities</u>
Current assets:	
Cash and investments	\$ 4,536,609
Restricted assets:	
Cash and investments	<u>2,236,414</u>
Total assets	<u>\$ 6,773,023</u>
 <u>Net Assets</u>	
Restricted for:	
Debt service	\$ 2,236,414
Unrestricted	<u>4,536,609</u>
Total net assets	<u>\$ 6,773,023</u>

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

CRAWFORDSVILLE COMMUNITY SCHOOLS
STATEMENT OF CASH AND INVESTMENTS
June 30, 2006

<u>Assets</u>	<u>Governmental Activities</u>
Current assets:	
Cash and investments	\$ 6,469,781
Restricted assets:	
Cash and investments	<u>2,275,463</u>
Total assets	<u>\$ 8,745,244</u>
 <u>Net Assets</u>	
Restricted for:	
Debt service	\$ 2,275,463
Unrestricted	<u>6,469,781</u>
Total net assets	<u>\$ 8,745,244</u>

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

CRAWFORDSVILLE COMMUNITY SCHOOLS
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	Total
Governmental activities:				
Instruction	\$ 8,890,137	\$ -	\$ 194,947	\$ (8,695,190)
Support services	15,402,224	729,037	600,484	(14,072,703)
Community services	749,598	-	-	(749,598)
Nonprogrammed charges	3,913,979	-	-	(3,913,979)
Debt service	9,700,787	-	-	(9,700,787)
Total governmental activities	<u>\$ 38,656,725</u>	<u>\$ 729,037</u>	<u>\$ 795,431</u>	<u>(37,132,257)</u>
General receipts:				
Property taxes				14,211,084
Other local sources				1,810,658
State aid				9,842,333
Grants and contributions not restricted				6,612,317
Bonds and loans				4,163,960
Sale of property, adjustments, and refunds				2,619,391
Investment earnings				64,489
Transfers:				
Intergovernmental				<u>2,325,702</u>
Total general receipts and transfers				<u>41,649,934</u>
Change in cash and investments				4,517,677
Net assets - beginning				<u>2,255,346</u>
Net assets - ending				<u>\$ 6,773,023</u>

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

CRAWFORDSVILLE COMMUNITY SCHOOLS
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	Total
Governmental activities:				
Instruction	\$ 8,787,696	\$ -	\$ 120,625	\$ (8,667,071)
Support services	16,547,960	724,021	702,587	(15,121,352)
Community services	1,356,807	-	-	(1,356,807)
Nonprogrammed charges	3,179,530	-	-	(3,179,530)
Debt service	9,641,042	-	-	(9,641,042)
Total governmental activities	\$ 39,513,035	\$ 724,021	\$ 823,212	(37,965,802)
General receipts:				
Property taxes				11,404,949
Other local sources				1,776,174
State aid				10,607,147
Grants and contributions not restricted				5,840,187
Bonds and loans				4,436,936
Sale of property, adjustments, and refunds				3,301,072
Investment earnings				203,959
Transfers:				
Intergovernmental				2,367,599
Total general receipts and transfers				39,938,023
Change in cash and investments				1,972,221
Net assets - beginning				6,773,023
Net assets - ending				\$ 8,745,244

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

CRAWFORDSVILLE COMMUNITY SCHOOLS
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	Other	Totals
Receipts:							
Local sources	\$ 5,934,397	\$ 892,524	\$ 6,483,831	\$ 2,257,082	\$ 262,206	\$ 982,039	\$ 16,812,079
State sources	9,978,306	-	-	-	-	283,598	10,261,904
Federal sources	252,724	-	-	-	-	6,735,454	6,988,178
Bonds and loans	1,480,279	-	2,355,806	327,875	-	-	4,163,960
Sale of property, adjustments and refunds	154,790	463	-	6,617	-	297,068	458,938
Intergovernmental transfers	30,961	-	-	-	-	2,294,741	2,325,702
Total receipts	17,831,457	892,987	8,839,637	2,591,574	262,206	10,592,900	41,010,761
Disbursements:							
Current:							
Instruction	6,650,030	-	-	-	-	2,240,107	8,890,137
Support services	6,864,098	614,369	-	1,551,528	65,800	4,299,071	13,394,866
Community services	217,934	-	-	-	-	531,664	749,598
Nonprogrammed charges	508,196	-	-	-	-	3,405,783	3,913,979
Debt services	2,436,638	-	6,538,899	725,250	-	-	9,700,787
Total disbursements	16,676,896	614,369	6,538,899	2,276,778	65,800	10,476,625	36,649,367
Excess of total receipts over total disbursements	1,154,561	278,618	2,300,738	314,796	196,406	116,275	4,361,394
Cash and investments - beginning	1,053,222	(172,492)	(64,324)	545,209	(226,788)	1,001,561	2,136,388
Cash and investments - ending	<u>\$ 2,207,783</u>	<u>\$ 106,126</u>	<u>\$ 2,236,414</u>	<u>\$ 860,005</u>	<u>\$ (30,382)</u>	<u>\$ 1,117,836</u>	<u>\$ 6,497,782</u>

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

RECONCILIATION OF THE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF CASH ACTIVITIES

Net change in fund balances - total governmental funds	\$ 4,361,394
Amounts reported for governmental activities in the statement of cash activities are different because:	
Internal service funds are not reported as a part of governmental funds.	<u>156,283</u>
Change in cash and investments of governmental activities.	<u>\$ 4,517,677</u>

CRAWFORDSVILLE COMMUNITY SCHOOLS
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	Other	Totals
Receipts:							
Local sources	\$ 4,470,364	\$ 685,448	\$ 4,828,412	\$ 1,598,857	\$ 134,484	\$ 2,387,728	\$ 14,105,293
State sources	10,679,123	-	-	-	-	390,546	11,069,669
Federal sources	271,570	-	-	-	-	5,929,308	6,200,878
Bonds and loans	1,540,426	308,516	1,972,433	473,732	135,000	6,829	4,436,936
Sale of property, adjustments and refunds	74,005	3,319	-	228	-	777,154	854,706
Intergovernmental transfers	1,328	-	-	-	-	2,366,271	2,367,599
Total receipts	<u>17,036,816</u>	<u>997,283</u>	<u>6,800,845</u>	<u>2,072,817</u>	<u>269,484</u>	<u>11,857,836</u>	<u>39,035,081</u>
Disbursements:							
Current:							
Instruction	6,426,619	-	-	-	-	2,361,077	8,787,696
Support services	6,990,787	646,105	-	1,617,549	218,459	4,500,736	13,973,636
Community services	215,893	-	-	-	-	1,140,914	1,356,807
Nonprogrammed charges	560,242	-	39,232	-	-	2,580,056	3,179,530
Debt services	1,764,331	66,689	6,925,813	327,875	137,874	418,460	9,641,042
Total disbursements	<u>15,957,872</u>	<u>712,794</u>	<u>6,965,045</u>	<u>1,945,424</u>	<u>356,333</u>	<u>11,001,243</u>	<u>36,938,711</u>
Excess (deficiency) of total receipts over (under) total disbursements	1,078,944	284,489	(164,200)	127,393	(86,849)	856,593	2,096,370
Cash and investments - beginning	2,207,783	106,126	2,236,414	860,005	(30,382)	1,117,836	6,497,782
Cash and investments - ending	<u>\$ 3,286,727</u>	<u>\$ 390,615</u>	<u>\$ 2,072,214</u>	<u>\$ 987,398</u>	<u>\$ (117,231)</u>	<u>\$ 1,974,429</u>	<u>\$ 8,594,152</u>

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

RECONCILIATION OF THE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF CASH ACTIVITIES

Net change in fund balances - total governmental funds	\$ 2,096,370
Amounts reported for governmental activities in the statement of cash activities are different because:	
Internal service funds are not reported as a part of governmental funds.	<u>(124,149)</u>
Change in cash and investments of governmental activities.	<u>\$ 1,972,221</u>

CRAWFORDSVILLE COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH AND INVESTMENTS
PROPRIETARY FUNDS
For The Year Ended June 30, 2005

	<u>Internal Service Fund</u>
Receipts:	
Local sources	\$ 3,190
Sale of property, adjustments and refunds	<u>2,160,451</u>
Total receipts	<u>2,163,641</u>
Disbursements:	
Support services	<u>2,007,358</u>
Changes in cash and investments	156,283
Cash and investments - beginning	<u>118,958</u>
Cash and investments - ending	<u><u>\$ 275,241</u></u>

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

CRAWFORDSVILLE COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH AND INVESTMENTS
PROPRIETARY FUNDS
For The Year Ended June 30, 2006

	Internal Service Fund
Receipts:	
Local sources	\$ 3,808
Sale of property, adjustments and refunds	<u>2,446,367</u>
Total receipts	<u>2,450,175</u>
Disbursements:	
Support services	<u>2,574,324</u>
Changes in cash and investments	(124,149)
Cash and investments - beginning	<u>275,241</u>
Cash and investments - ending	<u><u>\$ 151,092</u></u>

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

CRAWFORDSVILLE COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH AND INVESTMENTS
FIDUCIARY FUNDS
For The Year Ended June 30, 2005

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Local sources	\$ 237,796	\$ 51
Bonds and loans	5,038,460	-
Transfers	<u>216,823</u>	<u>-</u>
Total additions	<u>5,493,079</u>	<u>51</u>
Deductions:		
Support services	3,776,992	95
Nonprogrammed charges	<u>30,961</u>	<u>-</u>
Total deductions	<u>3,807,953</u>	<u>95</u>
Excess (deficiency) of total additions over (under) total deductions	1,685,126	(44)
Cash and investments - beginning	<u>1,404</u>	<u>6,294</u>
Cash and investments - ending	<u>\$ 1,686,530</u>	<u>\$ 6,250</u>

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

CRAWFORDSVILLE COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH AND INVESTMENTS
FIDUCIARY FUNDS
For The Year Ended June 30, 2006

	Pension Trust Funds	Private-Purpose Trust Funds
Additions:		
Local sources	\$ -	\$ 176
Transfers	19,926	-
Total additions	19,926	176
Deductions:		
Support services	514,976	-
Excess (deficiency) of total additions over (under) total deductions	(495,050)	176
Cash and investments - beginning	1,686,530	6,250
Cash and investments - ending	\$ 1,191,480	\$ 6,426

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

CRAWFORDSVILLE COMMUNITY SCHOOLS
 STATEMENT OF CASH AND INVESTMENTS
 FIDUCIARY FUNDS
 June 30, 2005

<u>Assets</u>	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Cash and investments	\$ 1,686,530	\$ 6,250	\$ 351,946
<u>Net Assets</u>			
Held in trust for employee benefits and other purposes	\$ 1,686,530	\$ 6,250	

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

CRAWFORDSVILLE COMMUNITY SCHOOLS
 STATEMENT OF CASH AND INVESTMENTS
 FIDUCIARY FUNDS
 June 30, 2006

<u>Assets</u>	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Cash and investments	<u>\$ 1,191,480</u>	<u>\$ 6,426</u>	<u>\$ 287,558</u>
 <u>Net Assets</u>			
Held in trust for employee benefits and other purposes	<u>\$ 1,191,480</u>	<u>\$ 6,426</u>	

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

CRAWFORDSVILLE 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: 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 Venture

The School Corporation is a participant with South Montgomery Community School Corporation and North Montgomery Community School Corporation in a joint venture to operate the Montgomery County Special Education Co-op which was created to provide instruction to handicapped children. The School Corporation is obligated for the debts of the joint venture. Complete financial statements for the Montgomery County Special Education Co-op can be obtained from the Crawfordsville Community School Corporation at 1000 Fairview Avenue, Crawfordsville, IN 47933.

The School Corporation is a participant with Attica Consolidated School Corporation, Covington Community School Corporation, North Montgomery Community School Corporation, North Vermillion Community School Corporation, Southeast Fountain School Corporation, Metropolitan School District of Warren County, South Montgomery Community School Corporation, and Turkey Run Community School Corporation in a joint venture to operate West Central Indiana Special Education Co-op which was created to provide instruction to handicapped children. The School Corporation is obligated for the debts of the joint venture. Complete financial statements for the West Central Indiana Special Education Co-op can be obtained from the West Central Indiana Special Education Co-op, 305 E. Chestnut, Crawfordsville, IN 47933.

The School Corporation is a participant with Attica Consolidated School Corporation, North Montgomery Community School Corporation, Southeast Fountain School Corporation, Western Boone School Corporation, Metropolitan School District of Warren County, South Montgomery Community School Corporation, and Covington Community School Corporation in a joint venture to operate the West Central Vocational Educational Co-op which was created to provide vocational instruction. The School Corporation is obligated for the debts of the joint venture. Complete financial statements for the West Central Vocational Educational Co-op can be obtained from Crawfordsville Community School Corporation, 1000 Fairview Avenue, Crawfordsville, IN 47933.

CRAWFORDSVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

The School Corporation is a participant with North Montgomery Community School Corporation, South Montgomery Community School Corporation, and Western Boone School Corporation in a joint venture to operate the Tri-Vocational Education Co-op which was created to provide vocational instruction. The School Corporation is obligated for the debts of the joint venture. Complete financial statements for the Tri-Vocational Education Co-op can be obtained from Crawfordsville Community School Corporation, 1000 Fairview Avenue, Crawfordsville, IN 47933.

The School Corporation is a participant with North Montgomery Community School Corporation, South Montgomery School Corporation, Western Boone School Corporation, and Southeast Fountain School Corporation in a joint venture to operate the Heating and Air Conditioning Program Co-op which was created to provide vocational instruction. The School Corporation is obligated for the debts of the joint venture. Complete financial statements for the Heating and Air Conditioning Program Co-op can be obtained from Crawfordsville Community School Corporation, 1000 Fairview Avenue, Crawfordsville, IN 47933.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Cash and Investments and The Statement of Cash Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. These statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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 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.

CRAWFORDSVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for the revenues and expenses of self-insurance costs provided to other departments on a cost-reimbursement basis.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit students through a scholarship program.

Agency funds account for assets held by the School Corporation as an agent for private organizations and other governmental units and serve as control accounts for certain cash transactions during the time they are a liability to the School Corporation.

C. Measurement Focus and Basis of Accounting

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

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

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

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

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any enterprise funds.

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

CRAWFORDSVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to December 31 of the year collected.

3. Compensated Absences

a. Sick Leave

Certified and professional employees are authorized 10 days sick leave per year. Unused sick leave may be accumulated to a maximum of 209 days.

b. Vacation Leave

Certified personnel do not earn vacation leave because they are contracted for less than a full year. Administrators on extended contracts are authorized 3 to 4 weeks vacation per school year. Noncertified personnel receive 1 day vacation leave per month, up to 5 days the first year of their contract. Noncertified personnel are then authorized 2 weeks vacation leave per school year up to 10 years of service, and 3 weeks vacation leave per year thereafter. These days are noncumulative for noncertified personnel. Administrators on extended contracts can carry up to 2 weeks vacation leave to the succeeding school year.

c. Personal Leave

School Corporation employees earn personal leave at the rate of 4 days per year. Unused personal days are converted to sick days at the end of the school year.

4. Capital Assets

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

5. Long-Term Debt

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

6. Equity Classification

Government-Wide Statements

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

CRAWFORDSVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

- 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. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. 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.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

Fund Financial Statements

- 1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
- 2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are reported as reimbursements.
- 3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

CRAWFORDSVILLE COMMUNITY SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

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

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

B. Cash and Investment Balance Deficits

At June 30, 2005 and 2006, the following fund reported deficits in cash and investments, which are violations of the Uniform Compliance guidelines as referenced in state statute:

Fund	2004	2005
School Bus Replacement	<u>\$ (30,382)</u>	<u>\$ (117,231)</u>

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

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, 2006, were as follows:

CRAWFORDSVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Transfer From</u>	<u>Transfer To</u>	<u>2004</u>	<u>2005</u>
General fund	All others	\$ 43,068	\$ -
Debt service	Other governmental	-	39,232
Other governmental	Other governmental	29,969	30,236
Pension Bond Fund	General fund	<u>30,960</u>	<u>-</u>
Totals		<u>\$ 103,997</u>	<u>\$ 69,468</u>

The School Corporation typically uses transfers for cash flow purposes to various statutes.

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, Retirees, and Dependents

The School Corporation has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees and dependents. The risk financing fund is accounted for in the Employee Health Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$75,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years.

B. Holding Corporations

The School Corporation has entered into capital leases with the Crawfordsville School Building Corporation and the Crawfordsville Elementary 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 during the year totaled \$2,777,500 and \$1,534,000, respectively for the year ended June 30, 2006.

C. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health insurance benefits and early retirement severance payments, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation qualifying for benefits under the

CRAWFORDSVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Teachers' Retirement Plan and who have taught for the School Corporation for at least 10 years, the last 5 consecutively. The benefits include the School Corporation's contribution to the continued health insurance benefits. The School Corporation pays an amount equal to the rate of a single plan subscriber as established at July 1, 2003, and 50% of any increases to that cost in subsequent years. The School Corporation also pays a severance amount for employees who elected participation in an early retirement option. This option may be paid in a lump sum at the time of retirement or deferred to subsequent years. Currently, 39 retirees are receiving benefits under this plan. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the years ended June 30, 2005 and 2006, disbursements totaling \$441,895 and \$421,569, respectively were recognized for postemployment benefits.

Effective July 1, 2004, the School Corporation initiated a new policy under which the then current retirees continue to receive the above described benefits, however, the benefits were terminated for all current employees. The current plan provides an assumed early retirement and provides an actuarially determined amount of benefits for each employee hired prior to July 1, 1999. The total benefits were deposited into a 401(a) plan and a voluntary employee benefit account in equal amounts.

D. Pension Plans

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

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.

CRAWFORDSVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 82,772
Interest on net pension obligation	(17,121)
Adjustment to annual required contribution	19,510
Annual pension cost	85,161
Contributions made	114,230
Decrease in net pension obligation	(29,069)
Net pension obligation, beginning of year	(236,146)
Net pension obligation, end of year	\$ (265,215)
Contribution rates:	
School Corporation	7%
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	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions

Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-03	\$ 117,261	96%	\$ (190,777)
	06-30-04	72,112	163%	(236,146)
	06-30-05	85,161	158%	(265,215)

CRAWFORDSVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Plan members are required to contribute 3% of their salary and the School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2006, 2005, and 2004, were \$387,743, \$350,759, and \$319,413, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

CRAWFORDSVILLE COMMUNITY SCHOOLS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 1,362,196	\$ 1,214,217	\$ 147,979	112%	\$ 1,642,462	9%
07-01-04	1,421,406	1,279,274	142,132	111%	1,840,582	8%
07-01-05	1,513,512	1,307,510	206,002	116%	1,716,198	12%

CRAWFORDSVILLE COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

OVERDRAWN FUND BALANCES

The School Bus Replacement Fund was overdrawn at June 30, 2005 and 2006.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (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

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

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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 CRAWFORDSVILLE COMMUNITY
SCHOOL CORPORATION, MONTGOMERY COUNTY, INDIANA

Compliance

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

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

January 17, 2007

CRAWFORDSVILLE COMMUNITY SCHOOL 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	FY 04-05 FY 05-06	\$ 111,181 -	\$ - 126,087
Total for program			<u>111,181</u>	<u>126,087</u>
National School Lunch Program	10.555	FY 04-05 FY 05-06	332,031 -	- 406,477
Total for program			<u>332,031</u>	<u>406,477</u>
Summer Food Service Program	10.559	FY 04-05	7,689	-
Total for cluster			<u>450,901</u>	<u>532,564</u>
Total for federal grantor agency			<u>450,901</u>	<u>532,564</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Pass-Through Indiana Criminal Justice Institute Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	03-JF-009	59,754	-
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Direct Grant: Safe and Drug Free Schools and Communities - National Programs	84.184	Q184E040044 Q184L040120	35,481 224,702	44,499 701,298
Total for program			<u>260,183</u>	<u>745,797</u>
Direct Grant: Fund for the Improvement of Education	84.215	Q215S030198 Q215F050071	220,839 -	178,927 237,322
Total for program			<u>220,839</u>	<u>416,249</u>
Direct Grant: Technology Innovation Challenge Grants	84.303	R303A000004	1,874,065	539,207
Pass-Through Indiana Department of Education Special Education Cluster (IDEA) Special Education - Grants to States	84.027	14205-062-PN01 14206-062-PN01 14203-062-DY08 14205-062-SN01 14205-062-DY01	2,619,344 - 725 33,429 -	- 2,573,574 - 4,983 37,445
Total for program			<u>2,653,498</u>	<u>2,616,002</u>
Special Education - Preschool Grants	84.173	45705-062-PN01 45706-062-PN01	121,753 -	- 109,230
Total for program			<u>121,753</u>	<u>109,230</u>
Total for cluster			<u>2,775,251</u>	<u>2,725,232</u>
Pass-Through Indiana Department of Education Adult Education - State Grant Program	84.002	FY 2005 FY 2006 FY 2004-8005 FY 2005-8005 FY 2006-8005 FY 2004-8400 FY 2005-8400	32,892 - 3,091 74,905 - 224 34,758	- 29,533 - - 67,505 - -
Total for program			<u>145,870</u>	<u>97,038</u>
Pass-Through Indiana Department of Education Title I Grants to Local Educational Agencies	84.010	PN 04-5855 PN 05-5855 PN 06-5855	46,908 483,944 -	- 39,537 430,226
Total for program			<u>530,852</u>	<u>469,763</u>

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

CRAWFORDSVILLE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2005 and 2006
(Continued)

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.S. DEPARTMENT OF EDUCATION (continued)				
Pass-Through Indiana Department of Education Vocational Education - Basic Grants to States	84.048	05-4700-5855 School Improvement Grant 04-4700-5855 06-4700-5855	151,454 - 6,946 -	17,899 1,670 - 152,699
Total for program			<u>158,400</u>	<u>172,268</u>
Pass Through Indiana Department of Education Safe and Drug Free Schools and Communities - State Grants	81.186	04-074 05-215	13,420 -	1,379 4,949
Total for program			<u>13,420</u>	<u>6,328</u>
Pass-Through Indiana Department of Education Education for Homeless Children and Youth	84.196	FY 04-05 FY 05-06	30,809 -	291 42,393
Total for program			<u>30,809</u>	<u>42,684</u>
Pass-Through Indiana Department of Education Even Start - State Educational Agencies	84.213	04-05 05-06	219,832 -	- 242,037
Total for program			<u>219,832</u>	<u>242,037</u>
Pass-Through Indiana Department of Education Tech-Prep Education	84.243	TP 4212 TP 5212	30,000 -	- 39,999
Total for program			<u>30,000</u>	<u>39,999</u>
Pass-Through Indiana Department of Education State Grants for Innovative Programs	84.298	03-227 04-226	17,571 -	315 11,064
Total for program			<u>17,571</u>	<u>11,379</u>
Pass-Through Indiana Department of Education Enhancing Education Through Technology	84.318	S318X020014 FY 03-04 FY 04-05	8,753 9,183 -	- 1,855 10,982
Total for program			<u>17,936</u>	<u>12,837</u>
Pass-Through Indiana Department of Education Reading Excellence	84.338	S338A010016	10,307	-
Pass-Through Wabash Valley Education Center English Language Acquisition Grants	84.365	03-04 04-05 05-06	2 2,673 -	- 2,535 17,791
Total for program			<u>2,675</u>	<u>20,326</u>
Pass-Through Indiana Department of Education Improving Teacher Quality State Grants	84.367	02-236 6000/182500 03-200 04-176	8,522 120,279 107,853 -	- 81,630 24,450 116,135
Total for program			<u>236,654</u>	<u>222,215</u>
Total for federal grantor agency			<u>6,544,664</u>	<u>5,763,359</u>
U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Pass-Through Indiana Department of Education Learn and Serve America - School and Community Based Programs	94.004	FY 03-04 FY 04-05 FY 05-06	2,364 2,808 -	- 2,192 4,000
Total for program			<u>5,172</u>	<u>6,192</u>
Total for federal grantor agency			<u>5,172</u>	<u>6,192</u>
Total federal awards expended			<u>\$ 7,060,491</u>	<u>\$ 6,302,115</u>

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

CRAWFORDSVILLE 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 Crawfordsville 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 Corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2005 and 2006:

Program Title	Federal CFDA Number	2005	2006
Special Education – Grants to States	84.027	\$ 2,103,792	\$ 2,028,968
Vocational Education – Basic Grants to States	84.048	149,864	164,264

III. 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
School Breakfast Program	10.553	\$ 8,011	\$ 7,305
National School Lunch Program	10.555	23,925	23,551

CRAWFORDSVILLE 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
84.010	Title I Grants to Local Educational Agencies
84.184	Safe and Drug Free Schools and Communities – National Programs
84.213	Even Start – State Educational Agencies
84.215	Fund for the Improvement of Education
84.303	Technology Innovation Challenge Grants
84.367	Improving Teacher Quality State Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$400,878

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.

CRAWFORDSVILLE COMMUNITY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CRAWFORDSVILLE COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on January 17, 2007, with Kathleen Steele, Superintendent of Schools; Dale Petrie, President of the School Board; and Cathy Moffett, Deputy Treasurer. The officials concurred with our audit findings.

The contents of this report were discussed on January 17, 2007, with Paul Pfledderer, Treasurer.