

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

AUDIT REPORT

OF

CULVER COMMUNITY SCHOOLS CORPORATION

MARSHALL COUNTY, INDIANA

July 1, 2005 to June 30, 2007



**FILED**

01/07/2008



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Thomas L. Bendy	07-01-05 to 06-30-08
Superintendent of Schools	Bradley S. Schuldt	07-01-05 to 06-30-08
President of the School Board	Christopher R. Kline	01-01-05 to 12-31-07



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

TO: THE OFFICIALS OF THE CULVER COMMUNITY SCHOOLS  
CORPORATION, MARSHALL COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Culver Community Schools Corporation (School Corporation), as of and for the years ended June 30, 2006 and 2007, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2006 and 2007, 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 November 29, 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.

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 Capital Assets and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

December 5, 2007



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE CULVER COMMUNITY SCHOOLS  
CORPORATION, MARSHALL COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Culver Community Schools Corporation (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated December 5, 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(Continued)

Compliance and Other Matters

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

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 5, 2007

CULVER COMMUNITY SCHOOLS CORPORATION  
STATEMENT OF CASH ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2006

Functions/Programs	Disbursements	Program Receipts		Totals	Net (Disbursement) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions		
Governmental activities:					
Instruction	\$ 3,651,972	\$ -	\$ 47,705	\$ (3,604,267)	
Support services	5,964,271	1,415,822	224,139	(4,324,310)	
Community services	117,572	-	-	(117,572)	
Nonprogrammed charges	1,854,971	-	-	(1,854,971)	
Debt service	1,694,455	-	-	(1,694,455)	
Total governmental activities	\$ 13,283,241	\$ 1,415,822	\$ 271,844	(11,595,575)	
					General receipts:
					Property taxes
					5,871,873
					Other local sources
					833,742
					State aid
					3,722,627
					Grants and contributions not restricted to specific programs
					601,592
					Sale of property, adjustments, and refunds
					33,899
					Investment earnings
					55,561
					Total general receipts
					11,119,294
					Change in net assets
					(476,281)
					Net assets - beginning
					2,828,583
					Net assets - ending
					\$ 2,352,302
 <u>Assets</u>					
					Cash and investments
					\$ 2,086,165
					Restricted assets:
					Cash and investments
					266,137
					Total assets
					\$ 2,352,302
 <u>Net Assets</u>					
					Restricted for:
					Debt service
					\$ 265,225
					Other purposes
					912
					Unrestricted
					2,086,165
					Total net assets
					\$ 2,352,302

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

CULVER COMMUNITY SCHOOLS CORPORATION  
STATEMENT OF CASH ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2007

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Totals
Governmental activities:				
Instruction	\$ 3,650,703	\$ -	\$ 101,667	\$ (3,549,036)
Support services	5,701,860	1,486,456	250,455	(3,964,949)
Community services	115,190	-	-	(115,190)
Nonprogrammed charges	1,956,107	-	-	(1,956,107)
Debt service	1,734,405	-	-	(1,734,405)
<b>Total governmental activities</b>	<u>\$ 13,158,265</u>	<u>\$ 1,486,456</u>	<u>\$ 352,122</u>	<u>(11,319,687)</u>
General receipts:				
Property taxes				3,688,073
Other local sources				928,166
State aid				3,622,604
Grants and contributions not restricted to specific programs				579,671
Sale of property, adjustments, and refunds				23,067
Investment earnings				56,232
<b>Total general receipts</b>				<u>8,897,813</u>
				Change in net assets (2,421,874)
<b>Net assets - beginning</b>				<u>2,352,302</u>
<b>Net assets - ending</b>				<u>\$ (69,572)</u>
<u>Assets</u>				
Cash and investments				\$ 317,038
Restricted assets:				
Cash and investments				<u>(386,610)</u>
<b>Total assets</b>				<u>\$ (69,572)</u>
<u>Net Assets</u>				
Restricted for:				
Other purposes				\$ 9,893
Unrestricted				<u>(79,465)</u>
<b>Total net assets</b>				<u>\$ (69,572)</u>

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

CULVER COMMUNITY SCHOOLS CORPORATION  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2006

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>								
Local sources	\$ 3,419,022	\$ 646,326	\$ -	\$ 1,416,604	\$ 841,211	\$ 155,120	\$ 781,042	\$ 7,259,325
Intermediate sources	424	-	-	-	-	-	374	798
State sources	3,758,068	-	-	-	-	-	40,597	3,798,665
Federal sources	17,409	-	-	-	-	-	779,989	797,398
Sale of property, adjustments and refunds	33,899	-	-	-	-	-	-	33,899
<b>Total receipts</b>	<b>7,228,822</b>	<b>646,326</b>	<b>-</b>	<b>1,416,604</b>	<b>841,211</b>	<b>155,120</b>	<b>1,602,002</b>	<b>11,890,085</b>
<b>Disbursements:</b>								
<b>Current:</b>								
Instruction	3,104,099	-	-	-	-	-	547,873	3,651,972
Support services	3,348,467	684,197	-	-	1,029,672	129,678	772,257	5,964,271
Community services	108,140	-	-	-	-	-	9,432	117,572
Nonprogrammed charges	772,125	-	-	-	-	-	24,342	796,467
Debt services	-	-	-	1,431,500	-	-	262,955	1,694,455
<b>Total disbursements</b>	<b>7,332,831</b>	<b>684,197</b>	<b>-</b>	<b>1,431,500</b>	<b>1,029,672</b>	<b>129,678</b>	<b>1,616,859</b>	<b>12,224,737</b>
Excess (deficiency) of receipts over disbursements	(104,009)	(37,871)	-	(14,896)	(188,461)	25,442	(14,857)	(334,652)
<b>Other financing sources (uses):</b>								
Transfers in	-	-	100,000	-	-	-	8,733	108,733
Transfers out	-	-	-	-	(100,000)	-	(8,733)	(108,733)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>100,000</b>	<b>-</b>	<b>(100,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(104,009)	(37,871)	100,000	(14,896)	(288,461)	25,442	(14,857)	(334,652)
Cash and investments - beginning	281,080	48,925	282,614	268,780	1,449,540	77,852	277,251	2,686,042
Cash and investments - ending	<u>\$ 177,071</u>	<u>\$ 11,054</u>	<u>\$ 382,614</u>	<u>\$ 253,884</u>	<u>\$ 1,161,079</u>	<u>\$ 103,294</u>	<u>\$ 262,394</u>	<u>2,351,390</u>
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:								
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.								
								912
Net assets of governmental activities								<u>\$ 2,352,302</u>
<u>Cash and Investment Assets - Ending</u>								
Cash and investments	\$ 177,071	\$ 11,054	\$ 382,614	\$ -	\$ 1,161,079	\$ 103,294	\$ 251,053	\$ 2,086,165
Restricted assets:								
Cash and investments	-	-	-	253,884	-	-	11,341	265,225
<b>Total cash and investment assets - ending</b>	<b><u>\$ 177,071</u></b>	<b><u>\$ 11,054</u></b>	<b><u>\$ 382,614</u></b>	<b><u>\$ 253,884</u></b>	<b><u>\$ 1,161,079</u></b>	<b><u>\$ 103,294</u></b>	<b><u>\$ 262,394</u></b>	<b><u>\$ 2,351,390</u></b>
<u>Cash and Investment Fund Balance - Ending</u>								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 253,884	\$ -	\$ -	\$ 11,341	\$ 265,225
Unrestricted	177,071	11,054	382,614	-	1,161,079	103,294	251,053	2,086,165
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 177,071</u></b>	<b><u>\$ 11,054</u></b>	<b><u>\$ 382,614</u></b>	<b><u>\$ 253,884</u></b>	<b><u>\$ 1,161,079</u></b>	<b><u>\$ 103,294</u></b>	<b><u>\$ 262,394</u></b>	<b><u>\$ 2,351,390</u></b>

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

CULVER COMMUNITY SCHOOLS CORPORATION  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2007

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>								
Local sources	\$ 2,225,193	\$ 444,768	\$ -	\$ 871,548	\$ 611,904	\$ 140,748	\$ 751,234	\$ 5,045,395
Intermediate sources	392	-	-	-	-	-	1,838	2,230
State sources	3,711,889	-	-	-	-	-	62,894	3,774,783
Federal sources	22,558	-	-	-	-	-	757,056	779,614
Sale of property, adjustments and refunds	23,069	-	-	-	-	-	-	23,069
<b>Total receipts</b>	<b>5,983,101</b>	<b>444,768</b>	<b>-</b>	<b>871,548</b>	<b>611,904</b>	<b>140,748</b>	<b>1,573,022</b>	<b>9,625,091</b>
<b>Disbursements:</b>								
<b>Current:</b>								
Instruction	3,102,107	-	-	-	-	-	548,596	3,650,703
Support services	3,147,769	650,018	-	-	882,034	203,922	818,117	5,701,860
Community services	110,546	-	-	-	-	-	4,644	115,190
Nonprogrammed charges	832,862	-	-	-	-	-	20,926	853,788
Debt services	-	-	-	1,435,000	-	-	299,405	1,734,405
<b>Total disbursements</b>	<b>7,193,284</b>	<b>650,018</b>	<b>-</b>	<b>1,435,000</b>	<b>882,034</b>	<b>203,922</b>	<b>1,691,688</b>	<b>12,055,946</b>
Deficiency of receipts over disbursements	(1,210,183)	(205,250)	-	(563,452)	(270,130)	(63,174)	(118,666)	(2,430,855)
<b>Other financing sources (uses):</b>								
Transfers in	-	-	117,386	-	-	-	3,620	121,006
Transfers out	-	-	-	-	(117,386)	-	(3,620)	(121,006)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>117,386</b>	<b>-</b>	<b>(117,386)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,210,183)	(205,250)	117,386	(563,452)	(387,516)	(63,174)	(118,666)	(2,430,855)
Cash and investments - beginning	177,071	11,054	382,614	253,884	1,161,079	103,294	262,394	2,351,390
Cash and investments - ending	<u>\$ (1,033,112)</u>	<u>\$ (194,196)</u>	<u>\$ 500,000</u>	<u>\$ (309,568)</u>	<u>\$ 773,563</u>	<u>\$ 40,120</u>	<u>\$ 143,728</u>	<u>(79,465)</u>
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:								
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.								
								9,893
Net assets of governmental activities								<u>\$ (69,572)</u>
<b>Cash and Investment Assets - Ending</b>								
Cash and investments	\$ (1,033,112)	\$ (194,196)	\$ 500,000	\$ -	\$ 773,563	\$ 40,120	\$ 230,663	\$ 317,038
Restricted assets:								
Cash and investments	-	-	-	(309,568)	-	-	(86,935)	(396,503)
<b>Total cash and investment assets - ending</b>	<b><u>\$ (1,033,112)</u></b>	<b><u>\$ (194,196)</u></b>	<b><u>\$ 500,000</u></b>	<b><u>\$ (309,568)</u></b>	<b><u>\$ 773,563</u></b>	<b><u>\$ 40,120</u></b>	<b><u>\$ 143,728</u></b>	<b><u>\$ (79,465)</u></b>
<b>Cash and Investment Fund Balance - Ending</b>								
Unrestricted	\$ (1,033,112)	\$ (194,196)	\$ 500,000	\$ (309,568)	\$ 773,563	\$ 40,120	\$ 143,728	\$ (79,465)
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ (1,033,112)</u></b>	<b><u>\$ (194,196)</u></b>	<b><u>\$ 500,000</u></b>	<b><u>\$ (309,568)</u></b>	<b><u>\$ 773,563</u></b>	<b><u>\$ 40,120</u></b>	<b><u>\$ 143,728</u></b>	<b><u>\$ (79,465)</u></b>

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

CULVER COMMUNITY SCHOOLS CORPORATION  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES -CASH AND INVESTMENTS BASIS  
PROPRIETARY FUND  
For the Year Ended June 30, 2006

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 1,050,727
Operating disbursements:	
Insurance claims and expense	<u>1,058,504</u>
Deficiency of operating receipts over operating disbursements	(7,777)
Cash and investment fund balance - beginning	<u>8,689</u>
Cash and investment fund balance - ending	<u>\$ 912</u>
 <u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 912</u>
 <u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 912</u>

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

CULVER COMMUNITY SCHOOLS CORPORATION  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES -CASH AND INVESTMENTS BASIS  
PROPRIETARY FUND  
For the Year Ended June 30, 2007

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 1,111,300
Operating disbursements:	
Insurance claims and expense	1,102,319
Excess of operating receipts over operating disbursements	8,981
Cash and investment fund balance - beginning	912
Cash and investment fund balance - ending	\$ 9,893
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 9,893
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 9,893

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

CULVER COMMUNITY SCHOOLS CORPORATION  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUND  
For the Year Ended June 30, 2006

	<u>Pension Trust Fund</u>
Additions:	
Contributions:	
Other	\$ 9,532
Investment earnings:	
Interest	<u>30,317</u>
Total additions	<u>39,849</u>
Deductions:	
Benefits	133,908
Deficiency of total additions over total deductions	<u>(94,059)</u>
Cash and investment fund balance - beginning	<u>833,697</u>
Cash and investment fund balance - ending	<u><u>\$ 739,638</u></u>
Net Assets	
Cash and investments	<u>\$ 739,638</u>
Total net assets - cash and investment basis held in trust	<u><u>\$ 739,638</u></u>

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

CULVER COMMUNITY SCHOOLS CORPORATION  
 STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 FIDUCIARY FUND  
 For the Year Ended June 30, 2007

	Pension Trust Fund
Additions:	
Investment earnings:	
Interest	\$ 30,058
Deductions:	
Benefits	55,496
Deficiency of total additions over total deductions	(25,438)
Cash and investment fund balance - beginning	739,638
Cash and investment fund balance - ending	\$ 714,200
Net Assets	
Cash and investments	\$ 714,200
Total net assets - cash and investment basis held in trust	\$ 714,200

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

CULVER COMMUNITY SCHOOLS 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.

These financial statements present the School Corporation (primary government). There are no significant component units which require inclusion.

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 9 school corporations in a joint venture to operate Joint Educational Services in Special Education (JESSE), which was created to provide instruction to handicapped children. The School Corporation is obligated by contract to remit semi-annually, its share of the expenses. Complete financial statements for JESSE can be obtained from their administrative offices at P.O. Box 418, 324 North Kingston, Plymouth, IN 46563.

The School Corporation is a participant with 9 school corporations in a joint venture to operate North Central Area Vocational Co-op (Co-op), which was created to provide vocational instruction and equipment to its members. The School Corporation is obligated by contract to remit its share of the expenses. The School Corporation maintains the records for the Co-op. Financial transactions of the Co-op are accounted for in the School Corporation's records and are included in other governmental funds of this financial report.

The School Corporation is a participant with 43 other schools in a joint venture to operate the Northern Indiana Education Service Center (NIESC), which was created to allow participating schools to cooperate and share certain programs and services which they collectively may implement. The School Corporation is obligated by contract to remit a per student rate determined annually to supplement the NIESC budget. NIESC's continued existence depends on continued funding by the School Corporation. The School Corporation is obligated for the debts of NIESC. Complete financial statements for the NIESC can be obtained from NIESC at 56535 Magnetic Drive, Mishawaka, IN 46545.

The School Corporation is a participant with 20 school corporations in a joint venture to operate North Central Energy Cooperative (NEC), which was created to procure natural gas in an economical and efficient manner. The School Corporation is obligated by contract to remit its share of the expenses. Complete financial statements for NEC can be obtained from their administrative offices at 59040 Minuteman Way, Elkhart, IN 46517.

CULVER COMMUNITY SCHOOLS CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Cash Activities and Net Assets - Cash and Investments Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

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 cash and investment fund balances, 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.

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 rainy day fund is to account for transfers of unused and unencumbered funds in accordance with Indiana Code 36-1-8-5.1 and a locally adopted resolution.

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

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

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

Additionally, the School Corporation reports the following fund types:

The internal service fund is a risk financing fund for risks associated with medical benefits to employees, retirees, and dependents.

The pension trust fund (retirement/severance bond) accounts for bonds and payments anticipated to be made to employees on or after the termination of employment or to pay postretirement or severance benefits held by the School Corporation in a trustee capacity.

CULVER COMMUNITY SCHOOLS CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The School Corporation has elected not to follow subsequent private-sector guidance.

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.

CULVER COMMUNITY SCHOOLS CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

2. Property Taxes

Normally 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 may 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 12 days per year based on months of service. Unused sick leave may be accumulated indefinitely for administrators and certified employees and to a maximum of 85 days for noncertified employees. 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 at rates from 10 to 20 days per year based upon the number of years of service. Vacation leave does not accumulate from year to year.

c. Personal Leave

School Corporation employees earn personal leave at the rate of 1 to 3 days per year. Personal leave does not accumulate from year to year.

2. 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.

3. 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.

4. Equity Classification

Government-Wide Statements

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

CULVER COMMUNITY SCHOOLS 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

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

Fund Financial Statements

- 1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
- 2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are 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.

CULVER COMMUNITY SCHOOLS 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 Cash Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Cash Activities.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following 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.

B. Cash and Investment Balance Deficits

At June 30, 2006 and 2007, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	FY 2006	FY 2007
Safe School Haven FY 2005-2006	\$ 878	\$ -
Carl Perkins Grant FY 2005-2006	57,157	52,240
General	-	1,033,162
Debt Service	-	309,568
Retirement/Severance Bond	-	86,935
Transportation Operating	-	194,196
Title I FY 2006-2007	-	13,225

CULVER COMMUNITY SCHOOLS CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements which will 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. 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 and 2007, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2005-2006</u>	<u>2006-2007</u>
Capital Projects	Rainy Day	\$ 100,000	\$ 117,386
Other governmental	Other governmental	<u>8,733</u>	<u>3,620</u>
Totals		<u>\$ 108,733</u>	<u>\$ 121,006</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, Retirees, and Dependents (Excluding Postemployment Benefits)

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 Self-Insurance Fund, an internal service fund,) where assets are set aside for claim

CULVER COMMUNITY SCHOOLS CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 are paid into the fund by all funds with payrolls and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each fund's gross wages, and are reported as quasi-external interfund transactions.

B. Holding Corporation

The School Corporation has entered into a capital lease with Culver School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. Lease payments during 2005-2006 and 2006-2007 totaled \$1,431,500 and \$1,435,000, respectively.

C. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment major medical health insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 55 with at least 20 consecutive years of service. Currently, 10 retirees meet these eligibility requirements. The School Corporation provides 100% of these postemployment benefits for 4 of those individuals that retired prior to July 1, 2003, whereas the remaining 6 individuals who retired after July 1, 2003, must pay the entire cost of this benefit. Current, the unspent proceeds from the pension bond issuance are available to help retirees pay for this benefit. The funds are available on a first come/first serve basis up to \$6,500 per year per individual.

Disbursements for postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2007, disbursements of \$34,933 were recognized for postemployment benefits paid entirely by the School.

These funds are held in reserve to pay health insurance premiums of qualified retirees for a limited time, in accordance with various governmental regulations.

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.

CULVER COMMUNITY SCHOOLS CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 61,777
Interest on net pension obligation	(13,825)
Adjustment to annual required contribution	15,754
Annual pension cost	63,706
Contributions made	82,432
Decrease in net pension obligation	(18,726)
Net pension obligation, beginning of year	(190,684)
Net pension obligation, end of year	\$ (209,410)
Contribution rates:	
School Corporation	5.75%
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	75% of expected actuarial value plus 25% of market value

CULVER COMMUNITY SCHOOLS CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-03	\$ 66,841	140%	\$ (150,615)
	06-30-04	52,053	177%	(190,684)
	06-30-05	63,706	129%	(209,410)

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

CULVER COMMUNITY SCHOOLS CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Funding Policy and Annual Pension Costs

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

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2007, 2006, and 2005, were \$118,576, \$104,842, and \$91,588, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

E. Subsequent Event

Late Distribution of Property Taxes

The School Corporation did not received any of its property taxes distribution for the Spring 2007 settlement from the four County Auditors in its district as of June 30, 2007. As of November 27, 2007, the School Corporation had received \$881,985 of an estimated total of \$6,432,776 in property tax distributions from all four County Auditors, leaving an estimated balance still to be received of the \$5,550,791 for the June 2007 settlement.

CULVER COMMUNITY SCHOOLS 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)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 1,485,811	\$ 1,373,978	\$ 111,833	108%	\$ 1,158,005	10%
07-01-04	1,520,734	1,446,438	74,296	105%	1,283,482	6%
07-01-05	1,579,454	1,714,915	(135,461)	92%	1,352,595	(10%)

CULVER COMMUNITY SCHOOLS CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006

	Special Ed Pre-School	School Lunch	Textbook Rental	NCA Cooperative	Educational License Plates	Safe Haven Grant FY 2004-2005	Safe Haven Grant FY 2005-2006
<b>Receipts:</b>							
Local sources	\$ 8,897	\$ 215,011	\$ 150,085	\$ 98,978	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	374	-	-
State sources	15,266	-	-	-	-	-	-
Federal sources	-	223,875	-	-	-	-	-
<b>Total receipts</b>	<b>24,163</b>	<b>438,886</b>	<b>150,085</b>	<b>98,978</b>	<b>374</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	99,790	-	-	878
Support services	-	420,645	183,011	33,651	-	1,824	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	24,078	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>24,078</b>	<b>420,645</b>	<b>183,011</b>	<b>133,441</b>	<b>-</b>	<b>1,824</b>	<b>878</b>
Excess (deficiency) of receipts over disbursements	85	18,241	(32,926)	(34,463)	374	(1,824)	(878)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	85	18,241	(32,926)	(34,463)	374	(1,824)	(878)
Cash and investments - beginning	5,904	81,713	61,565	89,351	3,582	1,824	-
Cash and investments - ending	\$ 5,989	\$ 99,954	\$ 28,639	\$ 54,888	\$ 3,956	\$ -	\$ (878)
Cash and investments	\$ 5,989	\$ 99,954	\$ 28,639	\$ 54,888	\$ 3,956	\$ -	\$ (878)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 5,989</b>	<b>\$ 99,954</b>	<b>\$ 28,639</b>	<b>\$ 54,888</b>	<b>\$ 3,956</b>	<b>\$ -</b>	<b>\$ (878)</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	5,989	99,954	28,639	54,888	3,956	-	(878)
<b>Total cash and investment fund balance - ending</b>	<b>\$ 5,989</b>	<b>\$ 99,954</b>	<b>\$ 28,639</b>	<b>\$ 54,888</b>	<b>\$ 3,956</b>	<b>\$ -</b>	<b>\$ (878)</b>

CULVER COMMUNITY SCHOOLS CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Early Intervention Grant FY 2005-2006	Gifted and Talented FY 2004-2005	Gifted and Talented FY 2005-2006	Drug Testing	Medicare Reimbursement	Outdoor Lab	Outdoor Lab Monterey
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	500	-	12,264	-	-	-	-
Federal sources	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>500</b>	<b>-</b>	<b>12,264</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	82	9,864	-	-	-	-
Support services	-	-	-	60	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>82</b>	<b>9,864</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	500	(82)	2,400	(60)	-	-	-
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	140	-	-
Transfers out	-	-	-	-	(140)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	500	(82)	2,400	(60)	-	-	-
Cash and investments - beginning	-	82	-	5,342	-	3,147	681
Cash and investments - ending	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 2,400</u>	<u>\$ 5,282</u>	<u>\$ -</u>	<u>\$ 3,147</u>	<u>\$ 681</u>
Cash and investments	\$ 500	\$ -	\$ 2,400	\$ 5,282	\$ -	\$ 3,147	\$ 681
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ 500</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,400</u></b>	<b><u>\$ 5,282</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,147</u></b>	<b><u>\$ 681</u></b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	500	-	2,400	5,282	-	3,147	681
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 500</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,400</u></b>	<b><u>\$ 5,282</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,147</u></b>	<b><u>\$ 681</u></b>

CULVER COMMUNITY SCHOOLS CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
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 (Continued)

	Non-English Speaking Grant	School Technology Grant	Tech Plan Grant	Enhanced Access	Project Aspire FY 2004-2005	Title I FY 2003-2004	Title I FY 2004-2005
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	9,705	-	-	-	-	-
Federal sources	-	-	-	-	-	-	19,801
<b>Total receipts</b>	<b>-</b>	<b>9,705</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,801</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	41	1	178
Support services	-	10,080	1,250	81	-	-	337
Community services	-	-	-	-	-	-	495
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>10,080</b>	<b>1,250</b>	<b>81</b>	<b>41</b>	<b>1</b>	<b>1,010</b>
Excess (deficiency) of receipts over disbursements	-	(375)	(1,250)	(81)	(41)	(1)	18,791
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(4,140)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,140)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(375)	(1,250)	(81)	(41)	(1)	14,651
Cash and investments - beginning	1,284	21,149	1,250	258	1,000	1	(14,651)
Cash and investments - ending	<u>\$ 1,284</u>	<u>\$ 20,774</u>	<u>\$ -</u>	<u>\$ 177</u>	<u>\$ 959</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and investments	\$ 1,284	\$ 20,774	\$ -	\$ 177	\$ 959	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 1,284</u>	<u>\$ 20,774</u>	<u>\$ -</u>	<u>\$ 177</u>	<u>\$ 959</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,284	20,774	-	177	959	-	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ 1,284</u>	<u>\$ 20,774</u>	<u>\$ -</u>	<u>\$ 177</u>	<u>\$ 959</u>	<u>\$ -</u>	<u>\$ -</u>

CULVER COMMUNITY SCHOOLS CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
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 (Continued)

	Title I FY 2005-2006	Title V Part A FY 2003-2004	Title V Part A FY 2004-2005	Title V Part A FY 2005-2006	Homeless Children Transportation Grant	Title IV Part A FY 2003-2004	Title IV Part A FY 2004-2005
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	245,331	-	-	4,198	-	-	-
<b>Total receipts</b>	<b>245,331</b>	<b>-</b>	<b>-</b>	<b>4,198</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	144,264	-	-	-	-	1,342	1,768
Support services	96,244	1,626	5,477	-	-	-	-
Community services	5,345	-	-	-	3,592	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>245,853</b>	<b>1,626</b>	<b>5,477</b>	<b>-</b>	<b>3,592</b>	<b>1,342</b>	<b>1,768</b>
Excess (deficiency) of receipts over disbursements	(522)	(1,626)	(5,477)	4,198	(3,592)	(1,342)	(1,768)
<b>Other financing sources (uses):</b>							
Transfers in	4,140	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>4,140</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,618	(1,626)	(5,477)	4,198	(3,592)	(1,342)	(1,768)
Cash and investments - beginning	-	1,626	6,403	-	3,592	1,342	4,322
Cash and investments - ending	\$ 3,618	\$ -	\$ 926	\$ 4,198	\$ -	\$ -	\$ 2,554
Cash and investments	\$ 3,618	\$ -	\$ 926	\$ 4,198	\$ -	\$ -	\$ 2,554
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 3,618</b>	<b>\$ -</b>	<b>\$ 926</b>	<b>\$ 4,198</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,554</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	3,618	-	926	4,198	-	-	2,554
<b>Total cash and investment fund balance - ending</b>	<b>\$ 3,618</b>	<b>\$ -</b>	<b>\$ 926</b>	<b>\$ 4,198</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,554</b>

CULVER COMMUNITY SCHOOLS CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
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 (Continued)

	Title IV Part A FY 2005-2006	Tobacco Education	Carl Perkins Grant FY 2004-2005	Carl Perkins Grant FY 2005-2006	Federal Medicaid Reimbursement	Title II Part A FY 2004-2005	Title II Part A FY 2003-2004
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	8,907	-	60,999	172,418	264	-	-
<b>Total receipts</b>	<b>8,907</b>	<b>-</b>	<b>60,999</b>	<b>172,418</b>	<b>264</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	228,358	-	60,621	686
Support services	-	-	-	1,217	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	264	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>229,575</b>	<b>264</b>	<b>60,621</b>	<b>686</b>
Excess (deficiency) of receipts over disbursements	8,907	-	60,999	(57,157)	-	(60,621)	(686)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	(4,453)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(4,453)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,454	-	60,999	(57,157)	-	(60,621)	(686)
Cash and investments - beginning	-	1,950	(60,999)	-	-	72,069	686
Cash and investments - ending	\$ 4,454	\$ 1,950	\$ -	\$ (57,157)	\$ -	\$ 11,448	\$ -
Cash and investments	\$ 4,454	\$ 1,950	\$ -	\$ (57,157)	\$ -	\$ 11,448	\$ -
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 4,454</b>	<b>\$ 1,950</b>	<b>\$ -</b>	<b>\$ (57,157)</b>	<b>\$ -</b>	<b>\$ 11,448</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	4,454	1,950	-	(57,157)	-	11,448	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 4,454</b>	<b>\$ 1,950</b>	<b>\$ -</b>	<b>\$ (57,157)</b>	<b>\$ -</b>	<b>\$ 11,448</b>	<b>\$ -</b>

CULVER COMMUNITY SCHOOLS CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
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 For the Year Ended June 30, 2006  
 (Continued)

	Title II Part A FY 2005-2006	Title II Part D FY 2003-2004	Title II Part D FY 2004-2005	LSTA Grant FY 2005-2006	Retirement Severance Bond	Construction	Totals
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 307,922	\$ 149	\$ 781,042
Intermediate sources	-	-	-	-	-	-	374
State sources	-	-	-	2,862	-	-	40,597
Federal sources	44,196	-	-	-	-	-	779,989
<b>Total receipts</b>	<b>44,196</b>	<b>-</b>	<b>-</b>	<b>2,862</b>	<b>307,922</b>	<b>149</b>	<b>1,602,002</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	-	-	547,873
Support services	-	1,355	4,122	2,862	-	8,415	772,257
Community services	-	-	-	-	-	-	9,432
Nonprogrammed charges	-	-	-	-	-	-	24,342
Debt services	-	-	-	-	262,955	-	262,955
<b>Total disbursements</b>	<b>-</b>	<b>1,355</b>	<b>4,122</b>	<b>2,862</b>	<b>262,955</b>	<b>8,415</b>	<b>1,616,859</b>
Excess (deficiency) of receipts over disbursements	44,196	(1,355)	(4,122)	-	44,967	(8,266)	(14,857)
<b>Other financing sources (uses):</b>							
Transfers in	4,453	-	-	-	-	-	8,733
Transfers out	-	-	-	-	-	-	(8,733)
<b>Total other financing sources (uses)</b>	<b>4,453</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	48,649	(1,355)	(4,122)	-	44,967	(8,266)	(14,857)
Cash and investments - beginning	-	1,355	4,122	-	(33,626)	10,927	277,251
Cash and investments - ending	\$ 48,649	\$ -	\$ -	\$ -	\$ 11,341	\$ 2,661	\$ 262,394
Cash and investments	\$ 48,649	\$ -	\$ -	\$ -	\$ -	\$ 2,661	\$ 251,053
Restricted assets:							
Cash and investments	-	-	-	-	11,341	-	11,341
<b>Total cash and investment assets - ending</b>	<b>\$ 48,649</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,341</b>	<b>\$ 2,661</b>	<b>\$ 262,394</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 11,341	\$ -	\$ 11,341
Unrestricted	48,649	-	-	-	-	2,661	251,053
<b>Total cash and investment fund balance - ending</b>	<b>\$ 48,649</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,341</b>	<b>\$ 2,661</b>	<b>\$ 262,394</b>

CULVER COMMUNITY SCHOOLS CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
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	Special Ed Pre-School	School Lunch	Textbook Rental	NCA Cooperative	Educational License Plates	Safe Haven Grant FY 2005-2006	Early Intervention Grant FY 2005-2006
<b>Receipts:</b>							
Local sources	\$ 6,062	\$ 220,705	\$ 154,451	\$ 168,813	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	1,838	-	-
State sources	19,648	-	-	-	-	-	-
Federal sources	-	250,455	-	-	-	-	-
<b>Total receipts</b>	<b>25,710</b>	<b>471,160</b>	<b>154,451</b>	<b>168,813</b>	<b>1,838</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	95,851	1,531	(878)	480
Support services	-	499,121	153,813	33,528	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	20,926	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>20,926</b>	<b>499,121</b>	<b>153,813</b>	<b>129,379</b>	<b>1,531</b>	<b>(878)</b>	<b>480</b>
Excess (deficiency) of receipts over disbursements	4,784	(27,961)	638	39,434	307	878	(480)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(2)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,784	(27,961)	638	39,432	307	878	(480)
Cash and investments - beginning	5,989	99,954	28,639	54,888	3,956	(878)	500
Cash and investments - ending	\$ 10,773	\$ 71,993	\$ 29,277	\$ 94,320	\$ 4,263	\$ -	\$ 20
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 10,773	\$ 71,993	\$ 29,277	\$ 94,320	\$ 4,263	\$ -	\$ 20
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 10,773</b>	<b>\$ 71,993</b>	<b>\$ 29,277</b>	<b>\$ 94,320</b>	<b>\$ 4,263</b>	<b>\$ -</b>	<b>\$ 20</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Unrestricted	\$ 10,773	\$ 71,993	\$ 29,277	\$ 94,320	\$ 4,263	\$ -	\$ 20
<b>Total cash and investment fund balance - ending</b>	<b>\$ 10,773</b>	<b>\$ 71,993</b>	<b>\$ 29,277</b>	<b>\$ 94,320</b>	<b>\$ 4,263</b>	<b>\$ -</b>	<b>\$ 20</b>

CULVER COMMUNITY SCHOOLS CORPORATION  
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 (Continued)

	Gifted and Talented FY 2005-2006	Gifted and Talented FY 2006-2007	Drug Testing	Outdoor Lab	Outdoor Lab Monterey	Non-English Speaking Grant	School Technology Grant
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	12,264	-	-	-	118	30,864
Federal sources	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>12,264</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118</b>	<b>30,864</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	2,400	11,641	-	-	-	-	-
Support services	-	-	255	-	-	-	22,608
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>2,400</b>	<b>11,641</b>	<b>255</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,608</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(2,400)</b>	<b>623</b>	<b>(255)</b>	<b>-</b>	<b>-</b>	<b>118</b>	<b>8,256</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(2,400)</b>	<b>623</b>	<b>(255)</b>	<b>-</b>	<b>-</b>	<b>118</b>	<b>8,256</b>
<b>Cash and investments - beginning</b>	<b>2,400</b>	<b>-</b>	<b>5,282</b>	<b>3,147</b>	<b>681</b>	<b>1,284</b>	<b>20,774</b>
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ 623</b>	<b>\$ 5,027</b>	<b>\$ 3,147</b>	<b>\$ 681</b>	<b>\$ 1,402</b>	<b>\$ 29,030</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ -	\$ 623	\$ 5,027	\$ 3,147	\$ 681	\$ 1,402	\$ 29,030
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 623</b>	<b>\$ 5,027</b>	<b>\$ 3,147</b>	<b>\$ 681</b>	<b>\$ 1,402</b>	<b>\$ 29,030</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Unrestricted	\$ -	\$ 623	\$ 5,027	\$ 3,147	\$ 681	\$ 1,402	\$ 29,030
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 623</b>	<b>\$ 5,027</b>	<b>\$ 3,147</b>	<b>\$ 681</b>	<b>\$ 1,402</b>	<b>\$ 29,030</b>

CULVER COMMUNITY SCHOOLS CORPORATION  
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	Enhanced Access	Project Aspire FY 2004-2005	Title I FY 2006-2007	Title I FY 2005-2006	Title V Part A FY 2006-2007	Title V Part A FY 2004-2005	Title V Part A FY 2005-2006
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	243,682	-	2,007	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>243,682</b>	<b>-</b>	<b>2,007</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	84	156,881	-	-	-	-
Support services	-	-	102,516	-	-	926	3,502
Community services	-	-	1,128	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>84</b>	<b>260,525</b>	<b>-</b>	<b>-</b>	<b>926</b>	<b>3,502</b>
Excess (deficiency) of receipts over disbursements	-	(84)	(16,843)	-	2,007	(926)	(3,502)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	3,618	-	-	-	-
Transfers out	-	-	-	(3,618)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>3,618</b>	<b>(3,618)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(84)	(13,225)	(3,618)	2,007	(926)	(3,502)
Cash and investments - beginning	177	959	-	3,618	-	926	4,198
Cash and investments - ending	<u>\$ 177</u>	<u>\$ 875</u>	<u>\$ (13,225)</u>	<u>\$ -</u>	<u>\$ 2,007</u>	<u>\$ -</u>	<u>\$ 696</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 177	\$ 875	\$ (13,225)	\$ -	\$ 2,007	\$ -	\$ 696
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ 177</u></b>	<b><u>\$ 875</u></b>	<b><u>\$ (13,225)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,007</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 696</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Unrestricted	\$ 177	\$ 875	\$ (13,225)	\$ -	\$ 2,007	\$ -	\$ 696
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 177</u></b>	<b><u>\$ 875</u></b>	<b><u>\$ (13,225)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,007</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 696</u></b>

CULVER COMMUNITY SCHOOLS CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Homeless Children Transportation Grant FY 2006-2007	Title IV Part A FY 2006-2007	Title IV Part A FY 2004-2005	Title IV Part A FY 2005-2006	Tobacco Education	Carl Perkins Grant FY 2006-2007	Carl Perkins Grant FY 2005-2006
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	5,000	7,109	-	-	-	164,906	57,155
Total receipts	5,000	7,109	-	-	-	164,906	57,155
Disbursements:							
Current:							
Instruction	-	-	2,554	2,991	-	216,033	-
Support services	-	-	-	-	-	1,113	-
Community services	3,516	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	3,516	-	2,554	2,991	-	217,146	-
Excess (deficiency) of receipts over disbursements	1,484	7,109	(2,554)	(2,991)	-	(52,240)	57,155
Other financing sources (uses):							
Transfers in	-	(3,554)	-	-	-	-	2
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(3,554)	-	-	-	-	2
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,484	3,555	(2,554)	(2,991)	-	(52,240)	57,157
Cash and investments - beginning	-	-	2,554	4,454	1,950	-	(57,157)
Cash and investments - ending	\$ 1,484	\$ 3,555	\$ -	\$ 1,463	\$ 1,950	\$ (52,240)	\$ -
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 1,484	\$ 3,555	\$ -	\$ 1,463	\$ 1,950	\$ (52,240)	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,484	\$ 3,555	\$ -	\$ 1,463	\$ 1,950	\$ (52,240)	\$ -
<u>Cash and Investment Fund Balance - Ending</u>							
Unrestricted	\$ 1,484	\$ 3,555	\$ -	\$ 1,463	\$ 1,950	\$ (52,240)	\$ -
Total cash and investment fund balance - ending	\$ 1,484	\$ 3,555	\$ -	\$ 1,463	\$ 1,950	\$ (52,240)	\$ -

CULVER COMMUNITY SCHOOLS CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Title II Part A FY 2006-2007	Title II Part A FY 2004-2005	Title II Part A FY 2005-2006	Title II Part D FY 2006-2007	Retirement Severance Bond	Construction	Totals
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 201,129	\$ 74	\$ 751,234
Intermediate sources	-	-	-	-	-	-	1,838
State sources	-	-	-	-	-	-	62,894
Federal sources	-	-	22,100	4,642	-	-	757,056
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>22,100</b>	<b>4,642</b>	<b>201,129</b>	<b>74</b>	<b>1,573,022</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	11,448	47,580	-	-	-	548,596
Support services	-	-	-	735	-	-	818,117
Community services	-	-	-	-	-	-	4,644
Nonprogrammed charges	-	-	-	-	-	-	20,926
Debt services	-	-	-	-	299,405	-	299,405
<b>Total disbursements</b>	<b>-</b>	<b>11,448</b>	<b>47,580</b>	<b>735</b>	<b>299,405</b>	<b>-</b>	<b>1,691,688</b>
Excess (deficiency) of receipts over disbursements	-	(11,448)	(25,480)	3,907	(98,276)	74	(118,666)
<b>Other financing sources (uses):</b>							
Transfers in	3,554	-	-	-	-	-	3,620
Transfers out	-	-	-	-	-	-	(3,620)
<b>Total other financing sources (uses)</b>	<b>3,554</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,554	(11,448)	(25,480)	3,907	(98,276)	74	(118,666)
Cash and investments - beginning	-	11,448	48,649	-	11,341	2,661	262,394
Cash and investments - ending	\$ 3,554	\$ -	\$ 23,169	\$ 3,907	\$ (86,935)	\$ 2,735	\$ 143,728
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 3,554	\$ -	\$ 23,169	\$ 3,907	\$ -	\$ 2,735	\$ 230,663
Restricted assets:							
Cash and investments	-	-	-	-	(86,935)	-	(86,935)
<b>Total cash and investment assets - ending</b>	<b>\$ 3,554</b>	<b>\$ -</b>	<b>\$ 23,169</b>	<b>\$ 3,907</b>	<b>\$ (86,935)</b>	<b>\$ 2,735</b>	<b>\$ 143,728</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Unrestricted	\$ 3,554	\$ -	\$ 23,169	\$ 3,907	\$ (86,935)	\$ 2,735	\$ 143,728
<b>Total cash and investment fund balance - ending</b>	<b>\$ 3,554</b>	<b>\$ -</b>	<b>\$ 23,169</b>	<b>\$ 3,907</b>	<b>\$ (86,935)</b>	<b>\$ 2,735</b>	<b>\$ 143,728</b>

CULVER COMMUNITY SCHOOLS CORPORATION  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

June 30, 2007

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

<u>Primary Government</u>	<u>Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 423,146
Buildings	41,985,513
Improvements other than buildings	1,784,207
Transportation	1,358,472
Machinery and equipment	2,764,558
Construction in progress	<u>1,116,141</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 49,432,037</u>

CULVER COMMUNITY SCHOOLS CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT

June 30, 2007

Description of Debt	Principal Outstanding	Due Within One Year
Governmental Activities:		
Capital leases:		
Jr Sr High School - 2000 Bonds	\$ 2,325,000	\$ 285,000
Culver and Monterey Elementary - 2001 Bonds	5,635,000	250,000
High School and Monterey Elementary - 2002 Bonds	745,000	40,000
Culver Community Schools Administration Building - 2006 Bonds	9,680,000	10,000
General obligation bonds:		
School Pension - 2004 Bonds	<u>2,980,000</u>	<u>130,000</u>
Total governmental activities long-term debt	<u>\$ 21,365,000</u>	<u>\$ 715,000</u>

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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 CULVER COMMUNITY SCHOOLS  
CORPORATION, MARSHALL COUNTY, INDIANA

Compliance

We have audited the compliance of the Culver Community Schools 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, 2006 and 2007. 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, 2006 and 2007.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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)

A control deficiency in a School Corporation's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

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 5, 2007

CULVER COMMUNITY SCHOOLS CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2006 and 2007

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 06-30-06	Total Federal Awards Expended 06-30-07
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 44,478	\$ 46,882
National School Lunch Program	10.555		<u>174,374</u>	<u>203,364</u>
Total for federal grantor agency			<u>218,852</u>	<u>250,246</u>
<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>				
Pass-Through Indiana State Library				
Grants to States				
Library Services and Technology	45.310		<u>2,862</u>	<u>-</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title 1 Grants to Local Educational Agencies	84.010	05-5455	5,149	-
		06-5455	245,854	3,617
		07-5455	<u>-</u>	<u>260,525</u>
Total for program			<u>251,003</u>	<u>264,142</u>
Vocational Education - Basic Grants to States	84.048	06-4700-5455	229,575	-
		07-4700-5455	<u>-</u>	<u>217,146</u>
Total for program			<u>229,575</u>	<u>217,146</u>
Safe and Drug Free Schools and Communities - State Grants	84.186	03-103	1,342	-
		04-190	1,768	2,554
		05-152	<u>4,453</u>	<u>2,991</u>
Total for program			<u>7,563</u>	<u>5,545</u>
State Grants for Innovative Programs	84.298	03-130	1,626	-
		04-125	5,477	926
		05-202	-	3,503
		PL 107-110	<u>-</u>	<u>735</u>
Total for program			<u>7,103</u>	<u>5,164</u>
Education Technology State Grants	84.318	FY 03-04	1,355	-
		FY 04-05	<u>4,122</u>	<u>-</u>
Total for program			<u>5,477</u>	<u>-</u>
Improving Teacher Quality State Grants	84.367	04-142	60,621	11,448
		03-251	686	-
		02-279	<u>-</u>	<u>47,580</u>
Total for program			<u>61,307</u>	<u>59,028</u>
Total for federal grantor agency			<u>562,028</u>	<u>551,025</u>
Total federal awards expended			<u>\$ 783,742</u>	<u>\$ 801,271</u>

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

CULVER COMMUNITY SCHOOLS 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 Culver Community Schools 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. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2006 and 2007. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2006	2007
Child Nutrition Cluster Food Commodities National School Lunch Program	10.555	<u>\$ 27,946</u>	<u>\$ 25,541</u>

CULVER COMMUNITY SCHOOLS 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	Child Nutrition Cluster Title 1 Grants to Local Educational Agencies

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CULVER COMMUNITY SCHOOLS CORPORATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CULVER COMMUNITY SCHOOLS CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on December 5, 2007, with Thomas L. Bendy, Treasurer; and Christopher R. Kline, President of the School Board. Our audit disclosed no material items that warrant comment at this time.