

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, 2007 to June 30, 2009



FILED

02/22/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Thomas L. Bendy	01-01-07 to 12-31-10
Superintendent of Schools	Bradley S. Schuldt Albert Hanselman Bradley S. Schuldt	07-01-07 to 06-30-08 07-01-08 to 08-03-08 08-04-08 to 06-30-12
President of the School Board	Christopher R. Kline Ned Davis Marilyn L. Swanson Jack L. Jones	01-01-07 to 12-31-07 01-01-08 to 12-31-08 01-01-09 to 12-31-09 01-01-10 to 12-31-10



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, 2008 and 2009, 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, 2008 and 2009, 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 25, 2010, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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 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 Combining Schedule, as listed in the Table of Contents, 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 Combining Schedule, as listed in the Table of Contents, 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 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

January 25, 2010



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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, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated January 25, 2010. 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

January 25, 2010

CULVER COMMUNITY SCHOOLS CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 4,835,200	\$ -	\$ 141,643	\$ (4,693,557)
Support services	4,096,030	207,936	245,582	(3,642,512)
Noninstructional services	616,622	-	-	(616,622)
Facilities acquisition and construction	419,090	-	-	(419,090)
Debt service	4,286,517	-	-	(4,286,517)
Nonprogrammed charges	901,403	-	-	(901,403)
Total governmental activities	<u>\$ 15,154,862</u>	<u>\$ 207,936</u>	<u>\$ 387,225</u>	<u>(14,559,701)</u>
General receipts:				
Property taxes				5,818,695
Other local sources				1,105,450
State aid				3,605,147
Bonds and loans				3,658,460
Grants and contributions not restricted to specific programs				744,985
Investment earnings				65,099
Other				895
Total general receipts				<u>14,998,731</u>
Change in net assets				439,030
Net assets - beginning				(69,572)
Net assets - ending				<u>\$ 369,458</u>
<u>Assets</u>				
Cash and investments				\$ 351,706
Restricted assets:				
Cash and investments				<u>17,752</u>
Total assets				<u>\$ 369,458</u>
<u>Net Assets</u>				
Restricted for:				
Other purposes				17,752
Unrestricted				<u>351,706</u>
Total net assets				<u>\$ 369,458</u>

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

CULVER COMMUNITY SCHOOLS CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 5,215,429	\$ -	\$ 149,600	\$ (5,065,829)
Support services	4,003,117	221,900	284,275	(3,496,942)
Noninstructional services	655,752	-	-	(655,752)
Facilities acquisition and construction	409,612	-	-	(409,612)
Debt service	2,926,259	-	-	(2,926,259)
Nonprogrammed charges	703,376	-	-	(703,376)
Total governmental activities	<u>\$ 13,913,545</u>	<u>\$ 221,900</u>	<u>\$ 433,875</u>	<u>(13,257,770)</u>
General receipts:				
Property taxes				6,967,933
Other local sources				1,149,851
State aid				4,682,975
Grants and contributions not restricted to specific programs				1,446,849
Investment earnings				46,355
Total general receipts				<u>14,293,963</u>
Change in net assets				1,036,193
Net assets - beginning				<u>369,458</u>
Net assets - ending				<u>\$ 1,405,651</u>
Assets				
Cash and investments				\$ 1,178,602
Restricted assets:				
Cash and investments				<u>227,049</u>
Total assets				<u>\$ 1,405,651</u>
Net Assets				
Restricted for:				
Other purposes				227,049
Unrestricted				<u>1,178,602</u>
Total net assets				<u>\$ 1,405,651</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, 2008

	<u>General</u>	<u>Rainy Day</u>	<u>School Lunch</u>	<u>Textbook Rental</u>	<u>NCA Cooperative</u>
Receipts:					
Local sources	\$ 3,303,096	\$ -	\$ 207,935	\$ 102,913	\$ 164,974
Intermediate sources	361	-	-	-	-
State sources	3,720,860	-	-	50,673	-
Federal sources	41,130	-	245,582	-	-
Temporary loans	3,658,460	-	-	-	-
Other	-	-	-	-	-
	<u>10,723,907</u>	<u>-</u>	<u>453,517</u>	<u>153,586</u>	<u>164,974</u>
Disbursements:					
Current:					
Instruction	4,110,650	-	-	-	169,080
Support services	2,135,971	-	-	122,003	6,119
Noninstructional services	125,017	-	481,962	-	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	2,492,399	-	-	-	-
Nonprogrammed charges	873,273	-	-	-	-
	<u>9,737,310</u>	<u>-</u>	<u>481,962</u>	<u>122,003</u>	<u>175,199</u>
Excess (deficiency) of receipts over disbursements	<u>986,597</u>	<u>-</u>	<u>(28,445)</u>	<u>31,583</u>	<u>(10,225)</u>
Other financing sources (uses):					
Transfers in	-	90,000	-	4,394	-
Transfers out	-	-	-	-	-
	<u>-</u>	<u>90,000</u>	<u>-</u>	<u>4,394</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	986,597	90,000	(28,445)	35,977	(10,225)
Cash and investments - beginning	<u>(1,033,112)</u>	<u>500,000</u>	<u>71,993</u>	<u>29,277</u>	<u>94,320</u>
Cash and investments - ending	<u>\$ (46,515)</u>	<u>\$ 590,000</u>	<u>\$ 43,548</u>	<u>\$ 65,254</u>	<u>\$ 84,095</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.

Net assets of governmental activities

Cash and Investment Assets - Ending

Cash and investments	<u>\$ (46,515)</u>	<u>\$ 590,000</u>	<u>\$ 43,548</u>	<u>\$ 65,254</u>	<u>\$ 84,095</u>
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Cash and Investment Fund Balance - Ending

Unrestricted	<u>\$ (46,515)</u>	<u>\$ 590,000</u>	<u>\$ 43,548</u>	<u>\$ 65,254</u>	<u>\$ 84,095</u>
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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, 2008
(Continued)

	Title II, Part A FY 2007-2008	Debt Service	Capital Projects	Other	Totals
Receipts:					
Local sources	\$ -	\$ 1,416,304	\$ 680,576	\$ 1,226,369	\$ 7,102,167
Intermediate sources	-	-	-	825	1,186
State sources	-	-	-	117,110	3,888,643
Federal sources	66,560	-	-	545,064	898,336
Temporary loans	-	-	-	-	3,658,460
Other	-	-	560	335	895
Total receipts	<u>66,560</u>	<u>1,416,304</u>	<u>681,136</u>	<u>1,889,703</u>	<u>15,549,687</u>
Disbursements:					
Current:					
Instruction	-	-	-	555,470	4,835,200
Support services	-	-	560,096	1,228,687	4,052,876
Noninstructional services	-	-	-	9,643	616,622
Facilities acquisition and construction	-	-	343,565	74,473	418,038
Debt services	-	1,489,726	-	304,392	4,286,517
Nonprogrammed charges	-	-	-	35,990	909,263
Total disbursements	<u>-</u>	<u>1,489,726</u>	<u>903,661</u>	<u>2,208,655</u>	<u>15,118,516</u>
Excess (deficiency) of receipts over disbursements	<u>66,560</u>	<u>(73,422)</u>	<u>(222,525)</u>	<u>(318,952)</u>	<u>431,171</u>
Other financing sources (uses):					
Transfers in	-	-	-	14,083	108,477
Transfers out	-	(4,394)	-	(104,083)	(108,477)
Total other financing sources (uses)	<u>-</u>	<u>(4,394)</u>	<u>-</u>	<u>(90,000)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>66,560</u>	<u>(77,816)</u>	<u>(222,525)</u>	<u>(408,952)</u>	<u>431,171</u>
Cash and investments - beginning	<u>-</u>	<u>(309,568)</u>	<u>773,563</u>	<u>(205,938)</u>	<u>(79,465)</u>
Cash and investments - ending	<u>\$ 66,560</u>	<u>\$ (387,384)</u>	<u>\$ 551,038</u>	<u>\$ (614,890)</u>	<u>351,706</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.					
					<u>17,752</u>
Net assets of governmental activities					<u>\$ 369,458</u>
Cash and Investment Assets - Ending					
Cash and investments	<u>\$ 66,560</u>	<u>\$ (387,384)</u>	<u>\$ 551,038</u>	<u>\$ (614,890)</u>	<u>\$ 351,706</u>
Cash and Investment Fund Balance - Ending					
Unrestricted	<u>\$ 66,560</u>	<u>\$ (387,384)</u>	<u>\$ 551,038</u>	<u>\$ (614,890)</u>	<u>\$ 351,706</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, 2009

	General	Rainy Day	School Lunch	Textbook Rental	NCA Cooperative
Receipts:					
Local sources	\$ 3,720,475	\$ -	\$ 221,900	\$ 95,709	\$ 157,777
Intermediate sources	404	-	-	-	-
State sources	4,802,389	-	-	51,887	-
Federal sources	28,274	-	284,275	-	-
	<u>8,551,542</u>	<u>-</u>	<u>506,175</u>	<u>147,596</u>	<u>157,777</u>
Total receipts					
Disbursements:					
Current:					
Instruction	4,166,786	-	-	-	147,352
Support services	2,365,711	-	-	127,320	6,000
Noninstructional services	135,294	-	510,528	-	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	1,166,200	-	-	-	-
Nonprogrammed charges	672,291	-	-	-	-
	<u>8,506,282</u>	<u>-</u>	<u>510,528</u>	<u>127,320</u>	<u>153,352</u>
Total disbursements					
Excess (deficiency) of receipts over disbursements	<u>45,260</u>	<u>-</u>	<u>(4,353)</u>	<u>20,276</u>	<u>4,425</u>
Other financing sources (uses):					
Transfers in	6,967	100,000	-	644	-
Transfers out	-	-	-	(6,967)	-
	<u>6,967</u>	<u>100,000</u>	<u>-</u>	<u>(6,323)</u>	<u>-</u>
Total other financing sources (uses)					
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	52,227	100,000	(4,353)	13,953	4,425
Cash and investments - beginning	<u>(46,515)</u>	<u>590,000</u>	<u>43,548</u>	<u>65,254</u>	<u>84,095</u>
Cash and investments - ending	<u>\$ 5,712</u>	<u>\$ 690,000</u>	<u>\$ 39,195</u>	<u>\$ 79,207</u>	<u>\$ 88,520</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.

Net assets of governmental activities

Cash and Investment Assets - Ending

Cash and investments	<u>\$ 5,712</u>	<u>\$ 690,000</u>	<u>\$ 39,195</u>	<u>\$ 79,207</u>	<u>\$ 88,520</u>
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Cash and Investment Fund Balance - Ending

Unrestricted	<u>\$ 5,712</u>	<u>\$ 690,000</u>	<u>\$ 39,195</u>	<u>\$ 79,207</u>	<u>\$ 88,520</u>
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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, 2009
(Continued)

	Title II, Part A FY 2007-2008	Debt Service	Capital Projects	Other	Totals
Receipts:					
Local sources	\$ -	\$ 1,822,978	\$ 994,676	\$ 1,327,823	\$ 8,341,338
Intermediate sources	-	-	-	1,725	2,129
State sources	-	-	-	58,399	4,912,675
Federal sources	-	-	-	1,390,362	1,702,911
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,390,362</u>	<u>1,702,911</u>
Total receipts	<u>-</u>	<u>1,822,978</u>	<u>994,676</u>	<u>2,778,309</u>	<u>14,959,053</u>
Disbursements:					
Current:					
Instruction	60,786	-	-	840,505	5,215,429
Support services	-	-	595,310	918,092	4,012,433
Noninstructional services	-	-	-	9,930	655,752
Facilities acquisition and construction	-	-	312,730	96,882	409,612
Debt services	-	1,461,550	-	298,509	2,926,259
Nonprogrammed charges	-	-	-	240,381	912,672
	<u>-</u>	<u>-</u>	<u>-</u>	<u>240,381</u>	<u>912,672</u>
Total disbursements	<u>60,786</u>	<u>1,461,550</u>	<u>908,040</u>	<u>2,404,299</u>	<u>14,132,157</u>
Excess (deficiency) of receipts over disbursements	<u>(60,786)</u>	<u>361,428</u>	<u>86,636</u>	<u>374,010</u>	<u>826,896</u>
Other financing sources (uses):					
Transfers in	-	-	-	17,045	124,656
Transfers out	-	(644)	-	(117,045)	(124,656)
	<u>-</u>	<u>(644)</u>	<u>-</u>	<u>(117,045)</u>	<u>(124,656)</u>
Total other financing sources (uses)	<u>-</u>	<u>(644)</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(60,786)</u>	<u>360,784</u>	<u>86,636</u>	<u>274,010</u>	<u>826,896</u>
Cash and investments - beginning	<u>66,560</u>	<u>(387,384)</u>	<u>551,038</u>	<u>(614,890)</u>	<u>351,706</u>
Cash and investments - ending	<u>\$ 5,774</u>	<u>\$ (26,600)</u>	<u>\$ 637,674</u>	<u>\$ (340,880)</u>	<u>1,178,602</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.					
					<u>227,049</u>
Net assets of governmental activities					<u>\$ 1,405,651</u>
Cash and Investment Assets - Ending					
Cash and investments	<u>\$ 5,774</u>	<u>\$ (26,600)</u>	<u>\$ 637,674</u>	<u>\$ (340,880)</u>	<u>\$ 1,178,602</u>
Cash and Investment Fund Balance - Ending					
Unrestricted	<u>\$ 5,774</u>	<u>\$ (26,600)</u>	<u>\$ 637,674</u>	<u>\$ (340,880)</u>	<u>\$ 1,178,602</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
PROPRIETARY FUND
For the Year Ended June 30, 2008

	Internal Service Fund
Operating receipts:	
Charges for services (employer and employee contributions)	\$ 861,499
Operating disbursements:	
Insurance claims and expense	853,640
Excess of operating receipts over operating disbursements	7,859
Cash and investment fund balance - beginning	9,893
Cash and investment fund balance - ending	\$ 17,752
 <u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 17,752
 <u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 17,752

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
PROPRIETARY FUND
For the Year Ended June 30, 2009

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services (employer and employee contributions)	\$ 1,960,478
Operating disbursements:	
Insurance claims and expense	<u>1,751,181</u>
Excess of operating receipts over operating disbursements	209,297
Cash and investment fund balance - beginning	<u>17,752</u>
Cash and investment fund balance - ending	<u>\$ 227,049</u>
 <u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 227,049</u>
 <u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 227,049</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 FUNDS
For the Year Ended June 30, 2008

	Pension Trust Fund	Agency Fund
Additions:		
Investment earnings:		
Interest	\$ 26,098	
Deductions:		
Benefits	<u>43,470</u>	
Deficiency of total additions over total deductions	(17,372)	
Cash and investment fund balance - beginning	<u>714,200</u>	
Cash and investment fund balance - ending	<u>\$ 696,828</u>	<u>\$ -</u>
Net assets:		
Cash and investments	<u>\$ 696,828</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 696,828</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 FUNDS
 For the Year Ended June 30, 2009

	Pension Trust Fund	Agency Fund
Additions: Investment earnings: Interest	\$ 18,643	
Deductions: Benefits	<u>20,294</u>	
Deficiency of total additions over total deductions	(1,651)	
Cash and investment fund balance - beginning	<u>696,828</u>	
Cash and investment fund balance - ending	<u>\$ 695,177</u>	<u>\$ -</u>
Net assets: Cash and investments	<u>\$ 695,177</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 695,177</u>	

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.

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

Primary Government: Culver Community Schools Corporation

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

Joint Ventures

The School Corporation is a participant with 9 school corporations in a joint venture to operate the 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 of JESSE. Complete financial statements for JESSE can be obtained from their administrative offices at 324 North Kingston, P.O. Box 418, Plymouth, IN 46563.

The School Corporation is a participant with 9 school corporations in a joint venture to operate the North Central Area Vocational Cooperative (Co-op), which was created to provide vocational instruction and equipment to its member school corporations. The School Corporation is obligated by contract to remit its share of the expenses of the Co-op. 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 the 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 a share of 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 participant with 31 school corporations in a joint venture to operate the 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 of NEC. Further information for NEC can be obtained from their administrative offices at 2720 California Road, Elkhart, Indiana.

CULVER COMMUNITY SCHOOLS CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Related Organizations

The School Corporation's officials are also responsible for appointing the members of the boards of other organizations, but the School Corporation's accountability for these organizations does not extend beyond making the appointments. The School Corporation appoints the board members of the Culver School Building Corporation, a not-for-profit school holding corporation.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. 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. 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 rainy day fund accounts for transfers of unused and unencumbered funds in accordance with IC 36-1-8-5.1 and a locally adopted resolution.

The school lunch fund accounts for financial resources for the operation of the school breakfast and lunch programs.

The textbook rental fund accounts for financial resources for the purchase of textbooks and workbooks for student use.

The NCA cooperative fund accounts for financial resources for the operation of the North Central Area Vocational Co-op, a joint venture to provide vocational education and equipment to the member schools.

The Title II, part A, FY 2007-2008 fund accounts for the federal resources to support grant program expenditures.

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.

CULVER COMMUNITY SCHOOLS CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 Corporation reports the following major proprietary fund:

The internal service fund accounts for the activities of the self-insurance fund, which accumulates resources for funding of costs associated with medical benefits to employees, retirees, and dependents.

Additionally, the School Corporation reports the following fund types:

The pension trust fund accounts for the activities of the retirement severance bond fund, which accumulates resources for funding of anticipated pension benefit and severance costs for retirees.

The agency fund accounts for assets held by the School Corporation as an agent for governmental agencies, insurance companies, and other third parties.

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. Receipts are recorded when received and disbursements are recorded when paid.

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.

CULVER COMMUNITY SCHOOLS CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

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

3. 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.

4. 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.

5. Equity Classification

Government-Wide Statements

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

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

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

CULVER COMMUNITY SCHOOLS CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, and (2) operating grants and contributions. 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 the proprietary fund 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.

3. Textbook Rental and School Lunch Receipts

Textbook rental and school lunch fees are collected at each school and are paid to the appropriate School Corporation Fund at the beginning of next month. This procedure began January 1, 2009. At June 30, 2009, the amount collected for textbook rental not paid to the School Corporation totaled \$21,262 and for school lunch totaled \$5,803.

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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.

Government-Wide Financial Statements

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

CULVER COMMUNITY SCHOOLS CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

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

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, 2008 and 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	FY 2008	FY 2009
General	\$ 46,515	\$ -
Debt Service	387,384	26,600
Transportation Operating	338,878	274,325
Special Ed Pre-School	-	392
Title I, FY 2007-2008	6,312	-
Title I, FY 2008-2009	-	25,126
Carl Perkins Grant, FY 2007-2008	117,985	-
Retirement Severance Bond	123,208	117,205
School Bus Replacement	113,141	-

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; 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. At June 30, 2009, all School Corporation deposit 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, 2008 and 2009, were as follows:

Transfer From	Transfer To	FY 2008	FY 2009
Textbook Rental Fund	General Fund	\$ -	\$ 6,967
Debt Service Fund	Textbook Rental Fund	4,394	644
Other governmental funds	Rainy Day Fund	90,000	100,000
Other governmental funds	Other governmental funds	<u>14,083</u>	<u>17,045</u>
Totals		<u>\$ 108,477</u>	<u>\$ 124,656</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.

CULVER COMMUNITY SCHOOLS CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 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. Interfund premiums are paid into the fund by all affected funds 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 affected fund and are reported as expenditures of the fund.

B. Holding Corporation

The School Corporation has entered into a capital lease with the 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. The lessor has been determined to be a related party of the School Corporation. Lease payments during the school years ending June 30, 2008, and June 30, 2009, totaled \$1,437,500 and \$1,436,000, respectively.

C. Subsequent Events

American Recovery and Reinvestment Act (Stimulus) Funding

Since June 30, 2009, the School Corporation has received additional stimulus funding, \$76,507 for general programs and \$176,698 for the Title I Grant program.

Culver Elementary School Gymnasium Project

At June 30, 2009, the School Corporation is reporting \$163,864 of Construction Work In Progress on the Culver Elementary School Gymnasium Project. The project is now substantially complete, with additional costs of \$277,000 paid from the Construction Fund and an estimated \$300,000 to be paid from the Capital Projects Fund.

Holding Corporation Bond Refinancing

The Culver School Building Holding Corporation refinanced its bond issues in October 2009. The result of the refinancing provided \$277,000 in cash that was placed in a School Corporation Construction Fund. Also, each semiannual lease payment beginning in 2010 will be reduced by approximately \$28,000.

D. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides an annual postemployment medical health insurance benefit under an old retirement plan to certain certified employees who elected to stay in the plan. At June 30, 2009, there are nine retirees meeting the eligibility requirements (at least age 55 with 20 years of continual employment with the School Corporation). The School Corporation provides 100% of these postemployment benefits to three individuals who retired prior to July 1, 2003, whereas the remaining six individuals who retired

CULVER COMMUNITY SCHOOLS CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

after July 1, 2003, must pay the entire cost of this benefit. However, unspent proceeds from the pension bond issuance are available to help retirees pay for this benefit until they reach the age of 59.

Disbursements for postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2009, disbursements of \$22,477 were recognized for postemployment benefits paid by the School Corporation. The cost of these benefits was paid from the Pension Trust Fund established from the proceeds of a special pension bond issue in 2004.

E. 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.

CULVER COMMUNITY SCHOOLS CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plans

	PERF
Annual required contribution	\$ 97,829
Interest on net pension obligation	(12,678)
Adjustment to annual required contribution	14,447
Annual pension cost	99,598
Contributions made	90,601
Increase in net pension obligation	8,997
Net pension obligation, beginning of the year	(174,868)
Net pension obligation, end of the year	\$ (165,871)
Contribution rates:	
School Corporation	6.63%
Plan members	3%
Actuarial valuation date	07-01-08
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 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	06-30-06	\$ 87,584	93%	\$ (203,035)
	06-30-07	109,581	74%	(174,868)
	06-30-08	99,598	91%	(165,871)

CULVER COMMUNITY SCHOOLS 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.

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, 2009, 2008, and 2007, were \$148,926, \$139,571, and \$118,576, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

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)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 1,712,825	\$ 1,908,939	\$ (196,114)	90%	\$ 1,443,169	(14%)
07-01-07	1,875,161	1,972,618	(97,457)	95%	1,373,199	(7%)
07-01-08	1,901,624	2,040,329	(138,705)	93%	1,458,784	(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, 2008

	Transportation Operating	Special Education Pre-School	Educational License Plates	Early Intervention Grant FY 2005-2006	Gifted/Talented Grant FY 2007-2008	Gifted/Talented Grant FY 2006-2007	Drug Testing
Receipts:							
Local sources	\$ 641,812	\$ 7,914	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	825	-	-	-	-
State sources	-	18,266	-	-	30,186	-	-
Federal sources	-	-	-	-	-	-	-
Other	335	-	-	-	-	-	-
Total receipts	642,147	26,180	825	-	30,186	-	-
Disbursements:							
Current:							
Instruction	-	-	-	20	27,321	623	-
Support services	786,829	-	-	-	-	-	452
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	35,990	-	-	-	-	-
Total disbursements	786,829	35,990	-	20	27,321	623	452
Excess (deficiency) of receipts over disbursements	(144,682)	(9,810)	825	(20)	2,865	(623)	(452)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(144,682)	(9,810)	825	(20)	2,865	(623)	(452)
Cash and investments - beginning	(194,196)	10,773	4,263	20	-	623	5,027
Cash and investments - ending	<u>\$ (338,878)</u>	<u>\$ 963</u>	<u>\$ 5,088</u>	<u>\$ -</u>	<u>\$ 2,865</u>	<u>\$ -</u>	<u>\$ 4,575</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ (338,878)</u>	<u>\$ 963</u>	<u>\$ 5,088</u>	<u>\$ -</u>	<u>\$ 2,865</u>	<u>\$ -</u>	<u>\$ 4,575</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ (338,878)</u>	<u>\$ 963</u>	<u>\$ 5,088</u>	<u>\$ -</u>	<u>\$ 2,865</u>	<u>\$ -</u>	<u>\$ 4,575</u>

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, 2008
 (Continued)

	Outdoor Lab	Outdoor Lab Moterey	Non-English Speaking Grant	School Technology Grant	Enhanced Access	Project Aspire FY 2004-2005	Title I FY 2007-2008
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	323	68,335	-	-	-
Federal sources	-	-	-	-	-	-	271,039
Other	-	-	-	-	-	-	-
Total receipts	-	-	323	68,335	-	-	271,039
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	226,678
Support services	-	-	-	-	-	-	63,097
Noninstructional services	-	-	-	-	-	-	1,659
Facilities acquisition and construction	-	-	-	67,824	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	-	67,824	-	-	291,434
Excess (deficiency) of receipts over disbursements	-	-	323	511	-	-	(20,395)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	14,083
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	14,083
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	323	511	-	-	(6,312)
Cash and investments - beginning	3,147	681	1,402	29,030	177	875	-
Cash and investments - ending	<u>\$ 3,147</u>	<u>\$ 681</u>	<u>\$ 1,725</u>	<u>\$ 29,541</u>	<u>\$ 177</u>	<u>\$ 875</u>	<u>\$ (6,312)</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ 3,147</u>	<u>\$ 681</u>	<u>\$ 1,725</u>	<u>\$ 29,541</u>	<u>\$ 177</u>	<u>\$ 875</u>	<u>\$ (6,312)</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ 3,147</u>	<u>\$ 681</u>	<u>\$ 1,725</u>	<u>\$ 29,541</u>	<u>\$ 177</u>	<u>\$ 875</u>	<u>\$ (6,312)</u>

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, 2008
 (Continued)

	Title I FY 2006-2007	Title I, School Improvement FY 2007-2008	Title V, Part A FY 2006-2007	Title V, Part A FY 2005-2006	Homeless Children Transportation Grant FY 2006-2007	Homeless Grant FY 2007-2008
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	28,200	28,478	-	-	-	5,000
Other	-	-	-	-	-	-
Total receipts	28,200	28,478	-	-	-	5,000
Disbursements:						
Current:						
Instruction	892	20,650	-	-	-	-
Support services	(4,000)	7,828	2,007	696	-	-
Noninstructional services	4,000	-	-	-	1,484	2,500
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	892	28,478	2,007	696	1,484	2,500
Excess (deficiency) of receipts over disbursements	27,308	-	(2,007)	(696)	(1,484)	2,500
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(14,083)	-	-	-	-	-
Total other financing sources (uses)	(14,083)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	13,225	-	(2,007)	(696)	(1,484)	2,500
Cash and investments - beginning	(13,225)	-	2,007	696	1,484	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500

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, 2008
 (Continued)

	Title IV, Part A FY 2006-2007	Title IV, Part A FY 2005-2006	Tobacco Education	Carl Perkins Grant FY 2006-2007	Carl Perkins Grant FY 2007-2008	Title II, Part A FY 2006-2007
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	52,240	94,416	65,691
Other	-	-	-	-	-	-
Total receipts	-	-	-	52,240	94,416	65,691
Disbursements:						
Current:						
Instruction	1,297	1,463	-	-	212,401	40,956
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	1,297	1,463	-	-	212,401	40,956
Excess (deficiency) of receipts over disbursements	(1,297)	(1,463)	-	52,240	(117,985)	24,735
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,297)	(1,463)	-	52,240	(117,985)	24,735
Cash and investments - beginning	3,555	1,463	1,950	(52,240)	-	3,554
Cash and investments - ending	\$ 2,258	\$ -	\$ 1,950	\$ -	\$ (117,985)	\$ 28,289
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,258	\$ -	\$ 1,950	\$ -	\$ (117,985)	\$ 28,289
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 2,258	\$ -	\$ 1,950	\$ -	\$ (117,985)	\$ 28,289

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, 2008
 (Continued)

	Title II, Part A FY 2005-2006	Title II, Part D FY 2006-2007	Retirement Severance Bond	School Bus Replacement	Construction	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 268,119	\$ 308,517	\$ 7	\$ 1,226,369
Intermediate sources	-	-	-	-	-	825
State sources	-	-	-	-	-	117,110
Federal sources	-	-	-	-	-	545,064
Other	-	-	-	-	-	335
Total receipts	-	-	268,119	308,517	7	1,889,703
Disbursements:						
Current:						
Instruction	23,169	-	-	-	-	555,470
Support services	-	-	-	371,778	-	1,228,687
Noninstructional services	-	-	-	-	-	9,643
Facilities acquisition and construction	-	3,907	-	-	2,742	74,473
Debt services	-	-	304,392	-	-	304,392
Nonprogrammed charges	-	-	-	-	-	35,990
Total disbursements	23,169	3,907	304,392	371,778	2,742	2,208,655
Excess (deficiency) of receipts over disbursements	(23,169)	(3,907)	(36,273)	(63,261)	(2,735)	(318,952)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	14,083
Transfers out	-	-	-	(90,000)	-	(104,083)
Total other financing sources (uses)	-	-	-	(90,000)	-	(90,000)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(23,169)	(3,907)	(36,273)	(153,261)	(2,735)	(408,952)
Cash and investments - beginning	23,169	3,907	(86,935)	40,120	2,735	(205,938)
Cash and investments - ending	\$ -	\$ -	\$ (123,208)	\$ (113,141)	\$ -	\$ (614,890)
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ (123,208)	\$ (113,141)	\$ -	\$ (614,890)
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ -	\$ -	\$ (123,208)	\$ (113,141)	\$ -	\$ (614,890)

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, 2009

	Transportation Operating	Special Ed Pre-School	Educational License Plate	Gifted/Talented Grant FY 2007-2008	High Ability Grant	Drug Testing
Receipts:						
Local sources	\$ 758,083	\$ 8,786	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	1,725	-	-	-
State sources	-	22,958	-	-	30,186	-
Federal sources	-	-	-	-	-	-
Total receipts	758,083	31,744	1,725	-	30,186	-
Disbursements:						
Current:						
Instruction	-	-	5,950	2,865	26,416	-
Support services	693,530	-	-	-	-	270
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	33,099	-	-	-	-
Total disbursements	693,530	33,099	5,950	2,865	26,416	270
Excess (deficiency) of receipts over disbursements	64,553	(1,355)	(4,225)	(2,865)	3,770	(270)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	64,553	(1,355)	(4,225)	(2,865)	3,770	(270)
Cash and investments - beginning	(338,878)	963	5,088	2,865	-	4,575
Cash and investments - ending	<u>\$ (274,325)</u>	<u>\$ (392)</u>	<u>\$ 863</u>	<u>\$ -</u>	<u>\$ 3,770</u>	<u>\$ 4,305</u>
Cash and Investment Assets - Ending						
Cash and investments	<u>\$ (274,325)</u>	<u>\$ (392)</u>	<u>\$ 863</u>	<u>\$ -</u>	<u>\$ 3,770</u>	<u>\$ 4,305</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	<u>\$ (274,325)</u>	<u>\$ (392)</u>	<u>\$ 863</u>	<u>\$ -</u>	<u>\$ 3,770</u>	<u>\$ 4,305</u>

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, 2009
 (Continued)

	Outdoor Lab	Outdoor Lab Monterey	Non-English Speaking Grant	School Technology Grant	Enhanced Access	Project Aspire FY 2004-2005
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	5,255	-	-
Federal sources	-	-	-	-	-	-
Total receipts	-	-	-	5,255	-	-
Disbursements:						
Current:						
Instruction	-	-	1,725	-	-	875
Support services	-	-	-	-	177	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,804	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	-	1,725	1,804	177	875
Excess (deficiency) of receipts over disbursements	-	-	(1,725)	3,451	(177)	(875)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(1,725)	3,451	(177)	(875)
Cash and investments - beginning	3,147	681	1,725	29,541	177	875
Cash and investments - ending	<u>\$ 3,147</u>	<u>\$ 681</u>	<u>\$ -</u>	<u>\$ 32,992</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	<u>\$ 3,147</u>	<u>\$ 681</u>	<u>\$ -</u>	<u>\$ 32,992</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	<u>\$ 3,147</u>	<u>\$ 681</u>	<u>\$ -</u>	<u>\$ 32,992</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
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Title I FY 2007-2008	Title I, School Improvement FY 2007-2008	Title I FY 2008-2009	Title V, Part A FY 2007-2008	Homeless Grant FY 2007-2008	McKinney Vento Homeless Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	33,000	-	281,292	1,940	-	5,000
Total receipts	33,000	-	281,292	1,940	-	5,000
Disbursements:						
Current:						
Instruction	9,238	(821)	256,558	-	-	-
Support services	406	821	63,134	522	-	-
Noninstructional services	-	-	3,771	-	2,500	3,199
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	9,644	-	323,463	522	2,500	3,199
Excess (deficiency) of receipts over disbursements	23,356	-	(42,171)	1,418	(2,500)	1,801
Other financing sources (uses):						
Transfers in	-	-	17,045	-	-	-
Transfers out	(17,045)	-	-	-	-	-
Total other financing sources (uses)	(17,045)	-	17,045	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,311	-	(25,126)	1,418	(2,500)	1,801
Cash and investments - beginning	(6,312)	-	-	-	2,500	-
Cash and investments - ending	\$ (1)	\$ -	\$ (25,126)	\$ 1,418	\$ -	\$ 1,801
Cash and Investment Assets - Ending						
Cash and investments	\$ (1)	\$ -	\$ (25,126)	\$ 1,418	\$ -	\$ 1,801
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ (1)	\$ -	\$ (25,126)	\$ 1,418	\$ -	\$ 1,801

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, 2009
 (Continued)

	Title IV, Part A Drug Free FY 2007-2008	Title IV, Part A Drug Free FY 2008-2009	Title IV, Part A FY 2006-2007	Tobacco Education	Carl Perkins Grant FY 2007-2008	Carl Perkins Grant FY 2008-2009
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	7,067	5,609	-	-	117,985	177,384
Total receipts	7,067	5,609	-	-	117,985	177,384
Disbursements:						
Current:						
Instruction	3,073	-	2,258	212	-	229,380
Support services	1,413	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	4,486	-	2,258	212	-	229,380
Excess (deficiency) of receipts over disbursements	2,581	5,609	(2,258)	(212)	117,985	(51,996)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,581	5,609	(2,258)	(212)	117,985	(51,996)
Cash and investments - beginning	-	-	2,258	1,950	(117,985)	-
Cash and investments - ending	<u>\$ 2,581</u>	<u>\$ 5,609</u>	<u>\$ -</u>	<u>\$ 1,738</u>	<u>\$ -</u>	<u>\$ (51,996)</u>
Cash and Investment Assets - Ending						
Cash and investments	<u>\$ 2,581</u>	<u>\$ 5,609</u>	<u>\$ -</u>	<u>\$ 1,738</u>	<u>\$ -</u>	<u>\$ (51,996)</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	<u>\$ 2,581</u>	<u>\$ 5,609</u>	<u>\$ -</u>	<u>\$ 1,738</u>	<u>\$ -</u>	<u>\$ (51,996)</u>

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, 2009
 (Continued)

	Title II, Part A FY 2006-2007	Title II, Part D Education Tech Inaccess	Fiscal Stabilization- Education	Retirement Severance Bond	School Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 304,512	\$ 256,442	\$ 1,327,823
Intermediate sources	-	-	-	-	-	1,725
State sources	-	-	-	-	-	58,399
Federal sources	-	128,223	632,862	-	-	1,390,362
Total receipts	-	128,223	632,862	304,512	256,442	2,778,309
Disbursements:						
Current:						
Instruction	28,289	7,186	267,301	-	-	840,505
Support services	-	-	157,819	-	-	918,092
Noninstructional services	-	-	460	-	-	9,930
Facilities acquisition and construction	-	95,078	-	-	-	96,882
Debt services	-	-	-	298,509	-	298,509
Nonprogrammed charges	-	-	207,282	-	-	240,381
Total disbursements	28,289	102,264	632,862	298,509	-	2,404,299
Excess (deficiency) of receipts over disbursements	(28,289)	25,959	-	6,003	256,442	374,010
Other financing sources (uses):						
Transfers in	-	-	-	-	-	17,045
Transfers out	-	-	-	-	(100,000)	(117,045)
Total other financing sources (uses)	-	-	-	-	(100,000)	(100,000)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(28,289)	25,959	-	6,003	156,442	274,010
Cash and investments - beginning	28,289	-	-	(123,208)	(113,141)	(614,890)
Cash and investments - ending	<u>\$ -</u>	<u>\$ 25,959</u>	<u>\$ -</u>	<u>\$ (117,205)</u>	<u>\$ 43,301</u>	<u>\$ (340,880)</u>
Cash and Investment Assets - Ending						
Cash and investments	<u>\$ -</u>	<u>\$ 25,959</u>	<u>\$ -</u>	<u>\$ (117,205)</u>	<u>\$ 43,301</u>	<u>\$ (340,880)</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	<u>\$ -</u>	<u>\$ 25,959</u>	<u>\$ -</u>	<u>\$ (117,205)</u>	<u>\$ 43,301</u>	<u>\$ (340,880)</u>

CULVER COMMUNITY SCHOOLS CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUND
 For the Year Ended June 30, 2008

	Payroll Deduction and Clearing Account Fund
Additions:	
Agency fund additions	\$ 2,491,786
Deductions:	
Agency fund deductions	2,491,786
Excess of total additions over total deductions	-
Cash and investment fund balance - beginning	-
Cash and investment fund balance - ending	\$ -

CULVER COMMUNITY SCHOOLS CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUND
 For the Year Ended June 30, 2009

	Payroll Deduction and Clearing Account Fund
Additions: Agency fund additions	<u>\$ 2,700,153</u>
Deductions: Agency fund deductions	<u>2,700,153</u>
Excess of total additions over total deductions	-
Cash and investment fund balance - beginning	-
Cash and investment fund balance - ending	\$ -

CULVER COMMUNITY SCHOOLS CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2009

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	43,197,309
Improvements other than buildings	1,784,207
Transportation equipment	1,500,902
Machinery and equipment	2,865,139
Construction in progress	163,864
Total governmental activities, capital assets not being depreciated	\$ 49,934,567

CULVER COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2009

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Jr - Sr High School - Holding Corp Bonds of 2000	\$ 1,745,000	\$ 410,550
Culver and Monterey Elem - Holding Corp Bonds of 2001	5,120,000	530,125
High School and Monterey Elem - Holding Corp Bonds of 2002	665,000	72,465
Culver School Corp Administration Bldg - Holding Corp Bonds of 2006	9,660,000	422,309
Bonds payable:		
School Corporation Pension Bonds of 2004	<u>2,720,000</u>	<u>302,053</u>
Total governmental activities long-term debt	<u>\$ 19,910,000</u>	<u>\$ 1,737,502</u>

CULVER COMMUNITY SCHOOLS CORPORATION
AUDIT RESULTS AND COMMENTS

SELF-INSURANCE FUND

The Self-Insurance Fund of the School Corporation is not reported by the School Corporation. The School Corporation maintains a separate record of the financial transactions of the Fund. The Treasurer maintains these records and does reconcile the Fund monthly.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

The financial statements were adjusted to reflect the transactions of the Self-Insurance Fund.

OVERDRAWN CASH BALANCES

The cash balance of the following funds was overdrawn as noted below:

Fund	June 30, 2008	June 30, 2009
General Fund	\$ 46,515	\$ -
Debt Service Fund	387,384	26,600
Transportation Operating Fund	338,878	274,325
Special Ed Pre-School Fund	-	392
Title I, FY 2007-2008 Fund	6,312	-
Title I, FY 2008-2009 Fund	-	25,126
Carl Perkins Grant, FY 2007-2008 Fund	117,985	-
Retirement Severance Bond Fund	123,208	117,205
School Bus Replacement Fund	113,141	-

The cash 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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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 SCHOOL
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, 2008 and 2009. 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, 2008 and 2009.

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

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)

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.

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

January 25, 2010

CULVER COMMUNITY SCHOOLS CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2008 and 2009

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 06-30-08	Total Federal Awards Expended 06-30-09
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 43,750	\$ 46,665
National School Lunch Program	10.555		<u>208,413</u>	<u>237,538</u>
Total for federal grantor agency			<u>252,163</u>	<u>284,203</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I Grants to Local Educational Agencies	84.010	06-5455	892	-
		07-5455	28,478	-
		08-5455	291,433	9,643
		09-5455	<u>-</u>	<u>323,464</u>
Total for program			<u>320,803</u>	<u>333,107</u>
Career and Technical Education-Basic Grants to States	84.048	08-4700-5455	212,401	-
		09-4700-5455	<u>-</u>	<u>229,380</u>
Total for program			<u>212,401</u>	<u>229,380</u>
Safe and Drug Free Schools and Communities - State Grants	84.186	05-152	1,463	-
		06-5455	1,297	2,258
		07-5455	-	4,486
		08-5455	<u>-</u>	<u>212</u>
Total for program			<u>2,760</u>	<u>6,956</u>
State Grants for Innovative Programs	84.298	PL 107-110	3,907	-
		02-051	696	-
		06-5455	2,007	-
		07-5455	<u>-</u>	<u>522</u>
Total for program			<u>6,610</u>	<u>522</u>
Education Technology State Grants	84.318	S318X070014	<u>-</u>	<u>102,263</u>
Improving Teacher Quality - State Grants	84.367	02-279	23,169	-
		04-142	40,956	28,289
		07-5455	<u>-</u>	<u>60,786</u>
Total for program			<u>64,125</u>	<u>89,075</u>
ARRA - State Fiscal Stabilization Fund - Education State Grants	84.394	10-5455	<u>-</u>	<u>632,862</u>
Total for federal grantor agency			<u>606,699</u>	<u>1,394,165</u>
Total federal awards expended			<u>\$ 858,862</u>	<u>\$ 1,678,368</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, 2008 and 2009. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2008	2009
Child Nutrition Cluster Food Commodities National School Lunch Program	10.555	\$ 15,631	\$ 30,470

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
 Significant deficiencies 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
 Significant deficiencies 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
84.048	Career and Technical Education-Basic Grants to States
84.394	ARRA - State Fiscal Stabilization Fund-Education State Grants

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

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 January 25, 2010, with Thomas L. Bendy, Treasurer; Bradley S. Scholdt, Superintendent of Schools; and Jack L. Jones, President of the School Board.