

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

AUDIT REPORT
OF
LINTON-STOCKTON SCHOOL CORPORATION
GREENE COUNTY, INDIANA
July 1, 2007 to June 30, 2009



FILED
03/05/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Carol Brinson	07-01-07 to 06-30-10
Superintendent of Schools	Ronald L. Bush Nicholas Karazsia	07-01-07 to 12-31-09 01-01-10 to 12-31-14
President of the School Board	Wm. Eddy Dale Ralph Witty Frank Gennicks	07-01-07 to 06-30-08 07-01-08 to 06-30-09 07-01-09 to 06-30-10



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 LINTON-STOCKTON SCHOOL CORPORATION,
GREENE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Linton-Stockton School 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, 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 February 11, 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.

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

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

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 Schedules, 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 Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are 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

February 11, 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 LINTON-STOCKTON SCHOOL CORPORATION,
GREENE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Linton-Stockton School 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 February 11, 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, School Board, 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

February 11, 2010

LINTON-STOCKTON SCHOOL 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	\$ 6,023,634	\$ -	\$ 129,282	\$ (5,894,352)
Support services	1,747,645	274,354	280,021	(1,193,270)
Noninstructional services	605,324	-	-	(605,324)
Facilities acquisition and construction	351,931	-	-	(351,931)
Debt service	1,377,109	-	-	(1,377,109)
Nonprogrammed charges	2,062,891	-	-	(2,062,891)
Total governmental activities	\$ 12,168,534	\$ 274,354	\$ 409,303	(11,484,877)
General receipts:				
Property taxes				3,328,958
Other local sources				771,426
State aid				6,288,846
Grants and contributions not restricted to specific programs				512,385
Investment earnings				145,995
Other				39,523
Total general receipts				11,087,133
Change in net assets				(397,744)
Net assets - beginning				3,278,492
Net assets - ending				\$ 2,880,748
<u>Assets</u>				
Cash and investments				\$ 2,102,923
Restricted assets:				
Cash and investments				777,825
Total assets				\$ 2,880,748
<u>Net Assets</u>				
Restricted for:				
Other purposes				\$ 777,825
Unrestricted				2,102,923
Total net assets				\$ 2,880,748

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

LINTON-STOCKTON SCHOOL 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	\$ 5,899,504	\$ -	\$ 198,679	\$ (5,700,825)
Support services	2,318,305	296,165	280,070	(1,742,070)
Noninstructional services	727,043	-	-	(727,043)
Facilities acquisition and construction	355,898	-	-	(355,898)
Debt service	1,410,426	-	-	(1,410,426)
Nonprogrammed charges	1,666,346	-	-	(1,666,346)
Total governmental activities	\$ 12,377,522	\$ 296,165	\$ 478,749	(11,602,608)
General receipts:				
Property taxes				3,728,385
Other local sources				920,513
State aid				6,542,024
Grants and contributions not restricted to specific programs				1,511,420
Investment earnings				114,767
Other				32
Total general receipts				12,817,141
Change in net assets				1,214,533
Net assets - beginning				2,880,748
Net assets - ending				\$ 4,095,281
<u>Assets</u>				
Cash and investments				\$ 3,106,585
Restricted assets:				
Cash and investments				988,696
Total assets				\$ 4,095,281
<u>Net Assets</u>				
Restricted for:				
Other purposes				\$ 988,696
Unrestricted				3,106,585
Total net assets				\$ 4,095,281

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

LINTON-STOCKTON SCHOOL 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

	General	Transportation Operating	Rainy Day Fund	School Lunch	Capital Projects	Other	Totals
Receipts:							
Local sources	\$ 1,678,688	\$ 366,568	\$ -	\$ 250,958	\$ 694,982	\$ 1,495,765	\$ 4,486,961
Intermediate sources	-	-	-	-	-	1,125	1,125
State sources	6,387,070	-	-	5,854	-	188,238	6,581,162
Federal sources	43,374	-	-	221,267	-	364,730	629,371
Total receipts	8,109,132	366,568	-	478,079	694,982	2,049,858	11,698,619
Disbursements:							
Current:							
Instruction	5,651,820	-	-	-	-	371,814	6,023,634
Support services	1,942,719	261,841	-	-	423,163	472,947	3,100,670
Noninstructional services	115,025	-	-	490,299	-	-	605,324
Facilities acquisition and construction	-	-	-	-	211,515	140,415	351,930
Debt services	-	-	-	-	-	1,377,109	1,377,109
Nonprogrammed charges	393,974	-	-	-	-	28,004	421,978
Total disbursements	8,103,538	261,841	-	490,299	634,678	2,390,289	11,880,645
Excess (deficiency) of receipts over disbursements	5,594	104,727	-	(12,220)	60,304	(340,431)	(182,026)
Other financing sources (uses):							
Transfers in	16,252	-	-	-	-	45,467	61,719
Transfers out	(8,993)	(2,191)	-	-	(4,164)	(46,371)	(61,719)
Total other financing sources (uses)	7,259	(2,191)	-	-	(4,164)	(904)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12,853	102,536	-	(12,220)	56,140	(341,335)	(182,026)
Cash and investments - beginning	579,187	110,390	310,000	331,664	413,371	239,424	1,984,036
Cash and investments - ending	\$ 592,040	\$ 212,926	\$ 310,000	\$ 319,444	\$ 469,511	\$ (101,911)	1,802,010
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.							
							1,078,738
Net assets of governmental activities							<u>\$ 2,880,748</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 592,040	\$ 212,926	\$ 310,000	\$ 319,444	\$ 469,511	\$ 199,002	\$ 2,102,923
Restricted assets:							
Cash and investments	-	-	-	-	-	(300,913)	(300,913)
Total cash and investment assets - ending	\$ 592,040	\$ 212,926	\$ 310,000	\$ 319,444	\$ 469,511	\$ (101,911)	\$ 1,802,010
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (300,913)	\$ (300,913)
Unrestricted	592,040	212,926	310,000	319,444	469,511	199,002	2,102,923
Total cash and investment fund balance - ending	\$ 592,040	\$ 212,926	\$ 310,000	\$ 319,444	\$ 469,511	\$ (101,911)	\$ 1,802,010

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

LINTON-STOCKTON SCHOOL 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	Transportation Operating	Rainy Day Fund	School Lunch	Fiscal Stabilization	Capital Projects	Other	Totals
Receipts:								
Local sources	\$ 1,752,155	\$ 402,423	\$ 130,000	\$ 248,346	\$ -	\$ 721,016	\$ 1,768,423	\$ 5,022,363
Intermediate sources	561	-	-	-	-	-	9,469	10,030
State sources	6,741,973	-	-	8,462	-	-	118,192	6,868,627
Federal sources	55,054	-	-	231,655	673,699	-	703,158	1,663,566
Total receipts	8,549,743	402,423	130,000	488,463	673,699	721,016	2,599,242	13,564,586
Disbursements:								
Current:								
Instruction	5,486,345	-	-	-	-	-	413,160	5,899,505
Support services	2,364,876	312,951	-	-	29,750	394,689	683,781	3,786,047
Noninstructional services	105,879	-	-	621,164	-	-	-	727,043
Facilities acquisition and construction	-	-	-	-	-	300,822	55,076	355,898
Debt services	-	-	-	-	-	-	1,410,425	1,410,425
Nonprogrammed charges	335,154	-	-	-	-	-	4,873	340,027
Total disbursements	8,292,254	312,951	-	621,164	29,750	695,511	2,567,315	12,518,945
Excess (deficiency) of receipts over disbursements	257,489	89,472	130,000	(132,701)	643,949	25,505	31,927	1,045,641
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	50,805	50,805
Transfers out	-	-	-	-	-	-	(50,805)	(50,805)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	257,489	89,472	130,000	(132,701)	643,949	25,505	31,927	1,045,641
Cash and investments - beginning	592,040	212,926	310,000	319,444	-	469,511	(101,911)	1,802,010
Cash and investments - ending	\$ 849,529	\$ 302,398	\$ 440,000	\$ 186,743	\$ 643,949	\$ 495,016	\$ (69,984)	2,847,651
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.								
								1,247,630
Net assets of governmental activities								\$ 4,095,281
Cash and Investment Assets - Ending								
Cash and investments	\$ 849,529	\$ 302,398	\$ 440,000	\$ 186,743	\$ 643,949	\$ 495,016	\$ 188,950	\$ 3,106,585
Restricted assets:								
Cash and investments	-	-	-	-	-	-	(258,934)	(258,934)
Total cash and investment assets - ending	\$ 849,529	\$ 302,398	\$ 440,000	\$ 186,743	\$ 643,949	\$ 495,016	\$ (69,984)	\$ 2,847,651
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (258,934)	\$ (258,934)
Unrestricted	849,529	302,398	440,000	186,743	643,949	495,016	188,950	3,106,585
Total cash and investment fund balance - ending	\$ 849,529	\$ 302,398	\$ 440,000	\$ 186,743	\$ 643,949	\$ 495,016	\$ (69,984)	\$ 2,847,651

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

LINTON-STOCKTON SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
For the Year Ended June 30, 2008

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 1,353,025
Miscellaneous	<u>72,169</u>
Total operating receipts	<u>1,425,194</u>
Operating disbursements:	
Insurance claims and expense	861,436
Other	<u>779,477</u>
Total operating disbursements	<u>1,640,913</u>
Change in net assets	(215,719)
Cash and investment fund balance - beginning	<u>1,294,457</u>
Cash and investment fund balance - ending	<u>\$ 1,078,738</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 1,078,738</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 1,078,738</u>

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

LINTON-STOCKTON SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
For the Year Ended June 30, 2009

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 1,467,742
Miscellaneous	<u>27,469</u>
Total operating receipts	<u>1,495,211</u>
Operating disbursements:	
Insurance claims and expense	8,434
Other	<u>1,317,885</u>
Total operating disbursements	<u>1,326,319</u>
Change in net assets	168,892
Cash and investment fund balance - beginning	<u>1,078,738</u>
Cash and investment fund balance - ending	<u>\$ 1,247,630</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 1,247,630</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 1,247,630</u>

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

LINTON-STOCKTON SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2008

	<u>Pension Trust Fund</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Other	\$ -	\$ 18	
Investment earnings:			
Interest	<u>23,192</u>	<u>10,480</u>	
Total additions	<u>23,192</u>	<u>10,498</u>	
Deductions:			
Benefits	164,070	-	
Administrative and general	<u>-</u>	<u>11,078</u>	
Total deductions	<u>164,070</u>	<u>11,078</u>	
Deficiency of total additions over total deductions	(140,878)	(580)	
Cash and investment fund balance - beginning	<u>733,541</u>	<u>32,202</u>	
Cash and investment fund balance - ending	<u>\$ 592,663</u>	<u>\$ 31,622</u>	<u>\$ 7,007</u>
Net assets:			
Cash and investments	<u>\$ 592,663</u>	<u>\$ 31,622</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 592,663</u>	<u>\$ 31,622</u>	

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

LINTON-STOCKTON SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2009

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 8,912	
Investment earnings:			
Interest	14,133	1,322	
Total additions	14,133	10,234	
Deductions:			
Benefits	139,056	-	
Administrative and general	-	14,883	
Total deductions	139,056	14,883	
Deficiency of total additions over total deductions	(124,923)	(4,649)	
Cash and investment fund balance - beginning	592,663	31,622	
Cash and investment fund balance - ending	\$ 467,740	\$ 26,973	\$ 8,378
Net assets:			
Cash and investments	\$ 467,740	\$ 26,973	
Total net assets - cash and investment basis held in trust	\$ 467,740	\$ 26,973	

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

LINTON-STOCKTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: Linton Stockton School Corporation

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

Joint Venture

The School Corporation is a participant with 12 other schools in a joint venture to operate Twin Rivers Career and Technical Education Area which was created to provide for the development and operation of vocational programs for students and citizens within the jurisdiction of the participating school corporations. Twin Rivers Career and Technical Education Area's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Twin Rivers Career and Technical Education Area can be obtained from their administrative offices at 20 North Third Street, Suite 336, P. O. Box 1266, Vincennes, IN 47591.

The School Corporation is a participant with 5 other schools in a joint venture to operate Greene-Sullivan Special Education Cooperative which was created to provide instruction for handicapped children. The Special Education Cooperative's continued existence depends on combined funding by the School Corporations. Complete financial statements for the Greene-Sullivan Special Education Cooperative can be obtained from the Cooperative's office at 77 NE "A" Street, Linton, IN 47441.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

LINTON-STOCKTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

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

The School Corporation reports the following major governmental funds:

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

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

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

The rainy day fund is used to account for funds in accordance with IC 36-1-8-5.1 and a locally adopted resolution.

The fiscal stabilization education (stimulus) fund accounts for receipts and disbursements, of cash received from the federal government to be used to supplement funding of local, state and federal programs.

The school lunch fund is used to record all receipts from the sale of lunches and breakfasts, federal and state reimbursements, and other receipts. It includes disbursements for personal services, food, supplies, and equipment for the program.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for all receipts and disbursements from the School Corporation's self-insurance fund.

The pension trust funds account for the bonds and anticipated payments made to employees on or after the termination of employment or to pay post-retirement or severance benefits held by the School Corporation in a trustee capacity.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the annual disbursement of scholarship funds to eligible students.

Agency funds account for assets held by the School Corporation as an agent for payroll and miscellaneous items.

LINTON-STOCKTON SCHOOL 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. 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.

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.

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.

LINTON-STOCKTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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 and the similar discretely presented component unit 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.

LINTON-STOCKTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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:

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

LINTON-STOCKTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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	2008	2009
Debt Service	\$ 191,372	\$ 135,166
Retirement/Severance Bond	109,541	123,768
School Bus Replacement	33,025	9,562
Project Lead the Way	7,148	-
Title II FY10	-	12,365

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 and Investments

1. Deposits

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

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2008 and 2009, were as follows:

Transfer From	Transfer To	2007-08	2008-09
General Fund	Other governmental funds	\$ 8,993	\$ -
Transportation Operating	Other governmental funds	2,191	-
Capital Projects	Other governmental funds	4,164	-
Other governmental funds	Other governmental funds	30,119	50,805
	General Fund	16,252	-
Totals		<u>\$ 61,719</u>	<u>\$ 50,805</u>

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

LINTON-STOCKTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. 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 \$40,000 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 quasi-external interfund transactions.

B. Holding Corporation

The School Corporation has entered into two capital lease with the Linton-Stockton High 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 audit period totaled \$2,161,828.

C. Other Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health 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 years of service. Currently, 10 retirees meet these eligibility requirements. The School Corporation provides 100% of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. Disbursements for postemployment benefits cannot be reasonably estimated.

LINTON-STOCKTON SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

D. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

a. 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.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 39,999
Interest on net pension obligation	(433)
Adjustment to annual required contribution	493
Annual pension cost	40,059
Contributions made	35,109
Increase in net pension obligation	4,950
Net pension obligation, beginning of year	(5,972)
Net pension obligation, end of year	\$ (1,022)

LINTON-STOCKTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF
Contribution rates:	
School Corporation	6.25%
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	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	06-30-06	\$ 31,571	63%	\$ (17,233)
	06-30-07	37,231	70%	(5,972)
	06-30-08	40,059	88%	(1,022)

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.

LINTON-STOCKTON SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

Funding Policy and Annual Pension Costs

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

Plan members are required to contribute 3% of their salary and the School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2007, 2008, and 2009, were \$87,671, \$110,096, and \$128,552, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years, respectively.

LINTON-STOCKTON SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 686,372	\$ 674,348	\$ 12,024	102%	\$ 609,880	2%
07-01-07	777,460	764,017	13,443	102%	640,645	2%
07-01-08	826,269	805,678	20,591	103%	619,092	3%

LINTON-STOCKTON SCHOOL 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

	Special Education Preschool	Textbook Rental	Levy Excess	Child Care Program Bully Prevention	Education License Plates	Alternative Education
Receipts:						
Local sources	\$ 4,591	\$ 78,993	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	1,125	-
State sources	34,333	25,998	-	20,000	-	6,504
Federal sources	-	-	-	-	-	-
Total receipts	38,924	104,991	-	20,000	1,125	6,504
Disbursements:						
Current:						
Instruction	41,250	-	-	11,510	-	6,504
Support services	-	103,521	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	1,005	-
Total disbursements	41,250	103,521	-	11,510	1,005	6,504
Excess (deficiency) of receipts over disbursements	(2,326)	1,470	-	8,490	120	-
Other financing sources (uses):						
Transfers in	-	-	23,847	-	-	-
Transfers out	(28)	-	(16,252)	-	-	-
Total other financing sources (uses)	(28)	-	7,595	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,354)	1,470	7,595	8,490	120	-
Cash and investments - beginning	43,493	53,475	16,252	-	2,051	-
Cash and investments - ending	<u>\$ 41,139</u>	<u>\$ 54,945</u>	<u>\$ 23,847</u>	<u>\$ 8,490</u>	<u>\$ 2,171</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 41,139	\$ 54,945	\$ 23,847	\$ 8,490	\$ 2,171	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 41,139</u>	<u>\$ 54,945</u>	<u>\$ 23,847</u>	<u>\$ 8,490</u>	<u>\$ 2,171</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	41,139	54,945	23,847	8,490	2,171	-
Total cash and investment fund balance - ending	<u>\$ 41,139</u>	<u>\$ 54,945</u>	<u>\$ 23,847</u>	<u>\$ 8,490</u>	<u>\$ 2,171</u>	<u>\$ -</u>

LINTON-STOCKTON SCHOOL 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)

	Safe Haven	Early Intervention	NASA	Track Donation	Wayne Pope Donation	NASA Summer Camp
Receipts:						
Local sources	\$ -	\$ -	\$ 2,500	\$ -	\$ 927	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	7,224	22,241	-	-	-	-
Federal sources	-	-	-	-	-	-
Total receipts	<u>7,224</u>	<u>22,241</u>	<u>2,500</u>	<u>-</u>	<u>927</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	7,224	22,241	-	-	-	834
Support services	-	-	5,000	-	2,055	-
Facilities acquisition and construction	-	-	-	3,197	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>7,224</u>	<u>22,241</u>	<u>5,000</u>	<u>3,197</u>	<u>2,055</u>	<u>834</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>(2,500)</u>	<u>(3,197)</u>	<u>(1,128)</u>	<u>(834)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>(2,500)</u>	<u>(3,197)</u>	<u>(1,128)</u>	<u>(834)</u>
Cash and investments - beginning	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>3,197</u>	<u>2,055</u>	<u>2,173</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ 927</u>	<u>\$ 1,339</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 2,500	\$ -	\$ 927	\$ 1,339
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ 927</u>	<u>\$ 1,339</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	2,500	-	927	1,339
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ 927</u>	<u>\$ 1,339</u>

LINTON-STOCKTON SCHOOL 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)

	Gifted and Talented FY 07	Gifted and Talented FY 08	Indiana Youth Institute	Medicaid Reimbursement	Non-English Speaking Program	Technology Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	31,057	-	4,399	-	33,979
Federal sources	-	-	-	-	-	-
Total receipts	-	31,057	-	4,399	-	33,979
Disbursements:						
Current:						
Instruction	11,597	26,762	277	-	-	-
Support services	-	-	-	4,346	-	-
Facilities acquisition and construction	-	-	-	-	-	33,979
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	11,597	26,762	277	4,346	-	33,979
Excess (deficiency) of receipts over disbursements	(11,597)	4,295	(277)	53	-	-
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	(11,597)	4,295	(277)	53	-	-
Cash and investments - beginning	11,597	-	277	32,059	365	-
Cash and investments - ending	\$ -	\$ 4,295	\$ -	\$ 32,112	\$ 365	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 4,295	\$ -	\$ 32,112	\$ 365	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 4,295	\$ -	\$ 32,112	\$ 365	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	4,295	-	32,112	365	-
Total cash and investment fund balance - ending	\$ -	\$ 4,295	\$ -	\$ 32,112	\$ 365	\$ -

LINTON-STOCKTON SCHOOL 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)

	Technology E-rate	Cape Grant II	Leadership Conference	Title 1 FY08	Title 1 FY06
Receipts:					
Local sources	\$ -	\$ 4,500	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	2,503	-	-	-	-
Federal sources	-	-	-	216,215	-
Total receipts	<u>2,503</u>	<u>4,500</u>	<u>-</u>	<u>216,215</u>	<u>-</u>
Disbursements:					
Current:					
Instruction	-	-	480	221,017	736
Support services	500	2,200	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total disbursements	<u>500</u>	<u>2,200</u>	<u>480</u>	<u>221,017</u>	<u>736</u>
Excess (deficiency) of receipts over disbursements	<u>2,003</u>	<u>2,300</u>	<u>(480)</u>	<u>(4,802)</u>	<u>(736)</u>
Other financing sources (uses):					
Transfers in	-	-	-	20,884	736
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,884</u>	<u>736</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,003</u>	<u>2,300</u>	<u>(480)</u>	<u>16,082</u>	<u>-</u>
Cash and investments - beginning	<u>(630)</u>	<u>-</u>	<u>480</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,373</u>	<u>\$ 2,300</u>	<u>\$ -</u>	<u>\$ 16,082</u>	<u>\$ -</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 1,373	\$ 2,300	\$ -	\$ 16,082	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,373</u>	<u>\$ 2,300</u>	<u>\$ -</u>	<u>\$ 16,082</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>1,373</u>	<u>2,300</u>	<u>-</u>	<u>16,082</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ 1,373</u>	<u>\$ 2,300</u>	<u>\$ -</u>	<u>\$ 16,082</u>	<u>\$ -</u>

LINTON-STOCKTON SCHOOL 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 1 FY 07	Title V	Learn and Serve	Safe and Drug Free School	Cape Grant
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	20,000	-	-	6,144	-
Total receipts	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>6,144</u>	<u>-</u>
Disbursements:					
Current:					
Instruction	-	2,221	625	6,339	12,197
Support services	-	-	34	-	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total disbursements	<u>-</u>	<u>2,221</u>	<u>659</u>	<u>6,339</u>	<u>12,197</u>
Excess (deficiency) of receipts over disbursements	<u>20,000</u>	<u>(2,221)</u>	<u>(659)</u>	<u>(195)</u>	<u>(12,197)</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	(21,620)	-	-	-	-
Total other financing sources (uses)	<u>(21,620)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,620)</u>	<u>(2,221)</u>	<u>(659)</u>	<u>(195)</u>	<u>(12,197)</u>
Cash and investments - beginning	<u>1,620</u>	<u>2,221</u>	<u>659</u>	<u>3,772</u>	<u>12,197</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,577</u>	<u>\$ -</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ -	\$ -	\$ 3,577	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,577</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	3,577	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,577</u>	<u>\$ -</u>

LINTON-STOCKTON SCHOOL 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)

	PLTW	PLTW Implementation Grant	Title II FY 05/06	Title II FY 06/07	Title II FY 07/08
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	4,479	16,250	-	41,642	60,000
Total receipts	4,479	16,250	-	41,642	60,000
Disbursements:					
Current:					
Instruction	-	-	-	-	-
Support services	-	-	12,379	73,359	26,320
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	11,627	15,372	-	-	-
Total disbursements	11,627	15,372	12,379	73,359	26,320
Excess (deficiency) of receipts over disbursements	(7,148)	878	(12,379)	(31,717)	33,680
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	(7,148)	878	(12,379)	(31,717)	33,680
Cash and investments - beginning	-	(878)	12,379	41,642	108
Cash and investments - ending	<u>\$ (7,148)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,925</u>	<u>\$ 33,788</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ (7,148)	\$ -	\$ -	\$ 9,925	\$ 33,788
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (7,148)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,925</u>	<u>\$ 33,788</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(7,148)	-	-	9,925	33,788
Total cash and investment fund balance - ending	<u>\$ (7,148)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,925</u>	<u>\$ 33,788</u>

LINTON-STOCKTON SCHOOL 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)

	Debt Service	Retirement/ Severance Bond	School Bus Replacement	Jr High Construction	Totals
Receipts:					
Local sources	\$ 995,793	\$ 226,157	\$ 181,641	\$ 663	\$ 1,495,765
Intermediate sources	-	-	-	-	1,125
State sources	-	-	-	-	188,238
Federal sources	-	-	-	-	364,730
Total receipts	995,793	226,157	181,641	663	2,049,858
Disbursements:					
Current:					
Instruction	-	-	-	-	371,814
Support services	-	-	243,233	-	472,947
Facilities acquisition and construction	-	-	-	103,239	140,415
Debt services	1,132,755	244,354	-	-	1,377,109
Nonprogrammed charges	-	-	-	-	28,004
Total disbursements	1,132,755	244,354	243,233	103,239	2,390,289
Excess (deficiency) of receipts over disbursements	(136,962)	(18,197)	(61,592)	(102,576)	(340,431)
Other financing sources (uses):					
Transfers in	-	-	-	-	45,467
Transfers out	(6,022)	(1,355)	(1,094)	-	(46,371)
Total other financing sources (uses)	(6,022)	(1,355)	(1,094)	-	(904)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(142,984)	(19,552)	(62,686)	(102,576)	(341,335)
Cash and investments - beginning	(48,388)	(89,989)	29,661	102,576	239,424
Cash and investments - ending	<u>\$ (191,372)</u>	<u>\$ (109,541)</u>	<u>\$ (33,025)</u>	<u>\$ -</u>	<u>\$ (101,911)</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ -	\$ (33,025)	\$ -	\$ 199,002
Restricted assets:					
Cash and investments	(191,372)	(109,541)	-	-	(300,913)
Total cash and investment assets - ending	\$ (191,372)	\$ (109,541)	\$ (33,025)	\$ -	\$ (101,911)
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ (191,372)	\$ (109,541)	\$ -	\$ -	\$ (300,913)
Unrestricted	-	-	(33,025)	-	199,002
Total cash and investment fund balance - ending	\$ (191,372)	\$ (109,541)	\$ (33,025)	\$ -	\$ (101,911)

LINTON-STOCKTON SCHOOL 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

	Special Education Preschool	Textbook Rental	Levy Excess	Child Care Program Bully Prevention	Education License Plates	NASA
Receipts:						
Local sources	\$ 6,440	\$ 67,454	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	770	-
State sources	34,959	30,948	-	-	-	-
Federal sources	-	-	-	-	-	-
Total receipts	41,399	98,402	-	-	770	-
Disbursements:						
Current:						
Instruction	35,751	-	-	8,490	-	-
Support services	-	117,036	-	-	-	2,500
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	1,499	-
Total disbursements	35,751	117,036	-	8,490	1,499	2,500
Excess (deficiency) of receipts over disbursements	5,648	(18,634)	-	(8,490)	(729)	(2,500)
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	5,648	(18,634)	-	(8,490)	(729)	(2,500)
Cash and investments - beginning	41,139	54,945	23,847	8,490	2,171	2,500
Cash and investments - ending	<u>\$ 46,787</u>	<u>\$ 36,311</u>	<u>\$ 23,847</u>	<u>\$ -</u>	<u>\$ 1,442</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 46,787	\$ 36,311	\$ 23,847	\$ -	\$ 1,442	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 46,787</u>	<u>\$ 36,311</u>	<u>\$ 23,847</u>	<u>\$ -</u>	<u>\$ 1,442</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	46,787	36,311	23,847	-	1,442	-
Total cash and investment fund balance - ending	<u>\$ 46,787</u>	<u>\$ 36,311</u>	<u>\$ 23,847</u>	<u>\$ -</u>	<u>\$ 1,442</u>	<u>\$ -</u>

LINTON-STOCKTON SCHOOL 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)

	Wayne Pope Donation	Baseball Bldg Donations	NASA Summer Camp	Gifted and Talented FY08	Gifted and Talented FY09	Medicaid Reimbursement
Receipts:						
Local sources	\$ 979	\$ 55,334	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	7,735
Federal sources	-	-	-	-	31,057	-
Total receipts	979	55,334	-	-	31,057	7,735
Disbursements:						
Current:						
Instruction	-	-	87	4,295	30,221	-
Support services	1,420	-	-	-	-	3,855
Facilities acquisition and construction	-	55,076	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	1,420	55,076	87	4,295	30,221	3,855
Excess (deficiency) of receipts over disbursements	(441)	258	(87)	(4,295)	836	3,880
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	(441)	258	(87)	(4,295)	836	3,880
Cash and investments - beginning	927	-	1,339	4,295	-	32,112
Cash and investments - ending	\$ 486	\$ 258	\$ 1,252	\$ -	\$ 836	\$ 35,992
Cash and Investment Assets - Ending						
Cash and investments	\$ 486	\$ 258	\$ 1,252	\$ -	\$ 836	\$ 35,992
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 486	\$ 258	\$ 1,252	\$ -	\$ 836	\$ 35,992
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	486	258	1,252	-	836	35,992
Total cash and investment fund balance - ending	\$ 486	\$ 258	\$ 1,252	\$ -	\$ 836	\$ 35,992

LINTON-STOCKTON SCHOOL 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)

	Non-English Speaking Program	E-rate Technology	2nd Grade Laptop Program	Cape Grant II	Title 1 FY 08	Title 1 FY09
Receipts:						
Local sources	\$ -	\$ 3,408	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	8,699	-	-	-	-
State sources	-	-	44,550	-	-	-
Federal sources	-	-	-	-	19,000	267,677
Total receipts	-	12,107	44,550	-	19,000	267,677
Disbursements:						
Current:						
Instruction	-	-	43,875	-	17,398	257,080
Support services	-	8,030	-	911	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	8,030	43,875	911	17,398	257,080
Excess (deficiency) of receipts over disbursements	-	4,077	675	(911)	1,602	10,597
Other financing sources (uses):						
Transfers in	-	-	-	-	-	17,684
Transfers out	-	-	-	-	(17,684)	-
Total other financing sources (uses)	-	-	-	-	(17,684)	17,684
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	4,077	675	(911)	(16,082)	28,281
Cash and investments - beginning	365	1,373	-	2,300	16,082	-
Cash and investments - ending	<u>\$ 365</u>	<u>\$ 5,450</u>	<u>\$ 675</u>	<u>\$ 1,389</u>	<u>\$ -</u>	<u>\$ 28,281</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 365	\$ 5,450	\$ 675	\$ 1,389	\$ -	\$ 28,281
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 365</u>	<u>\$ 5,450</u>	<u>\$ 675</u>	<u>\$ 1,389</u>	<u>\$ -</u>	<u>\$ 28,281</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	365	5,450	675	1,389	-	28,281
Total cash and investment fund balance - ending	<u>\$ 365</u>	<u>\$ 5,450</u>	<u>\$ 675</u>	<u>\$ 1,389</u>	<u>\$ -</u>	<u>\$ 28,281</u>

LINTON-STOCKTON SCHOOL 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 V FY10	Title V FY08	Safe and Drug Free School	PLTW	Communities CAN	Title II FY10
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	2,927	3,844	10,522	293,878	50,000
Total receipts	-	2,927	3,844	10,522	293,878	50,000
Disbursements:						
Current:						
Instruction	-	10,817	5,146	-	-	-
Support services	-	-	-	-	293,878	56,352
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	3,374	-	-
Total disbursements	-	10,817	5,146	3,374	293,878	56,352
Excess (deficiency) of receipts over disbursements	-	(7,890)	(1,302)	7,148	-	(6,352)
Other financing sources (uses):						
Transfers in	15,938	17,183	-	-	-	-
Transfers out	-	-	-	-	-	(15,938)
Total other financing sources (uses)	15,938	17,183	-	-	-	(15,938)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	15,938	9,293	(1,302)	7,148	-	(22,290)
Cash and investments - beginning	-	-	3,577	(7,148)	-	9,925
Cash and investments - ending	<u>\$ 15,938</u>	<u>\$ 9,293</u>	<u>\$ 2,275</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,365)</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 15,938	\$ 9,293	\$ 2,275	\$ -	\$ -	\$ (12,365)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 15,938</u>	<u>\$ 9,293</u>	<u>\$ 2,275</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,365)</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	15,938	9,293	2,275	-	-	(12,365)
Total cash and investment fund balance - ending	<u>\$ 15,938</u>	<u>\$ 9,293</u>	<u>\$ 2,275</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,365)</u>

LINTON-STOCKTON SCHOOL 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 FY08	Debt Service	Retirement/ Severance Bond	School Bus Replacement	Totals
Receipts:					
Local sources	\$ -	\$ 1,218,353	\$ 234,051	\$ 182,404	\$ 1,768,423
Intermediate sources	-	-	-	-	9,469
State sources	-	-	-	-	118,192
Federal sources	24,253	-	-	-	703,158
	<u>24,253</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>703,158</u>
Total receipts	<u>24,253</u>	<u>1,218,353</u>	<u>234,051</u>	<u>182,404</u>	<u>2,599,242</u>
Disbursements:					
Current:					
Instruction	-	-	-	-	413,160
Support services	40,858	-	-	158,941	683,781
Facilities acquisition and construction	-	-	-	-	55,076
Debt services	-	1,162,147	248,278	-	1,410,425
Nonprogrammed charges	-	-	-	-	4,873
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,873</u>
Total disbursements	<u>40,858</u>	<u>1,162,147</u>	<u>248,278</u>	<u>158,941</u>	<u>2,567,315</u>
Excess (deficiency) of receipts over disbursements	<u>(16,605)</u>	<u>56,206</u>	<u>(14,227)</u>	<u>23,463</u>	<u>31,927</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	50,805
Transfers out	(17,183)	-	-	-	(50,805)
	<u>(17,183)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,805)</u>
Total other financing sources (uses)	<u>(17,183)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(33,788)</u>	<u>56,206</u>	<u>(14,227)</u>	<u>23,463</u>	<u>31,927</u>
Cash and investments - beginning	<u>33,788</u>	<u>(191,372)</u>	<u>(109,541)</u>	<u>(33,025)</u>	<u>(101,911)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (135,166)</u>	<u>\$ (123,768)</u>	<u>\$ (9,562)</u>	<u>\$ (69,984)</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ -	\$ -	\$ (9,562)	\$ 188,950
Restricted assets:					
Cash and investments	-	(135,166)	(123,768)	-	(258,934)
	<u>-</u>	<u>(135,166)</u>	<u>(123,768)</u>	<u>-</u>	<u>(258,934)</u>
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ (135,166)</u>	<u>\$ (123,768)</u>	<u>\$ (9,562)</u>	<u>\$ (69,984)</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ (135,166)	\$ (123,768)	\$ -	\$ (258,934)
Unrestricted	-	-	-	(9,562)	188,950
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,562)</u>	<u>188,950</u>
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ (135,166)</u>	<u>\$ (123,768)</u>	<u>\$ (9,562)</u>	<u>\$ (69,984)</u>

LINTON-STOCKTON SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	James Brown Scholarship	Tim Deeter Scholarship	Totals
Additions:			
Contributions:			
Other	\$ 18	\$ -	\$ 18
Investment earnings:			
Interest	10,042	438	10,480
Total additions	10,060	438	10,498
Deductions:			
Administrative and general	9,878	1,200	11,078
Excess (deficiency) of total additions over total deductions	182	(762)	(580)
Cash and investment fund balance - beginning	31,333	869	32,202
Cash and investments - June 30	\$ 31,515	\$ 107	\$ 31,622
Net assets:			
Cash and investments	\$ 31,515	\$ 107	\$ 31,622
Total net assets - cash and investment basis held in trust	\$ 31,515	\$ 107	\$ 31,622

LINTON-STOCKTON SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009

	James Brown Scholarship	Tim Deeter Scholarship	Dr. L Hare Charitable Trust	Totals
Additions:				
Contributions:				
Other	\$ -	\$ -	\$ 8,912	\$ 8,912
Investment earnings:				
Interest	884	438	-	1,322
Total additions	<u>884</u>	<u>438</u>	<u>8,912</u>	<u>10,234</u>
Deductions:				
Administrative and general	<u>11,701</u>	<u>400</u>	<u>2,782</u>	<u>14,883</u>
Excess (deficiency) of total additions over total deductions	(10,817)	38	6,130	(4,649)
Cash and investment fund balance - beginning	<u>31,515</u>	<u>107</u>	<u>-</u>	<u>31,622</u>
Cash and investments - June 30	<u>\$ 20,698</u>	<u>\$ 145</u>	<u>\$ 6,130</u>	<u>\$ 26,973</u>
Net assets:				
Cash and investments	<u>\$ 20,698</u>	<u>\$ 145</u>	<u>\$ 6,130</u>	<u>\$ 26,973</u>
Total net assets - cash and investment basis held in trust	<u>\$ 20,698</u>	<u>\$ 145</u>	<u>\$ 6,130</u>	<u>\$ 26,973</u>

LINTON-STOCKTON SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008

	Federal Withholding	FICA	Indiana Withholding	County Tax	Life Insurance	Substitute Retirement
Additions:						
Agency fund additions	\$ 631,444	\$ 442,798	\$ 182,688	\$ 51,934	\$ 2,367	\$ 1,102
Deductions:						
Agency fund deductions	631,462	442,817	182,697	51,936	1,583	1,097
Excess (deficiency) of total additions over total deductions	(18)	(19)	(8)	(2)	784	4
Cash and investment fund balance - beginning	-	-	-	-	-	-
Cash and investment fund balance - ending	<u>\$ (18)</u>	<u>\$ (19)</u>	<u>\$ (8)</u>	<u>\$ (2)</u>	<u>\$ 784</u>	<u>\$ 4</u>

LINTON-STOCKTON SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	<u>ECA Clearing</u>	<u>ISTA Voluntary Deduction</u>	<u>Retirees Insurance</u>	<u>ECA Fuel Cost Clearing</u>	<u>Miscellaneous</u>	<u>Totals</u>
Additions:						
Agency fund additions	\$ 9,102	\$ 5,128	\$ 16,697	\$ 9,152	\$ 1,678	\$ 1,354,090
Deductions:						
Agency fund deductions	9,218	5,328	12,965	8,121	1,078	1,348,302
Excess (deficiency) of total additions over total deductions	(116)	(200)	3,732	1,031	600	5,788
Cash and investment fund balance - beginning	19	200	-	-	1,000	1,219
Cash and investment fund balance - ending	<u>\$ (97)</u>	<u>\$ -</u>	<u>\$ 3,732</u>	<u>\$ 1,031</u>	<u>\$ 1,600</u>	<u>\$ 7,007</u>

LINTON-STOCKTON SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009

	Federal Withholding	FICA	Indiana Withholding	County Tax	Life Insurance	Substitute Retirement
Additions:						
Agency fund additions	\$ 633,721	\$ 465,537	\$ 193,475	\$ 54,958	\$ 4,089	\$ 551
Deductions:						
Agency fund deductions	633,703	465,519	193,467	54,956	4,229	555
Excess (deficiency) of total additions over total deductions	18	19	8	2	(140)	(4)
Cash and investment fund balance - beginning	(18)	(19)	(8)	(2)	784	4
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 644</u>	<u>-</u>

LINTON-STOCKTON SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	<u>ECA Clearing</u>	<u>Retirees Insurance</u>	<u>ECA Fuel Cost Clearing</u>	<u>Miscellaneous</u>	<u>ECA Bus Drivers</u>	<u>Totals</u>
Additions:						
Agency fund additions	\$ 10,117	\$ 22,476	\$ 8,539	\$ 368	\$ 13,929	\$ 1,407,760
Deductions:						
Agency fund deductions	<u>10,022</u>	<u>19,567</u>	<u>8,491</u>	<u>1,600</u>	<u>14,282</u>	<u>1,406,390</u>
Excess (deficiency) of total additions over total deductions	95	2,909	48	(1,232)	(353)	1,371
Cash and investment fund balance - beginning	<u>(97)</u>	<u>3,732</u>	<u>1,031</u>	<u>1,600</u>	<u>-</u>	<u>7,007</u>
Cash and investment fund balance - ending	<u>\$ (2)</u>	<u>\$ 6,641</u>	<u>\$ 1,079</u>	<u>\$ 368</u>	<u>\$ (353)</u>	<u>\$ 8,378</u>

LINTON-STOCKTON SCHOOL CORPORATION

Superintendent

Ronald L. Bush

Board Members

Frank Gennicks
John Preble
Rodney Bredeweg
Ralph Witty
Robert Good

LINTON-STOCKTON SCHOOL CORPORATION SUPPLEMENTARY INFORMATION SCHEDULE OF CAPITAL ASSETS

For The Year Ended 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>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 559,630
Buildings	16,052,548
Improvements other than buildings	1,029,151
Machinery and equipment	299,716
Licensed Vehicles	<u>668,179</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 18,609,223</u>



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LINTON-STOCKTON SCHOOL CORPORATION

Superintendent

Ronald L. Bush

Board Members

Frank Gennicks
 John Preble
 Rodney Bredeweg
 Ralph Witty
 Robert Good

LINTON-STOCKTON SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2009

Information

The School has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
High School Building	\$ 5,724,640	\$ 695,000
Jr. High Roof Project	1,365,000	190,000
Common School loans payable		
A1144	69,980	12,496
Bonds payable:		
General obligation bonds:		
School severance Program	2,030,000	145,000
Total governmental activities debt	\$ 9,189,620	\$ 1,042,496

Information

Information



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LINTON-STOCKTON SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

AVERAGE DAILY MEMBERSHIP (ADM) - INCORRECT REPORTING TO THE STATE

The information presented for audit indicates enrollment figures on Form Number 30A, Report of Average Daily Membership (ADM) for State Support, were incorrect for the school year ending June 30, 2009.

The enrollment count date for 08/09 was September 12, 2008. The difference between the count reported on the ADM and the verified figures are shown below:

<u>School Year</u>	<u>Grade</u>	<u>Count as Reported on Form Number 30A</u>	<u>Actual Enrollment Figures</u>	<u>Difference</u>
2008-2009	Kindergarten	74	74	-
2008-2009	1 Through 12	1,188	1,189	(1)

School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment/underpayment applicable to the School Corporation because of incorrect reporting. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS – SCHOOL MEALS SERVED

The School Corporation did not comply with directives of Indiana Department of Education School Food Division. The School Corporation is required to file monthly claims for reimbursement for meals served by the 10th of the following month. Based on documentation presented for audit some reports were filed up to 6 months late.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OVERDRAWN CASH BALANCES

The cash balance of the Debt Service Fund, Retirement/Severance Fund and School Bus Replacement Fund were overdrawn at June 30, 2008 and 2009. The cash balance of the Project Lead the Way was overdrawn at June 30, 2008. The cash balance of the Title II FY10 was overdrawn at June 30, 2009.

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)

LINTON-STOCKTON SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

EXTRA-CURRICULAR SOFTWARE

The financial records of the elementary, and junior high/high school extra-curricular accounts (including school lunch and textbook rental) are being maintained using Harmony Software. The following deficiencies were noted.

1. The vendor has on-line access to the system continuously. The vendor can make changes/updates to the system without the school knowing what changes were made. Changes do not have to be authorized by the school nor is there a log maintained of what changes or updates have been made by the vendor.
2. Users are not required to change their password. Some passwords have not been changed since implementation of the software.
3. Forms generated by the computer system have not been approved for use in lieu of the prescribed forms.
4. Audit trails do not exist for all information entered into the system. An ending balance from one month did not agree to the beginning balance of the next month with no transactions recorded to reflect a reason for the change. The accounting system allows cash balances to be changed with posting transactions to the account. The check register and receipt register printed for the school year did not always agree with the receipts and disbursements posted to the yearly activity report for the same period. Adjustments made to accounts showed up under the "uncleared items" of the reconcile report at month end.
5. The reconciliation process is not complete. Per the Harmony User's Guide, if after entering the opening and closing bank balance from the bank statement and checking off items that are in the statement, if a difference of \$0 shows up then the account is considered reconciled. At no point does the system prompt the Treasurers to compare the reconciled bank balance to the account balances as of the same date to be sure they agree. The Treasurers think they are reconciled but may not be because of an adjustment, a change in cash balance, etc.

Changes to the accounting system's computer programs must be adequately controlled. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 8)

Passwords are confidential keywords associated with the user ID to provide verification of the user's identity. Each user must have a unique user ID and password which must not be shared. Passwords must meet the following criteria: passwords must be changed every 30 days; passwords must be a minimum of six (6) characters in length; passwords must be a combination of alphabetic and numeric characters; passwords may not be the same for a user ID as the last five (5) passwords used by this user ID; individuals must assign their own passwords; and passwords must be encrypted while stored on the computer. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 8)

The computerized accounting system must maintain electronic audit trails sufficient to trace all transactions from original source of entry into the system, through all system processing, and to the results produced by the system. The audit trails must also maintain sufficient information to track all

LINTON-STOCKTON SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

transactions from the final results produced by the system, through all system processing, and to the original source of entry into the system. Audit trails must also identify the user that processed the transaction or updated the information. These audit trails must be protected from modification and deletion. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 8)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guideline Manual for Extra-Curricular Accounts, Chapter 7)

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 LINTON-STOCKTON SCHOOL CORPORATION,
GREENE COUNTY, INDIANA

Compliance

We have audited the compliance of the Linton-Stockton School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 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. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2009-01.

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. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

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.

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, School Board, 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

February 11, 2010

LINTON-STOCKTON SCHOOL 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.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 35,753	\$ 42,572
National School Lunch Program	10.555		<u>207,211</u>	<u>243,117</u>
Total for cluster			<u>242,964</u>	<u>285,689</u>
Total for federal grantor agency			<u>242,964</u>	<u>285,689</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Title 1, Part A Cluster				
Title 1 Grants to Local Educational Agencies	84.010			
School Improvement		08-2950	197,691	32,058
		08-2950	25,453	3,025
		09-2950	-	<u>257,080</u>
Total for cluster			<u>223,144</u>	<u>292,163</u>
Pass-Through Greene-Sullivan Special Education Cooperative				
Special Education Cluster				
Special Education - Grants to States	84.027			
		FY 08	33,919	-
		FY 09	-	<u>33,919</u>
Total for cluster			<u>33,919</u>	<u>33,919</u>
Pass-Through Indiana Department of Education				
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund(SFSF) - Education				
State Grants, Recovery Act	84.394		-	<u>29,750</u>
Total for cluster			-	<u>29,750</u>
Direct Grant				
Safe and Drug Free Schools and Communities -				
National Programs	84.184		-	<u>293,878</u>
Pass-Through Twin Rivers Vocational Area				
Vocational Education-Basic Grants to States				
	84.048			
		FY 08	9,455	-
		FY 09	-	<u>21,135</u>
Total for program			<u>9,455</u>	<u>21,135</u>
Pass-Through Indiana Department of Education				
Drug Free Schools and Communities - State Grants				
	84.186			
		06-2950	3,663	109
		07-2950	2,676	3,468
		08-2950	-	<u>1,569</u>
Total for program			<u>6,339</u>	<u>5,146</u>
State Grants for Innovative Programs	84.298			
		06-2950	<u>2,221</u>	-
Improving Teacher Quality State Grants	84.367			
		06-2950	73,359	9,925
		08-2950	-	<u>62,365</u>
Total for program			<u>73,359</u>	<u>72,290</u>
Total for federal grantor agency			<u>348,437</u>	<u>748,281</u>
Total federal awards expended			<u>\$ 591,401</u>	<u>\$ 1,033,970</u>

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

LINTON-STOCKTON SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of schools 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	2007-08	2008-09
Child Nutrition Cluster	10.555	\$ 21,697	\$ 29,292

LINTON-STOCKTON SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
Material weaknesses identified? no
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? yes

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster

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.

LINTON-STOCKTON SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2009-01, CHILD NUTRITION CLUSTER - LATE FILING OF REPORTS

Federal Agency: U.S. Department of Agriculture
Pass-Through Entity: Indiana Department of Education
Federal Program: Child Nutrition Cluster
CFDA Numbers: 10.553 and 10.555

Linton-Stockton School Corporation did not file monthly claims for reimbursement in a timely manner 17 out of 20 months.

7CFR 210.15 states in part: "(a) Reporting Summary. Participating school food authorities are required to submit forms and reports to the State agency or the distributing agency, as appropriate, to demonstrate compliance with Program requirements . . ."

Failure to file timely claims for reimbursement could result in cash flow problems.

We recommended that the School Corporation implement internal control procedures to assure that reimbursement reports are submitted in a timely manner.

LINTON-STOCKTON SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

LINTON-STOCKTON SCHOOL CORPORATION

Superintendent

Nicholas G. Karazsia

Board Members

Frank Gennicks
John Preble
Rodney Bredeweg
Ralph Witty
Robert Good

February 3, 2010

State Board of Accounts

Re: Schedule of Findings and Questioned Costs

Dear Sir or Madam:

As a result of the audit of Linton-Stockton School Corporation for the period July 1, 2007, through June 30, 2009, the following finding was noted by the State Board of Accounts:

Finding No. 2009-01, Child Nutrition Cluster – Late Filing of Reports

Federal Agency: US Department of Agriculture
Pass-Through Entity: Indiana Department of Education
Federal Program: Child Nutrition Cluster
CFDA Numbers: 10.553 and 10.555

Linton-Stockton School Corporation did not file monthly claims for reimbursement in a timely manner 17 out of 20 months.

In response to the above finding, Linton-Stockton provides the following corrective action:

Effective immediately, the Food Service Director prior to the 10th of each month will notify the Superintendent that the monthly claims for reimbursement have been filed and a copy of such monthly claims for reimbursement will be provided to the Superintendent to document such filings. On a monthly basis, the Corporation Treasurer will verify that the monthly claims for reimbursement have been filed by viewing the reports available on the Indiana Department of Education website.

Please contact me if this corrective action is not sufficient to address the finding or if you have any other questions in this regard.

Sincerely,



Carol Brinson, Treasurer
Linton-Stockton School Corporation

CB/cgg



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LINTON-STOCKTON SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 11, 2010, with Carol Brinson, Treasurer, Nicholas Karazsia, Superintendent of Schools; and Ralph Witty, School Board member. The officials concurred with our audit findings.