

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

LINTON-STOCKTON SCHOOL CORPORATION  
GREENE COUNTY, INDIANA

July 1, 2009 to June 30, 2011



**FILED**

02/23/2012



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Carol Brinson Carla Gambill	07-01-09 to 02-17-10 02-18-10 to 06-30-12
Superintendent of Schools	Ronald L. Bush Nicholas G. Karazsia	07-01-09 to 12-31-09 01-01-10 to 06-30-12
President of the School Board	Frank Gennicks Robert Good Rodney Bredeweg	07-01-09 to 06-30-10 07-01-10 to 06-30-11 07-01-11 to 06-30-12



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT  
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 statement of the Linton-Stockton School Corporation (School Corporation), for the years ended June 30, 2010 and 2011. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement 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 statement are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the years ended June 30, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated January 19, 2012, 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 integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, 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 financial statement and, accordingly, we express no opinion on them.

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

STATE BOARD OF ACCOUNTS

January 19, 2012



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE LINTON-STOCKTON SCHOOL  
CORPORATION, GREENE COUNTY, INDIANA

We have audited the financial statement of the Linton-Stockton School Corporation (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated January 19, 2012. 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 opinion on the financial statement, 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 deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT  
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, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

January 19, 2012

## FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

LINTON-STOCKTON SCHOOL CORPORATION  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended June 30, 2010 and 2011

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
General	\$ 849,528	\$ 8,089,051	\$ 7,458,883	\$ 36,277	\$ 1,515,973	\$ 8,277,011	\$ 8,242,373	\$ -	\$ 1,550,611
Debt Service	(135,165)	1,428,787	1,126,392	-	167,230	1,025,991	1,110,633	-	82,588
Retirement/Severance Bond Debt Service	(123,768)	376,014	248,038	-	4,208	263,243	246,513	-	20,938
Capital Projects	495,016	917,984	609,151	-	803,849	535,950	588,528	-	751,271
School Transportation	302,398	598,859	352,093	-	549,164	364,849	397,726	-	516,287
School Bus Replacement	(9,563)	129,728	45,741	-	74,424	193,907	-	-	268,331
Special Education Preschool	46,787	17,678	28,188	(36,277)	-	-	-	-	-
Rainy Day	440,000	-	-	-	440,000	-	-	-	440,000
Retirement/Severance Bond	467,739	5,492	136,793	-	336,438	2,665	125,531	-	213,572
School Lunch	186,743	583,172	500,677	-	269,238	543,722	525,136	-	287,824
Textbook Rental	36,311	88,017	119,992	-	4,336	90,015	115,956	-	(21,605)
Self-Insurance	1,247,631	1,636,190	1,701,614	-	1,182,207	1,774,459	1,703,388	-	1,253,278
Levy Excess	23,847	11,080	-	-	34,927	-	-	-	34,927
Preventing Youth Problems	-	11,101	211	-	10,890	22,128	30,439	-	2,579
Preventing Relational Violence	-	23,223	17,108	-	6,115	12,895	22,204	-	(3,194)
Family Strengthening Program	-	8,302	2,003	-	6,299	(6,299)	-	-	-
Educational License Plates	1,442	412	1,375	-	479	356	-	-	835
Wayne Pope Donations	486	-	-	-	486	674	656	-	504
Recreational Activities	258	-	195	-	63	-	-	-	63
NASA Summer Camp	1,253	-	321	-	932	-	300	-	632
Scholarships and Awards	20,698	257	9,103	-	11,852	518	5,164	-	7,206
Tim Deeter Scholarship	144	437	-	-	581	438	800	-	219
Doris Beecher Scholarship	-	-	-	-	-	400,000	-	-	400,000
Dr. L. Hare Charitable Trust Supplies	6,130	-	4,327	-	1,803	-	-	-	1,803
Special Education Early Intervention	-	-	-	-	-	1,500	3,752	-	(2,252)
High Ability FY 09-10	-	30,855	30,855	-	-	-	-	-	-
High Ability FY 10-11	-	-	-	-	-	30,392	30,392	-	-

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

LINTON-STOCKTON SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2010 and 2011  
(Continued)

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
Gifted and Talented FY 08-09	836	-	836	-	-	-	-	-	-
Medicaid Reimbursement	35,991	5,544	3,030	-	38,505	9,826	3,030	-	45,301
Non-English Speaking Programs P.L. 273-1999	365	-	-	-	365	-	-	-	365
School Technology	-	-	-	-	-	3,360	-	-	3,360
Access Indiana	5,450	8,226	10,318	-	3,358	8,064	1,390	-	10,032
Second Grade Laptop Program	675	-	-	-	675	-	671	-	4
Cape II Stipends	1,389	-	27	-	1,362	-	-	-	1,362
Title I FY 08-09	28,281	26,000	12,936	(41,345)	-	-	-	-	-
Title I FY 09-10	-	271,566	301,617	41,345	11,294	31,528	42,822	-	-
Title I FY 10-11	-	-	-	-	-	220,708	235,096	-	(14,388)
Innovative Education Program Strategies	15,938	-	12,441	-	3,497	-	-	-	3,497
Title V Part A FY 08-09	9,294	-	9,294	-	-	-	-	-	-
Drug Free Schools	2,275	5,907	2,406	-	5,776	-	5,220	-	556
C.A.N. YR 1	-	45,512	45,512	-	-	21	-	(21)	-
C.A.N. YR 2	-	198,540	400,939	-	(202,399)	338,479	-	(136,080)	-
C.A.N. YR 3	-	-	-	-	-	261,949	398,050	136,101	-
Title II, Part A FY 89-09	(12,365)	37,938	25,573	-	-	-	-	-	-
Title II, Part A FY 09-10	-	89,320	64,984	-	24,336	-	22,896	-	1,440
Title II, Part A FY 10-11	-	-	-	-	-	8,166	25,327	-	(17,161)
Fiscal Stabilization - Education	643,949	267,638	911,587	-	-	-	-	-	-
Title I - Grants to LEAs	-	122,292	105,931	-	16,361	28,000	44,361	-	-
Special Education - Part B	-	133,202	131,467	-	1,735	117,317	119,089	-	(37)
Special Education - Part B - Preschool	-	11,417	11,383	-	34	-	34	-	-
<b>Totals</b>	<b>\$ 4,589,993</b>	<b>\$ 15,179,741</b>	<b>\$ 14,443,341</b>	<b>\$ -</b>	<b>\$ 5,326,393</b>	<b>\$ 14,561,832</b>	<b>\$ 14,047,477</b>	<b>\$ -</b>	<b>\$ 5,840,748</b>

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

LINTON-STOCKTON SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

**Note 1. 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 accompanying financial statement presents the financial information for the School Corporation (primary government).

*B. Basis of Accounting*

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The regulatory 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.

*C. Cash and Investments*

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

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources which include distributions from the State of Indiana to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

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

Federal sources which include distributions from the federal government to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

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

*F. Other financing sources and uses*

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

Proceeds of long-term debt which includes money received in relation to the issuance of bonds or other long-term debt issues.

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

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

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

**Note 5. Risk Management**

The School Corporation may be 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; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the School Corporation by recording as a disbursement and replacement items purchased.

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is 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 this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) 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 members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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. That report may be obtained by contacting:

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

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

*B. Teachers' Retirement Fund*

*Plan Description*

The Indiana Teachers' Retirement Fund (TRF) is 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 Indiana Public Retirement System (INPRS) 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 members' contributions, set by state statute at 3 percent 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.

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

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 286-3544

*Funding Policy and Annual Pension Cost*

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

The School Corporation also contributes to additional pension plans unique to the School Corporation. Information regarding these plans may be obtained from the School Corporation.

## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was prepared and/or approved by management of the School Corporation. It is presented as intended by the School Corporation.

LINTON-STOCKTON SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 849,528	\$ (135,165)	\$ (123,768)	\$ 495,016	\$ 302,398	\$ (9,563)	\$ 46,787	\$ 440,000	\$ 467,739
Receipts:									
Local sources	117,077	1,396,574	376,014	917,984	598,859	107,269	(1,573)	-	5,492
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	7,937,343	32,213	-	-	-	22,459	19,251	-	-
Federal sources	34,631	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>8,089,051</u>	<u>1,428,787</u>	<u>376,014</u>	<u>917,984</u>	<u>598,859</u>	<u>129,728</u>	<u>17,678</u>	<u>-</u>	<u>5,492</u>
Disbursements:									
Current:									
Instruction	4,975,574	-	-	-	-	-	28,188	-	136,793
Support services	2,136,750	-	-	413,954	352,093	45,741	-	-	-
Noninstructional services	112,634	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	195,197	-	-	-	-	-
Debt services	-	1,126,392	248,038	-	-	-	-	-	-
Nonprogrammed charges	<u>233,925</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>7,458,883</u>	<u>1,126,392</u>	<u>248,038</u>	<u>609,151</u>	<u>352,093</u>	<u>45,741</u>	<u>28,188</u>	<u>-</u>	<u>136,793</u>
Excess (deficiency) of receipts over disbursements	<u>630,168</u>	<u>302,395</u>	<u>127,976</u>	<u>308,833</u>	<u>246,766</u>	<u>83,987</u>	<u>(10,510)</u>	<u>-</u>	<u>(131,301)</u>
Other financing sources (uses):									
Transfers in	36,277	-	-	-	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,277)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>36,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,277)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>666,445</u>	<u>302,395</u>	<u>127,976</u>	<u>308,833</u>	<u>246,766</u>	<u>83,987</u>	<u>(46,787)</u>	<u>-</u>	<u>(131,301)</u>
Cash and investments - ending	<u>\$ 1,515,973</u>	<u>\$ 167,230</u>	<u>\$ 4,208</u>	<u>\$ 803,849</u>	<u>\$ 549,164</u>	<u>\$ 74,424</u>	<u>\$ -</u>	<u>\$ 440,000</u>	<u>\$ 336,438</u>

LINTON-STOCKTON SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010  
 (Continued)

	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Preventing Youth Problems	Preventing Relational Violence	Family Strengthening Program	Educational License Plates	Wayne Pope Donations
Cash and investments - beginning	\$ 186,743	\$ 36,311	\$ 1,247,631	\$ 23,847	\$ -	\$ -	\$ -	\$ 1,442	\$ 486
Receipts:									
Local sources	260,677	61,505	1,618,847	11,080	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	412	-
State sources	5,898	26,512	-	-	11,101	23,223	8,302	-	-
Federal sources	316,597	-	-	-	-	-	-	-	-
Other	-	-	17,343	-	-	-	-	-	-
Total receipts	<u>583,172</u>	<u>88,017</u>	<u>1,636,190</u>	<u>11,080</u>	<u>11,101</u>	<u>23,223</u>	<u>8,302</u>	<u>412</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	-	-	-	-	211	17,108	2,003	-	-
Support services	-	119,992	-	-	-	-	-	-	-
Noninstructional services	500,677	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	1,701,614	-	-	-	-	1,375	-
Total disbursements	<u>500,677</u>	<u>119,992</u>	<u>1,701,614</u>	<u>-</u>	<u>211</u>	<u>17,108</u>	<u>2,003</u>	<u>1,375</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>82,495</u>	<u>(31,975)</u>	<u>(65,424)</u>	<u>11,080</u>	<u>10,890</u>	<u>6,115</u>	<u>6,299</u>	<u>(963)</u>	<u>-</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>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>82,495</u>	<u>(31,975)</u>	<u>(65,424)</u>	<u>11,080</u>	<u>10,890</u>	<u>6,115</u>	<u>6,299</u>	<u>(963)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 269,238</u>	<u>\$ 4,336</u>	<u>\$ 1,182,207</u>	<u>\$ 34,927</u>	<u>\$ 10,890</u>	<u>\$ 6,115</u>	<u>\$ 6,299</u>	<u>\$ 479</u>	<u>\$ 486</u>

LINTON-STOCKTON SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010  
 (Continued)

	Recreational Activities	NASA Summer Camp	Scholarships and Awards	Tim Deeter Scholarship	Dr. L. Hare Charitable Trust Supplies	High Ability FY 09-10	Gifted and Talented FY 08-09	Medicaid Reimbursement	Non-English Speaking Programs P.L. 273-1999
Cash and investments - beginning	\$ 258	\$ 1,253	\$ 20,698	\$ 144	\$ 6,130	\$ -	\$ 836	\$ 35,991	\$ 365
Receipts:									
Local sources	-	-	227	437	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	5,544	-
Federal sources	-	-	-	-	-	30,855	-	-	-
Other	-	-	30	-	-	-	-	-	-
Total receipts	-	-	257	437	-	30,855	-	5,544	-
Disbursements:									
Current:									
Instruction	-	321	-	-	-	30,855	836	-	-
Support services	-	-	-	-	-	-	-	3,030	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	195	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	9,103	-	4,327	-	-	-	-
Total disbursements	195	321	9,103	-	4,327	30,855	836	3,030	-
Excess (deficiency) of receipts over disbursements	(195)	(321)	(8,846)	437	(4,327)	-	(836)	2,514	-
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	(195)	(321)	(8,846)	437	(4,327)	-	(836)	2,514	-
Cash and investments - ending	\$ 63	\$ 932	\$ 11,852	\$ 581	\$ 1,803	\$ -	\$ -	\$ 38,505	\$ 365

LINTON-STOCKTON SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010  
 (Continued)

	Access Indiana	Second Grade Laptop Program	Cape II Stipends	Title I FY 08-09	Title I FY 09-10	Innovative Education Program Strategies	Title V, Part A FY 08-09	Drug Free Schools	C.A.N. YR 1
Cash and investments - beginning	\$ 5,450	\$ 675	\$ 1,389	\$ 28,281	\$ -	\$ 15,938	\$ 9,294	\$ 2,275	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	8,226	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	26,000	271,566	-	-	5,907	45,512
Other	-	-	-	-	-	-	-	-	-
Total receipts	8,226	-	-	26,000	271,566	-	-	5,907	45,512
Disbursements:									
Current:									
Instruction	-	-	-	12,936	301,617	12,441	9,294	2,406	-
Support services	10,318	-	27	-	-	-	-	-	45,512
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	10,318	-	27	12,936	301,617	12,441	9,294	2,406	45,512
Excess (deficiency) of receipts over disbursements	(2,092)	-	(27)	13,064	(30,051)	(12,441)	(9,294)	3,501	-
Other financing sources (uses):									
Transfers in	-	-	-	-	41,345	-	-	-	-
Transfers out	-	-	-	(41,345)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(41,345)	41,345	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,092)	-	(27)	(28,281)	11,294	(12,441)	(9,294)	3,501	-
Cash and investments - ending	\$ 3,358	\$ 675	\$ 1,362	\$ -	\$ 11,294	\$ 3,497	\$ -	\$ 5,776	\$ -

LINTON-STOCKTON SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010  
 (Continued)

	C.A.N. YR 2	Title II, Part A FY 08-09	Title II, Part A FY 09-10	Fiscal Stabilization Education	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Totals
Cash and investments - beginning	\$ -	\$ (12,365)	\$ -	\$ 643,949	\$ -	\$ -	\$ -	\$ 4,589,993
Receipts:								
Local sources	-	-	-	-	-	-	-	5,470,469
Intermediate sources	-	-	-	-	-	-	-	8,638
State sources	-	-	-	-	-	-	-	8,091,846
Federal sources	198,540	37,938	89,320	267,638	122,292	133,202	11,417	1,591,415
Other	-	-	-	-	-	-	-	17,373
Total receipts	198,540	37,938	89,320	267,638	122,292	133,202	11,417	15,179,741
Disbursements:								
Current:								
Instruction	-	-	-	501,766	105,931	131,467	-	6,269,747
Support services	400,939	25,573	64,984	170,317	-	-	11,383	3,800,613
Noninstructional services	-	-	-	-	-	-	-	613,311
Facilities acquisition and construction	-	-	-	-	-	-	-	195,392
Debt services	-	-	-	-	-	-	-	1,374,430
Nonprogrammed charges	-	-	-	239,504	-	-	-	2,189,848
Total disbursements	400,939	25,573	64,984	911,587	105,931	131,467	11,383	14,443,341
Excess (deficiency) of receipts over disbursements	(202,399)	12,365	24,336	(643,949)	16,361	1,735	34	736,400
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	77,622
Transfers out	-	-	-	-	-	-	-	(77,622)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(202,399)	12,365	24,336	(643,949)	16,361	1,735	34	736,400
Cash and investments - ending	\$ (202,399)	\$ -	\$ 24,336	\$ -	\$ 16,361	\$ 1,735	\$ 34	\$ 5,326,393

LINTON-STOCKTON SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	School Lunch
Cash and investments - beginning	\$ 1,515,973	\$ 167,230	\$ 4,208	\$ 803,849	\$ 549,164	\$ 74,424	\$ 440,000	\$ 336,438	\$ 269,238
Receipts:									
Local sources	90,774	997,181	231,654	535,950	364,849	193,907	-	2,665	247,261
Intermediate sources	280	-	-	-	-	-	-	-	-
State sources	8,183,918	28,810	31,589	-	-	-	-	-	5,747
Federal sources	2,039	-	-	-	-	-	-	-	290,714
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>8,277,011</u>	<u>1,025,991</u>	<u>263,243</u>	<u>535,950</u>	<u>364,849</u>	<u>193,907</u>	<u>-</u>	<u>2,665</u>	<u>543,722</u>
Disbursements:									
Current:									
Instruction	5,396,888	-	-	-	-	-	-	125,531	-
Support services	2,297,484	-	-	377,405	397,726	-	-	-	-
Noninstructional services	114,851	-	-	-	-	-	-	-	525,136
Facilities acquisition and construction	-	-	-	211,123	-	-	-	-	-
Debt services	-	1,110,633	246,513	-	-	-	-	-	-
Nonprogrammed charges	<u>433,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>8,242,373</u>	<u>1,110,633</u>	<u>246,513</u>	<u>588,528</u>	<u>397,726</u>	<u>-</u>	<u>-</u>	<u>125,531</u>	<u>525,136</u>
Excess (deficiency) of receipts over disbursements	<u>34,638</u>	<u>(84,642)</u>	<u>16,730</u>	<u>(52,578)</u>	<u>(32,877)</u>	<u>193,907</u>	<u>-</u>	<u>(122,866)</u>	<u>18,586</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<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>34,638</u>	<u>(84,642)</u>	<u>16,730</u>	<u>(52,578)</u>	<u>(32,877)</u>	<u>193,907</u>	<u>-</u>	<u>(122,866)</u>	<u>18,586</u>
Cash and investments - ending	<u>\$ 1,550,611</u>	<u>\$ 82,588</u>	<u>\$ 20,938</u>	<u>\$ 751,271</u>	<u>\$ 516,287</u>	<u>\$ 268,331</u>	<u>\$ 440,000</u>	<u>\$ 213,572</u>	<u>\$ 287,824</u>

LINTON-STOCKTON SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Textbook Rental	Self- Insurance	Levy Excess	Preventing Youth Problems	Preventing Relational Violence	Family Strengthening Program	Educational License Plates	Wayne Pope Donations	Recreational Activities
Cash and investments - beginning	\$ 4,336	\$ 1,182,207	\$ 34,927	\$ 10,890	\$ 6,115	\$ 6,299	\$ 479	\$ 486	\$ 63
Receipts:									
Local sources	61,777	1,769,494	-	-	-	-	-	674	-
Intermediate sources	-	-	-	-	-	-	356	-	-
State sources	28,238	-	-	22,128	12,895	(6,299)	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	4,965	-	-	-	-	-	-	-
Total receipts	90,015	1,774,459	-	22,128	12,895	(6,299)	356	674	-
Disbursements:									
Current:									
Instruction	-	-	-	30,439	22,204	-	-	-	-
Support services	115,956	-	-	-	-	-	-	656	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	1,703,388	-	-	-	-	-	-	-
Total disbursements	115,956	1,703,388	-	30,439	22,204	-	-	656	-
Excess (deficiency) of receipts over disbursements	(25,941)	71,071	-	(8,311)	(9,309)	(6,299)	356	18	-
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	(25,941)	71,071	-	(8,311)	(9,309)	(6,299)	356	18	-
Cash and investments - ending	\$ (21,605)	\$ 1,253,278	\$ 34,927	\$ 2,579	\$ (3,194)	\$ -	\$ 835	\$ 504	\$ 63

LINTON-STOCKTON SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	NASA Summer Camp	Scholarships and Awards	Tim Deeter Scholarship	Doris Beecher Scholarship	Dr. L. Hare Charitable Trust Supplies	Special Education Early Intervention	High Ability FY 10-11	Medicaid Reimbursement	Non-English Speaking Programs
Cash and investments - beginning	\$ 932	\$ 11,852	\$ 581	\$ -	\$ 1,803	\$ -	\$ -	\$ 38,505	\$ 365
Receipts:									
Local sources	-	518	438	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	9,826	-
Federal sources	-	-	-	-	-	1,500	30,392	-	-
Other	-	-	-	400,000	-	-	-	-	-
Total receipts	-	518	438	400,000	-	1,500	30,392	9,826	-
Disbursements:									
Current:									
Instruction	300	-	-	-	-	3,752	30,392	-	-
Support services	-	-	-	-	-	-	-	3,030	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	5,164	800	-	-	-	-	-	-
Total disbursements	300	5,164	800	-	-	3,752	30,392	3,030	-
Excess (deficiency) of receipts over disbursements	(300)	(4,646)	(362)	400,000	-	(2,252)	-	6,796	-
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	(300)	(4,646)	(362)	400,000	-	(2,252)	-	6,796	-
Cash and investments - ending	\$ 632	\$ 7,206	\$ 219	\$ 400,000	\$ 1,803	\$ (2,252)	\$ -	\$ 45,301	\$ 365

LINTON-STOCKTON SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	School Technology	Access Indiana	Second Grade Laptop Program	Cape II Stipends	Title I FY 09-10	Title I FY 10-11	Innovative Education Program Strategies	Drug Free Schools	C.A.N. YR 1
Cash and investments - beginning	\$ -	\$ 3,358	\$ 675	\$ 1,362	\$ 11,294	\$ -	\$ 3,497	\$ 5,776	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	1,680	8,064	-	-	-	-	-	-	-
State sources	1,680	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	31,528	220,708	-	-	21
Other	-	-	-	-	-	-	-	-	-
Total receipts	3,360	8,064	-	-	31,528	220,708	-	-	21
Disbursements:									
Current:									
Instruction	-	-	671	-	42,822	235,096	-	5,220	-
Support services	-	1,390	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,390	671	-	42,822	235,096	-	5,220	-
Excess (deficiency) of receipts over disbursements	3,360	6,674	(671)	-	(11,294)	(14,388)	-	(5,220)	21
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(21)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(21)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,360	6,674	(671)	-	(11,294)	(14,388)	-	(5,220)	-
Cash and investments - ending	\$ 3,360	\$ 10,032	\$ 4	\$ 1,362	\$ -	\$ (14,388)	\$ 3,497	\$ 556	\$ -

LINTON-STOCKTON SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	C.A.N. YR 2	C.A.N. YR 3	Title II, Part A FY 09-10	Title II, Part A FY 10-11	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Totals
Cash and investments - beginning	\$ (202,399)	\$ -	\$ 24,336	\$ -	\$ 16,361	\$ 1,735	\$ 34	\$ 5,326,393
Receipts:								
Local sources	-	-	-	-	-	-	-	4,497,142
Intermediate sources	-	-	-	-	-	-	-	10,380
State sources	-	-	-	-	-	-	-	8,318,532
Federal sources	338,479	261,949	-	8,166	28,000	117,317	-	1,330,813
Other	-	-	-	-	-	-	-	404,965
Total receipts	<u>338,479</u>	<u>261,949</u>	<u>-</u>	<u>8,166</u>	<u>28,000</u>	<u>117,317</u>	<u>-</u>	<u>14,561,832</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	44,361	119,089	-	6,056,765
Support services	-	398,050	22,896	25,327	-	-	34	3,639,954
Noninstructional services	-	-	-	-	-	-	-	639,987
Facilities acquisition and construction	-	-	-	-	-	-	-	211,123
Debt services	-	-	-	-	-	-	-	1,357,146
Nonprogrammed charges	-	-	-	-	-	-	-	2,142,502
Total disbursements	<u>-</u>	<u>398,050</u>	<u>22,896</u>	<u>25,327</u>	<u>44,361</u>	<u>119,089</u>	<u>34</u>	<u>14,047,477</u>
Excess (deficiency) of receipts over disbursements	<u>338,479</u>	<u>(136,101)</u>	<u>(22,896)</u>	<u>(17,161)</u>	<u>(16,361)</u>	<u>(1,772)</u>	<u>(34)</u>	<u>514,355</u>
Other financing sources (uses):								
Transfers in	-	136,101	-	-	-	-	-	136,101
Transfers out	<u>(136,080)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(136,101)</u>
Total other financing sources (uses)	<u>(136,080)</u>	<u>136,101</u>	<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>202,399</u>	<u>-</u>	<u>(22,896)</u>	<u>(17,161)</u>	<u>(16,361)</u>	<u>(1,772)</u>	<u>(34)</u>	<u>514,355</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,440</u>	<u>\$ (17,161)</u>	<u>\$ -</u>	<u>\$ (37)</u>	<u>\$ -</u>	<u>\$ 5,840,748</u>

LINTON-STOCKTON SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2011

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>Ending Balance</u>
Capital assets, not being depreciated:	
Land	\$ 583,492
Buildings	16,065,954
Improvements other than buildings	1,186,572
Machinery and equipment	335,825
Licensed Vehicles	<u>635,773</u>
 Total capital assets, not being depreciated	 <u>\$ 18,807,616</u>

LINTON-STOCKTON SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2011

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Capital leases:		
High School Building	\$ 4,304,640	\$ 841,020
Junior High Roof Project	980,000	241,095
Common School loans payable	24,992	25,180
Bonds payable:		
General obligation bonds:		
School severance program	<u>1,735,000</u>	<u>249,495</u>
Total debt	<u>\$ 7,044,632</u>	<u>\$ 1,356,790</u>

LINTON-STOCKTON SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

***AVERAGE DAILY MEMBERSHIP (ADM) - AMOUNT DUE THE STATE  
OF INDIANA DUE TO CORRECTED ENROLLMENT FIGURES***

Prior Report B35880 noted a difference between the student count reported for Average Daily Membership and the verified figures of one student for the 2008-2009 school year. The Audit Report concluded that School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment the School Corporation has received or could receive in the future because of incorrect reporting.

The Department of Education notified the School Corporation by letter dated May 11, 2011, of the recalculation of the Basic Grant based upon the State Board of Accounts Audit and subsequent corrected counts for average daily membership which resulted in the School Corporation being required to repay a total of \$3,255.40 to the State of Indiana. This repayment was deducted from the May 2011 tuition support payment from the state.

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 FUND BALANCES***

The fund balances of the Textbook Rental Fund, Preventing Relational Violence Fund, and Special Education Early Intervention Fund were overdrawn at June 30, 2011.

The fund 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)

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](http://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, 2010 and 2011. 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, 2010 and 2011.

Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

A deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

STATE BOARD OF ACCOUNTS

January 19, 2012

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## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

LINTON-STOCKTON SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2010 and 2011

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 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. Department of Agriculture</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 38,781	\$ 50,932
National School Lunch Program	10.555		<u>290,408</u>	<u>298,833</u>
Total for federal grantor agency			<u>329,189</u>	<u>349,765</u>
<u>U.S. Department of Education</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
		FY 08-09	54,281	-
		FY 09-10	301,617	42,821
		FY 10-11	-	235,097
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389			
		FY 09-10	105,931	-
		FY 10-11	<u>-</u>	<u>44,361</u>
Total for cluster			<u>461,829</u>	<u>322,279</u>
Pass-Through Greene - Sullivan Special Education Cooperative				
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027			
		FY 09-10	34,041	-
ARRA - Special Education - Grants to States, Recovery Act	84.391			
		FY 09-10	131,467	-
		FY 10-11	-	119,089
ARRA - Special Education - Preschool Grants, Recovery Act	84.392			
		FY 09-10	11,383	-
		FY 10-11	<u>-</u>	<u>33</u>
Total for cluster			<u>176,891</u>	<u>119,122</u>
Pass-Through Indiana Department of Education				
Educational Technology State Grants Cluster				
Educational Technology State Grants	84.318			
		FY 09-10	64,984	22,896
		FY 10-11	<u>-</u>	<u>25,327</u>
Total for cluster			<u>64,984</u>	<u>48,223</u>
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education				
State Grants, Recovery Act	84.394			
		FY 09-10	<u>911,585</u>	<u>-</u>
Total for cluster			<u>911,585</u>	<u>-</u>

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

LINTON-STOCKTON SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2010 and 2011  
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. Department of Education (continued)</u>				
Direct Grant				
Safe and Drug-Free Schools and Communities - National Programs	84.184			
		FY 08-09	45,512	21
		FY 09-10	400,941	136,080
		FY 10-11	-	398,049
Total for program			<u>446,453</u>	<u>534,150</u>
Pass-Through Twin Rivers Vocational Area				
Career and Technical Education - Basic Grants to States	84.048			
		FY 09-10	590	-
		FY 10-11	-	24
Total for program			<u>590</u>	<u>24</u>
Pass-Through Indiana Department of Education				
Safe and Drug-Free Schools and Communities - State Grants	84.186			
		08-2950	2,275	-
		09-2950	131	5,220
Total for program			<u>2,406</u>	<u>5,220</u>
Improving Teacher Quality State Grants	84.367			
		FY 09-10	25,573	-
Total for federal grantor agency			<u>2,090,311</u>	<u>1,029,018</u>
Total federal awards expended			<u>\$ 2,419,500</u>	<u>\$ 1,378,783</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

**Note 1. 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 cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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 Indiana Code (IC 5-11-1 et seq.), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

**Note 2. Noncash Assistance**

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2010 and 2011. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2010	2011
National School Lunch Program	10.555	\$ 38,455	\$ 33,168

LINTON-STOCKTON SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I – Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.184	Child Nutrition Cluster Title I, Part A Cluster State Fiscal Stabilization Fund Cluster Safe and Drug-Free Schools and Communities – National Programs

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

Auditee qualified as low-risk auditee? no

**Section II – Financial Statement Findings**

No matters are reportable.

**Section III – Federal Award Findings and Questioned Costs**

No matters are reportable.

# LINTON-STOCKTON SCHOOL CORPORATION

## Superintendent

Nicholas G. Karaszia

December 8, 2011

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**

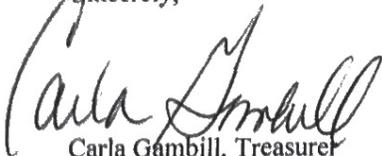
**Linton-Stockton School Corporation did not file monthly claims for reimbursement in a timely manner 17 out of 20 months.**

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

**The Food Service Director prior to the 10<sup>th</sup> of each month notifies the Superintendent that the monthly claims for reimbursement have been filed and a copy of such monthly claims for reimbursement are provided to the Superintendent to document such filings. On a monthly basis, the Corporation Treasurer verifies that the monthly claims for reimbursement have been filed by viewing the reports available on the Indiana Department of Education website.**

Monthly claims for reimbursement are now filed in a timely manner.

Sincerely,



Carla Gambill, Treasurer  
Linton-Stockton School Corporation

## Board Members

Frank Ciennicks  
John Preble  
Rodney Bredweg  
Ralph Witty  
Robert Good



801 N.E. 1<sup>st</sup> Street, Linton, IN 47441 (812) 847-6020 FAX (812) 847-8659

LINTON-STOCKTON SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on January 19, 2012, with Nicholas G. Karazsia, Superintendent of Schools; Carla Gambill, Treasurer; and Rodney Bredeweg, President of the School Board. The officials concurred with our audit findings.