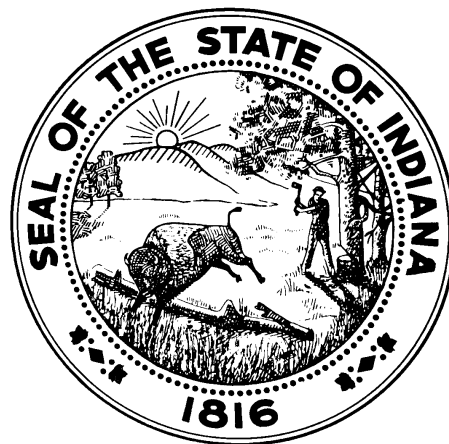


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT
OF
LINTON-STOCKTON SCHOOL CORPORATION
GREENE COUNTY, INDIANA
July 1, 2005 to June 30, 2007



FILED
03/31/2008

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Carol Brinson	07-01-05 to 06-30-08
Superintendent of Schools	Ronald L. Bush	07-01-05 to 06-30-08
President of the School Board	Fred E. Spinks John Preble Wm. Eddy Dale	07-01-05 to 06-30-06 07-01-06 to 06-30-07 07-01-07 to 06-30-08



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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, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2006 and 2007, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated February 26, 2008, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

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

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

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Corporation has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The 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 26, 2008



STATE OF INDIANA
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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, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated February 26, 2008. 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.

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)

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.

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, 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 26, 2008

LINTON-STOCKTON SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2006

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipt and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 4,002,618	\$ -	\$ 49,749	\$ (3,952,869)
Support services	5,609,000	1,543,264	219,185	(3,846,551)
Community services	108,923	-	-	(108,923)
Nonprogrammed charges	1,635,273	-	-	(1,635,273)
Debt service	<u>1,114,926</u>	<u>-</u>	<u>-</u>	<u>(1,114,926)</u>
Total governmental activities	<u>\$ 12,470,740</u>	<u>\$ 1,543,264</u>	<u>\$ 268,934</u>	<u>(10,658,542)</u>
General receipts:				
Property taxes				3,560,753
Other local sources				698,737
State aid				6,468,675
Bonds and loans				500,000
Grants and contributions not restricted to specific programs				623,657
Sale of property, adjustments, and refunds				158,971
Investment earnings				<u>115,766</u>
Total general receipts				<u>12,126,559</u>
Change in net assets				1,468,017
Net assets - beginning				<u>2,853,750</u>
Net assets - ending				<u>\$ 4,321,767</u>
<u>Assets</u>				
Cash and investments				\$ 2,494,754
Restricted assets:				
Cash and investments				<u>1,827,013</u>
Total assets				<u>\$ 4,321,767</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 459,555
Other purposes				1,367,458
Unrestricted				<u>2,494,754</u>
Total net assets				<u>\$ 4,321,767</u>

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, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				Net (Disbursement) Receipt and Changes in Net Assets
Instruction	\$ 4,181,898	\$ -	\$ 46,209	\$ (4,135,689)
Support services	5,210,473	1,508,754	249,614	(3,452,105)
Community services	111,150	-	-	(111,150)
Nonprogrammed charges	1,749,155	-	-	(1,749,155)
Debt service	1,476,958	-	-	(1,476,958)
Total governmental activities	<u>\$ 12,729,634</u>	<u>\$ 1,508,754</u>	<u>\$ 295,823</u>	<u>(10,925,057)</u>
General receipts:				
Property taxes				2,207,484
Other local sources				536,299
State aid				6,450,659
Grants and contributions not restricted to specific programs				489,833
Sale of property, adjustments, and refunds				1,028
Investment earnings				196,479
Total general receipts				<u>9,881,782</u>
Change in net assets				(1,043,275)
Net assets - beginning				<u>4,321,767</u>
Net assets - ending				<u>\$ 3,278,492</u>
<u>Assets</u>				
Cash and investments				\$ 2,122,412
Restricted assets:				
Cash and investments				<u>1,156,080</u>
Total assets				<u>\$ 3,278,492</u>
<u>Net Assets</u>				
Restricted for:				
Other purposes				\$ 1,156,080
Unrestricted				<u>2,122,412</u>
Total net assets				<u>\$ 3,278,492</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
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2006

	General	Transportation Operating	Rainy Day	School Lunch	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:									
Local sources	\$ 1,700,722	\$ 362,550	\$ -	\$ 246,045	\$ 1,237,629	\$ 602,324	\$ 66,156	\$ 450,762	\$ 4,666,188
Intermediate sources	-	-	-	-	-	-	-	1,481	1,481
State sources	6,501,608	-	-	5,434	-	-	-	202,586	6,709,628
Federal sources	92,632	-	-	193,876	-	-	-	365,130	651,638
Bonds and loans	-	-	-	-	-	-	-	500,000	500,000
Sale of property, adjustments and refunds	-	-	-	-	-	158,971	-	-	158,971
Total receipts	8,294,962	362,550	-	445,355	1,237,629	761,295	66,156	1,519,959	12,687,906
Disbursements:									
Current:									
Instruction	3,665,120	-	-	-	-	-	-	337,498	4,002,618
Support services	3,576,495	317,991	-	340,142	-	564,117	79,819	730,436	5,609,000
Community services	108,923	-	-	-	-	-	-	-	108,923
Nonprogrammed charges	381,519	-	-	-	-	-	-	2,825	384,344
Debt services	-	-	-	-	871,509	-	-	243,417	1,114,926
Total disbursements	7,732,057	317,991	-	340,142	871,509	564,117	79,819	1,314,176	11,219,811
Excess (deficiency) of receipts over disbursements	562,905	44,559	-	105,213	366,120	197,178	(13,663)	205,783	1,468,095
Other financing sources (uses):									
Transfers in	-	-	75,000	-	-	-	-	9,697	84,697
Transfers out	-	-	-	-	(75,000)	-	-	(9,697)	(84,697)
Total other financing sources (uses)	-	-	75,000	-	(75,000)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	562,905	44,559	75,000	105,213	291,120	197,178	(13,663)	205,783	1,468,095
Cash and investments - beginning	325,892	82,587	95,000	144,412	158,186	342,217	75,753	262,167	1,486,214
Cash and investments - ending	\$ 888,797	\$ 127,146	\$ 170,000	\$ 249,625	\$ 449,306	\$ 539,395	\$ 62,090	\$ 467,950	2,954,309
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.									
									1,367,458
Net assets of governmental activities									\$ 4,321,767
Cash and Investment Assets - Ending									
Cash and investments	\$ 888,797	\$ 127,146	\$ 170,000	\$ 249,625	\$ -	\$ 539,395	\$ 62,090	\$ 457,701	\$ 2,494,754
Restricted assets:									
Cash and investments	-	-	-	-	449,306	-	-	10,249	459,555
Total cash and investment assets - ending	\$ 888,797	\$ 127,146	\$ 170,000	\$ 249,625	\$ 449,306	\$ 539,395	\$ 62,090	\$ 467,950	\$ 2,954,309
Cash and Investment Fund Balance - Ending									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 449,306	\$ -	\$ -	\$ 10,249	\$ 459,555
Unrestricted	888,797	127,146	170,000	249,625	-	539,395	62,090	457,701	2,494,754
Total cash and investment fund balance - ending	\$ 888,797	\$ 127,146	\$ 170,000	\$ 249,625	\$ 449,306	\$ 539,395	\$ 62,090	\$ 467,950	\$ 2,954,309

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, 2007

	General	Transportation Operating	Rainy Day	School Lunch	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:									
Local sources	\$ 1,094,354	\$ 218,128	\$ 140,000	\$ 239,781	\$ 796,021	\$ 373,245	\$ 49,114	\$ 281,762	\$ 3,192,405
Intermediate sources	-	-	-	-	-	-	-	1,481	1,481
State sources	6,484,204	-	-	5,727	-	-	-	153,610	6,643,541
Federal sources	80,721	-	-	203,389	-	-	-	308,664	592,774
Sale of property, adjustments and refunds	1,028	-	-	-	-	-	-	-	1,028
Total receipts	7,660,307	218,128	140,000	448,897	796,021	373,245	49,114	745,517	10,431,229
Disbursements:									
Current:									
Instruction	3,836,434	-	-	-	-	-	-	345,464	4,181,898
Support services	3,658,475	300,876	-	366,858	-	499,269	81,543	303,452	5,210,473
Community services	111,150	-	-	-	-	-	-	-	111,150
Nonprogrammed charges	363,858	-	-	-	-	-	-	57,166	421,024
Debt services	-	-	-	-	1,227,723	-	-	249,235	1,476,958
Total disbursements	7,969,917	300,876	-	366,858	1,227,723	499,269	81,543	955,317	11,401,503
Excess (deficiency) of receipts over disbursements	(309,610)	(82,748)	140,000	82,039	(431,702)	(126,024)	(32,429)	(209,800)	(970,274)
Other financing sources (uses):									
Transfers in	-	65,992	-	-	-	-	-	17,023	83,015
Transfers out	-	-	-	-	(65,992)	-	-	(17,023)	(83,015)
Total other financing sources (uses)	-	65,992	-	-	(65,992)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(309,610)	(16,756)	140,000	82,039	(497,694)	(126,024)	(32,429)	(209,800)	(970,274)
Cash and investments - beginning	888,797	127,146	170,000	249,625	449,306	539,395	62,090	467,950	2,954,309
Cash and investments - ending	\$ 579,187	\$ 110,390	\$ 310,000	\$ 331,664	\$ (48,388)	\$ 413,371	\$ 29,661	\$ 258,150	1,984,035
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.									
									1,294,457
Net assets of governmental activities									\$ 3,278,492
Cash and Investment Assets - Ending									
Cash and investments	\$ 579,187	\$ 110,390	\$ 310,000	\$ 331,664	\$ -	\$ 413,371	\$ 29,661	\$ 348,139	\$ 2,122,412
Restricted assets:									
Cash and investments	-	-	-	-	(48,388)	-	-	(89,989)	(138,377)
Total cash and investment assets - ending	\$ 579,187	\$ 110,390	\$ 310,000	\$ 331,664	\$ (48,388)	\$ 413,371	\$ 29,661	\$ 258,150	\$ 1,984,035
Cash and Investment Fund Balance - Ending									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ (48,388)	\$ -	\$ -	\$ (89,989)	\$ (138,377)
Unrestricted	579,187	110,390	310,000	331,664	-	413,371	29,661	348,139	2,122,412
Total cash and investment fund balance - ending	\$ 579,187	\$ 110,390	\$ 310,000	\$ 331,664	\$ (48,388)	\$ 413,371	\$ 29,661	\$ 258,150	\$ 1,984,035

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

LINTON-STOCKTON SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCE AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCE - CASH AND INVESTMENTS BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2006

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 1,203,522
Miscellaneous	<u>47,329</u>
Total operating receipts	<u>1,250,851</u>
Operating disbursements:	
Insurance claims and expense	<u>1,250,929</u>
Deficiency of operating receipts under operating disbursements	<u>(78)</u>
Change in net assets	(78)
Cash and investment fund balance - beginning	<u>1,367,536</u>
Cash and investment fund balance - ending	<u>\$ 1,367,458</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 1,367,458</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 1,367,458</u>

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

LINTON-STOCKTON SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCE AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCE - CASH AND INVESTMENTS BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2007

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 1,200,321
Miscellaneous	<u>54,809</u>
Total operating receipts	<u>1,255,130</u>
Operating disbursements:	
Insurance claims and expense	<u>1,328,131</u>
Deficiency of operating receipts under operating disbursements	<u>(73,001)</u>
Change in net assets	(73,001)
Cash and investment fund balance - beginning	<u>1,367,458</u>
Cash and investment fund balance - ending	<u>\$ 1,294,457</u>
 <u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 1,294,457</u>
Total cash and investment assets - ending	<u>\$ 1,294,457</u>
 <u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 1,294,457</u>
Total cash and investment fund balance - ending	<u>\$ 1,294,457</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, 2006

	Pension Trust Fund	Private-Purpose Trust Funds	Agency Funds
Additions:			
Investment earnings:			
Interest	\$ 33,890	\$ 7,573	
Deductions:			
Benefits	119,660	-	
Administrative and general	-	6,286	
Total deductions	119,660	6,286	
Excess (deficiency) of total additions over total deductions	(85,770)	1,287	
Cash and investment fund balance - beginning	928,869	33,551	
Cash and investment fund balance - ending	\$ 843,099	\$ 34,838	
Net assets:			
Cash and investments	\$ 843,099	\$ 34,838	\$ 13,301
Total net assets - cash and investment basis held in trust	\$ 843,099	\$ 34,838	\$ 13,301

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, 2007

	Pension Trust Fund	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 500	
Investment earnings:			
Interest	31,990	7,493	
Total additions	31,990	7,993	
Deductions:			
Benefits			
Administrative and general	141,548	-	
	-	10,629	
Total deductions	141,548	10,629	
Deficiency of total additions over total deductions	(109,558)	(2,636)	
Cash and investment fund balance - beginning	843,099	34,838	
Cash and investment fund balance - ending	\$ 733,541	\$ 32,202	
Net assets:			
Cash and investments	\$ 733,541	\$ 32,202	\$ 1,219
Total net assets - cash and investment basis held in trust	\$ 733,541	\$ 32,202	\$ 1,219

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 Vocational 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 Vocational Area's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Twin Rivers Vocational Area can be obtained from their administrative office at 301 E. South Street, Washington, IN 47501.

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 administrative office at 77 NE "A" Street, Linton, IN 47441.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

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

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

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

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

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

The rainy day fund accounts for monies not used or encumbered in a budget year that can be used at a later date.

The school lunch fund is used to record all receipts from the sale of lunches, federal and state reimbursements, gifts and other receipts. It includes disbursements for personal service, 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 bonds and anticipated payments made to employees on or after the termination of employment or to pay postretirement or severance benefits held by the School Corporation in a trustee capacity.

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. Compensated Absences

a. Sick Leave

School Corporation noncertified employees earn sick leave at the rate of 14 days per year. Unused sick leave may be accumulated indefinitely. Accumulated sick leave is paid to employees through cash payments upon retirement.

b. Vacation Leave

Nonteaching or administrative and noncertified School Corporation employees earn vacation leave at rates from 5 days to 25 days per year based upon the number of years of service. Vacation leave does not accumulate from year to year.

c. Personal Leave

School Corporation noncertified employees earn personal leave at the rate of 1 day to 2 days per school year based upon the number of years of service. Personal leave does not accumulate from year to year but may be converted to sick leave at the end of the school year.

d. General Leave

Certified personnel are authorized 20 days per school year. These days may accumulate indefinitely. Accumulated general leave up to 290 days is paid to employees upon retirement.

4. Capital Assets

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

5. Long-Term Debt

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

6. Equity Classification

Government-Wide Statements

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

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.

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

- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

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

Fund Financial Statements

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

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

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

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of 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:

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

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. Cash and Investment Balance Deficits

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

Fund	2007
Debt Service	\$ 48,388
Retirement/Severance Debt Service	89,989

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.

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

III. Detailed Notes on All Funds

A. Deposits

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

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2006 and 2007, were as follows:

Transfer From	Transfer To	2006	2007
Other governmental funds	Other governmental funds	\$ 9,697	\$ 17,023
Majar fund	Other governmental funds	75,000	-
Majar fund	Majar fund	-	65,992
Totals		<u>\$ 84,697</u>	<u>\$ 83,015</u>

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

IV. Other Information

A. Risk Management

The School Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Medical Benefits to Employees, Retirees and Dependents (Excluding Postemployment Benefits)

The School Corporation has chosen to establish a risk financing fund for risks associated with medical benefits to employees. 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

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

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 leases 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 year totaled \$1,943,525.

C. 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, 13 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.

D. Pension Plans

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

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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

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

Annual required contribution	\$	31,277
Interest on net pension obligation		(2,105)
Adjustment to annual required contribution		2,399
Annual pension cost		31,571
Contributions made		19,771
Increase in net pension obligation		11,800
Net pension obligation, beginning of year		(29,033)
Net pension obligation, end of year	\$	(17,233)

Contribution rates:

School Corporation		3.75%
Plan members		3%
Actuarial valuation date		07-01-06
Actuarial cost method		Entry age
Amortization method		Level percentage of projected payroll, closed
Amortization period		40 years
Amortization period (from date)		07-01-97
Asset valuation method		75% of expected actuarial value plus 25% of market value

Actuarial Assumptions

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

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 14,828	158%	\$ (31,179)
	06-30-05	22,958	91%	(29,033)
	06-30-06	31,571	63%	(17,233)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' Retirement Fund (TRF), a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the TRF Board, most requirements of the system and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

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

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

Funding Policy and Annual Pension Costs

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

Plan members are required to contribute 3% of their salary and the School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2007, 2006, and 2005, were \$87,671, \$89,142, and \$84,690, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

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)
07-01-04	\$ 655,849	\$ 539,901	\$ 115,948	121%	\$ 632,176	18%
07-01-05	673,862	634,116	39,746	106%	628,783	6%
07-01-06	686,372	674,348	12,024	102%	609,880	2%

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, 2006

	Preschool Education	Textbook Rental	Levy Excess	Education License Plate	Alternative Education	Boston Scientific
Receipts:						
Local sources	\$ 4,964	\$ 81,049	\$ 16,252	\$ -	\$ -	\$ 19,258
Intermediate sources	-	-	-	1,481	-	-
State sources	36,928	15,366	-	-	14,032	-
Federal sources	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-
Total receipts	<u>41,892</u>	<u>96,415</u>	<u>16,252</u>	<u>1,481</u>	<u>14,032</u>	<u>19,258</u>
Disbursements:						
Current:						
Instruction	38,501	-	-	-	14,032	-
Support services	-	112,215	-	-	-	-
Nonprogrammed charges	-	-	-	398	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>38,501</u>	<u>112,215</u>	<u>-</u>	<u>398</u>	<u>14,032</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>3,391</u>	<u>(15,800)</u>	<u>16,252</u>	<u>1,083</u>	<u>-</u>	<u>19,258</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>3,391</u>	<u>(15,800)</u>	<u>16,252</u>	<u>1,083</u>	<u>-</u>	<u>19,258</u>
Cash and investments - beginning	<u>30,253</u>	<u>59,512</u>	<u>-</u>	<u>238</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 33,644</u>	<u>\$ 43,712</u>	<u>\$ 16,252</u>	<u>\$ 1,321</u>	<u>\$ -</u>	<u>\$ 19,258</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 33,644	\$ 43,712	\$ 16,252	\$ 1,321	\$ -	\$ 19,258
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 33,644</u>	<u>\$ 43,712</u>	<u>\$ 16,252</u>	<u>\$ 1,321</u>	<u>\$ -</u>	<u>\$ 19,258</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	33,644	43,712	16,252	1,321	-	19,258
Total cash and investment fund balance - ending	<u>\$ 33,644</u>	<u>\$ 43,712</u>	<u>\$ 16,252</u>	<u>\$ 1,321</u>	<u>\$ -</u>	<u>\$ 19,258</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, 2006
 (Continued)

	NASA	Track Donation	Wayne Pope Donation	NASA II	NREA	NASA Summer Camp
Receipts:						
Local sources	\$ 10,000	\$ 1,000	\$ 720	\$ 8,500	\$ 500	\$ 7,980
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-
Total receipts	10,000	1,000	720	8,500	500	7,980
Disbursements:						
Current:						
Instruction	-	-	-	-	-	6,691
Support services	7,066	930	-	8,500	492	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	7,066	930	-	8,500	492	6,691
Excess (deficiency) of receipts over disbursements	2,934	70	720	-	8	1,289
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,934	70	720	-	8	1,289
Cash and investments - beginning	-	1,991	721	-	-	-
Cash and investments - ending	\$ 2,934	\$ 2,061	\$ 1,441	\$ -	\$ 8	\$ 1,289
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,934	\$ 2,061	\$ 1,441	\$ -	\$ 8	\$ 1,289
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 2,934	\$ 2,061	\$ 1,441	\$ -	\$ 8	\$ 1,289
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,934	2,061	1,441	-	8	1,289
Total cash and investment fund balance - ending	\$ 2,934	\$ 2,061	\$ 1,441	\$ -	\$ 8	\$ 1,289

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, 2006
 (Continued)

	Gifted and Talented FY06	Gifted and Talented FY 05	Education Technology	Medicaid Reimbursement	Non-English Speaking Program	Technology Plan Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	12,644	-	123,594	-	22	-
Federal sources	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-
Total receipts	12,644	-	123,594	-	22	-
Disbursements:						
Current:						
Instruction	8,347	1,085	-	-	-	-
Support services	-	-	123,594	5,224	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	8,347	1,085	123,594	5,224	-	-
Excess (deficiency) of receipts over disbursements	4,297	(1,085)	-	(5,224)	22	-
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	4,297	(1,085)	-	(5,224)	22	-
Cash and investments - beginning	-	1,085	-	23,214	323	12,818
Cash and investments - ending	<u>\$ 4,297</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,990</u>	<u>\$ 345</u>	<u>\$ 12,818</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 4,297	\$ -	\$ -	\$ 17,990	\$ 345	\$ 12,818
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 4,297	\$ -	\$ -	\$ 17,990	\$ 345	\$ 12,818
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	4,297	-	-	17,990	345	12,818
Total cash and investment fund balance - ending	\$ 4,297	\$ -	\$ -	\$ 17,990	\$ 345	\$ 12,818

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, 2006
 (Continued)

	Title I FY 05	Title I FY 06	Title V FY 06	Learn and Serve	Safe and Drug Free School	Project Peace
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	249,900	4,593	10,000	8,823	-
Bonds and loans	-	-	-	-	-	-
Total receipts	-	249,900	4,593	10,000	8,823	-
Disbursements:						
Current:						
Instruction	-	211,103	-	6,113	6,089	249
Support services	-	31,142	4,593	4,502	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	-	242,245	4,593	10,615	6,089	249
Excess (deficiency) of receipts over disbursements	-	7,655	-	(615)	2,734	(249)
Other financing sources (uses):						
Transfers in	-	9,697	-	-	-	-
Transfers out	(9,697)	-	-	-	-	-
Total other financing sources (uses)	(9,697)	9,697	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,697)	17,352	-	(615)	2,734	(249)
Cash and investments - beginning	9,697	-	-	5,674	7,082	249
Cash and investments - ending	\$ -	\$ 17,352	\$ -	\$ 5,059	\$ 9,816	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 17,352	\$ -	\$ 5,059	\$ 9,816	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 17,352	\$ -	\$ 5,059	\$ 9,816	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	17,352	-	5,059	9,816	-
Total cash and investment fund balance - ending	\$ -	\$ 17,352	\$ -	\$ 5,059	\$ 9,816	\$ -

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, 2006
 (Continued)

	Cape Grant	Workforce Development	Title II	Retirement/ Severance Bond	Jr. High Construction	Totals
Receipts:						
Local sources	\$ 41,283	\$ -	\$ -	\$ 253,960	\$ 5,296	\$ 450,762
Intermediate sources	-	-	-	-	-	1,481
State sources	-	-	-	-	-	202,586
Federal sources	-	2,263	89,551	-	-	365,130
Bonds and loans	-	-	-	-	500,000	500,000
Total receipts	41,283	2,263	89,551	253,960	505,296	1,519,959
Disbursements:						
Current:						
Instruction	45,288	-	-	-	-	337,498
Support services	4,156	-	83,581	-	344,441	730,436
Nonprogrammed charges	-	2,427	-	-	-	2,825
Debt services	-	-	-	243,417	-	243,417
Total disbursements	49,444	2,427	83,581	243,417	344,441	1,314,176
Excess (deficiency) of receipts over disbursements	(8,161)	(164)	5,970	10,543	160,855	205,783
Other financing sources (uses):						
Transfers in	-	-	-	-	-	9,697
Transfers out	-	-	-	-	-	(9,697)
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(8,161)	(164)	5,970	10,543	160,855	205,783
Cash and investments - beginning	7,754	-	101,850	(294)	-	262,167
Cash and investments - ending	<u>(407)</u>	<u>(164)</u>	<u>107,820</u>	<u>10,249</u>	<u>160,855</u>	<u>467,950</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ (407)	\$ (164)	\$ 107,820	\$ -	\$ 160,855	\$ 457,701
Restricted assets:						
Cash and investments	-	-	-	10,249	-	10,249
Total cash and investment assets - ending	<u>(407)</u>	<u>(164)</u>	<u>107,820</u>	<u>10,249</u>	<u>160,855</u>	<u>467,950</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 10,249	\$ -	\$ 10,249
Unrestricted	(407)	(164)	107,820	-	160,855	457,701
Total cash and investment fund balance - ending	<u>(407)</u>	<u>(164)</u>	<u>107,820</u>	<u>10,249</u>	<u>160,855</u>	<u>467,950</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, 2007

	Preschool Education	Textbook Rental	Levy Excess	Education License Plate	Alternative Education	Early Intervention Grant
Receipts:						
Local sources	\$ 2,798	\$ 69,171	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	1,481	-	-
State sources	38,387	24,429	-	-	13,874	46,820
Federal sources	-	-	-	-	-	-
Total receipts	<u>41,185</u>	<u>93,600</u>	<u>-</u>	<u>1,481</u>	<u>13,874</u>	<u>46,820</u>
Disbursements:						
Current:						
Instruction	31,336	-	-	-	13,874	46,820
Support services	-	83,837	-	-	-	-
Nonprogrammed charges	-	-	-	751	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>31,336</u>	<u>83,837</u>	<u>-</u>	<u>751</u>	<u>13,874</u>	<u>46,820</u>
Excess (deficiency) of receipts over disbursements	<u>9,849</u>	<u>9,763</u>	<u>-</u>	<u>730</u>	<u>-</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>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>9,849</u>	<u>9,763</u>	<u>-</u>	<u>730</u>	<u>-</u>	<u>-</u>
Cash and investments - beginning	<u>33,644</u>	<u>43,712</u>	<u>16,252</u>	<u>1,321</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 43,493</u>	<u>\$ 53,475</u>	<u>\$ 16,252</u>	<u>\$ 2,051</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 43,493	\$ 53,475	\$ 16,252	\$ 2,051	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 43,493</u>	<u>\$ 53,475</u>	<u>\$ 16,252</u>	<u>\$ 2,051</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	43,493	53,475	16,252	2,051	-	-
Total cash and investment fund balance - ending	<u>\$ 43,493</u>	<u>\$ 53,475</u>	<u>\$ 16,252</u>	<u>\$ 2,051</u>	<u>\$ -</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, 2007
 (Continued)

	Boston Scientific	NASA	Track Donation	Wayne Pope Donation	NREA	NASA Summer Camp
Receipts:						
Local sources	\$ -	\$ 5,000	\$ 1,136	\$ 901	\$ -	\$ 6,400
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total receipts	-	5,000	1,136	901	-	6,400
Disbursements:						
Current:						
Instruction	-	-	-	-	-	5,516
Support services	-	2,934	-	287	8	-
Nonprogrammed charges	19,258	-	-	-	-	-
Debt services	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total disbursements	19,258	2,934	-	287	8	5,516
Excess (deficiency) of receipts over disbursements	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(19,258)	2,066	1,136	614	(8)	884
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(19,258)	2,066	1,136	614	(8)	884
Cash and investments - beginning	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	19,258	2,934	2,061	1,441	8	1,289
Cash and investments - ending	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ -	\$ 5,000	\$ 3,197	\$ 2,055	\$ -	\$ 2,173
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 5,000	\$ 3,197	\$ 2,055	\$ -	\$ 2,173
Restricted assets:						
Cash and investments	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total cash and investment assets - ending	\$ -	\$ 5,000	\$ 3,197	\$ 2,055	\$ -	\$ 2,173
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	5,000	3,197	2,055	-	2,173
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total cash and investment fund balance - ending	\$ -	\$ 5,000	\$ 3,197	\$ 2,055	\$ -	\$ 2,173

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, 2007
 (Continued)

	Gifted and Talented FY 07	Gifted and Talented FY 06	Indiana Youth Institute	Education Technology	Medicaid Reimbursement	Non-English Speaking Program
Receipts:						
Local sources	\$ -	\$ -	\$ 1,240	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	12,644	-	-	1,367	16,069	20
Federal sources	-	-	-	-	-	-
Total receipts	12,644	-	1,240	1,367	16,069	20
Disbursements:						
Current:						
Instruction	1,047	4,297	963	-	-	-
Support services	-	-	-	1,367	2,000	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	1,047	4,297	963	1,367	2,000	-
Excess (deficiency) of receipts over disbursements	11,597	(4,297)	277	-	14,069	20
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	(4,297)	277	-	14,069	20
Cash and investments - beginning	-	4,297	-	-	17,990	345
Cash and investments - ending	\$ 11,597	\$ -	\$ 277	\$ -	\$ 32,059	\$ 365
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 11,597	\$ -	\$ 277	\$ -	\$ 32,059	\$ 365
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 11,597	\$ -	\$ 277	\$ -	\$ 32,059	\$ 365
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	11,597	-	277	-	32,059	365
Total cash and investment fund balance - ending	\$ 11,597	\$ -	\$ 277	\$ -	\$ 32,059	\$ 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, 2007
 (Continued)

	Technology Plan Grant	Technology	Leadership Conference	Title I School Improvement	Title I FY 07	Title I FY 06
Receipts:						
Local sources	\$ -	\$ -	\$ 480	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	19,919	202,180	-
Total receipts	-	-	480	19,919	202,180	-
Disbursements:						
Current:						
Instruction	12,818	-	-	-	187,251	-
Support services	-	630	-	19,919	30,332	329
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	12,818	630	-	19,919	217,583	329
Excess (deficiency) of receipts over disbursements	(12,818)	(630)	480	-	(15,403)	(329)
Other financing sources (uses):						
Transfers in	-	-	-	-	17,023	-
Transfers out	-	-	-	-	-	(17,023)
Total other financing sources (uses)	-	-	-	-	17,023	(17,023)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(12,818)	(630)	480	-	1,620	(17,352)
Cash and investments - beginning	12,818	-	-	-	-	17,352
Cash and investments - ending	\$ -	\$ (630)	\$ 480	\$ -	\$ 1,620	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ (630)	\$ 480	\$ -	\$ 1,620	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ (630)	\$ 480	\$ -	\$ 1,620	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	(630)	480	-	1,620	-
Total cash and investment fund balance - ending	\$ -	\$ (630)	\$ 480	\$ -	\$ 1,620	\$ -

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, 2007
 (Continued)

	Title V	Learn and Serve	Safe and Drug Free School	Cape Grant	Workforce Development
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ 39,510	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	2,221	-	6,259	-	22,737
Total receipts	<u>2,221</u>	<u>-</u>	<u>6,259</u>	<u>39,510</u>	<u>22,737</u>
Disbursements:					
Current:					
Instruction	-	3,262	12,303	25,977	-
Support services	-	1,138	-	929	-
Nonprogrammed charges	-	-	-	-	22,573
Debt services	-	-	-	-	-
Total disbursements	<u>-</u>	<u>4,400</u>	<u>12,303</u>	<u>26,906</u>	<u>22,573</u>
Excess (deficiency) of receipts over disbursements	<u>2,221</u>	<u>(4,400)</u>	<u>(6,044)</u>	<u>12,604</u>	<u>164</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,221	(4,400)	(6,044)	12,604	164
Cash and investments - beginning	-	5,059	9,816	(407)	(164)
Cash and investments - ending	<u>\$ 2,221</u>	<u>\$ 659</u>	<u>\$ 3,772</u>	<u>\$ 12,197</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 2,221	\$ 659	\$ 3,772	\$ 12,197	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 2,221</u>	<u>\$ 659</u>	<u>\$ 3,772</u>	<u>\$ 12,197</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,221	659	3,772	12,197	-
Total cash and investment fund balance - ending	<u>\$ 2,221</u>	<u>\$ 659</u>	<u>\$ 3,772</u>	<u>\$ 12,197</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, 2007
 (Continued)

	PLTW Implementation Grant	Title II	Retirement/ Severance Bond	Jr. High Construction	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ 148,997	\$ 6,129	\$ 281,762
Intermediate sources	-	-	-	-	1,481
State sources	-	-	-	-	153,610
Federal sources	13,706	41,642	-	-	308,664
Total receipts	13,706	41,642	148,997	6,129	745,517
Disbursements:					
Current:					
Instruction	-	-	-	-	345,464
Support services	-	95,334	-	64,408	303,452
Nonprogrammed charges	14,584	-	-	-	57,166
Debt services	-	-	249,235	-	249,235
Total disbursements	14,584	95,334	249,235	64,408	955,317
Excess (deficiency) of receipts over disbursements	(878)	(53,692)	(100,238)	(58,279)	(209,800)
Other financing sources (uses):					
Transfers in	-	-	-	-	17,023
Transfers out	-	-	-	-	(17,023)
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(878)	(53,692)	(100,238)	(58,279)	(209,800)
Cash and investments - beginning	-	107,820	10,249	160,855	467,950
Cash and investments - ending	\$ (878)	\$ 54,128	\$ (89,989)	\$ 102,576	\$ 258,150
Cash and Investment Assets - Ending					
Cash and investments	\$ (878)	\$ 54,128	\$ -	\$ 102,576	\$ 348,139
Restricted assets:					
Cash and investments	-	-	(89,989)	-	(89,989)
Total cash and investment assets - ending	\$ (878)	\$ 54,128	\$ (89,989)	\$ 102,576	\$ 258,150
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ (89,989)	\$ -	\$ (89,989)
Unrestricted	(878)	54,128	-	102,576	348,139
Total cash and investment fund balance - ending	\$ (878)	\$ 54,128	\$ (89,989)	\$ 102,576	\$ 258,150

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, 2006

	James Brown Scholarship	Tim Deeter Scholarship	Ed Prevention	Indiana Next	Totals
Additions:					
Investment earnings:					
Interest	\$ 7,136	\$ 437	\$ -	\$ -	\$ 7,573
Deductions:					
Administrative and general	4,764	-	22	1,500	6,286
Excess (deficiency) of total additions over total deductions	2,372	437	(22)	(1,500)	1,287
Cash and investment fund balance - beginning	31,235	794	22	1,500	33,551
Cash and Investments - June 30	<u>\$ 33,607</u>	<u>\$ 1,231</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,838</u>
Net assets:					
Cash and investments	\$ 33,607	\$ 1,231	\$ -	\$ -	\$ 34,838
Total net assets - cash and investment basis held in trust	<u>\$ 33,607</u>	<u>\$ 1,231</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,838</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, 2007

	James Brown Scholarship	Tim Deeter Scholarship	Totals
Additions:			
Contributions:			
Other	\$ 500	\$ -	\$ 500
Investment earnings:			
Interest	7,055	438	7,493
Total additions	7,555	438	7,993
Deductions:			
Administrative and general	9,829	800	10,629
Deficiency of total additions over total deductions	(2,274)	(362)	(2,636)
Cash and investment fund balance - beginning	33,607	1,231	34,838
Cash and Investments - June 30	\$ 31,333	\$ 869	\$ 32,202
Net assets:			
Cash and investments	\$ 31,333	\$ 869	\$ 32,202
Total net assets - cash and investment basis held in trust	\$ 31,333	\$ 869	\$ 32,202

LINTON-STOCKTON SCHOOL CORPORATION
 COMBINING SCHEDULE OF CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2006

	<u>Noncertified Retirement</u>	<u>Substitute Retirement</u>	<u>ECA Clearings</u>	<u>ISTA Voluntary Deduction</u>	<u>ECA Fuel Cost Clearing</u>	<u>Totals</u>
Net assets:						
Cash and investments	\$ 4,268	\$ 374	\$ 5,091	\$ 2,994	\$ 574	\$ 13,301
Total net assets - cash and investment basis held in trust	<u>\$ 4,268</u>	<u>\$ 374</u>	<u>\$ 5,091</u>	<u>\$ 2,994</u>	<u>\$ 574</u>	<u>\$ 13,301</u>

LINTON-STOCKTON SCHOOL CORPORATION
 COMBINING SCHEDULE OF CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2007

	ECA Clearing	ISTA Voluntary Deduction	Misc	Totals
Net assets:				
Cash and investments	\$ 19	\$ 200	\$ 1,000	\$ 1,219
Total net assets - cash and investment basis held in trust	\$ 19	\$ 200	\$ 1,000	\$ 1,219

LINTON-STOCKTON SCHOOL CORPORATION

Superintendent

Ronald L. Bush

Board Members

Wm. Eddy Dale
Frank Gennicks
John Preble
Rodney Bredeweg
Ralph Witty

LINTON-STOCKTON SCHOOL CORPORATION SUPPLEMENTARY INFORMATION SCHEDULE OF CAPITAL ASSETS

For the Year Ended June 30, 2007

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 542,313
Buildings	16,052,548
Improvements other than buildings	1,023,213
Machinery and equipment	252,563
Licensed Vehicles	<u>798,159</u>
Total governmental activities, capital assets not being depreciated	<u>\$18,688,796</u>



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

LINTON-STOCKTON SCHOOL CORPORATION

Superintendent

Ronald L. Bush

Board Members

Wm. Eddy Dale
Frank Gennicks
John Preble
Rodney Bredeweg
Ralph Witty

LINTON-STOCKTON SCHOOL CORPORATION SUPPLEMENTARY INFORMATION SCHEDULE OF LONG-TERM DEBT

June 30, 2007

The School Corporation has entered into the following debt:

<u>Description of Debt</u>	<u>Ending Principal Balance</u>	<u>Principal and Interest Due Within One Year</u>
Governmental Activities:		
Capital lease:		
High School Building	\$ 7,034,640	\$ 839,880
Jr. High Roof Project	1,730,000	241,820
Notes and loans payable:		
Common School Loans		
A0244	12,500	12,938
A1144	124,961	27,283
Bonds payable;		
General obligation bonds:		
School Severance Program	<u>2,300,000</u>	<u>244,354</u>
Total governmental activities debt	<u>\$ 11,202,101</u>	<u>\$ 1,366,275</u>

Carl Benson



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

LINTON-STOCKTON SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

AVERAGE DAILY MEMBERSHIP (ADM) - LACK OF RECORDS

Records to substantiate the number of students claimed for ADM did not include a written certification.

Officials should maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM. The building level official (Principal, Assistant Principal, etc.) responsible for reporting ADM to the School Corporation Central Office, should provide a written certification of ADM to properly document responsibility. The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (The School Administrator and Uniform Compliance Guidelines, Volume 163, September 2003)

OPTICAL IMAGES OF CHECKS

The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned nothing or an optical image of only the front side of the checks.

Indiana Code 5-15-6-3(a) concerning optical imaging of checks states in part:

". . . 'original records' includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . ."

Furthermore, Indiana Code 26-2-8-111 states in part:

(a) "If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and
 - (2) remains accessible for later reference."
- (e) "If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

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

ERRORS ON CLAIMS

The following deficiencies were noted on claims during the audit period:

Claims or invoices did not have evidence to support receipt of goods or services in 12% of the claims tested.

Indiana Code 5-11-10-1.6 states in part:

(b) "As used in this section, "claim" means a bill or an invoice submitted to a governmental entity for goods or services."

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

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, 2006 and 2007. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007.

Internal Control Over Compliance

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

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

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

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

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

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

STATE BOARD OF ACCOUNTS

February 26, 2008

LINTON-STOCKTON SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2006 and 2007

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-06	Total Federal Awards Expended 06-30-07
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 28,620	\$ 27,628
National School Lunch Program	10.555		<u>190,148</u>	<u>202,453</u>
Total for federal grantor agency			<u>218,768</u>	<u>230,081</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Greene-Sullivan Special Education Cooperative Special Education Cluster				
Special Education - Grants to States	84.027			
		FY 06	68,398	-
		FY 07	-	<u>69,130</u>
Total for cluster			<u>68,398</u>	<u>69,130</u>
Pass-Through Indiana Department of Education Title I Grants to Local Educational Agencies	84.010			
		05-2950	9,697	-
		06-2950	242,245	17,352
		07-2950	-	<u>237,502</u>
Total for program			<u>251,942</u>	<u>254,854</u>
Pass-Through Twin Rivers Vocational Area Vocational Education - Basic Grants to States	84.048			
		FY 06	24,234	-
		FY 07	-	<u>11,591</u>
Total for program			<u>24,234</u>	<u>11,591</u>
Pass-Through Indiana Department of Education Drug Free Schools and Communities-State Grants	84.186			
		03-202	168	-
		04-011	249	-
		04-226	2,543	4,371
		05-073	3,378	5,445
		06-2950	-	<u>2,487</u>
Total for program			<u>6,338</u>	<u>12,303</u>
Tech-Prep Education	84.243			
		TP-5-266	2,427	22,573
		TP-6-266	-	<u>14,584</u>
Total for program			<u>2,427</u>	<u>37,157</u>
State Grants for Innovative Programs	84.298			
		05-132	<u>4,593</u>	-
Education Technology State Grants	84.318			
		FY 04	682	-
		FY 05	5,359	-
		FY 06	-	<u>1,867</u>
Total for program			<u>6,041</u>	<u>1,867</u>
Improving Teacher Quality State Grants	84.367			
		03-233	14,075	-
		04-265	63,463	21,779
		05-164	-	<u>71,688</u>
Total for program			<u>77,538</u>	<u>93,467</u>
Total for federal grantor agency			<u>441,511</u>	<u>480,369</u>
<u>CORPORATION FOR NATIONAL COMMUNITY SERVICE</u>				
Pass-Through Indiana Department of Education Learn and Serve America - School and Community Based Programs	94.004			
		FY 05	<u>10,000</u>	-
Total federal awards expended			<u>\$ 670,279</u>	<u>\$ 710,450</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 School Corporation shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Noncash Assistance

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

Program Title	Federal CFDA Number	2006	2007
Child Nutrition Cluster	10.555	\$ 24,892	\$ 26,692

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
Reportable conditions identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified? no
Reportable conditions identified that are not considered to be material weaknesses? none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA
Number Name of Federal Program or Cluster

84.010 Title I Grants to Local Educational Agencies

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

LINTON-STOCKTON SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

LINTON-STOCKTON SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 26, 2008, with Carol Brinson, Treasurer; and Ronald L. Bush, Superintendent of Schools. The officials concurred with our audit findings.