

**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, 2015 to June 30, 2017



**FILED**  
02/07/2019



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Carla Gambill	07-01-15 to 06-30-19
Superintendent of Schools	Nicholas G. Karazsia Kathy Goad	07-01-15 to 06-30-18 07-01-18 to 06-30-19
President of the School Board	Ralph Witty	07-01-15 to 12-31-18



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INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Linton-Stockton School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, and the related notes to the financial statement as listed in the Table of Contents.

***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

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 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2015 to June 30, 2017.

***Opinion on Regulatory Basis of Accounting***

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 period of July 1, 2015 to June 30, 2017, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

*Other Information*

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 and Schedule of Leases and Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They 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.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated December 20, 2018, 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 solely 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 effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

December 20, 2018



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INDEPENDENT AUDITOR'S 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, 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, the financial statement of the Linton-Stockton School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, and the related notes to the financial statement, and have issued our report thereon dated December 20, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

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 School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001, that we consider to be a material weakness.

INDEPENDENT AUDITOR'S 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 statement is 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*.

**Linton-Stockton School Corporation's Response to Findings**

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

December 20, 2018

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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.

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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, 2016 and 2017

Fund	Cash and Investments 07-01-15		Other Financing Sources (Uses)		Cash and Investments 06-30-16		Other Financing Sources (Uses)		Cash and Investments 06-30-17	
	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements
General	\$ 2,406,124	\$ 9,046,221	\$ 8,323,110	\$ -	\$ 3,129,235	\$ 9,154,536	\$ 8,503,633	\$ 1,885	\$ 3,782,023	
Debt Service	516,400	1,478,688	1,236,875	-	758,213	1,412,450	1,582,555	-	588,108	
Retirement/Severance Bond Debt Service	93,828	225,115	159,854	-	159,089	187,670	250,183	-	96,576	
Capital Projects	251,118	580,484	646,792	261,625	446,435	688,393	591,223	-	543,605	
School Transportation	224,749	385,610	456,793	-	153,566	466,585	416,372	-	203,779	
School Bus Replacement	444,751	38,604	220,853	-	262,502	26,630	27,326	-	261,806	
Rainy Day	320,755	-	-	(24,590)	296,165	-	-	(30,186)	265,979	
Retirement/Severance Bond	-	-	24,590	24,590	-	-	30,186	30,186	-	
Construction	61,754	-	-	(61,754)	-	-	-	-	-	
Const Fund District Wide 2013	377,544	-	177,673	(199,871)	-	-	-	-	-	
Construction Fund 2016A	-	-	-	-	-	-	1,966,646	1,978,815	12,169	
Construction Fund 2016B	-	-	-	-	-	-	1,546,490	1,581,961	35,471	
Construction Fund (2016C)	-	-	-	-	-	-	80,794	1,795,000	1,714,206	
Construction Fund (GO Bond)	-	-	-	-	-	-	225,805	350,000	124,195	
School Lunch	374,559	510,585	505,733	-	379,411	492,831	472,859	-	399,383	
Textbook Rental	52,215	134,381	97,816	-	88,780	116,091	111,038	-	93,833	
Self-Insurance	146,323	8,897	114,943	-	40,277	2	36,941	-	3,338	
Preventing Youth Problems	49	-	-	-	49	-	-	-	49	
Preventing Relational Violence	58	-	-	-	58	-	-	-	58	
Family Strengthening Program	13	-	-	-	13	-	-	-	13	
Educational License Plates	1,680	18	-	-	1,698	188	-	-	1,886	
Counsel Init Grant - Lilly	-	-	-	-	-	30,000	5,895	-	24,105	
Wayne Pope Donation Fund	1,385	-	-	-	1,385	860	1,628	-	617	
Recreational Activities	63	-	-	-	63	-	-	-	63	
NASA Summer Camp	632	-	-	-	632	-	35	-	597	
Scholarships and Awards	11,832	8,572	1,300	-	19,104	6,624	750	-	24,978	
Tim Deeter Scholarship	370	436	400	-	406	438	400	-	444	
Beecher Family Scholarship	406,181	3,775	3,000	-	406,956	2,271	5,500	-	403,727	
Dr. L Hare Charitable Trust	1,803	-	-	-	1,803	-	-	-	1,803	
Class of 1961 Mem Scholarship	-	-	-	-	-	6,000	500	-	5,500	
Greene County Drug Ed Prevention	-	1,680	764	-	916	3,058	3,250	-	724	
Formative Assessment	-	7,712	-	-	7,712	19,129	26,841	-	-	
High Ability FY 10/11	209	-	-	-	209	-	-	-	209	
High Ability 2014-2015	10,593	-	10,593	-	-	-	-	-	-	
High Ability 2015-2016	-	30,899	13,039	-	17,860	-	17,860	-	-	
High Ability 2016-2017	-	-	-	-	-	-	1,372	-	(1,372)	
Early Childhood Intervention (First Steps)	5,806	-	-	-	5,806	-	-	-	5,806	
Medicaid Reimbursement	59,206	711	53	-	59,864	301	40	-	60,125	
Secured Schools Safety Grant	(4,690)	39,606	50,841	-	(15,925)	52,254	62,070	-	(25,741)	
Non-English Speaking Programs	365	-	-	-	365	-	-	-	365	
School Technology	18,444	6,564	-	-	25,008	8,468	4,230	-	29,246	
Career and Technical Performance Grant	-	-	-	-	-	5,039	3,767	-	1,272	
Performance Based Awards	1,886	-	-	-	1,886	37,968	37,969	(1,885)	-	
Technology E-Rate	12,609	1,233	1,957	-	11,885	766	3,310	-	9,341	
2nd Grade Laptop Program	4	-	-	-	4	-	-	-	4	
CAPE II	1,362	-	-	-	1,362	-	-	-	1,362	
Elearning Innovation Planning	(184)	16,137	15,953	-	-	-	-	-	-	
Donations	1,258	434	-	-	1,692	58	1,750	-	-	
Title I 2014-2015	(897)	13,564	12,667	-	-	-	-	-	-	
Title I 15/16	-	245,607	268,643	-	(23,036)	45,583	22,547	-	-	
Title I 16/17	-	-	-	-	-	261,874	262,842	-	(968)	
Innovative Education Program Strategies Title V (Part A)	3,497	-	-	-	3,497	-	3,497	-	-	
Drug Free Schools	556	-	-	-	556	-	-	-	556	
Title II 2013/2015	(210)	5,698	5,488	-	-	-	-	-	-	
Title II 14/16	-	53,557	55,611	-	(2,054)	19,915	17,861	-	-	
Title II 15/17	-	-	-	-	-	45,299	50,135	-	(4,836)	
Rural Schools and Low Income Program - Pass Through State	(40)	11,745	11,705	-	-	16,330	16,330	-	-	
Rural and Low Income FY15	-	-	-	-	-	10,447	17,864	-	(7,417)	
High Ability FY 12/13	(1)	1	-	-	-	-	-	-	-	
High Ability 2013-2014	(1)	1	-	-	-	-	-	-	-	
Title I 2013-2014	1	-	1	-	-	-	-	-	-	
Payroll Withholding	15,405	2,142,040	2,121,917	-	35,528	2,277,363	2,264,718	-	48,173	
Prepaid School Lunch Receipts	-	9,942	713	-	9,229	525	935	-	8,819	
Totals	\$ 5,819,364	\$ 15,008,517	\$ 14,539,677	\$ -	\$ 6,288,204	\$ 15,395,946	\$ 18,675,947	\$ 5,705,776	\$ 8,713,979	

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, the following: 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.

**B. Basis of Accounting**

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana 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 basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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.* Amounts received from taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community service activities, and other revenue from local sources.

*Intermediate sources.* Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

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

*State sources.* Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

*Federal sources.* Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

*Other receipts.* Amounts received from various sources, including, but not limited to, the following: 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.* Amounts disbursed for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

*Support services.* Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

*Noninstructional services.* Amounts disbursed for food service operations and community service operations.

*Facilities acquisition and construction.* Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

*Debt service.* Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

*Nonprogrammed charges.* Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

*Interfund loans.* Amounts 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.

**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.* Amounts received in relation to the issuance of bonds or other long-term debt issues.

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

*Transfers in.* Amounts 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.* Amounts 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 amounts 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 amounts 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 or highway use taxes are received 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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) 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.

**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.

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

State statutes authorize the School Corporation to invest in securities including, but not limited to, the following: 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.

**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 a cost-sharing 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:

Indiana Public Retirement System  
One North Capitol, 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.

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

*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  
One North Capitol, 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.

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of funds being setup as reimbursable grant funds.

**Note 8. Holding Corporation**

The School Corporation has entered into a capital lease with the Linton-Stockton High School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Bond payments were made by the School Corporation directly to the banks for the holding corporation's debt. During the years ending June 30, 2016 and 2017, payments of principal and interest were made that totaled \$1,119,575 and \$1,493,888, respectively.

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

**Note 9. Subsequent Events**

On April 16, 2018, the Board of School Trustees approved the issuance of General Obligation Bonds not to exceed \$650,000. General Obligation bonds were issued May 1, 2018, for \$650,000.

**Note 10. Other Postemployment Benefits**

The School Corporation provides to eligible retirees the following benefits: post-employment health insurance and bridge to retirement benefits, as authorized by Indiana Code 5-10-8. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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#### OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the School Corporation's Financial Reports 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 other information presented was 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, 2016

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 2,406,124	\$ 516,400	\$ 93,828	\$ 251,118	\$ 224,749	\$ 444,751	\$ 320,755
Receipts:							
Local sources	29,668	1,478,688	225,115	580,484	385,610	38,604	-
Intermediate sources	374	-	-	-	-	-	-
State sources	9,016,179	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	9,046,221	1,478,688	225,115	580,484	385,610	38,604	-
Disbursements:							
Instruction	5,872,318	-	-	-	-	-	-
Support services	2,346,820	-	-	357,674	456,793	220,853	-
Noninstructional services	103,972	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	289,118	-	-	-
Debt service	-	1,236,875	159,854	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	8,323,110	1,236,875	159,854	646,792	456,793	220,853	-
Excess (deficiency) of receipts over disbursements	723,111	241,813	65,261	(66,308)	(71,183)	(182,249)	-
Other financing sources (uses):							
Transfers in	-	-	-	261,625	-	-	-
Transfers out	-	-	-	-	-	-	(24,590)
Total other financing sources (uses)	-	-	-	261,625	-	-	(24,590)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	723,111	241,813	65,261	195,317	(71,183)	(182,249)	(24,590)
Cash and investments - ending	\$ 3,129,235	\$ 758,213	\$ 159,089	\$ 446,435	\$ 153,566	\$ 262,502	\$ 296,165

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, 2016

	Retirement/ Severance Bond	Construction	Const Fund District Wide 2013	Construction Fund 2016A	Construction Fund 2016B	Construction Fund (2016C)	Construction Fund (GO Bond)
Cash and investments - beginning	\$ -	\$ 61,754	\$ 377,544	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-
Disbursements:							
Instruction	24,590	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	177,673	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	24,590	-	177,673	-	-	-	-
Excess (deficiency) of receipts over disbursements	(24,590)	-	(177,673)	-	-	-	-
Other financing sources (uses):							
Transfers in	24,590	-	-	-	-	-	-
Transfers out	-	(61,754)	(199,871)	-	-	-	-
Total other financing sources (uses)	24,590	(61,754)	(199,871)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(61,754)	(377,544)	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2016

	School Lunch	Textbook Rental	Self- Insurance	Preventing Youth Problems	Preventing Relational Violence	Family Strengthening Program	Educational License Plates
Cash and investments - beginning	\$ 374,559	\$ 52,215	\$ 146,323	\$ 49	\$ 58	\$ 13	\$ 1,680
Receipts:							
Local sources	169,496	79,557	8,656	-	-	-	-
Intermediate sources	-	-	-	-	-	-	18
State sources	4,262	54,824	-	-	-	-	-
Federal sources	336,827	-	-	-	-	-	-
Other receipts	-	-	241	-	-	-	-
Total receipts	510,585	134,381	8,897	-	-	-	18
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	97,816	-	-	-	-	-
Noninstructional services	505,733	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	114,943	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	505,733	97,816	114,943	-	-	-	-
Excess (deficiency) of receipts over disbursements	4,852	36,565	(106,046)	-	-	-	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	4,852	36,565	(106,046)	-	-	-	18
Cash and investments - ending	\$ 379,411	\$ 88,780	\$ 40,277	\$ 49	\$ 58	\$ 13	\$ 1,698

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, 2016

	Counsel Init Grant - Lilly	Wayne Pope Donation Fund	Recreational Activities	NASA Summer Camp	Scholarships and Awards	Tim Deeter Scholarship	Beecher Family Scholarship
Cash and investments - beginning	\$ -	\$ 1,385	\$ 63	\$ 632	\$ 11,832	\$ 370	\$ 406,181
Receipts:							
Local sources	-	-	-	-	8,572	436	3,775
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	-	8,572	436	3,775
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	1,300	400	3,000
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	1,300	400	3,000
Excess (deficiency) of receipts over disbursements	-	-	-	-	7,272	36	775
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	7,272	36	775
Cash and investments - ending	\$ -	\$ 1,385	\$ 63	\$ 632	\$ 19,104	\$ 406	\$ 406,956

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, 2016

	Dr. L Hare Charitable Trust	Class of 1961 Mem Scholarship	Greene County Drug Ed Prevention	Formative Assessment	High Ability FY 10/11	High Ability 2014-2015
Cash and investments - beginning	\$ 1,803	\$ -	\$ -	\$ -	\$ 209	\$ 10,593
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	1,680	-	-	-
State sources	-	-	-	7,712	-	-
Federal sources	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	-	1,680	7,712	-	-
Disbursements:						
Instruction	-	-	-	-	-	10,593
Support services	-	-	764	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	-	764	-	-	10,593
Excess (deficiency) of receipts over disbursements	-	-	916	7,712	-	(10,593)
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	-	-	916	7,712	-	(10,593)
Cash and investments - ending	\$ 1,803	\$ -	\$ 916	\$ 7,712	\$ 209	\$ -

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, 2016

	High Ability 2015-2016	High Ability 2016-2017	Early Childhood Intervention (First Steps)	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs
Cash and investments - beginning	\$ -	\$ -	\$ 5,806	\$ 59,206	\$ (4,690)	\$ 365
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	711	39,606	-
Federal sources	30,899	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	30,899	-	-	711	39,606	-
Disbursements:						
Instruction	13,039	-	-	-	-	-
Support services	-	-	-	53	50,841	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	13,039	-	-	53	50,841	-
Excess (deficiency) of receipts over disbursements	17,860	-	-	658	(11,235)	-
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	17,860	-	-	658	(11,235)	-
Cash and investments - ending	\$ 17,860	\$ -	\$ 5,806	\$ 59,864	\$ (15,925)	\$ 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, 2016

	School Technology	Career and Technical Performance Grant	Performance Based Awards	Technology E-Rate	2nd Grade Laptop Program	CAPE II
Cash and investments - beginning	\$ 18,444	\$ -	\$ 1,886	\$ 12,609	\$ 4	\$ 1,362
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	1,233	-	-
State sources	6,564	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	6,564	-	-	1,233	-	-
Disbursements:						
Instruction	-	-	-	-	-	-
Support services	-	-	-	1,957	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	-	-	1,957	-	-
Excess (deficiency) of receipts over disbursements	6,564	-	-	(724)	-	-
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	6,564	-	-	(724)	-	-
Cash and investments - ending	\$ 25,008	\$ -	\$ 1,886	\$ 11,885	\$ 4	\$ 1,362

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, 2016

	Elearning Innovation Planning	Donations	Title I 2014-2015	Title I 15/16	Title I 16/17	Innovative Education Program Strategies Title V (Part A)
Cash and investments - beginning	\$ (184)	\$ 1,258	\$ (897)	\$ -	\$ -	\$ 3,497
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	16,137	-	-	-	-	-
Federal sources	-	434	13,564	245,607	-	-
Other receipts	-	-	-	-	-	-
Total receipts	16,137	434	13,564	245,607	-	-
Disbursements:						
Instruction	-	-	12,667	268,643	-	-
Support services	15,953	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	15,953	-	12,667	268,643	-	-
Excess (deficiency) of receipts over disbursements	184	434	897	(23,036)	-	-
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	184	434	897	(23,036)	-	-
Cash and investments - ending	\$ -	\$ 1,692	\$ -	\$ (23,036)	\$ -	\$ 3,497

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, 2016

	Drug Free Schools	Title II 2013/2015	Title II 14/16	Title II 15/17	Rural Schools and Low Income Program - Pass Through State	Rural and Low Income FY 15
Cash and investments - beginning	\$ 556	\$ (210)	\$ -	\$ -	\$ (40)	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	5,698	53,557	-	11,745	-
Other receipts	-	-	-	-	-	-
Total receipts	-	5,698	53,557	-	11,745	-
Disbursements:						
Instruction	-	-	-	-	-	-
Support services	-	5,488	55,611	-	11,705	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	5,488	55,611	-	11,705	-
Excess (deficiency) of receipts over disbursements	-	210	(2,054)	-	40	-
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	-	210	(2,054)	-	40	-
Cash and investments - ending	\$ 556	\$ -	\$ (2,054)	\$ -	\$ -	\$ -

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, 2016

	High Ability FY 12/13	High Ability 2013-2014	Title I 2013-2014	Payroll Withholding	Prepaid School Lunch Receipts	Totals
Cash and investments - beginning	\$ (1)	\$ (1)	\$ 1	\$ 15,405	\$ -	\$ 5,819,364
Receipts:						
Local sources	-	-	-	-	-	3,008,661
Intermediate sources	-	-	-	-	-	3,305
State sources	-	-	-	-	-	9,145,995
Federal sources	-	-	-	-	-	698,331
Other receipts	1	1	-	2,142,040	9,942	2,152,225
Total receipts	1	1	-	2,142,040	9,942	15,008,517
Disbursements:						
Instruction	-	-	-	-	-	6,201,850
Support services	-	-	-	-	-	3,622,328
Noninstructional services	-	-	-	-	-	609,705
Facilities acquisition and construction	-	-	-	-	-	466,791
Debt service	-	-	-	-	-	1,396,729
Nonprogrammed charges	-	-	-	-	-	119,643
Interfund loans	-	-	1	2,121,917	713	2,122,631
Total disbursements	-	-	1	2,121,917	713	14,539,677
Excess (deficiency) of receipts over disbursements	1	1	(1)	20,123	9,229	468,840
Other financing sources (uses):						
Transfers in	-	-	-	-	-	286,215
Transfers out	-	-	-	-	-	(286,215)
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1	1	(1)	20,123	9,229	468,840
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 35,528	\$ 9,229	\$ 6,288,204

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, 2017

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 3,129,235	\$ 758,213	\$ 159,089	\$ 446,435	\$ 153,566	\$ 262,502	\$ 296,165
Receipts:							
Local sources	29,262	1,412,450	187,670	688,393	466,585	26,630	-
Intermediate sources	187	-	-	-	-	-	-
State sources	9,124,787	-	-	-	-	-	-
Federal sources	300	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	9,154,536	1,412,450	187,670	688,393	466,585	26,630	-
Disbursements:							
Instruction	5,974,450	-	-	-	-	-	-
Support services	2,421,931	-	-	385,499	416,372	27,326	-
Noninstructional services	107,252	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	205,724	-	-	-
Debt service	-	1,582,555	250,183	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	8,503,633	1,582,555	250,183	591,223	416,372	27,326	-
Excess (deficiency) of receipts over disbursements	650,903	(170,105)	(62,513)	97,170	50,213	(696)	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	1,885	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(30,186)
Total other financing sources (uses)	1,885	-	-	-	-	-	(30,186)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	652,788	(170,105)	(62,513)	97,170	50,213	(696)	(30,186)
Cash and investments - ending	\$ 3,782,023	\$ 588,108	\$ 96,576	\$ 543,605	\$ 203,779	\$ 261,806	\$ 265,979

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, 2017

	Retirement/ Severance Bond	Construction	Const Fund District Wide 2013	Construction Fund 2016A	Construction Fund 2016B	Construction Fund (2016C)	Construction Fund (GO Bond)
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-
Disbursements:							
Instruction	30,186	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,966,646	1,546,490	80,794	225,805
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	30,186	-	-	1,966,646	1,546,490	80,794	225,805
Excess (deficiency) of receipts over disbursements	(30,186)	-	-	(1,966,646)	(1,546,490)	(80,794)	(225,805)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	1,978,815	1,581,961	1,795,000	350,000
Transfers in	30,186	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	30,186	-	-	1,978,815	1,581,961	1,795,000	350,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	12,169	35,471	1,714,206	124,195
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 12,169	\$ 35,471	\$ 1,714,206	\$ 124,195

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, 2017

	School Lunch	Textbook Rental	Self- Insurance	Preventing Youth Problems	Preventing Relational Violence	Family Strengthening Program	Educational License Plates
Cash and investments - beginning	\$ 379,411	\$ 88,780	\$ 40,277	\$ 49	\$ 58	\$ 13	\$ 1,698
Receipts:							
Local sources	178,600	66,302	2	-	-	-	-
Intermediate sources	-	-	-	-	-	-	188
State sources	3,806	49,789	-	-	-	-	-
Federal sources	310,425	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	492,831	116,091	2	-	-	-	188
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	111,038	-	-	-	-	-
Noninstructional services	472,859	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	36,941	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	472,859	111,038	36,941	-	-	-	-
Excess (deficiency) of receipts over disbursements	19,972	5,053	(36,939)	-	-	-	188
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	19,972	5,053	(36,939)	-	-	-	188
Cash and investments - ending	\$ 399,383	\$ 93,833	\$ 3,338	\$ 49	\$ 58	\$ 13	\$ 1,886

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, 2017

	Counsel Init Grant - Lilly	Wayne Pope Donation Fund	Recreational Activities	NASA Summer Camp	Scholarships and Awards	Tim Deeter Scholarship	Beecher Family Scholarship
Cash and investments - beginning	\$ -	\$ 1,385	\$ 63	\$ 632	\$ 19,104	\$ 406	\$ 406,956
Receipts:							
Local sources	30,000	860	-	-	6,624	438	2,078
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	193
Total receipts	<u>30,000</u>	<u>860</u>	<u>-</u>	<u>-</u>	<u>6,624</u>	<u>438</u>	<u>2,271</u>
Disbursements:							
Instruction	-	-	-	35	-	-	-
Support services	5,895	1,628	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	750	400	5,500
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>5,895</u>	<u>1,628</u>	<u>-</u>	<u>35</u>	<u>750</u>	<u>400</u>	<u>5,500</u>
Excess (deficiency) of receipts over disbursements	<u>24,105</u>	<u>(768)</u>	<u>-</u>	<u>(35)</u>	<u>5,874</u>	<u>38</u>	<u>(3,229)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<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>24,105</u>	<u>(768)</u>	<u>-</u>	<u>(35)</u>	<u>5,874</u>	<u>38</u>	<u>(3,229)</u>
Cash and investments - ending	<u>\$ 24,105</u>	<u>\$ 617</u>	<u>\$ 63</u>	<u>\$ 597</u>	<u>\$ 24,978</u>	<u>\$ 444</u>	<u>\$ 403,727</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, 2017

	Dr. L Hare Charitable Trust	Class of 1961 Mem Scholarship	Greene County Drug Ed Prevention	Formative Assessment	High Ability FY 10/11	High Ability 2014-2015
Cash and investments - beginning	\$ 1,803	\$ -	\$ 916	\$ 7,712	\$ 209	\$ -
Receipts:						
Local sources	-	6,000	-	-	-	-
Intermediate sources	-	-	3,058	-	-	-
State sources	-	-	-	19,129	-	-
Federal sources	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	6,000	3,058	19,129	-	-
Disbursements:						
Instruction	-	-	-	26,841	-	-
Support services	-	-	3,250	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Nonprogrammed charges	-	500	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	500	3,250	26,841	-	-
Excess (deficiency) of receipts over disbursements	-	5,500	(192)	(7,712)	-	-
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	5,500	(192)	(7,712)	-	-
Cash and investments - ending	\$ 1,803	\$ 5,500	\$ 724	\$ -	\$ 209	\$ -

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, 2017

	High Ability 2015-2016	High Ability 2016-2017	Early Childhood Intervention (First Steps)	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs
Cash and investments - beginning	\$ 17,860	\$ -	\$ 5,806	\$ 59,864	\$ (15,925)	\$ 365
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	301	52,254	-
Federal sources	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	-	-	301	52,254	-
Disbursements:						
Instruction	17,860	1,372	-	-	-	-
Support services	-	-	-	40	62,070	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	17,860	1,372	-	40	62,070	-
Excess (deficiency) of receipts over disbursements	(17,860)	(1,372)	-	261	(9,816)	-
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(17,860)	(1,372)	-	261	(9,816)	-
Cash and investments - ending	\$ -	\$ (1,372)	\$ 5,806	\$ 60,125	\$ (25,741)	\$ 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, 2017

	School Technology	Career and Technical Performance Grant	Performance Based Awards	Technology E-Rate	2nd Grade Laptop Program	CAPE II
Cash and investments - beginning	\$ 25,008	\$ -	\$ 1,886	\$ 11,885	\$ 4	\$ 1,362
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	766	-	-
State sources	8,468	1,123	37,968	-	-	-
Federal sources	-	3,916	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	8,468	5,039	37,968	766	-	-
Disbursements:						
Instruction	-	3,767	37,969	-	-	-
Support services	4,230	-	-	3,310	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	4,230	3,767	37,969	3,310	-	-
Excess (deficiency) of receipts over disbursements	4,238	1,272	(1)	(2,544)	-	-
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(1,885)	-	-	-
Total other financing sources (uses)	-	-	(1,885)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,238	1,272	(1,886)	(2,544)	-	-
Cash and investments - ending	\$ 29,246	\$ 1,272	\$ -	\$ 9,341	\$ 4	\$ 1,362

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, 2017

	Elearning Innovation Planning	Donations	Title I 2014-2015	Title I 15/16	Title I 16/17	Innovative Education Program Strategies Title V (Part A)
Cash and investments - beginning	\$ -	\$ 1,692	\$ -	\$ (23,036)	\$ -	\$ 3,497
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	58	-	45,583	261,874	-
Other receipts	-	-	-	-	-	-
Total receipts	-	58	-	45,583	261,874	-
Disbursements:						
Instruction	-	-	-	22,547	262,842	3,497
Support services	-	1,750	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	1,750	-	22,547	262,842	3,497
Excess (deficiency) of receipts over disbursements	-	(1,692)	-	23,036	(968)	(3,497)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,692)	-	23,036	(968)	(3,497)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (968)	\$ -

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, 2017

	Drug Free Schools	Title II 2013/2015	Title II 14/16	Title II 15/17	Rural Schools and Low Income Program - Pass Through State	Rural and Low Income FY 15
Cash and investments - beginning	\$ 556	\$ -	\$ (2,054)	\$ -	\$ -	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	19,915	45,299	16,330	10,447
Other receipts	-	-	-	-	-	-
Total receipts	-	-	19,915	45,299	16,330	10,447
Disbursements:						
Instruction	-	-	-	-	-	-
Support services	-	-	17,861	50,135	16,330	17,864
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	-	17,861	50,135	16,330	17,864
Excess (deficiency) of receipts over disbursements	-	-	2,054	(4,836)	-	(7,417)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	2,054	(4,836)	-	(7,417)
Cash and investments - ending	\$ 556	\$ -	\$ -	\$ (4,836)	\$ -	\$ (7,417)

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, 2017

	High Ability FY 12/13	High Ability 2013-2014	Title I 2013-2014	Payroll Withholding	Prepaid School Lunch Receipts	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 35,528	\$ 9,229	\$ 6,288,204
Receipts:						
Local sources	-	-	-	-	-	3,101,894
Intermediate sources	-	-	-	-	-	4,199
State sources	-	-	-	-	-	9,297,625
Federal sources	-	-	-	-	-	714,147
Other receipts	-	-	-	2,277,363	525	2,278,081
Total receipts	-	-	-	2,277,363	525	15,395,946
Disbursements:						
Instruction	-	-	-	-	-	6,381,366
Support services	-	-	-	-	-	3,546,529
Noninstructional services	-	-	-	-	-	580,111
Facilities acquisition and construction	-	-	-	-	-	4,025,459
Debt service	-	-	-	-	-	1,832,738
Nonprogrammed charges	-	-	-	-	-	44,091
Interfund loans	-	-	-	2,264,718	935	2,265,653
Total disbursements	-	-	-	2,264,718	935	18,675,947
Excess (deficiency) of receipts over disbursements	-	-	-	12,645	(410)	(3,280,001)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	5,705,776
Transfers in	-	-	-	-	-	32,071
Transfers out	-	-	-	-	-	(32,071)
Total other financing sources (uses)	-	-	-	-	-	5,705,776
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	12,645	(410)	2,425,775
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 48,173	\$ 8,819	\$ 8,713,979

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LINTON-STOCKTON SCHOOL CORPORATION  
 SCHEDULE OF LEASES AND DEBT  
 June 30, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Linton-Stockton High School Building Corporation	Corporation Construction and Additions	\$ 1,468,400	4/20/1998	12/31/2029
Total of annual lease payments		<u>\$ 1,468,400</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Outdoor site improvements	\$ 265,000	\$ 178,806
General obligation bonds	Pension	<u>660,000</u>	<u>248,967</u>
Total governmental activities		<u>925,000</u>	<u>427,773</u>
Totals		<u>\$ 925,000</u>	<u>\$ 427,773</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

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

**Report on Compliance for Each Major Federal Program**

We have audited the Linton-Stockton School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2015 to June 30, 2017. 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.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2015 to June 30, 2017.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2017-003, 2017-004, and 2017-005. Our opinion on each major federal program is not modified with respect to these matters.

The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control over Compliance**

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.


A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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 a 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2017-002, 2017-003, 2017-004, and 2017-005, that we consider to be material weaknesses.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

December 20, 2018

#### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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.

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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 (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2016 and 2017. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3. Special Education Cooperative**

The School Corporation is a member of the Greene-Sullivan Special Education Cooperative (Cooperative) which operates the Special Education program for the School Corporation. As a result, some activity for the Special Education Cluster (IDEA) that is presented on the Schedule of Expenditures of Federal Awards is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the Cooperative.

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:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Child Nutrition Cluster	Unmodified
Special Education Cluster (IDEA)	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?	no
--	----

**Section II - Financial Statement Finding**

**FINDING 2017-001**

Subject: Preparation of the Schedule of Expenditures of Federal Awards  
Audit Finding: Material Weakness

*Condition*

The School Corporation had not established effective internal controls over the federal program information entered into the Indiana Gateway for Government Units financial reporting system, which was the source of the Schedule of Expenditures of Federal Awards (SEFA). One employee prepared the SEFA without evidence of a review or approval process, or other compensating controls.

*Context*

The lack of internal controls was a systemic issue throughout the audit period.

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

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

*Cause*

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

*Effect*

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA could have occurred and remained undetected.

*Recommendation*

We recommended that the School Corporation's management establish controls related to the preparation of the SEFA.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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

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

**FINDING 2017-002**

Subject: Child Nutrition Cluster - Internal Controls  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): 2015-2016, 2016-2017  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: Cash Management, Eligibility, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), Special Tests and Provisions - Paid Lunch Equity  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior report related to Cash Management and Special Tests and Provisions - Paid Lunch Equity. The prior audit finding numbers were 2015-004 and 2015-005.

*Condition*

Management of the School Corporation had not established an effective internal control system, which would have included segregation of duties, to ensure compliance with following compliance requirements:

*Cash Management*

An effective internal control system was not in place to ensure that the net cash resources in the School Lunch fund were monitored to ensure that they did not exceed three months average expenditures.

*Eligibility*

An effective internal control system was not in place to ensure that all determinations of eligibility were calculated correctly. There was no segregation of duties, such as an oversight, review, or approval process to ensure the information was correctly entered into the system.

*Reporting*

One employee prepared and submitted the School Food Authority (SFA) Verification Collection Report without a documented oversight, review, or approval process in place to ensure the accuracy of the report.

*Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)*

One person was responsible for performing the verification of applications for free and reduced price meals without evidence of an oversight or review process.

*Special Tests and Provisions - Paid Lunch Equity (National School Lunch Program only)*

Paid Lunch Equity calculations were performed; however, there was no evidence of an oversight or review process to ensure the accuracy of the calculations.

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

*Context*

The lack of controls was a systemic issue, which occurred throughout the audit period.

*Criteria*

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

*Cause*

Management of the School Corporation had not developed a system of internal controls, including segregation of duties, to ensure that the School Corporation complied with the compliance requirements listed above.

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements listed above.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls, including segregation of duties, to ensure compliance with the grant agreement and the compliance requirements listed above.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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

**FINDING 2017-003**

Subject: Child Nutrition Cluster - Suspension and Debarment  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): 2015-2016, 2016-2017  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Procurement and Suspension and Debarment  
Audit Findings: Material Weakness, Other Matters

*Condition*

The School Corporation had not established an effective internal control system to ensure compliance with suspension and debarment requirements. There were no controls in place to ensure vendors were not suspended or debarred from participation in federal programs.

The School Corporation utilized a cooperative for food service bids. The cooperative administered the bidding process and verified that those vendors were not suspended or debarred. However, the School Corporation made purchases exceeding \$25,000 from vendors and did not perform any procedures to verify that those vendors were not suspended or debarred from participation in federal programs.

*Context*

The lack of controls was a systemic issue that occurred throughout the audit period. There was one vendor in each school year of the audit period that exceeded the \$25,000 threshold and there was no evidence that the School Corporation ensured that the vendors were not suspended or debarred.

*Criteria*

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

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

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified.

You do this by:

- (a) Checking the SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

*Cause*

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the suspension and debarment requirements.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the suspension and debarment requirements.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2017-004**

Subject: Special Education Cluster (IDEA) - Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14214-24-PN01, 14215-24-PN01,  
14216-24-PN01, 99914-24-PN01,  
45715-24-PN01, 45716-24-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

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

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-001.

*Condition*

The School Corporation was a member of the Greene-Sullivan Special Education Cooperative (Cooperative). The Cooperative operated the special education program on behalf of the School Corporation and managed the special education grants. There was no oversight of the Cooperative by the School Corporation. Because the grant agreements were between the Indiana Department of Education and each member of the Cooperative, the School Corporation was ultimately responsible for ensuring compliance with the requirements.

The management of the Cooperative had not established an internal control system to ensure compliance with the Allowable Costs/Cost Principles compliance requirement. The Cooperative failed to keep the necessary documentation related to Circular A-87 for time and effort reporting for the 2015-2016 school year. For those employees that were paid entirely from the special education program, the Cooperative did not submit Semi-Annual Certification reports. For employees that had a portion of their wages paid from the special education programs, there were no personnel activity reports or equivalent documentation to support the amount of wages charged to each cost objective. There was no evidence of an oversight or review by the School Corporation to ensure compliance.

*Context*

The lack of controls was a systemic issue throughout the audit period. The noncompliance applied to the 2015-2016 school year. There were no Semi-Annual Certification reports completed, nor were personnel activity reports maintained to support the amount of wages paid from each cost objective during the 2015-2016 school year.

*Criteria*

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

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

OMB Circular A-87, Attachment B, section 8h states in part:

". . . (3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- (a) More than one Federal award,
- (b) A Federal award and a non-Federal award,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity. . . ."

2 CFR 200.430(i) states in part:

*"Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed.

These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS); . . .
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

*Cause*

Management of the School Corporation had not developed a system of internal controls that would have ensured that the Cooperative complied with the Allowable Costs/Cost Principles requirements concerning time and effort reporting.

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

*Effect*

The failure to establish an effective internal control system enabled noncompliance to occur. Non-compliance with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls and implement procedures to monitor the Cooperative to ensure compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2017-005**

Subject: Special Education Cluster (IDEA) - Procurement and Suspension and Debarment

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14214-24-PN01, 14215-24-PN01,  
14216-24-PN01, 14217-24-PN01,  
99914-24-PN01, 45715-24-PN01,  
45716-24-PN01, 45717-22-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-003.

*Condition*

The School Corporation was a member of the Greene-Sullivan Special Education Cooperative (Cooperative). The Cooperative operated the special education program on behalf of the School Corporation and managed the special education grant funds. There was no oversight of the Cooperative by the School Corporation. Because the grant agreements were between the Indiana Department of Education and each member of the Cooperative, the School Corporation was ultimately responsible for ensuring compliance with the requirements.

The management of the Cooperative had not established an internal control system to ensure compliance with the procurement and suspension and debarment requirements. There was no evidence of an oversight or review by the School Corporation to ensure compliance.

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

For the 2015-2016 school year, the Cooperative did not have procedures in place to verify that vendors were not suspended or debarred or otherwise excluded from or ineligible for participation in federal assistance programs prior to entering in a contract with them.

For the 2016-2017 school year, the Cooperative did not have internal controls in place to ensure that the purchasing methods used complied with procurement procedures or with applicable state and local requirements. A local procurement policy was not implemented.

*Context*

The lack of controls was a systemic issue throughout the audit period. The Cooperative did not verify that vendors were not suspended or debarred prior to awarding the contracts with 100 percent of applicable vendors for the 2015-2016 school year. A local procurement policy had not been implemented during the 2016-2017 school year.

*Criteria*

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.318(a) states:

"The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part."

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified.

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

You do this by:

- (a) Checking the SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

*Cause*

Management of the School Corporation had not developed a system of internal controls that would have ensured that the Cooperative complied with the procurement and suspension and debarment requirements.

*Effect*

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls and implement procedures to monitor the Cooperative to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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#### AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.

# ***LINTON-STOCKTON SCHOOL CORPORATION***

## **Superintendent**

Dr. Kathryn Goad

## **Board Members**

Clint House  
Les Newman  
Mike Perigo  
John Preble  
Ralph Witty

## **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

### ***FINDING 2015-001***

Fiscal year in which the finding initially occurred: FY 2014

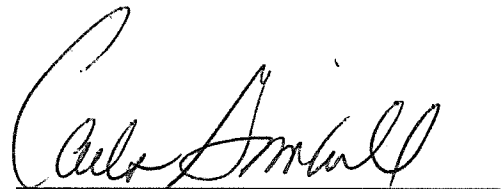
Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Claudia Walker, Treasurer, Greene-Sullivan Special Education Cooperative, Sarah Sparks, Director of Special Education, Greene-Sullivan Special Education Cooperative, Carla Gambill, Treasurer, Linton-Stockton School Corporation, and Kathryn Goad, Superintendent, Linton-Stockton School Corporation

Contact Phone Number: (812) 847-8497 and (812) 847-6020

Status of Audit Finding:

During FY17, Greene-Sullivan Special Education Cooperative revised internal controls to require completion of the Semi-Annual Certification Reports in July and December and approval by the Director of the Greene-Sullivan Special Education Cooperative. A copy of the approved report is provided to the Treasurer of Linton-Stockton School Corporation no later than July 31 and December 31 of each calendar year.



Carla Gambill  
Treasurer  
December 4, 2018



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MINERS**

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

# ***LINTON-STOCKTON SCHOOL CORPORATION***

## **Superintendent**

Dr. Kathryn Goad

## **Board Members**

Clint House  
Les Newman  
Mike Perigo  
John Preble  
Ralph Witty

## **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

### ***FINDING 2015-002***

Fiscal year in which the finding initially occurred: FY 2014

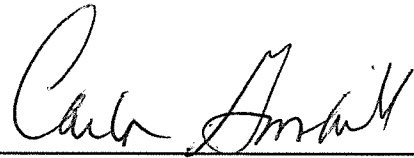
Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Claudia Walker, Treasurer, Greene-Sullivan Special Education Cooperative, Sarah Sparks, Director of Special Education, Greene-Sullivan Special Education Cooperative, Carla Gambill, Treasurer, Linton-Stockton School Corporation, and Kathryn Goad, Superintendent, Linton-Stockton School Corporation

Contact Phone Number: (812) 847-8497

Status of Audit Finding:

Greene-Sullivan Special Education Cooperative revised internal controls to require review and approval of reimbursement requests by the Director of the Greene-Sullivan Special Education Cooperative. A copy of the each approved reimbursement request is provided to the Treasurer of Linton-Stockton School Corporation.



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Carla Gambill  
Treasurer  
December 4, 2018



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

# ***LINTON-STOCKTON SCHOOL CORPORATION***

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Dr. Kathryn Goad

## **Board Members**

Clint House  
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John Preble  
Ralph Witty

## **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

### ***FINDING 2015-003***

Fiscal year in which the finding initially occurred: FY 2015

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Claudia Walker, Treasurer, Greene-Sullivan Special Education Cooperative, Sarah Sparks, Director of Special Education, Greene-Sullivan Special Education Cooperative, Carla Gambill, Treasurer, Linton-Stockton School Corporation, and Kathryn Toad, Superintendent, Linton-Stockton School Corporation

Contact Phone Number: (812) 847-8497

Status of Audit Finding:

Corrective action is in progress.



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Carla Gambill  
Treasurer  
December 4, 2018



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## **Superintendent**

Dr. Kathryn Goad

## **Board Members**

Clint House  
Les Newman  
Mike Perigo  
John Preble  
Ralph Witty

## **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

### ***FINDING 2015-004***

Fiscal year in which the finding initially occurred: FY 2014

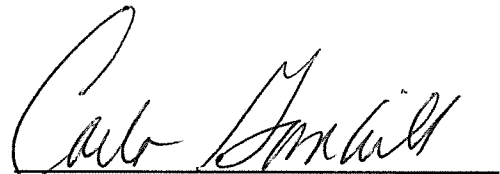
Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Jessica Taylor, Food Service Director, Linton-Stockton School Corporation

Contact Phone Number: (812) 847-8497

Status of Audit Finding:

Corrective action is still in progress. The Food Service Director continues to work towards decreasing the balance in the Food Service Fund. In August of 2018, new cafeteria tables were purchased. In addition, a waiver for the 2018-2019 school year was applied for and received to avoid raising breakfast and lunch prices. Plans are now being made to replace equipment at the elementary and high school. In addition, the Food Service Director continues to research different food options that may be available to our staff and students that will increase costs.



Carla Gambill  
Treasurer  
December 4, 2018



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# ***LINTON-STOCKTON SCHOOL CORPORATION***

## **Superintendent**

Dr. Kathryn Goad

## **Board Members**

Clint House  
Les Newman  
Mike Perigo  
John Preble  
Ralph Witty

## **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

### ***FINDING 2015-005***

Fiscal year in which the finding initially occurred: FY 2014

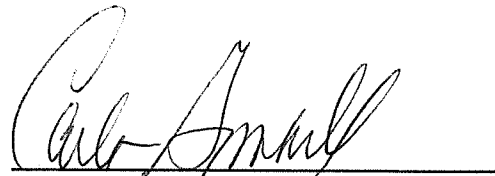
Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Jessica Taylor, Food Service Director, Linton-Stockton School Corporation, and Carla Gambill, Treasurer, Linton-Stockton School Corporation

Contact Phone Number: (812) 847-8497

Status of Audit Finding:

During FY18, internal controls have been revised to provide that Paid Lunch Equity calculations will be prepared by the Food Service Director and provided to the Corporation Treasurer for review and approval prior to submission. Internal Controls have also been revised to provide that sufficient documentation regarding the Paid Lunch Equity calculation is maintained by the Food Service Director.



Carla Gambill  
Treasurer  
December 4, 2018



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# ***LINTON-STOCKTON SCHOOL CORPORATION***

## **Superintendent**

Dr. Kathryn Goad

## **Board Members**

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Ralph Witty

## **CORRECTION ACTION PLAN**

### **Finding 2017-001**

Contact Person Responsible for Corrective Action: Carla Gambill, Treasurer

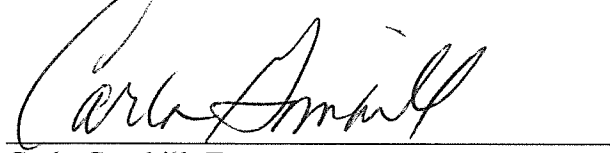
Contact Phone Number: (812) 847-6020

Views of Responsible Officials: We concur with the finding.

Description of Correction Action Plan:

- Internal controls have been revised to provide that the Schedule of Expenditures of Federal Awards (SEFA) will be prepared by the Treasurer and provided to the Superintendent for review and approval prior to submission.

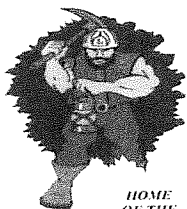
Anticipated Completion Date: Immediate



Carla Gambill, Treasurer  
Linton-Stockton School Corporation



Kathryn Goad, Superintendent  
Linton-Stockton School Corporation



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

# ***LINTON-STOCKTON SCHOOL CORPORATION***

## **Superintendent**

Dr. Kathryn Goad

## **Board Members**

Clint House  
Les Newman  
Mike Perigo  
John Preble  
Ralph Witty

## **CORRECTION ACTION PLAN**

### **Finding 2017-002**

Contact Person Responsible for Corrective Action: Jessica Taylor, Food Service Director

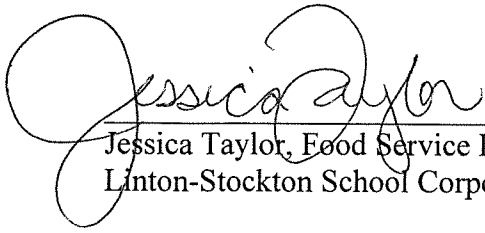
Contact Phone Number: (812) 847-6020

Views of Responsible Officials: We concur with the finding.

Description of Correction Action Plan:

- Internal controls have been revised to provide that a monthly report will be prepared by the Corporation Treasurer showing the balance in the Food Service Fund as compared to a three-month average of expenditures. That report will be reviewed and signed by the Food Service Director, the Corporation Treasurer, and the Superintendent.
- Internal controls have been revised to provide that all determinations of eligibility are correctly entered in the student software system. All free and reduced applications will be entered in the student software system by the Food Service Director and then provided to the Corporation Secretary for review to ensure that the information is correctly entered.
- Internal controls have been revised to provide that the School Food Authority (SFA) Verification Collection Report will be prepared by the Food Service Director and provided to the Corporation Secretary for review and approval prior to submission.
- Internal controls have been revised to provide that Paid Lunch Equity calculations will be prepared by the Food Service Director and provided to the Corporation Treasurer for review and approval prior to submission.

Anticipated Completion Date: Immediate



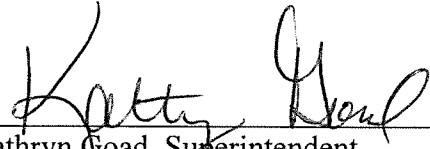
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Jessica Taylor, Food Service Director  
Linton-Stockton School Corporation



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Carla Gambill, Treasurer  
Linton-Stockton School Corporation



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Kathryn Goad, Superintendent  
Linton-Stockton School Corporation



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## **Superintendent**

Dr. Kathryn Goad

## **Board Members**

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John Preble  
Ralph Witty

## **CORRECTION ACTION PLAN**

### **Finding 2017-003**

Contact Person Responsible for Corrective Action: Jessica Taylor, Food Service Director

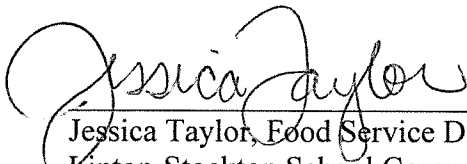
Contact Phone Number: (812) 847-6020


Views of Responsible Officials: We concur with the finding.

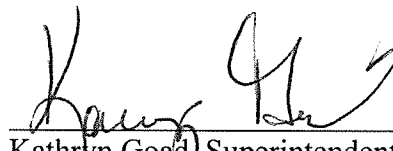
Description of Correction Action Plan:

- Internal controls have been revised regarding purchasing with federal dollars to include a search for the proposed vendor name on the federal website. A copy of each vendor search will be maintained by the Food Service Director. If the vendor is suspended or debarred, a contract will not be awarded. The vendor searches will be available for inspection by the Treasurer and/or Superintendent at all times.

Anticipated Completion Date: Immediate

  
\_\_\_\_\_  
Jessica Taylor, Food Service Director  
Linton-Stockton School Corporation

  
\_\_\_\_\_  
Carla Gambill, Treasurer  
Linton-Stockton School Corporation

  
\_\_\_\_\_  
Kathryn Goad, Superintendent  
Linton-Stockton School Corporation



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# ***LINTON-STOCKTON SCHOOL CORPORATION***

## **Superintendent**

Dr. Kathryn Goad

## **Board Members**

Clint House  
Les Newman  
Mike Perigo  
John Preble  
Ralph Witty

## **CORRECTION ACTION PLAN**

### **Finding 2017-004**

Contact Person Responsible for Corrective Action: Claudia Walker, Treasurer, Greene-Sullivan Special Education Cooperative, Sarah Sparks, Director of Special Education, Greene-Sullivan Special Education Cooperative, Carla Gambill, Treasurer, Linton-Stockton School Corporation, and Kathryn Goad, Superintendent, Linton-Stockton School Corporation

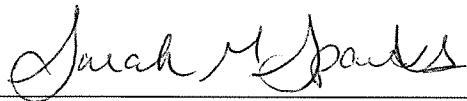
Contact Phone Number: (812) 847-8497 and (812) 847-6020

Views of Responsible Officials: We concur with the finding.

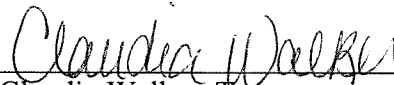
Description of Correction Action Plan:

- Greene-Sullivan Special Education Cooperative has revised internal controls regarding completion of semi-annual certification reports to require completion of the Semi-Annual Certification reports in July and December. Those reports will be approved by the Director of the Greene-Sullivan Special Education Cooperative and a copy of the approved reports will be provided to the Treasurer of Linton-Stockton School Corporation no later than July 31 and December 31 of each calendar year.

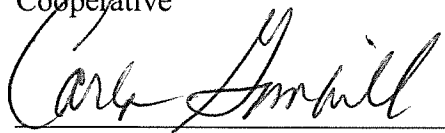
Anticipated Completion Date: Immediate



Sarah Sparks, Director of Special Education  
Greene-Sullivan Special Education  
Cooperative



Claudia Walker, Treasurer  
Greene-Sullivan Special Education  
Cooperative



Carla Gambill, Treasurer  
Linton-Stockton School Corporation



Kathryn Goad, Superintendent  
Linton-Stockton School Corporation



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# LINTON-STOCKTON SCHOOL CORPORATION

## Superintendent

Dr. Kathryn Goad

## Board Members

Clint House  
Les Newman  
Mike Perigo  
John Preble  
Ralph Witty

## CORRECTION ACTION PLAN

### Finding 2017-005

Contact Person Responsible for Corrective Action: Claudia Walker, Treasurer, Greene-Sullivan Special Education Cooperative, Sarah Sparks, Director of Special Education, Greene-Sullivan Special Education Cooperative, Carla Gambill, Treasurer, Linton-Stockton School Corporation, and Kathryn Goad, Superintendent, Linton-Stockton School Corporation

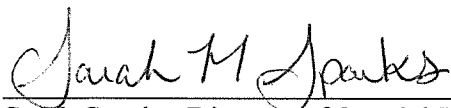
Contact Phone Number: (812) 847-8497 and (812) 847-6020

Views of Responsible Officials: We concur with the finding.

Description of Correction Action Plan:

- Greene-Sullivan Special Education Cooperative has revised internal controls regarding purchasing with federal dollars to include a search for the proposed vendor name on the federal website. A copy of each vendor search will be maintained in the vendor files. If the vendor is suspended or debarred, a contract will not be awarded. The vendor searches will be available for inspection by the Treasurer and/or Superintendent of Linton-Stockton School Corporation at all times.
- Greene-Sullivan Special Education Cooperative is in the process of adopting a procurement policy. The policy is schedule for final review and adoption at the January meeting of the Board.

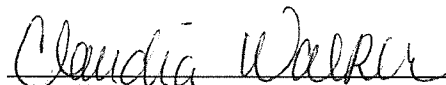
Anticipated Completion Date: January, 2019



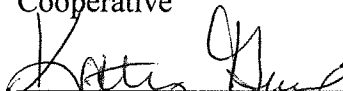
Sarah Sparks, Director of Special Education  
Greene-Sullivan Special Education  
Cooperative



Carla Gambill, Treasurer  
Linton-Stockton School Corporation



Claudia Walker, Treasurer  
Greene-Sullivan Special Education  
Cooperative



Kathryn Goad, Superintendent  
Linton-Stockton School Corporation



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#### OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.