

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

EXAMINATION REPORT  
OF  
CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
NOBLE COUNTY, INDIANA  
July 1, 2006 to June 30, 2008



**FILED**  
04/01/2009



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SCHEDULE OF OFFICIALS

| <u>Office</u>                    | <u>Official</u>                            | <u>Term</u>                                  |
|----------------------------------|--|--|
| Treasurer                        | Kimberly A. Schlotterback                  | 07-01-06 to 06-30-09                         |
| Superintendent<br>of Schools     | Dr. Leo P. Philbin<br>Dr. Stacey M. Hughes | 07-01-06 to 06-30-07<br>09-01-07 to 06-30-09 |
| President of the<br>School Board | Robert D. Bortner                          | 07-01-06 to 06-30-09                         |



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CENTRAL NOBLE COMMUNITY  
SCHOOL CORPORATION, NOBLE COUNTY, INDIANA

We have examined the financial statements presented herein of the Central Noble Community School Corporation (School Corporation), for the period of July 1, 2006 to June 30, 2008. The School Corporation's management is responsible for the financial statements presented herein. Our responsibility is to express opinions on these financial statements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statement presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial statements of the School Corporation for the years ended June 30, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

Our examination was conducted for the purpose of forming opinions on the financial schedules that collectively comprise the School Corporation's financial information. The Combining Schedules, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. The Combining Schedules, as listed in the Table of Contents, have been subjected to examination procedures applied in the examination of the financial information and, in our opinion, are fairly stated based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

February 23, 2009

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2007

| <u>Functions/Programs</u>                                    | <u>Disbursements</u>        | <u>Program Receipts</u>         |   | <u>Net<br/>(Disbursements)<br/>Receipts</u> |
|--|-----------------------------|---------------------------------|---|---|
|  |                             | <u>Charges for<br/>Services</u> | <u>Operating<br/>Grants and<br/>Contributions</u> | <u>Totals</u>                               |
| Governmental activities:                                     |                             |                                 |   |   |
| Instruction  | \$ 5,916,034                | \$ -                            | \$ 60,228   | \$ (5,855,806)                              |
| Support services   | 4,475,043                   | 381,934                         | 220,757   | (3,872,352)                                 |
| Community services   | 138,953                     | -                               | -   | (138,953)                                   |
| Nonprogrammed charges  | 106,310                     | -                               | -   | (106,310)                                   |
| Debt service   | 1,927,305                   | -                               | -   | (1,927,305)                                 |
| <b>Total government</b>                                      | <b><u>\$ 12,563,645</u></b> | <b><u>\$ 381,934</u></b>        | <b><u>\$ 280,985</u></b>                          | <b><u>(11,900,726)</u></b>                  |
| General receipts:  |                             |                                 |   |   |
| Property taxes   |                             |                                 |   | 2,728,598                                   |
| Other local sources  |                             |                                 |   | 846,504                                     |
| State aid  |                             |                                 |   | 5,573,816                                   |
| Bonds and loans  |                             |                                 |   | 1,056,975                                   |
| Grants and contributions not restricted to specific programs |                             |                                 |   | 159,830                                     |
| Sale of property, adjustments, and refunds                   |                             |                                 |   | 19,893                                      |
| Investment earnings  |                             |                                 |   | 191,732                                     |
| <b>Total general receipts</b>                                |                             |                                 |   | <b><u>10,577,348</u></b>                    |
| <b>Change in net assets</b>                                  |                             |                                 |   | <b>(1,323,378)</b>                          |
| <b>Net assets - beginning</b>                                |                             |                                 |   | <b><u>3,216,638</u></b>                     |
| <b>Net assets - ending</b>                                   |                             |                                 |   | <b><u>\$ 1,893,260</u></b>                  |
| <b><u>Assets</u></b>   |                             |                                 |   |   |
| Cash and investments   |                             |                                 |   | \$ 1,098,826                                |
| Restricted assets:   |                             |                                 |   |   |
| Cash and investments   |                             |                                 |   | 794,434                                     |
| <b>Total assets</b>  |                             |                                 |   | <b><u>\$ 1,893,260</u></b>                  |
| <b><u>Net Assets</u></b>                                     |                             |                                 |   |   |
| Restricted for:  |                             |                                 |   |   |
| Debt service   |                             |                                 |   | \$ 9,904                                    |
| Other purposes   |                             |                                 |   | 784,530                                     |
| Unrestricted   |                             |                                 |   | 1,098,826                                   |
| <b>Total net assets</b>                                      |                             |                                 |   | <b><u>\$ 1,893,260</u></b>                  |

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

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

| <u>Functions/Programs</u>                                    | <u>Disbursements</u> | <u>Program Receipts</u>         |   | <u>Net<br/>(Disbursements)<br/>Receipts</u> |
|--|----------------------|---------------------------------|---|---|
|  |                      | <u>Charges for<br/>Services</u> | <u>Operating<br/>Grants and<br/>Contributions</u> | <u>Totals</u>                               |
| Governmental activities:                                     |                      |                                 |   |   |
| Instruction  | \$ 5,801,118         | \$ -                            | \$ 88,742   | \$ (5,712,376)                              |
| Support services   | 5,486,052            | 402,848                         | 250,538   | (4,832,666)                                 |
| Community services   | 142,958              | -                               | -   | (142,958)                                   |
| Nonprogrammed charges  | 311,050              | -                               | -   | (311,050)                                   |
| Debt service   | <u>2,282,773</u>     | <u>-</u>                        | <u>-</u>  | <u>(2,282,773)</u>                          |
| Total government   | <u>\$ 14,023,951</u> | <u>\$ 402,848</u>               | <u>\$ 339,280</u>                                 | <u>(13,281,823)</u>                         |
| General receipts:  |                      |                                 |   |   |
| Property taxes   |                      |                                 |   | 5,416,353                                   |
| Other local sources  |                      |                                 |   | 718,443                                     |
| State aid  |                      |                                 |   | 5,339,100                                   |
| Bonds and loans  |                      |                                 |   | 1,460,292                                   |
| Grants and contributions not restricted to specific programs |                      |                                 |   | 216,533                                     |
| Sale of property, adjustments, and refunds                   |                      |                                 |   | 4,803                                       |
| Investment earnings  |                      |                                 |   | <u>64,714</u>                               |
| Total general receipts                                       |                      |                                 |   | <u>13,220,238</u>                           |
| Change in net assets   |                      |                                 |   | (61,585)                                    |
| Net assets - beginning                                       |                      |                                 |   | <u>1,893,260</u>                            |
| Net assets - ending  |                      |                                 |   | <u>\$ 1,831,675</u>                         |
| <u>Assets</u>  |                      |                                 |   |   |
| Cash and investments   |                      |                                 |   | \$ 928,163                                  |
| Restricted assets:   |                      |                                 |   |   |
| Cash and investments   |                      |                                 |   | <u>903,512</u>                              |
| Total assets   |                      |                                 |   | <u>\$ 1,831,675</u>                         |
| <u>Net Assets</u>  |                      |                                 |   |   |
| Restricted for:  |                      |                                 |   |   |
| Debt service   |                      |                                 |   | \$ (23,746)                                 |
| Other purposes   |                      |                                 |   | 927,258                                     |
| Unrestricted   |                      |                                 |   | <u>928,163</u>                              |
| Total net assets   |                      |                                 |   | <u>\$ 1,831,675</u>                         |

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

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2007

|  | General           | Transportation<br>Operating | School<br>Lunch   | Debt<br>Service  | Capital<br>Projects | School Bus<br>Replacement | Other             | Totals              |
|--|-------------------|-----------------------------|-------------------|------------------|---------------------|---------------------------|-------------------|---------------------|
| <b>Receipts:</b>   |                   |                             |                   |                  |                     |                           |                   |                     |
| Local sources  | \$ 1,869,352      | \$ 424,572                  | \$ 345,905        | \$ 619,264       | \$ 533,917          | \$ 69,608                 | \$ 254,837        | \$ 4,117,455        |
| Intermediate sources   | -                 | -                           | -                 | -                | -                   | -                         | 581               | 581                 |
| State sources  | 5,614,179         | -                           | 9,914             | -                | -                   | -                         | 42,357            | 5,666,450           |
| Federal sources  | 7,500             | -                           | 200,183           | -                | -                   | -                         | 140,498           | 348,181             |
| Bonds and loans  | 1,056,975         | -                           | -                 | -                | -                   | -                         | -                 | 1,056,975           |
| Sale of property, adjustments and refunds  | 13,298            | -                           | -                 | -                | -                   | -                         | -                 | 13,298              |
| <b>Total receipts</b>  | <b>8,561,304</b>  | <b>424,572</b>              | <b>556,002</b>    | <b>619,264</b>   | <b>533,917</b>      | <b>69,608</b>             | <b>438,273</b>    | <b>11,202,940</b>   |
| <b>Disbursements:</b>  |                   |                             |                   |                  |                     |                           |                   |                     |
| <b>Current:</b>  |                   |                             |                   |                  |                     |                           |                   |                     |
| Instruction  | 5,750,623         | -                           | -                 | -                | -                   | -                         | 165,411           | 5,916,034           |
| Support services   | 1,860,342         | 706,882                     | 546,115           | -                | 1,019,876           | 133,328                   | 208,500           | 4,475,043           |
| Community services   | 138,082           | -                           | -                 | -                | -                   | -                         | 871               | 138,953             |
| Nonprogrammed charges  | 340,403           | -                           | -                 | -                | -                   | -                         | 7,303             | 347,706             |
| Debt services  | 720,814           | -                           | -                 | 1,061,523        | -                   | -                         | 144,968           | 1,927,305           |
| <b>Total disbursements</b>   | <b>8,810,264</b>  | <b>706,882</b>              | <b>546,115</b>    | <b>1,061,523</b> | <b>1,019,876</b>    | <b>133,328</b>            | <b>527,053</b>    | <b>12,805,041</b>   |
| Excess (deficiency) of receipts over disbursements   | (248,960)         | (282,310)                   | 9,887             | (442,259)        | (485,959)           | (63,720)                  | (88,780)          | (1,602,101)         |
| <b>Other financing sources (uses):</b>   |                   |                             |                   |                  |                     |                           |                   |                     |
| Transfers in   | -                 | -                           | -                 | 15,000           | -                   | -                         | 87,701            | 102,701             |
| Transfers out  | -                 | (85,000)                    | -                 | -                | -                   | -                         | (17,701)          | (102,701)           |
| <b>Total other financing sources (uses)</b>  | <b>-</b>          | <b>(85,000)</b>             | <b>-</b>          | <b>15,000</b>    | <b>-</b>            | <b>-</b>                  | <b>70,000</b>     | <b>-</b>            |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses  | (248,960)         | (367,310)                   | 9,887             | (427,259)        | (485,959)           | (63,720)                  | (18,780)          | (1,602,101)         |
| Cash and investments - beginning   | 650,457           | 576,679                     | 116,700           | 435,753          | 713,821             | 66,481                    | 150,940           | 2,710,831           |
| Cash and investments - ending  | <u>\$ 401,497</u> | <u>\$ 209,369</u>           | <u>\$ 126,587</u> | <u>\$ 8,494</u>  | <u>\$ 227,862</u>   | <u>\$ 2,761</u>           | <u>\$ 132,160</u> | 1,108,730           |
| Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:   |                   |                             |                   |                  |                     |                           |                   |                     |
| Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis. |                   |                             |                   |                  |                     |                           |                   |                     |
|  |                   |                             |                   |                  |                     |                           |                   | <u>784,530</u>      |
| Net assets of governmental activities  |                   |                             |                   |                  |                     |                           |                   | <u>\$ 1,893,260</u> |
| <b>Cash and Investment Assets - Ending</b>   |                   |                             |                   |                  |                     |                           |                   |                     |
| Cash and investments   | \$ 401,497        | \$ 209,369                  | \$ 126,587        | \$ -             | \$ 227,862          | \$ 2,761                  | \$ 130,750        | \$ 1,098,826        |
| Restricted assets:   |                   |                             |                   |                  |                     |                           |                   |                     |
| Cash and investments   | -                 | -                           | -                 | 8,494            | -                   | -                         | 1,410             | 9,904               |
| <b>Total cash and investment assets - ending</b>   | <b>\$ 401,497</b> | <b>\$ 209,369</b>           | <b>\$ 126,587</b> | <b>\$ 8,494</b>  | <b>\$ 227,862</b>   | <b>\$ 2,761</b>           | <b>\$ 132,160</b> | <b>\$ 1,108,730</b> |
| <b>Cash and Investment Fund Balance - Ending</b>   |                   |                             |                   |                  |                     |                           |                   |                     |
| Restricted for:  |                   |                             |                   |                  |                     |                           |                   |                     |
| Debt service   | \$ -              | \$ -                        | \$ -              | \$ 8,494         | \$ -                | \$ -                      | \$ 1,410          | \$ 9,904            |
| Unrestricted   | 401,497           | 209,369                     | 126,587           | -                | 227,862             | 2,761                     | 130,750           | 1,098,826           |
| <b>Total cash and investment fund balance - ending</b>   | <b>\$ 401,497</b> | <b>\$ 209,369</b>           | <b>\$ 126,587</b> | <b>\$ 8,494</b>  | <b>\$ 227,862</b>   | <b>\$ 2,761</b>           | <b>\$ 132,160</b> | <b>\$ 1,108,730</b> |

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

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2008

|  | General           | Transportation<br>Operating | School<br>Lunch   | Debt<br>Service    | Capital<br>Projects | School Bus<br>Replacement | Other             | Totals            |
|--|-------------------|-----------------------------|-------------------|--------------------|---------------------|---------------------------|-------------------|-------------------|
| <b>Receipts:</b>   |                   |                             |                   |                    |                     |                           |                   |                   |
| Local sources  | \$ 2,850,268      | \$ 724,366                  | \$ 360,800        | \$ 1,018,212       | \$ 1,178,123        | \$ 135,706                | \$ 313,553        | \$ 6,581,028      |
| Intermediate sources   | 1,326             | -                           | -                 | -                  | -                   | -                         | 188               | 1,514             |
| State sources  | 5,396,068         | -                           | 9,521             | -                  | -                   | -                         | 84,485            | 5,490,074         |
| Federal sources  | -                 | -                           | 210,391           | -                  | -                   | -                         | 194,449           | 404,840           |
| Bonds and loans  | 1,460,292         | -                           | -                 | -                  | -                   | -                         | -                 | 1,460,292         |
| <b>Total receipts</b>  | <b>9,707,954</b>  | <b>724,366</b>              | <b>580,712</b>    | <b>1,018,212</b>   | <b>1,178,123</b>    | <b>135,706</b>            | <b>592,675</b>    | <b>13,937,748</b> |
| <b>Disbursements:</b>  |                   |                             |                   |                    |                     |                           |                   |                   |
| <b>Current:</b>  |                   |                             |                   |                    |                     |                           |                   |                   |
| Instruction  | 5,608,643         | -                           | -                 | -                  | -                   | -                         | 192,475           | 5,801,118         |
| Support services   | 2,245,179         | 833,452                     | 607,008           | -                  | 1,445,004           | 142,786                   | 212,623           | 5,486,052         |
| Community services   | 142,479           | -                           | -                 | -                  | -                   | -                         | 479               | 142,958           |
| Nonprogrammed charges  | 371,883           | -                           | -                 | -                  | -                   | -                         | 56,847            | 428,730           |
| Debt services  | 1,091,494         | -                           | -                 | 1,048,414          | -                   | -                         | 142,865           | 2,282,773         |
| <b>Total disbursements</b>   | <b>9,459,678</b>  | <b>833,452</b>              | <b>607,008</b>    | <b>1,048,414</b>   | <b>1,445,004</b>    | <b>142,786</b>            | <b>605,289</b>    | <b>14,141,631</b> |
| Excess (deficiency) of receipts over disbursements   | 248,276           | (109,086)                   | (26,296)          | (30,202)           | (266,881)           | (7,080)                   | (12,614)          | (203,883)         |
| <b>Other financing sources (uses):</b>   |                   |                             |                   |                    |                     |                           |                   |                   |
| Transfers in   | -                 | -                           | -                 | -                  | -                   | -                         | 11,096            | 11,096            |
| Transfers out  | (430)             | -                           | -                 | -                  | -                   | -                         | (11,096)          | (11,526)          |
| <b>Total other financing sources (uses)</b>  | <b>(430)</b>      | <b>-</b>                    | <b>-</b>          | <b>-</b>           | <b>-</b>            | <b>-</b>                  | <b>-</b>          | <b>(430)</b>      |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses  | 247,846           | (109,086)                   | (26,296)          | (30,202)           | (266,881)           | (7,080)                   | (12,614)          | (204,313)         |
| Cash and investments - beginning   | 401,497           | 209,369                     | 126,587           | 8,494              | 227,862             | 2,761                     | 132,160           | 1,108,730         |
| Cash and investments - ending  | \$ 649,343        | \$ 100,283                  | \$ 100,291        | \$ (21,708)        | \$ (39,019)         | \$ (4,319)                | \$ 119,546        | 904,417           |
| Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:   |                   |                             |                   |                    |                     |                           |                   |                   |
| Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis. |                   |                             |                   |                    |                     |                           |                   |                   |
|  |                   |                             |                   |                    |                     |                           |                   | 927,258           |
| Net assets of governmental activities  |                   |                             |                   |                    |                     |                           |                   | \$ 1,831,675      |
| <b>Cash and Investment Assets - Ending</b>   |                   |                             |                   |                    |                     |                           |                   |                   |
| Cash and investments   | \$ 649,343        | \$ 100,283                  | \$ 100,291        | \$ -               | \$ (39,019)         | \$ (4,319)                | \$ 121,584        | \$ 928,163        |
| Restricted assets:   |                   |                             |                   |                    |                     |                           |                   |                   |
| Cash and investments   | -                 | -                           | -                 | (21,708)           | -                   | -                         | (2,038)           | (23,746)          |
| <b>Total cash and investment assets - ending</b>   | <b>\$ 649,343</b> | <b>\$ 100,283</b>           | <b>\$ 100,291</b> | <b>\$ (21,708)</b> | <b>\$ (39,019)</b>  | <b>\$ (4,319)</b>         | <b>\$ 119,546</b> | <b>\$ 904,417</b> |
| <b>Cash and Investment Fund Balance - Ending</b>   |                   |                             |                   |                    |                     |                           |                   |                   |
| Restricted for:  |                   |                             |                   |                    |                     |                           |                   |                   |
| Debt service   | \$ -              | \$ -                        | \$ -              | \$ (21,708)        | \$ -                | \$ -                      | \$ (2,038)        | \$ (23,746)       |
| Unrestricted   | 649,343           | 100,283                     | 100,291           | -                  | (39,019)            | (4,319)                   | 121,584           | 928,163           |
| <b>Total cash and investment fund balance - ending</b>   | <b>\$ 649,343</b> | <b>\$ 100,283</b>           | <b>\$ 100,291</b> | <b>\$ (21,708)</b> | <b>\$ (39,019)</b>  | <b>\$ (4,319)</b>         | <b>\$ 119,546</b> | <b>\$ 904,417</b> |

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

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
PROPRIETARY FUND  
For the Year Ended June 30, 2007

|   | Internal<br>Service<br>Fund |
|---|-----------------------------|
| Operating receipts:                                       |                             |
| Charges for services                                      | \$ 1,179,783                |
| Miscellaneous   | 37,327                      |
| Total operating receipts                                  | 1,217,110                   |
| Operating disbursements:                                  |                             |
| Insurance claims and expense                              | 938,387                     |
| Excess of operating receipts over operating disbursements | 278,723                     |
| Cash and investment fund balance - beginning              | 505,807                     |
| Cash and investment fund balance - ending                 | \$ 784,530                  |
| <u>Cash and Investment Assets - Ending</u>                |                             |
| Restricted assets:  |                             |
| Cash and investments                                      | \$ 784,530                  |
| <u>Cash and Investment Fund Balance - Ending</u>          |                             |
| Restricted for:   |                             |
| Other purposes  | \$ 784,530                  |

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

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

|   | Internal<br>Service<br>Fund |
|---|-----------------------------|
| Operating receipts:                                       |                             |
| Charges for services                                      | \$ 576,855                  |
| Miscellaneous   | 24,618                      |
| Total operating receipts                                  | 601,473                     |
| Operating disbursements:                                  |                             |
| Insurance claims and expense                              | 459,175                     |
| Excess of operating receipts over operating disbursements | 142,298                     |
| Transfers in  | 430                         |
| Change in net assets                                      | 142,728                     |
| Cash and investment fund balance - beginning              | 784,530                     |
| Cash and investment fund balance - ending                 | \$ 927,258                  |
| <u>Cash and Investment Assets - Ending</u>                |                             |
| Restricted assets:  |                             |
| Cash and investments                                      | \$ 927,258                  |
| <u>Cash and Investment Fund Balance - Ending</u>          |                             |
| Restricted for:   |                             |
| Other purposes  | \$ 927,258                  |

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

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
 STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 FIDUCIARY FUNDS  
 For the Year Ended June 30, 2007

|  | Pension<br>Trust<br>Funds | Agency<br>Funds |
|--|---------------------------|-----------------|
| Cash and investment fund balance - beginning               | \$ 49,103                 |                 |
| Cash and investment fund balance - ending                  | \$ 49,103                 | \$ 72,931       |
| Net assets:  |                           |                 |
| Cash and investments                                       | \$ 49,103                 |                 |
| Total net assets - cash and investment basis held in trust | \$ 49,103                 |                 |

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

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2008

|  | Pension<br>Trust<br>Funds | Agency<br>Funds |
|--|---------------------------|-----------------|
| Cash and investment fund balance - beginning               | \$ 49,103                 |                 |
| Cash and investment fund balance - ending                  | \$ 49,103                 | \$ 33,163       |
| Net assets:  |                           |                 |
| Cash and investments                                       | \$ 49,103                 |                 |
| Total net assets - cash and investment basis held in trust | \$ 49,103                 |                 |

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

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: Central Noble Community School Corporation

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

Joint Venture

The School Corporation is a participant with other interested school corporations in DeKalb, LaGrange, Noble and Steuben Counties, in a joint venture to operate the Northeast Indiana Special Education Cooperative (Co-op) which was created to provide programs and services for children with exceptional needs. The School Corporation is obligated by contract to remit an amount annually to supplement the Co-op. Complete financial statements for the Co-op can be obtained from the DeKalb County Eastern Community School District, 300 East Washington Street, Butler, Indiana, 46721.

The School Corporation is a participant with other interested school corporations in DeKalb, LaGrange, Noble and Steuben Counties, in a joint venture to operate the Four County Area Vocational Cooperative (Co-op) which was created to provide vocational instruction for children. The School Corporation is obligated by contract to remit an amount annually to supplement the Co-op. Complete financial statements for the Co-op can be obtained from Garrett-Keyser-Butler Community School District, 801 Houston Street, Garrett, Indiana, 46738.

Related Organizations

The School Corporation's officials are also responsible for appointing the members of the boards of other organizations, but the School Corporation's accountability for these organizations does not extend beyond making the appointments. The School Corporation appoints the board members of the Noble County Public Library Board.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities.

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. However, there are no business-type activities to report at this time.

Fund Financial Statements

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

The School Corporation reports the following major governmental funds:

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

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

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

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

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

The school lunch fund accounts for receipts and disbursements for the serving of breakfast and lunch to the school children of the School Corporation.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for health insurance provided to other departments on a cost reimbursement basis.

The pension trust fund accounts for the activities of the Retirement/Severance Bond Fund, which accumulates resources for pension benefit payments.

Agency funds account for assets held by the School Corporation as an agent for other funds and serve as a control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any enterprise funds.

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

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

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

3. Capital Assets

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

4. Long-Term Debt

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

5. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

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

E. Receipts and Disbursements

Program Receipts

Amounts reported as program receipts and include charges to customers or applicants for goods, services, or privileges provided, and operating grants and contributions. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

F. Internal and Interfund Balances and Activities

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

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are reported as reimbursements.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

B. Cash and Investment Balance Deficits

At June 30, 2007 and 2008, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

| Fund                              | June 30, 2007 | June 30, 2008 |
|-----------------------------------|---------------|---------------|
| Debt Service                      | \$ -          | \$ 21,708     |
| Retirement/Severance Debt Service | -             | 2,038         |
| Capital Projects                  | -             | 39,019        |
| School Bus Replacement            | -             | 4,319         |
| Textbook Rental                   | 41,642        | 57,405        |

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the late distribution of local property taxes to the School Corporation and the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2008, the School Corporation had deposit balances in the amount of \$1,913,941.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2007 and 2008, were as follows:

| Transfer From                 | Transfer To              | 2007              | 2008             |
|-------------------------------|--------------------------|-------------------|------------------|
| General Fund                  | Internal Service Fund    | \$ -              | \$ 430           |
| Transportation Operating Fund | Debt Service Fund        | 15,000            | -                |
| Transportation Operating Fund | Other governmental funds | 70,000            | -                |
| Other governmental funds      | Other governmental funds | 17,701            | 11,096           |
| Totals                        |                          | <u>\$ 102,701</u> | <u>\$ 11,526</u> |

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

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

IV. Other Information

A. Risk Management

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

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

Medical Benefits

The School Corporation has chosen to establish a risk financing fund for risks associated with employee health insurance. The risk financing fund is accounted for in the Central Noble Employee Benefit and Plan Assets Funds, internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$50,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

B. Holding Corporations

The School Corporation has entered into capital leases with Central Noble School Building Corporation and Central Noble Building Corporation (the lessors). Each 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 lessors have been determined to be related parties of the School Corporation. Lease payments during the year ended June 30, 2008, were \$75,500 and \$966,000, respectively.

C. Termination Benefits

Central Noble Community School Corporation provides retirement benefits to all employees who have worked at least 10 years for the School Corporation. Teachers receive \$60 per unused sick day up to 120 days and classified staff receives \$35 per unused sick day limited to 108 days. In addition, classified staff that have worked at least 10 years for the School Corporation and qualify for PERF, receive up to \$200 for each year of service. For the year ended June 30, 2008, three retirees received these benefits for a total of \$20,580.

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

D. Pension Plans

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

Public Employees' Retirement Fund

Plan Description

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

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

Public Employees' Retirement Fund  
 Harrison Building, Room 800  
 143 West Market Street  
 Indianapolis, IN 46204  
 Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Actuarial Information for the Above Plan

|  | PERF        |
|--|-------------|
| Annual required contribution               | \$ 108,522  |
| Interest on net pension obligation         | (6,440)     |
| Adjustment to annual required contribution | 7,339       |
| Annual pension cost                        | 109,421     |
| Contributions made                         | 96,399      |
| Increase in net pension obligation         | 13,022      |
| Net pension obligation, beginning of year  | (88,827)    |
| Net pension obligation, end of year        | \$ (75,805) |

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

|                                 | PERF  |
|---------------------------------|---|
| Contribution rates:             |   |
| School Corporation              | 5.75%   |
| Plan members                    | 3%  |
| Actuarial valuation date        | 07-01-07  |
| Actuarial cost method           | Entry age   |
| Amortization method             | Level percentage<br>of projected<br>payroll, closed               |
| Amortization period             | 30 years  |
| Amortization period (from date) | 07-01-97  |
| Asset valuation method          | 75% of expected<br>actuarial value<br>plus 25% of<br>market value |

Actuarial Assumptions

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

Three Year Trend Information

|      | Year<br>Ending | Annual<br>Pension Cost<br>(APC) | Percentage<br>of APC<br>Contributed | Net<br>Pension<br>Obligation |
|------|----------------|---------------------------------|-------------------------------------|------------------------------|
| PERF | 06-30-05       | \$ 86,228                       | 118%                                | \$ (79,560)                  |
|      | 06-30-06       | 85,213                          | 111%                                | (88,827)                     |
|      | 06-30-07       | 109,421                         | 88%                                 | (75,805)                     |

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

Teachers' Retirement Fund

Plan Description

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

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

Funding Policy and Annual Pension Costs

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

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2008, 2007, and 2006, were \$154,917, \$134,040, and \$129,855, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability<br>(AAL)<br>(b) | Unfunded<br>AAL<br>(a-b) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | Unfunded<br>AAL as a<br>Percentage<br>of Covered<br>Payroll<br>((a-b)/c) |
|--------------------------------|--|---|--------------------------|--------------------------|---------------------------|--|
| 07-01-05                       | \$ 1,506,727                           | \$ 1,537,177                                      | \$ (30,450)              | 98%                      | \$ 1,573,036              | (2%)   |
| 07-01-06                       | 1,463,364                              | 1,547,082   | (83,718)                 | 95%                      | 1,613,313                 | (5%)   |
| 07-01-07                       | 1,687,077                              | 1,718,523   | (31,446)                 | 98%                      | 1,558,431                 | (2%)   |

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007

|   | Special<br>Education<br>Preschool | Textbook<br>Rental | Education<br>License<br>Plate | Safe<br>Haven<br>School | NCCF<br>Cape Grants | Early<br>Intervention |
|---|-----------------------------------|--------------------|-------------------------------|-------------------------|---------------------|-----------------------|
| <b>Receipts:</b>  |                                   |                    |                               |                         |                     |                       |
| Local sources   | \$ 4,880                          | \$ 104,967         | \$ -                          | \$ -                    | \$ -                | \$ -                  |
| Intermediate sources  | -                                 | -                  | 581                           | -                       | -                   | -                     |
| State sources   | 11,882                            | 10,659             | -                             | 7,000                   | -                   | -                     |
| Federal sources   | -                                 | -                  | -                             | -                       | -                   | -                     |
| <b>Total receipts</b>   | <u>16,762</u>                     | <u>115,626</u>     | <u>581</u>                    | <u>7,000</u>            | <u>-</u>            | <u>-</u>              |
| <b>Disbursements:</b>   |                                   |                    |                               |                         |                     |                       |
| <b>Current:</b>   |                                   |                    |                               |                         |                     |                       |
| Instruction   | -                                 | -                  | -                             | -                       | 324                 | 12,961                |
| Support services  | -                                 | 140,377            | -                             | 7,000                   | -                   | -                     |
| Community services  | -                                 | -                  | -                             | -                       | -                   | -                     |
| Nonprogrammed charges   | 5,291                             | -                  | -                             | -                       | -                   | -                     |
| Debt services   | -                                 | -                  | -                             | -                       | -                   | -                     |
| <b>Total disbursements</b>  | <u>5,291</u>                      | <u>140,377</u>     | <u>-</u>                      | <u>7,000</u>            | <u>324</u>          | <u>12,961</u>         |
| Excess (deficiency) of receipts over disbursements  | <u>11,471</u>                     | <u>(24,751)</u>    | <u>581</u>                    | <u>-</u>                | <u>(324)</u>        | <u>(12,961)</u>       |
| <b>Other financing sources (uses):</b>  |                                   |                    |                               |                         |                     |                       |
| Transfers in  | -                                 | -                  | -                             | -                       | -                   | -                     |
| Transfers out   | -                                 | -                  | -                             | -                       | -                   | -                     |
| <b>Total other financing sources (uses)</b>   | <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>11,471</u>                     | <u>(24,751)</u>    | <u>581</u>                    | <u>-</u>                | <u>(324)</u>        | <u>(12,961)</u>       |
| Cash and investments - beginning  | <u>22,397</u>                     | <u>(16,891)</u>    | <u>3,019</u>                  | <u>-</u>                | <u>1,354</u>        | <u>12,964</u>         |
| Cash and investments - ending   | <u>\$ 33,868</u>                  | <u>\$ (41,642)</u> | <u>\$ 3,600</u>               | <u>\$ -</u>             | <u>\$ 1,030</u>     | <u>\$ 3</u>           |
| <b>Cash and Investment Assets - Ending</b>  |                                   |                    |                               |                         |                     |                       |
| Cash and investments  | \$ 33,868                         | \$ (41,642)        | \$ 3,600                      | \$ -                    | \$ 1,030            | \$ 3                  |
| Restricted assets:  |                                   |                    |                               |                         |                     |                       |
| Cash and investments  | -                                 | -                  | -                             | -                       | -                   | -                     |
| <b>Total cash and investment assets - ending</b>  | <u>\$ 33,868</u>                  | <u>\$ (41,642)</u> | <u>\$ 3,600</u>               | <u>\$ -</u>             | <u>\$ 1,030</u>     | <u>\$ 3</u>           |
| <b>Cash and Investment Fund Balance - Ending</b>  |                                   |                    |                               |                         |                     |                       |
| Restricted for:   |                                   |                    |                               |                         |                     |                       |
| Debt service  | \$ -                              | \$ -               | \$ -                          | \$ -                    | \$ -                | \$ -                  |
| Unrestricted  | <u>33,868</u>                     | <u>(41,642)</u>    | <u>3,600</u>                  | <u>-</u>                | <u>1,030</u>        | <u>3</u>              |
| <b>Total cash and investment fund balance - ending</b>  | <u>\$ 33,868</u>                  | <u>\$ (41,642)</u> | <u>\$ 3,600</u>               | <u>\$ -</u>             | <u>\$ 1,030</u>     | <u>\$ 3</u>           |

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

|   | Donation        | Ott<br>Grant  | Cape Project<br>NCCF 2004-05 | Ott<br>Mini Grants | NCCF Cape/<br>Pulse/REMC | Local<br>Grants  |
|---|-----------------|---------------|------------------------------|--------------------|--------------------------|------------------|
| <b>Receipts:</b>  |                 |               |                              |                    |                          |                  |
| Local sources   | \$ 1,257        | \$ -          | \$ -                         | \$ -               | \$ -                     | \$ 32,155        |
| Intermediate sources  | -               | -             | -                            | -                  | -                        | -                |
| State sources   | -               | -             | -                            | -                  | -                        | -                |
| Federal sources   | -               | -             | -                            | -                  | -                        | -                |
| <b>Total receipts</b>   | <b>1,257</b>    | <b>-</b>      | <b>-</b>                     | <b>-</b>           | <b>-</b>                 | <b>32,155</b>    |
| <b>Disbursements:</b>   |                 |               |                              |                    |                          |                  |
| <b>Current:</b>   |                 |               |                              |                    |                          |                  |
| Instruction   | 3,448           | 1,432         | -                            | -                  | 1,129                    | 10,714           |
| Support services  | 1,351           | 47            | -                            | -                  | 1,474                    | 8,267            |
| Community services  | -               | -             | -                            | -                  | -                        | -                |
| Nonprogrammed charges   | -               | -             | -                            | -                  | -                        | -                |
| Debt services   | -               | -             | -                            | -                  | -                        | -                |
| <b>Total disbursements</b>  | <b>4,799</b>    | <b>1,479</b>  | <b>-</b>                     | <b>-</b>           | <b>2,603</b>             | <b>18,981</b>    |
| Excess (deficiency) of receipts over disbursements  | (3,542)         | (1,479)       | -                            | -                  | (2,603)                  | 13,174           |
| <b>Other financing sources (uses):</b>  |                 |               |                              |                    |                          |                  |
| Transfers in  | -               | -             | -                            | -                  | -                        | -                |
| Transfers out   | -               | -             | -                            | -                  | -                        | -                |
| <b>Total other financing sources (uses)</b>   | <b>-</b>        | <b>-</b>      | <b>-</b>                     | <b>-</b>           | <b>-</b>                 | <b>-</b>         |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (3,542)         | (1,479)       | -                            | -                  | (2,603)                  | 13,174           |
| Cash and investments - beginning  | 12,485          | 1,777         | 1,830                        | 37                 | 4,301                    | -                |
| Cash and investments - ending   | <u>\$ 8,943</u> | <u>\$ 298</u> | <u>\$ 1,830</u>              | <u>\$ 37</u>       | <u>\$ 1,698</u>          | <u>\$ 13,174</u> |
| <b>Cash and Investment Assets - Ending</b>  |                 |               |                              |                    |                          |                  |
| Cash and investments  | \$ 8,943        | \$ 298        | \$ 1,830                     | \$ 37              | \$ 1,698                 | \$ 13,174        |
| Restricted assets:  |                 |               |                              |                    |                          |                  |
| Cash and investments  | -               | -             | -                            | -                  | -                        | -                |
| <b>Total cash and investment assets - ending</b>  | <u>\$ 8,943</u> | <u>\$ 298</u> | <u>\$ 1,830</u>              | <u>\$ 37</u>       | <u>\$ 1,698</u>          | <u>\$ 13,174</u> |
| <b>Cash and Investment Fund Balance - Ending</b>  |                 |               |                              |                    |                          |                  |
| Restricted for:   |                 |               |                              |                    |                          |                  |
| Debt service  | \$ -            | \$ -          | \$ -                         | \$ -               | \$ -                     | \$ -             |
| Unrestricted  | 8,943           | 298           | 1,830                        | 37                 | 1,698                    | 13,174           |
| <b>Total cash and investment fund balance - ending</b>  | <u>\$ 8,943</u> | <u>\$ 298</u> | <u>\$ 1,830</u>              | <u>\$ 37</u>       | <u>\$ 1,698</u>          | <u>\$ 13,174</u> |

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

|   | Scholarships<br>and Awards | NCCF Pulse<br>Projects | NCCF 2005<br>Pulse | NCCF Cape<br>Projects 2005 | Gifted and<br>Talented 04-05 | Gifted and<br>Talented 05-06 |
|---|----------------------------|------------------------|--------------------|----------------------------|------------------------------|------------------------------|
| Receipts:   |                            |                        |                    |                            |                              |                              |
| Local sources   | \$ 3,000                   | \$ -                   | \$ -               | \$ -                       | \$ -                         | \$ (1,749)                   |
| Intermediate sources  | -                          | -                      | -                  | -                          | -                            | -                            |
| State sources   | -                          | -                      | -                  | -                          | -                            | -                            |
| Federal sources   | -                          | -                      | -                  | -                          | -                            | -                            |
|   | <hr/>                      | <hr/>                  | <hr/>              | <hr/>                      | <hr/>                        | <hr/>                        |
| Total receipts  | 3,000                      | -                      | -                  | -                          | -                            | (1,749)                      |
| Disbursements:  |                            |                        |                    |                            |                              |                              |
| Current:  |                            |                        |                    |                            |                              |                              |
| Instruction   | -                          | -                      | -                  | -                          | 100                          | 7,444                        |
| Support services  | -                          | -                      | -                  | -                          | -                            | -                            |
| Community services  | -                          | -                      | -                  | -                          | -                            | -                            |
| Nonprogrammed charges   | 2,000                      | -                      | -                  | -                          | -                            | -                            |
| Debt services   | -                          | -                      | -                  | -                          | -                            | -                            |
|   | <hr/>                      | <hr/>                  | <hr/>              | <hr/>                      | <hr/>                        | <hr/>                        |
| Total disbursements   | 2,000                      | -                      | -                  | -                          | 100                          | 7,444                        |
| Excess (deficiency) of receipts over<br>disbursements   | <hr/>                      | <hr/>                  | <hr/>              | <hr/>                      | <hr/>                        | <hr/>                        |
|   | 1,000                      | -                      | -                  | -                          | (100)                        | (9,193)                      |
| Other financing sources (uses):   |                            |                        |                    |                            |                              |                              |
| Transfers in  | -                          | -                      | -                  | -                          | -                            | -                            |
| Transfers out   | -                          | -                      | -                  | -                          | -                            | -                            |
|   | <hr/>                      | <hr/>                  | <hr/>              | <hr/>                      | <hr/>                        | <hr/>                        |
| Total other financing sources (uses)  | -                          | -                      | -                  | -                          | -                            | -                            |
| Excess (deficiency) of receipts and other<br>financing sources over disbursements<br>and other financing uses | <hr/>                      | <hr/>                  | <hr/>              | <hr/>                      | <hr/>                        | <hr/>                        |
|   | 1,000                      | -                      | -                  | -                          | (100)                        | (9,193)                      |
| Cash and investments - beginning  | <hr/>                      | <hr/>                  | <hr/>              | <hr/>                      | <hr/>                        | <hr/>                        |
|   | -                          | 7                      | 22                 | 87                         | 812                          | 9,193                        |
| Cash and investments - ending   | <hr/>                      | <hr/>                  | <hr/>              | <hr/>                      | <hr/>                        | <hr/>                        |
|   | \$ 1,000                   | \$ 7                   | \$ 22              | \$ 87                      | \$ 712                       | \$ -                         |
| <u>Cash and Investment Assets - Ending</u>  |                            |                        |                    |                            |                              |                              |
| Cash and investments  | \$ 1,000                   | \$ 7                   | \$ 22              | \$ 87                      | \$ 712                       | \$ -                         |
| Restricted assets:  |                            |                        |                    |                            |                              |                              |
| Cash and investments  | <hr/>                      | <hr/>                  | <hr/>              | <hr/>                      | <hr/>                        | <hr/>                        |
|   | -                          | -                      | -                  | -                          | -                            | -                            |
| Total cash and investment assets - ending   | <hr/>                      | <hr/>                  | <hr/>              | <hr/>                      | <hr/>                        | <hr/>                        |
|   | \$ 1,000                   | \$ 7                   | \$ 22              | \$ 87                      | \$ 712                       | \$ -                         |
| <u>Cash and Investment Fund Balance - Ending</u>  |                            |                        |                    |                            |                              |                              |
| Restricted for:   |                            |                        |                    |                            |                              |                              |
| Debt service  | \$ -                       | \$ -                   | \$ -               | \$ -                       | \$ -                         | \$ -                         |
| Unrestricted  | <hr/>                      | <hr/>                  | <hr/>              | <hr/>                      | <hr/>                        | <hr/>                        |
|   | 1,000                      | 7                      | 22                 | 87                         | 712                          | -                            |
| Total cash and investment fund balance - ending   | <hr/>                      | <hr/>                  | <hr/>              | <hr/>                      | <hr/>                        | <hr/>                        |
|   | \$ 1,000                   | \$ 7                   | \$ 22              | \$ 87                      | \$ 712                       | \$ -                         |

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

|   | Gifted and<br>Talented 06-07 | English<br>Proficiency<br>Grant | School<br>Technology | ESEA Title I<br>2005-2006 | NCLB Title I<br>2006-2007 | Title V<br>Part A |
|---|------------------------------|---------------------------------|----------------------|---------------------------|---------------------------|-------------------|
| <b>Receipts:</b>  |                              |                                 |                      |                           |                           |                   |
| Local sources   | \$ -                         | \$ -                            | \$ 23,317            | \$ -                      | \$ 80                     | \$ -              |
| Intermediate sources  | -                            | -                               | -                    | -                         | -                         | -                 |
| State sources   | 12,816                       | -                               | -                    | -                         | -                         | -                 |
| Federal sources   | -                            | -                               | -                    | 11,001                    | 87,867                    | -                 |
| <b>Total receipts</b>   | <b>12,816</b>                | <b>-</b>                        | <b>23,317</b>        | <b>11,001</b>             | <b>87,947</b>             | <b>-</b>          |
| <b>Disbursements:</b>   |                              |                                 |                      |                           |                           |                   |
| <b>Current:</b>   |                              |                                 |                      |                           |                           |                   |
| Instruction   | 1,666                        | -                               | -                    | 25,479                    | 70,241                    | 11,115            |
| Support services  | -                            | -                               | 14,442               | -                         | 186                       | 2,068             |
| Community services  | -                            | -                               | -                    | -                         | 871                       | -                 |
| Nonprogrammed charges   | -                            | -                               | 12                   | -                         | -                         | -                 |
| Debt services   | -                            | -                               | -                    | -                         | -                         | -                 |
| <b>Total disbursements</b>  | <b>1,666</b>                 | <b>-</b>                        | <b>14,454</b>        | <b>25,479</b>             | <b>71,298</b>             | <b>13,183</b>     |
| Excess (deficiency) of receipts over disbursements  | 11,150                       | -                               | 8,863                | (14,478)                  | 16,649                    | (13,183)          |
| <b>Other financing sources (uses):</b>  |                              |                                 |                      |                           |                           |                   |
| Transfers in  | -                            | -                               | -                    | -                         | 15,946                    | -                 |
| Transfers out   | -                            | -                               | -                    | (15,946)                  | -                         | -                 |
| <b>Total other financing sources (uses)</b>   | <b>-</b>                     | <b>-</b>                        | <b>-</b>             | <b>(15,946)</b>           | <b>15,946</b>             | <b>-</b>          |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 11,150                       | -                               | 8,863                | (30,424)                  | 32,595                    | (13,183)          |
| Cash and investments - beginning  | -                            | 66                              | 10,142               | 30,424                    | -                         | 13,183            |
| Cash and investments - ending   | <u>\$ 11,150</u>             | <u>\$ 66</u>                    | <u>\$ 19,005</u>     | <u>\$ -</u>               | <u>\$ 32,595</u>          | <u>\$ -</u>       |
| <b>Cash and Investment Assets - Ending</b>  |                              |                                 |                      |                           |                           |                   |
| Cash and investments  | \$ 11,150                    | \$ 66                           | \$ 19,005            | \$ -                      | \$ 32,595                 | \$ -              |
| Restricted assets:  |                              |                                 |                      |                           |                           |                   |
| Cash and investments  | -                            | -                               | -                    | -                         | -                         | -                 |
| <b>Total cash and investment assets - ending</b>  | <u>\$ 11,150</u>             | <u>\$ 66</u>                    | <u>\$ 19,005</u>     | <u>\$ -</u>               | <u>\$ 32,595</u>          | <u>\$ -</u>       |
| <b>Cash and Investment Fund Balance - Ending</b>  |                              |                                 |                      |                           |                           |                   |
| Restricted for:   |                              |                                 |                      |                           |                           |                   |
| Debt service  | \$ -                         | \$ -                            | \$ -                 | \$ -                      | \$ -                      | \$ -              |
| Unrestricted  | 11,150                       | 66                              | 19,005               | -                         | 32,595                    | -                 |
| <b>Total cash and investment fund balance - ending</b>  | <u>\$ 11,150</u>             | <u>\$ 66</u>                    | <u>\$ 19,005</u>     | <u>\$ -</u>               | <u>\$ 32,595</u>          | <u>\$ -</u>       |

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

|   | PL107-110<br>2005-2006 | PL107-110<br>2006-2007 | Drug Free<br>Schools<br>2004-2005 | Drug Free<br>Schools<br>2005-2006 | Improving<br>Teacher<br>Quality |
|---|------------------------|------------------------|-----------------------------------|-----------------------------------|---------------------------------|
| <b>Receipts:</b>  |                        |                        |                                   |                                   |                                 |
| Local sources   | \$ -                   | \$ -                   | \$ -                              | \$ -                              | \$ -                            |
| Intermediate sources  | -                      | -                      | -                                 | -                                 | -                               |
| State sources   | -                      | -                      | -                                 | -                                 | -                               |
| Federal sources   | -                      | 20,271                 | -                                 | -                                 | 21,359                          |
| <b>Total receipts</b>   | <b>-</b>               | <b>20,271</b>          | <b>-</b>                          | <b>-</b>                          | <b>21,359</b>                   |
| <b>Disbursements:</b>   |                        |                        |                                   |                                   |                                 |
| <b>Current:</b>   |                        |                        |                                   |                                   |                                 |
| Instruction   | 836                    | -                      | -                                 | -                                 | 18,522                          |
| Support services  | 5,883                  | 1,841                  | 3,575                             | 668                               | 17,655                          |
| Community services  | -                      | -                      | -                                 | -                                 | -                               |
| Nonprogrammed charges   | -                      | -                      | -                                 | -                                 | -                               |
| Debt services   | -                      | -                      | -                                 | -                                 | -                               |
| <b>Total disbursements</b>  | <b>6,719</b>           | <b>1,841</b>           | <b>3,575</b>                      | <b>668</b>                        | <b>36,177</b>                   |
| Excess (deficiency) of receipts over disbursements  | (6,719)                | 18,430                 | (3,575)                           | (668)                             | (14,818)                        |
| <b>Other financing sources (uses):</b>  |                        |                        |                                   |                                   |                                 |
| Transfers in  | -                      | -                      | -                                 | -                                 | -                               |
| Transfers out   | -                      | -                      | -                                 | -                                 | (1,755)                         |
| <b>Total other financing sources (uses)</b>   | <b>-</b>               | <b>-</b>               | <b>-</b>                          | <b>-</b>                          | <b>(1,755)</b>                  |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (6,719)                | 18,430                 | (3,575)                           | (668)                             | (16,573)                        |
| Cash and investments - beginning  | 13,383                 | -                      | 3,575                             | 5,246                             | 26,033                          |
| Cash and investments - ending   | <u>\$ 6,664</u>        | <u>\$ 18,430</u>       | <u>\$ -</u>                       | <u>\$ 4,578</u>                   | <u>\$ 9,460</u>                 |
| <b>Cash and Investment Assets - Ending</b>  |                        |                        |                                   |                                   |                                 |
| Cash and investments  | \$ 6,664               | \$ 18,430              | \$ -                              | \$ 4,578                          | \$ 9,460                        |
| Restricted assets:  |                        |                        |                                   |                                   |                                 |
| Cash and investments  | -                      | -                      | -                                 | -                                 | -                               |
| <b>Total cash and investment assets - ending</b>  | <u>\$ 6,664</u>        | <u>\$ 18,430</u>       | <u>\$ -</u>                       | <u>\$ 4,578</u>                   | <u>\$ 9,460</u>                 |
| <b>Cash and Investment Fund Balance - Ending</b>  |                        |                        |                                   |                                   |                                 |
| Restricted for:   |                        |                        |                                   |                                   |                                 |
| Debt service  | \$ -                   | \$ -                   | \$ -                              | \$ -                              | \$ -                            |
| Unrestricted  | 6,664                  | 18,430                 | -                                 | 4,578                             | 9,460                           |
| <b>Total cash and investment fund balance - ending</b>  | <u>\$ 6,664</u>        | <u>\$ 18,430</u>       | <u>\$ -</u>                       | <u>\$ 4,578</u>                   | <u>\$ 9,460</u>                 |

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

|   | Title II Part D<br>Technology | Title III<br>English<br>Proficiency | Title III<br>Challenge<br>Grant Tech | Retirement/<br>Severance<br>Debt Service | Totals                |
|---|-------------------------------|-------------------------------------|--------------------------------------|--|-----------------------|
| <b>Receipts:</b>  |                               |                                     |                                      |  |                       |
| Local sources   | \$ -                          | \$ -                                | \$ -                                 | \$ 86,930                                | \$ 254,837            |
| Intermediate sources  | -                             | -                                   | -                                    | -  | 581                   |
| State sources   | -                             | -                                   | -                                    | -  | 42,357                |
| Federal sources   | -                             | -                                   | -                                    | -  | 140,498               |
| <b>Total receipts</b>   | <b>-</b>                      | <b>-</b>                            | <b>-</b>                             | <b>86,930</b>                            | <b>438,273</b>        |
| <b>Disbursements:</b>   |                               |                                     |                                      |  |                       |
| <b>Current:</b>   |                               |                                     |                                      |  |                       |
| Instruction   | -                             | -                                   | -                                    | -  | 165,411               |
| Support services  | 3,666                         | -                                   | -                                    | -  | 208,500               |
| Community services  | -                             | -                                   | -                                    | -  | 871                   |
| Nonprogrammed charges   | -                             | -                                   | -                                    | -  | 7,303                 |
| Debt services   | -                             | -                                   | -                                    | 144,968                                  | 144,968               |
| <b>Total disbursements</b>  | <b>3,666</b>                  | <b>-</b>                            | <b>-</b>                             | <b>144,968</b>                           | <b>527,053</b>        |
| Excess (deficiency) of receipts over disbursements  | (3,666)                       | -                                   | -                                    | (58,038)                                 | (88,780)              |
| <b>Other financing sources (uses):</b>  |                               |                                     |                                      |  |                       |
| Transfers in  | 1,755                         | -                                   | -                                    | 70,000                                   | 87,701                |
| Transfers out   | -                             | -                                   | -                                    | -  | (17,701)              |
| <b>Total other financing sources (uses)</b>   | <b>1,755</b>                  | <b>-</b>                            | <b>-</b>                             | <b>70,000</b>                            | <b>70,000</b>         |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (1,911)                       | -                                   | -                                    | 11,962                                   | (18,780)              |
| Cash and investments - beginning  | 4,129                         | 37                                  | 1,880                                | (10,552)                                 | 150,940               |
| Cash and investments - ending   | <u>2,218</u>                  | <u>37</u>                           | <u>1,880</u>                         | <u>1,410</u>                             | <u>132,160</u>        |
| <b>Cash and Investment Assets - Ending</b>  |                               |                                     |                                      |  |                       |
| Cash and investments  | \$ 2,218                      | \$ 37                               | \$ 1,880                             | \$ -                                     | \$ 130,750            |
| Restricted assets:  |                               |                                     |                                      |  |                       |
| Cash and investments  | -                             | -                                   | -                                    | 1,410                                    | 1,410                 |
| <b>Total cash and investment assets - ending</b>  | <b><u>2,218</u></b>           | <b><u>37</u></b>                    | <b><u>1,880</u></b>                  | <b><u>1,410</u></b>                      | <b><u>132,160</u></b> |
| <b>Cash and Investment Fund Balance - Ending</b>  |                               |                                     |                                      |  |                       |
| Restricted for:   |                               |                                     |                                      |  |                       |
| Debt service  | \$ -                          | \$ -                                | \$ -                                 | \$ 1,410                                 | \$ 1,410              |
| Unrestricted  | 2,218                         | 37                                  | 1,880                                | -  | 130,750               |
| <b>Total cash and investment fund balance - ending</b>  | <b><u>2,218</u></b>           | <b><u>37</u></b>                    | <b><u>1,880</u></b>                  | <b><u>1,410</u></b>                      | <b><u>132,160</u></b> |

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008

|   | Special<br>Education<br>Preschool | Textbook<br>Rental | Education<br>License<br>Plate | Safe<br>Haven<br>School | NCCF<br>Cape Grants | Early<br>Intervention |
|---|-----------------------------------|--------------------|-------------------------------|-------------------------|---------------------|-----------------------|
| <b>Receipts:</b>  |                                   |                    |                               |                         |                     |                       |
| Local sources   | \$ 7,539                          | \$ 73,853          | \$ -                          | \$ -                    | \$ -                | \$ -                  |
| Intermediate sources  | -                                 | -                  | 188                           | -                       | -                   | -                     |
| State sources   | 18,452                            | 30,626             | -                             | 3,182                   | -                   | -                     |
| Federal sources   | -                                 | -                  | -                             | -                       | -                   | -                     |
| <b>Total receipts</b>   | <b>25,991</b>                     | <b>104,479</b>     | <b>188</b>                    | <b>3,182</b>            | <b>-</b>            | <b>-</b>              |
| <b>Disbursements:</b>   |                                   |                    |                               |                         |                     |                       |
| <b>Current:</b>   |                                   |                    |                               |                         |                     |                       |
| Instruction   | -                                 | -                  | -                             | -                       | -                   | 3                     |
| Support services  | -                                 | 120,242            | -                             | 3,182                   | -                   | -                     |
| Community services  | -                                 | -                  | -                             | -                       | -                   | -                     |
| Nonprogrammed charges   | 55,847                            | -                  | -                             | -                       | -                   | -                     |
| Debt services   | -                                 | -                  | -                             | -                       | -                   | -                     |
| <b>Total disbursements</b>  | <b>55,847</b>                     | <b>120,242</b>     | <b>-</b>                      | <b>3,182</b>            | <b>-</b>            | <b>3</b>              |
| Excess (deficiency) of receipts over disbursements  | (29,856)                          | (15,763)           | 188                           | -                       | -                   | (3)                   |
| <b>Other financing sources (uses):</b>  |                                   |                    |                               |                         |                     |                       |
| Transfers in  | -                                 | -                  | -                             | -                       | -                   | -                     |
| Transfers out   | -                                 | -                  | -                             | -                       | -                   | -                     |
| <b>Total other financing sources (uses)</b>   | <b>-</b>                          | <b>-</b>           | <b>-</b>                      | <b>-</b>                | <b>-</b>            | <b>-</b>              |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (29,856)                          | (15,763)           | 188                           | -                       | -                   | (3)                   |
| Cash and investments - beginning  | 33,868                            | (41,642)           | 3,600                         | -                       | 1,030               | 3                     |
| Cash and investments - ending   | <u>\$ 4,012</u>                   | <u>\$ (57,405)</u> | <u>\$ 3,788</u>               | <u>\$ -</u>             | <u>\$ 1,030</u>     | <u>\$ -</u>           |
| <b>Cash and Investment Assets - Ending</b>  |                                   |                    |                               |                         |                     |                       |
| Cash and investments  | \$ 4,012                          | \$ (57,405)        | \$ 3,788                      | \$ -                    | \$ 1,030            | \$ -                  |
| Restricted assets:  |                                   |                    |                               |                         |                     |                       |
| Cash and investments  | -                                 | -                  | -                             | -                       | -                   | -                     |
| <b>Total cash and investment assets - ending</b>  | <b>\$ 4,012</b>                   | <b>\$ (57,405)</b> | <b>\$ 3,788</b>               | <b>\$ -</b>             | <b>\$ 1,030</b>     | <b>\$ -</b>           |
| <b>Cash and Investment Fund Balance - Ending</b>  |                                   |                    |                               |                         |                     |                       |
| Restricted for:   |                                   |                    |                               |                         |                     |                       |
| Debt service  | \$ -                              | \$ -               | \$ -                          | \$ -                    | \$ -                | \$ -                  |
| Unrestricted  | 4,012                             | (57,405)           | 3,788                         | -                       | 1,030               | -                     |
| <b>Total cash and investment fund balance - ending</b>  | <b>\$ 4,012</b>                   | <b>\$ (57,405)</b> | <b>\$ 3,788</b>               | <b>\$ -</b>             | <b>\$ 1,030</b>     | <b>\$ -</b>           |

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008  
 (Continued)

|   | Donation        | Grants<br>2007-2008 | Ott<br>Grant  | Cape Project<br>NCCF 2004-05 | Ott<br>Mini Grants | NCCF Cape/<br>Pulse/REMC |
|---|-----------------|---------------------|---------------|------------------------------|--------------------|--------------------------|
| <b>Receipts:</b>  |                 |                     |               |                              |                    |                          |
| Local sources   | \$ 1,596        | \$ 73,738           | \$ -          | \$ -                         | \$ -               | \$ -                     |
| Intermediate sources  | -               | -                   | -             | -                            | -                  | -                        |
| State sources   | -               | -                   | -             | -                            | -                  | -                        |
| Federal sources   | -               | -                   | -             | -                            | -                  | -                        |
| <b>Total receipts</b>   | <b>1,596</b>    | <b>73,738</b>       | <b>-</b>      | <b>-</b>                     | <b>-</b>           | <b>-</b>                 |
| <b>Disbursements:</b>   |                 |                     |               |                              |                    |                          |
| <b>Current:</b>   |                 |                     |               |                              |                    |                          |
| Instruction   | 504             | 27,979              | 27            | 478                          | 25                 | 9                        |
| Support services  | 1,860           | 5,206               | 118           | 442                          | -                  | 810                      |
| Community services  | -               | -                   | -             | -                            | -                  | -                        |
| Nonprogrammed charges   | -               | -                   | -             | -                            | -                  | -                        |
| Debt services   | -               | -                   | -             | -                            | -                  | -                        |
| <b>Total disbursements</b>  | <b>2,364</b>    | <b>33,185</b>       | <b>145</b>    | <b>920</b>                   | <b>25</b>          | <b>819</b>               |
| Excess (deficiency) of receipts over disbursements  | (768)           | 40,553              | (145)         | (920)                        | (25)               | (819)                    |
| <b>Other financing sources (uses):</b>  |                 |                     |               |                              |                    |                          |
| Transfers in  | -               | -                   | -             | -                            | -                  | -                        |
| Transfers out   | -               | -                   | -             | -                            | -                  | -                        |
| <b>Total other financing sources (uses)</b>   | <b>-</b>        | <b>-</b>            | <b>-</b>      | <b>-</b>                     | <b>-</b>           | <b>-</b>                 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (768)           | 40,553              | (145)         | (920)                        | (25)               | (819)                    |
| Cash and investments - beginning  | 8,943           | -                   | 298           | 1,830                        | 37                 | 1,698                    |
| Cash and investments - ending   | <u>\$ 8,175</u> | <u>\$ 40,553</u>    | <u>\$ 153</u> | <u>\$ 910</u>                | <u>\$ 12</u>       | <u>\$ 879</u>            |
| <b>Cash and Investment Assets - Ending</b>  |                 |                     |               |                              |                    |                          |
| Cash and investments  | \$ 8,175        | \$ 40,553           | \$ 153        | \$ 910                       | \$ 12              | \$ 879                   |
| Restricted assets:  |                 |                     |               |                              |                    |                          |
| Cash and investments  | -               | -                   | -             | -                            | -                  | -                        |
| <b>Total cash and investment assets - ending</b>  | <b>\$ 8,175</b> | <b>\$ 40,553</b>    | <b>\$ 153</b> | <b>\$ 910</b>                | <b>\$ 12</b>       | <b>\$ 879</b>            |
| <b>Cash and Investment Fund Balance - Ending</b>  |                 |                     |               |                              |                    |                          |
| Restricted for:   |                 |                     |               |                              |                    |                          |
| Debt service  | \$ -            | \$ -                | \$ -          | \$ -                         | \$ -               | \$ -                     |
| Unrestricted  | 8,175           | 40,553              | 153           | 910                          | 12                 | 879                      |
| <b>Total cash and investment fund balance - ending</b>  | <b>\$ 8,175</b> | <b>\$ 40,553</b>    | <b>\$ 153</b> | <b>\$ 910</b>                | <b>\$ 12</b>       | <b>\$ 879</b>            |

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008  
 (Continued)

|   | Local<br>Grants | Scholarships<br>and Awards | NCCF Pulse<br>Projects | NCCF 2005<br>Pulse | NCCF Cape<br>Projects 2005 | Gifted and<br>Talented 04-05 |
|---|-----------------|----------------------------|------------------------|--------------------|----------------------------|------------------------------|
| <b>Receipts:</b>  |                 |                            |                        |                    |                            |                              |
| Local sources   | \$ -            | \$ 4,000                   | \$ -                   | \$ -               | \$ -                       | \$ -                         |
| Intermediate sources  | -               | -                          | -                      | -                  | -                          | -                            |
| State sources   | -               | -                          | -                      | -                  | -                          | -                            |
| Federal sources   | -               | -                          | -                      | -                  | -                          | -                            |
| <b>Total receipts</b>   | <b>-</b>        | <b>4,000</b>               | <b>-</b>               | <b>-</b>           | <b>-</b>                   | <b>-</b>                     |
| <b>Disbursements:</b>   |                 |                            |                        |                    |                            |                              |
| <b>Current:</b>   |                 |                            |                        |                    |                            |                              |
| Instruction   | 4,425           | -                          | -                      | -                  | -                          | 660                          |
| Support services  | 5,818           | -                          | -                      | -                  | -                          | -                            |
| Community services  | -               | -                          | -                      | -                  | -                          | -                            |
| Nonprogrammed charges   | -               | 1,000                      | -                      | -                  | -                          | -                            |
| Debt services   | -               | -                          | -                      | -                  | -                          | -                            |
| <b>Total disbursements</b>  | <b>10,243</b>   | <b>1,000</b>               | <b>-</b>               | <b>-</b>           | <b>-</b>                   | <b>660</b>                   |
| Excess (deficiency) of receipts over disbursements  | (10,243)        | 3,000                      | -                      | -                  | -                          | (660)                        |
| <b>Other financing sources (uses):</b>  |                 |                            |                        |                    |                            |                              |
| Transfers in  | -               | -                          | -                      | -                  | -                          | -                            |
| Transfers out   | -               | -                          | -                      | -                  | -                          | -                            |
| <b>Total other financing sources (uses)</b>   | <b>-</b>        | <b>-</b>                   | <b>-</b>               | <b>-</b>           | <b>-</b>                   | <b>-</b>                     |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (10,243)        | 3,000                      | -                      | -                  | -                          | (660)                        |
| Cash and investments - beginning  | 13,174          | 1,000                      | 7                      | 22                 | 87                         | 712                          |
| Cash and investments - ending   | <u>\$ 2,931</u> | <u>\$ 4,000</u>            | <u>\$ 7</u>            | <u>\$ 22</u>       | <u>\$ 87</u>               | <u>\$ 52</u>                 |
| <b>Cash and Investment Assets - Ending</b>  |                 |                            |                        |                    |                            |                              |
| Cash and investments  | \$ 2,931        | \$ 4,000                   | \$ 7                   | \$ 22              | \$ 87                      | \$ 52                        |
| Restricted assets:  |                 |                            |                        |                    |                            |                              |
| Cash and investments  | -               | -                          | -                      | -                  | -                          | -                            |
| <b>Total cash and investment assets - ending</b>  | <u>\$ 2,931</u> | <u>\$ 4,000</u>            | <u>\$ 7</u>            | <u>\$ 22</u>       | <u>\$ 87</u>               | <u>\$ 52</u>                 |
| <b>Cash and Investment Fund Balance - Ending</b>  |                 |                            |                        |                    |                            |                              |
| Restricted for:   |                 |                            |                        |                    |                            |                              |
| Debt service  | \$ -            | \$ -                       | \$ -                   | \$ -               | \$ -                       | \$ -                         |
| Unrestricted  | 2,931           | 4,000                      | 7                      | 22                 | 87                         | 52                           |
| <b>Total cash and investment fund balance - ending</b>  | <u>\$ 2,931</u> | <u>\$ 4,000</u>            | <u>\$ 7</u>            | <u>\$ 22</u>       | <u>\$ 87</u>               | <u>\$ 52</u>                 |

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008  
 (Continued)

|   | Gifted and<br>Talented 06-07 | SY 2007-2008<br>High Ability<br>Grant | English<br>Proficiency<br>Grant | School<br>Technology | FY07-08<br>Title I School<br>Improvement | NCLB Title I<br>2006-2007 |
|---|------------------------------|---------------------------------------|---------------------------------|----------------------|--|---------------------------|
| <b>Receipts:</b>  |                              |                                       |                                 |                      |  |                           |
| Local sources   | \$ -                         | \$ -                                  | \$ -                            | \$ 13,365            | \$ -                                     | \$ -                      |
| Intermediate sources  | -                            | -                                     | -                               | -                    | -  | -                         |
| State sources   | -                            | 31,414                                | 811                             | -                    | -  | -                         |
| Federal sources   | -                            | -                                     | -                               | -                    | 28,477                                   | 10,865                    |
| <b>Total receipts</b>   | <b>-</b>                     | <b>31,414</b>                         | <b>811</b>                      | <b>13,365</b>        | <b>28,477</b>                            | <b>10,865</b>             |
| <b>Disbursements:</b>   |                              |                                       |                                 |                      |  |                           |
| <b>Current:</b>   |                              |                                       |                                 |                      |  |                           |
| Instruction   | 8,058                        | 12,836                                | -                               | -                    | 4,344                                    | 25,678                    |
| Support services  | -                            | 5,644                                 | -                               | 9,368                | 12,285                                   | 6,558                     |
| Community services  | -                            | -                                     | -                               | -                    | -  | 128                       |
| Nonprogrammed charges   | -                            | -                                     | -                               | -                    | -  | -                         |
| Debt services   | -                            | -                                     | -                               | -                    | -  | -                         |
| <b>Total disbursements</b>  | <b>8,058</b>                 | <b>18,480</b>                         | <b>-</b>                        | <b>9,368</b>         | <b>16,629</b>                            | <b>32,364</b>             |
| Excess (deficiency) of receipts over disbursements  | (8,058)                      | 12,934                                | 811                             | 3,997                | 11,848                                   | (21,499)                  |
| <b>Other financing sources (uses):</b>  |                              |                                       |                                 |                      |  |                           |
| Transfers in  | -                            | -                                     | -                               | -                    | -  | -                         |
| Transfers out   | -                            | -                                     | -                               | -                    | -  | (11,096)                  |
| <b>Total other financing sources (uses)</b>   | <b>-</b>                     | <b>-</b>                              | <b>-</b>                        | <b>-</b>             | <b>-</b>                                 | <b>(11,096)</b>           |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (8,058)                      | 12,934                                | 811                             | 3,997                | 11,848                                   | (32,595)                  |
| Cash and investments - beginning  | 11,150                       | -                                     | 66                              | 19,005               | -  | 32,595                    |
| Cash and investments - ending   | <u>\$ 3,092</u>              | <u>\$ 12,934</u>                      | <u>\$ 877</u>                   | <u>\$ 23,002</u>     | <u>\$ 11,848</u>                         | <u>\$ -</u>               |
| <b>Cash and Investment Assets - Ending</b>  |                              |                                       |                                 |                      |  |                           |
| Cash and investments  | \$ 3,092                     | \$ 12,934                             | \$ 877                          | \$ 23,002            | \$ 11,848                                | \$ -                      |
| Restricted assets:  |                              |                                       |                                 |                      |  |                           |
| Cash and investments  | -                            | -                                     | -                               | -                    | -  | -                         |
| <b>Total cash and investment assets - ending</b>  | <u>\$ 3,092</u>              | <u>\$ 12,934</u>                      | <u>\$ 877</u>                   | <u>\$ 23,002</u>     | <u>\$ 11,848</u>                         | <u>\$ -</u>               |
| <b>Cash and Investment Fund Balance - Ending</b>  |                              |                                       |                                 |                      |  |                           |
| Restricted for:   |                              |                                       |                                 |                      |  |                           |
| Debt service  | \$ -                         | \$ -                                  | \$ -                            | \$ -                 | \$ -                                     | \$ -                      |
| Unrestricted  | 3,092                        | 12,934                                | 877                             | 23,002               | 11,848                                   | -                         |
| <b>Total cash and investment fund balance - ending</b>  | <u>\$ 3,092</u>              | <u>\$ 12,934</u>                      | <u>\$ 877</u>                   | <u>\$ 23,002</u>     | <u>\$ 11,848</u>                         | <u>\$ -</u>               |

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008  
 (Continued)

|   | 2007-2008<br>Title I | PL107-110<br>2005-2006 | PL107-110<br>2006-2007 | Title V<br>Part A<br>SY07-08 | Drug Free<br>Schools<br>2005-2006 | Drug Free<br>Schools<br>SY06-07 |
|---|----------------------|------------------------|------------------------|------------------------------|-----------------------------------|---------------------------------|
| <b>Receipts:</b>  |                      |                        |                        |                              |                                   |                                 |
| Local sources   | \$ -                 | \$ -                   | \$ 45                  | \$ -                         | \$ -                              | \$ -                            |
| Intermediate sources  | -                    | -                      | -                      | -                            | -                                 | -                               |
| State sources   | -                    | -                      | -                      | -                            | -                                 | -                               |
| Federal sources   | 108,619              | -                      | -                      | 20,175                       | -                                 | 4,013                           |
| <b>Total receipts</b>   | <b>108,619</b>       | <b>-</b>               | <b>45</b>              | <b>20,175</b>                | <b>-</b>                          | <b>4,013</b>                    |
| <b>Disbursements:</b>   |                      |                        |                        |                              |                                   |                                 |
| <b>Current:</b>   |                      |                        |                        |                              |                                   |                                 |
| Instruction   | 98,251               | -                      | 7,500                  | 1,844                        | -                                 | -                               |
| Support services  | 7,043                | 6,664                  | 10,972                 | -                            | 4,578                             | 592                             |
| Community services  | 351                  | -                      | -                      | -                            | -                                 | -                               |
| Nonprogrammed charges   | -                    | -                      | -                      | -                            | -                                 | -                               |
| Debt services   | -                    | -                      | -                      | -                            | -                                 | -                               |
| <b>Total disbursements</b>  | <b>105,645</b>       | <b>6,664</b>           | <b>18,472</b>          | <b>1,844</b>                 | <b>4,578</b>                      | <b>592</b>                      |
| Excess (deficiency) of receipts over disbursements  | 2,974                | (6,664)                | (18,427)               | 18,331                       | (4,578)                           | 3,421                           |
| <b>Other financing sources (uses):</b>  |                      |                        |                        |                              |                                   |                                 |
| Transfers in  | 11,096               | -                      | -                      | -                            | -                                 | -                               |
| Transfers out   | -                    | -                      | -                      | -                            | -                                 | -                               |
| <b>Total other financing sources (uses)</b>   | <b>11,096</b>        | <b>-</b>               | <b>-</b>               | <b>-</b>                     | <b>-</b>                          | <b>-</b>                        |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 14,070               | (6,664)                | (18,427)               | 18,331                       | (4,578)                           | 3,421                           |
| Cash and investments - beginning  | -                    | 6,664                  | 18,430                 | -                            | 4,578                             | -                               |
| Cash and investments - ending   | <u>\$ 14,070</u>     | <u>\$ -</u>            | <u>\$ 3</u>            | <u>\$ 18,331</u>             | <u>\$ -</u>                       | <u>\$ 3,421</u>                 |
| <b>Cash and Investment Assets - Ending</b>  |                      |                        |                        |                              |                                   |                                 |
| Cash and investments  | \$ 14,070            | \$ -                   | \$ 3                   | \$ 18,331                    | \$ -                              | \$ 3,421                        |
| Restricted assets:  |                      |                        |                        |                              |                                   |                                 |
| Cash and investments  | -                    | -                      | -                      | -                            | -                                 | -                               |
| <b>Total cash and investment assets - ending</b>  | <u>\$ 14,070</u>     | <u>\$ -</u>            | <u>\$ 3</u>            | <u>\$ 18,331</u>             | <u>\$ -</u>                       | <u>\$ 3,421</u>                 |
| <b>Cash and Investment Fund Balance - Ending</b>  |                      |                        |                        |                              |                                   |                                 |
| Restricted for:   |                      |                        |                        |                              |                                   |                                 |
| Debt service  | \$ -                 | \$ -                   | \$ -                   | \$ -                         | \$ -                              | \$ -                            |
| Unrestricted  | 14,070               | -                      | 3                      | 18,331                       | -                                 | 3,421                           |
| <b>Total cash and investment fund balance - ending</b>  | <u>\$ 14,070</u>     | <u>\$ -</u>            | <u>\$ 3</u>            | <u>\$ 18,331</u>             | <u>\$ -</u>                       | <u>\$ 3,421</u>                 |

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008  
 (Continued)

|   | Improving<br>Teacher<br>Quality | Title II Part D<br>Technology | Title III<br>English<br>Proficiency | Title III<br>Challenge<br>Grant Tech | Retirement/<br>Severance<br>Debt Service | Totals            |
|---|---------------------------------|-------------------------------|-------------------------------------|--------------------------------------|--|-------------------|
| <b>Receipts:</b>  |                                 |                               |                                     |                                      |  |                   |
| Local sources   | \$ -                            | \$ -                          | \$ -                                | \$ -                                 | \$ 139,417                               | \$ 313,553        |
| Intermediate sources  | -                               | -                             | -                                   | -                                    | -  | 188               |
| State sources   | -                               | -                             | -                                   | -                                    | -  | 84,485            |
| Federal sources   | 22,300                          | -                             | -                                   | -                                    | -  | 194,449           |
| <b>Total receipts</b>   | <b>22,300</b>                   | <b>-</b>                      | <b>-</b>                            | <b>-</b>                             | <b>139,417</b>                           | <b>592,675</b>    |
| <b>Disbursements:</b>   |                                 |                               |                                     |                                      |  |                   |
| <b>Current:</b>   |                                 |                               |                                     |                                      |  |                   |
| Instruction   | (146)                           | -                             | -                                   | -                                    | -  | 192,475           |
| Support services  | 9,023                           | 2,218                         | -                                   | -                                    | -  | 212,623           |
| Community services  | -                               | -                             | -                                   | -                                    | -  | 479               |
| Nonprogrammed charges   | -                               | -                             | -                                   | -                                    | -  | 56,847            |
| Debt services   | -                               | -                             | -                                   | -                                    | 142,865                                  | 142,865           |
| <b>Total disbursements</b>  | <b>8,877</b>                    | <b>2,218</b>                  | <b>-</b>                            | <b>-</b>                             | <b>142,865</b>                           | <b>605,289</b>    |
| Excess (deficiency) of receipts over disbursements  | 13,423                          | (2,218)                       | -                                   | -                                    | (3,448)                                  | (12,614)          |
| <b>Other financing sources (uses):</b>  |                                 |                               |                                     |                                      |  |                   |
| Transfers in  | -                               | -                             | -                                   | -                                    | -  | 11,096            |
| Transfers out   | -                               | -                             | -                                   | -                                    | -  | (11,096)          |
| <b>Total other financing sources (uses)</b>   | <b>-</b>                        | <b>-</b>                      | <b>-</b>                            | <b>-</b>                             | <b>-</b>                                 | <b>-</b>          |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 13,423                          | (2,218)                       | -                                   | -                                    | (3,448)                                  | (12,614)          |
| Cash and investments - beginning  | 9,460                           | 2,218                         | 37                                  | 1,880                                | 1,410                                    | 132,160           |
| Cash and investments - ending   | \$ 22,883                       | \$ -                          | \$ 37                               | \$ 1,880                             | \$ (2,038)                               | \$ 119,546        |
| <b>Cash and Investment Assets - Ending</b>  |                                 |                               |                                     |                                      |  |                   |
| Cash and investments  | \$ 22,883                       | \$ -                          | \$ 37                               | \$ 1,880                             | \$ -                                     | \$ 121,584        |
| Restricted assets:  |                                 |                               |                                     |                                      |  |                   |
| Cash and investments  | -                               | -                             | -                                   | -                                    | (2,038)                                  | (2,038)           |
| <b>Total cash and investment assets - ending</b>  | <b>\$ 22,883</b>                | <b>\$ -</b>                   | <b>\$ 37</b>                        | <b>\$ 1,880</b>                      | <b>\$ (2,038)</b>                        | <b>\$ 119,546</b> |
| <b>Cash and Investment Fund Balance - Ending</b>  |                                 |                               |                                     |                                      |  |                   |
| Restricted for:   |                                 |                               |                                     |                                      |  |                   |
| Debt service  | \$ -                            | \$ -                          | \$ -                                | \$ -                                 | \$ (2,038)                               | \$ (2,038)        |
| Unrestricted  | 22,883                          | -                             | 37                                  | 1,880                                | -  | 121,584           |
| <b>Total cash and investment fund balance - ending</b>  | <b>\$ 22,883</b>                | <b>\$ -</b>                   | <b>\$ 37</b>                        | <b>\$ 1,880</b>                      | <b>\$ (2,038)</b>                        | <b>\$ 119,546</b> |

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2007

|  | Payroll<br>Withholdings | Food Service<br>Trust | Totals    |
|--|-------------------------|-----------------------|-----------|
| Net assets:  |                         |                       |           |
| Cash and investments                                       | \$ 10,044               | \$ 62,887             | \$ 72,931 |
| Total net assets - cash and investment basis held in trust | \$ 10,044               | \$ 62,887             | \$ 72,931 |

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2008

|  | Payroll<br>Withholdings | Food Service<br>Trust | Totals    |
|--|-------------------------|-----------------------|-----------|
| Net assets:  |                         |                       |           |
| Cash and investments                                       | \$ 1,550                | \$ 31,613             | \$ 33,163 |
| Total net assets - cash and investment basis held in trust | \$ 1,550                | \$ 31,613             | \$ 33,163 |

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

For The Year Ended June 30, 2008

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

| <u>Primary Government</u>  | <u>Ending<br/>Balance</u> |
|--|---------------------------|
| Governmental activities:   |                           |
| Capital assets, not being depreciated:                                 |                           |
| Land   | \$ 32,465                 |
| Buildings  | 18,044,162                |
| Improvements other than buildings                                      | 1,050,731                 |
| Machinery and equipment  | <u>3,075,373</u>          |
| Total governmental activities, capital<br>assets not being depreciated | <u>\$ 22,202,731</u>      |

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2008

The School Corporation has entered into the following debt:

| Description of Debt                 | Ending<br>Principal<br>Balance | Principal and<br>Interest Due<br>Within One<br>Year |
|-------------------------------------|--------------------------------|---|
| Governmental Activities:            |                                |   |
| Capital leases:                     |                                |   |
| 2004 First Mortgage Bonds           | \$ 1,975,000                   | \$ 78,000   |
| 2008 First Mortgage Refunding Bonds | 3,265,000                      | 966,000   |
| Bonds payable:                      |                                |   |
| General obligation bonds:           |                                |   |
| 2003 Taxable pension bonds          | <u>1,460,000</u>               | <u>70,556</u>                                       |
| Total governmental activities debt  | <u>\$ 6,700,000</u>            | <u>\$ 1,114,556</u>                                 |

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
EXAMINATION RESULTS AND COMMENTS

GENERAL FUND (STUDENT ACTIVITY FUNDS)  
(Applies to Albion Elementary and Wolf Lake Elementary)

We noted that personal items and curricular items the School Corporation is responsible for were purchased from various student activity funds. These items included staff meals, new principal reception materials, visitor passes, visitor labels, classroom supplies and cafeteria supplies.

Inquiries have questioned the use of a general fund or student activity fund for educational expenditures (copy machines, computers, educational materials, supplies, etc.) which would normally be from school corporation funds. The State Board of Accounts' audit position is as stated above. However, we will not take audit exception to a school having disbursements from an extra curricular "general fund" or "student activity fund" for authorized school corporation type expenditures, such as equipment, supplies, etc., with the following conditions:

1. A policy has been adopted by a school board in a public meeting authorizing these types of expenditures.
2. Providing there are no objections from a majority of an applicable student body to these types of expenditures.
3. Equipment purchases would still require separate approval from the local school board.

Since alternatives exist for funding educational expenditures (i.e., taxes, authorized investment income expenditures, etc.) and other alternatives for the use of a general fund are available (i.e., reducing the cost of items to students and/or parents), we must emphasize the adoption of the aforementioned would be a public policy decision for which the local board of school trustees must accept any and all responsibility. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 6)

PRESCRIBED FORMS

The school lunch program that replaces School Food Form SF-2A, Daily Record of Meals/Milk Served, did not always reconcile with the number of meals served used for the preparation of the monthly claim for federal reimbursement.

The textbook rental receipt Form TBR-2 in use by the School Corporation is not a form prescribed or approved by the State Board of Accounts. These forms are not sequentially pre-numbered, nor is there a signature line on the forms for the issuing officer. A similar comment was in prior Report B29658.

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

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

OVERDRAWN CASH BALANCES

The Debt Service Fund, Retirement/Severance Debt Service Fund, Capital Projects Fund, School Bus Replacement Fund, and the Textbook Rental Fund, were overdrawn at June 30, 2008.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

MINUTES OF MEETINGS OF GOVERNING BODY

The School Corporation accepted bids and awarded a roofing contract in 2007 and purchased school buses in 2008 that were not recorded in the minutes of the school board.

All business transacted by the governing body must be recorded in the minutes of the meetings. It is the duty of the secretary of the governing body to keep the minutes and the minutes of each meeting should be approved by the governing body and signed by members attending.

The minutes must be accurate and complete since the governing body speaks from its minutes. Not all documents acted upon, such as bids and contracts, must be copied in the minutes but reference thereto and the action taken thereon should be recorded in the minutes and the documents carefully preserved. Important papers and documents; however, will need to be completely recorded in the minutes, such as proceedings to issue bonds. You should consult the school corporation attorney if a question arises as to the need for making a complete record on any matter. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on February 23, 2009, with Kimberly A. Schlotterback, Treasurer; Stan Jacob, Business Manager; and Dr. Stacey M. Hughes, Superintendent of Schools.