

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

EAST NOBLE SCHOOL CORPORATION
NOBLE COUNTY, INDIANA

July 1, 2012 to June 30, 2014



FILED
09/17/2015

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Business Manager/Treasurer	Craig Ream Brian A. Leitch	07-01-12 to 06-19-13 06-20-13 to 06-30-15
Superintendent of Schools	Ann W. Linson	07-01-12 to 06-30-15
President of the School Board	Barbara Babcock Dan Beall Barbara Babcock	07-01-10 to 12-31-12 01-01-13 to 12-31-14 01-01-15 to 12-31-15



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE EAST NOBLE SCHOOL CORPORATION, NOBLE COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the East Noble School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2012 to June 30, 2014.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2012 to June 30, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 4, 2015, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

June 4, 2015



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

TO: THE OFFICIALS OF THE EAST NOBLE SCHOOL CORPORATION, NOBLE COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the East Noble School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement, and have issued our report thereon dated June 4, 2015, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be a material weakness.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001.

East Noble School Corporation's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

June 4, 2015

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

EAST NOBLE SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2013 and 2014

	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
General	\$ 2,983,586	\$ 23,999,116	\$ 21,800,908	\$ (445,000)	\$ 4,736,794	\$ 24,120,641	\$ 21,892,790	\$ (143,267)	\$ 6,821,378
Debt Service	3,145,749	5,080,656	5,286,375	-	2,940,030	5,337,931	5,352,008	-	2,925,953
Retirement/Severance Bond Debt Service	149,016	173,438	255,821	-	66,633	55,432	122,065	-	
Capital Projects	598,244	2,870,755	3,064,356	-	404,643	2,901,467	2,900,927	-	405,183
School Transportation	1,413,953	1,480,474	1,754,877	-	1,139,550	1,581,915	1,651,669	42,559	1,112,355
School Bus Replacement	379,444	396,930	381,203	-	395,171	533,529	465,185	-	463,515
Rainy Day	-	-	-	445,000	445,000	302	-	143,267	588,569
Construction	258,175	165	119,003	-	139,337	137	52,709	-	86,765
School Lunch	293,352	1,704,098	1,667,639	(908)	328,903	1,616,796	1,614,183	336	331,852
Textbook Rental	225,756	460,639	535,633	-	150,762	485,248	605,537	-	30,473
Self-Insurance	1,255,466	2,841,161	2,478,845	-	1,617,782	2,811,085	2,844,008	-	1,584,859
Levy Excess	42,559	-	-	-	42,559	-	-	(42,559)	-
Educational License Plates	939	225	1,100	-	64	150	100	-	114
FY 11/12 Alternative Education	4,777	-	4,777	-	-	-	-	-	-
FY 12/13 Alternative Education	-	10,549	10,549	-	-	-	-	-	-
FY 12/13 Early Intervention Grant	-	34,985	34,985	-	-	-	-	-	-
FY 13/14 Early Intervention Grant	-	-	-	-	-	22,250	3,626	-	18,624
Gift/Donation	95,613	51,804	61,015	-	86,402	44,087	52,783	-	77,706
Build a Business Project Grant	-	21,000	16,891	-	4,109	500	4,609	-	-
ENHS Beautification Project	-	-	-	-	-	6,775	40	-	6,735
Bosch Innovation Grants	-	-	-	-	-	33,786	16,492	-	17,294
All Write!!! Dekko Grant	-	-	-	-	-	25,000	3,505	-	21,495
Character Counts	6,752	-	2,165	-	4,587	-	115	-	4,472
FY 13/14 All Write!!! Program	-	23,000	-	-	23,000	53,213	91,195	60,642	45,660
2014 All Write!!! Summer Institute	-	-	-	-	-	38,935	17,432	-	21,503
FY 12/13 All Write!!! Program	26,000	57,145	84,749	68,191	66,587	80	19,623	(47,044)	-
2013 All Write!!! Summer Institute	-	43,238	17,519	-	25,719	23,553	35,674	(13,598)	-
FY 14/15 All Write!!! Program	-	-	-	-	-	38,000	-	-	38,000
FY 11/12 All Write!!! Program	64,306	-	20,250	(44,056)	-	-	-	-	-
2012 All Write!!! Summer Institute	38,789	15,725	30,379	(24,135)	-	-	-	-	-
Reality Store Project	302	-	-	-	302	-	-	-	302
Student Computer	85,677	148,570	126,107	-	108,140	135,374	116,320	-	127,194
Wayne Center G.O. Bonds	3,087	3	-	-	3,090	3	-	-	3,093
Rome City G.O. Bonds	1,885,442	55	1,833,295	-	52,202	-	52,202	-	-
In & Out Clearing	7,349	80,710	66,183	-	21,876	87,744	75,321	-	34,299
School Lunch Trust	19,033	2	1,950	908	17,993	75	1,704	(336)	16,028
Miscellaneous Cafeteria	1,802	1,688	1,513	-	1,977	2,764	2,597	-	2,144
Miscellaneous Transportation	28,722	8,182	5,459	-	31,445	5,677	2,102	-	35,020
FY 11/12 Higher Ability Grant	29,247	-	29,247	-	-	-	-	-	-

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

EAST NOBLE SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2013 and 2014
(Continued)

	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
FY 12/13 Higher Ability Grant	-	40,436	38,311	-	2,125	-	2,125	-	-
FY 13/14 Higher Ability Grant	-	-	-	-	-	40,640	24,725	-	15,915
FY 11/12 Non-English Speaking Program	3,169	-	3,169	-	-	-	-	-	-
FY 12/13 Non-English Speaking Program	-	10,017	10,011	-	6	-	6	-	-
FY 13/14 Non-English Speaking Program	-	-	-	-	-	11,541	7,676	-	3,865
School Technology	78,139	26,400	84,615	-	19,924	79,911	68,577	-	31,258
Rome City Star Grant	91	-	91	-	-	-	-	-	-
Technology Grants [IC 20-40-15]	-	15,000	15,000	-	-	-	-	-	-
Classroom Innovation Program I	(199)	65,000	64,801	-	-	-	-	-	-
Classroom Innovation Program II	-	135,000	135,000	-	-	-	-	-	-
FY 12/13 Performance Based Awards	-	-	-	-	-	287,136	287,136	-	-
Workforce Development Grant	(1,428)	7,635	6,207	-	-	-	-	-	-
Senator David Ford Technology	-	3,000	3,000	-	-	-	-	-	-
Imagining & Creating Grant	-	-	-	-	-	55,815	55,815	-	-
Begin Teach Internship Program	66	-	-	-	66	-	-	-	66
FY 11/12 Title I	(28,333)	168,306	139,973	-	-	-	-	-	-
FY 12/13 Title I	-	315,483	354,474	-	(38,991)	185,277	146,286	-	-
FY 13/14 Title I	-	-	-	-	-	384,683	423,023	-	(38,340)
FY 10/11 Part B, IDEA	-	30	30	-	-	-	-	-	-
FY 11/12 Part B, IDEA - Cooperative	-	347,378	347,378	-	-	-	-	-	-
FY 12/13 Part B, IDEA - Cooperative	-	369,648	434,904	-	(65,256)	516,879	451,623	-	-
FY 13/14 Part B, IDEA - Cooperative	-	-	-	-	-	408,545	457,728	-	(49,183)
FY 12/13 Preschool Handicap - Cooperative	-	23,200	23,200	-	-	-	-	-	-
FY 13/14 Preschool Handicap - Cooperative	-	-	-	-	-	21,885	21,885	-	-
FY 11/13 Title II, Part A	(270)	62,680	76,637	-	(14,227)	25,738	11,511	-	-
FY 12/13 Title II, Part A	-	-	-	-	-	75,064	85,591	-	(10,527)
2014 Title II, Part A - E-Learning	-	-	-	-	-	279	8,225	-	(7,946)
FY 10/11 Title II, Part A	(10,214)	34,761	24,547	-	-	-	-	-	-
2012-2013 Title II, Part A - E-Learning	-	-	10,330	-	(10,330)	16,000	5,670	-	-
FY 11/12 Title III English Proficiency	(190)	8,492	8,302	-	-	-	-	-	-
FY 12/13 Title III English Proficiency	-	2,336	2,336	-	-	12,801	12,801	-	-
2013-2015 Title III English Proficiency	-	-	-	-	-	5,602	6,803	-	(1,201)
Education Jobs Stimulus	(40,815)	241,002	200,187	-	-	-	-	-	-
Payroll Deductions	71,907	5,530,120	5,500,993	-	101,034	5,580,349	5,583,615	-	97,768
Payroll Clearing	275	20,426	20,701	-	-	17,983	17,983	-	-
Flex Clearing	522	86,642	86,612	-	552	71,061	71,087	-	526
Totals	\$ 13,115,857	\$ 47,017,305	\$ 47,283,602	\$ -	\$ 12,849,560	\$ 47,759,638	\$ 45,746,412	\$ -	\$ 14,862,786

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

**EAST NOBLE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT**

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

The accompanying financial statement presents the financial information for the School Corporation.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

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

D. Receipts

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

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

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

EAST NOBLE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

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

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

EAST NOBLE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

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

EAST NOBLE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

EAST NOBLE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of reimbursement grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2013 or June 30, 2014.

Note 8. Holding Corporations

The School Corporation has entered into capital leases with East Noble School Building Corporation (the lessor) and the Avilla School Building Corporation. The lessors were 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 a related party of the School Corporation. Lease payments during the fiscal years 2013 and 2014 totaled \$5,243,500 and \$5,251,500, respectively.

EAST NOBLE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. Subsequent Events

The School Corporation refinanced the 2004 Northside Lease with the East Noble School Building Corporation on August 19, 2014, at an interest rate of 1.54 percent which is a much lower rate. The lease period was not extended and still ends on January 15, 2019.

The School Corporation issued General Obligation Bonds in the amount of \$2,000,000 for the East Noble High School Mechanical Upgrades Project with an expected repayment period of five years and an interest rate of 1.71 percent. They closed on the Bonds on March 17, 2015, and received their proceeds. Barton, Coe, Villimaa are the engineers on the project and Wagner-Meinert, LLC is the contractor on the project.

Note 10. Other Postemployment Benefits

The School Corporation provides to eligible retirees and their spouses the following benefits: Postemployment Health Insurance Benefits and Early Retirement/Severance Termination Benefits. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's Office. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

The other information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

EAST NOBLE SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013

	General	Debt Service	Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 2,983,586	\$ 3,145,749	\$ 149,016	\$ 598,244	\$ 1,413,953	\$ 379,444	\$ -	\$ 258,175	\$ 293,352	\$ 225,756
Receipts:										
Local sources	70,099	5,080,656	173,438	2,870,755	1,478,669	396,930	-	165	710,790	318,296
Intermediate sources	28	-	-	-	-	-	-	-	-	-
State sources	23,901,163	-	-	-	-	-	-	-	18,802	142,343
Federal sources	-	-	-	-	-	-	-	-	974,506	-
Other	27,826	-	-	-	1,805	-	-	-	-	-
Total receipts	23,999,116	5,080,656	173,438	2,870,755	1,480,474	396,930	-	165	1,704,098	460,639
Disbursements:										
Current:										
Instruction	15,799,918	-	-	-	-	-	-	-	-	-
Support services	5,629,347	-	-	2,170,509	1,754,877	338,583	-	-	-	535,633
Noninstructional services	371,643	-	-	-	-	-	-	-	1,543,747	-
Facilities acquisition and construction	-	-	-	893,847	-	-	-	119,003	123,892	-
Debt services	-	5,286,375	255,821	-	-	42,620	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	21,800,908	5,286,375	255,821	3,064,356	1,754,877	381,203	-	119,003	1,667,639	535,633
Excess (deficiency) of receipts over disbursements	2,198,208	(205,719)	(82,383)	(193,601)	(274,403)	15,727	-	(118,838)	36,459	(74,994)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	445,000	-	37,689	-
Transfers out	(445,000)	-	-	-	-	-	-	-	(38,597)	-
Total other financing sources (uses)	(445,000)	-	-	-	-	-	445,000	-	(908)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,753,208	(205,719)	(82,383)	(193,601)	(274,403)	15,727	445,000	(118,838)	35,551	(74,994)
Cash and investments - ending	\$ 4,736,794	\$ 2,940,030	\$ 66,633	\$ 404,643	\$ 1,139,550	\$ 395,171	\$ 445,000	\$ 139,337	\$ 328,903	\$ 150,762

EAST NOBLE SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	<u>Self- Insurance</u>	<u>Levy Excess</u>	<u>Educational License Plates</u>	<u>FY 11/12 Alternative Education</u>	<u>FY 12/13 Alternative Education</u>	<u>FY 12/13 Early Intervention Grant</u>	<u>FY 13/14 Early Intervention Grant</u>	<u>Gift/ Donation</u>	<u>Build a Business Project Grant</u>	<u>ENHS Beautification Project</u>
Cash and investments - beginning	\$ 1,255,466	\$ 42,559	\$ 939	\$ 4,777	\$ -	\$ -	\$ -	\$ 95,613	\$ -	\$ -
Receipts:										
Local sources	2,614,125	-	-	-	-	-	-	50,784	21,000	-
Intermediate sources	-	-	225	-	-	-	-	-	-	-
State sources	-	-	-	-	10,549	34,985	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	227,036	-	-	-	-	-	-	1,020	-	-
Total receipts	2,841,161	-	225	-	10,549	34,985	-	51,804	21,000	-
Disbursements:										
Current:										
Instruction	-	-	-	4,777	10,549	-	-	14,260	16,891	-
Support services	329	-	1,100	-	-	34,985	-	11,755	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	35,000	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	2,478,516	-	-	-	-	-	-	-	-	-
Total disbursements	2,478,845	-	1,100	4,777	10,549	34,985	-	61,015	16,891	-
Excess (deficiency) of receipts over disbursements	362,316	-	(875)	(4,777)	-	-	-	(9,211)	4,109	-
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	362,316	-	(875)	(4,777)	-	-	-	(9,211)	4,109	-
Cash and investments - ending	<u>\$ 1,617,782</u>	<u>\$ 42,559</u>	<u>\$ 64</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,402</u>	<u>\$ 4,109</u>	<u>\$ -</u>

EAST NOBLE SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	Bosch Innovation Grants	All Write!!! Dekko Grant	Character Counts	FY 13/14 All Write!!! Program	2014 All Write!!! Summer Institute	FY 12/13 All Write!!! Program	2013 All Write!!! Summer Institute	FY 14/15 All Write!!! Program	FY 11/12 All Write!!! Program	2012 All Write!!! Summer Institute
Cash and investments - beginning	\$ -	\$ -	\$ 6,752	\$ -	\$ 26,000	\$ -	\$ -	\$ -	\$ 64,306	\$ 38,789
Receipts:										
Local sources	-	-	-	23,000	-	57,145	43,238	-	-	15,725
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	23,000	-	57,145	43,238	-	-	15,725
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	-	-	-	-
Support services	-	-	2,165	-	-	84,749	17,519	-	20,250	30,379
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	2,165	-	-	84,749	17,519	-	20,250	30,379
Excess (deficiency) of receipts over disbursements	-	-	(2,165)	23,000	-	(27,604)	25,719	-	(20,250)	(14,654)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	68,191	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(44,056)	(24,135)
Total other financing sources (uses)	-	-	-	-	-	68,191	-	-	(44,056)	(24,135)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(2,165)	23,000	-	40,587	25,719	-	(64,306)	(38,789)
Cash and investments - ending	\$ -	\$ -	\$ 4,587	\$ 23,000	\$ 66,587	\$ 25,719	\$ -	\$ -	\$ -	\$ -

EAST NOBLE SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	Reality Store Project	Student Computer	Wayne Center G.O. Bonds	Rome City G.O. Bonds	In & Out Clearing	School Lunch Trust	Miscellaneous Cafeteria	Miscellaneous Transportation	FY 11/12 Higher Ability Grant	FY 12/13 Higher Ability Grant
Cash and investments - beginning	\$ 302	\$ 85,677	\$ 3,087	\$ 1,885,442	\$ 7,349	\$ 19,033	\$ 1,802	\$ 28,722	\$ 29,247	\$ -
Receipts:										
Local sources	-	148,570	3	55	66,641	2	1,588	8,182	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	40,436
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	14,069	-	100	-	-	-
Total receipts	-	148,570	3	55	80,710	2	1,688	8,182	-	40,436
Disbursements:										
Current:										
Instruction	-	-	-	-	3,252	-	-	-	29,247	38,311
Support services	-	126,107	-	-	21,901	1,950	1,513	5,459	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,833,295	41,030	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	126,107	-	1,833,295	66,183	1,950	1,513	5,459	29,247	38,311
Excess (deficiency) of receipts over disbursements	-	22,463	3	(1,833,240)	14,527	(1,948)	175	2,723	(29,247)	2,125
Other financing sources (uses):										
Transfers in	-	-	-	-	-	38,597	-	-	-	-
Transfers out	-	-	-	-	-	(37,689)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	908	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	22,463	3	(1,833,240)	14,527	(1,040)	175	2,723	(29,247)	2,125
Cash and investments - ending	\$ 302	\$ 108,140	\$ 3,090	\$ 52,202	\$ 21,876	\$ 17,993	\$ 1,977	\$ 31,445	\$ -	\$ 2,125

EAST NOBLE SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	FY 13/14 Higher Ability Grant	FY 11/12 Non-English Speaking Program	FY 12/13 Non-English Speaking Program	FY 13/14 Non-English Speaking Program	School Technology	Rome City Star Grant	Technology Grants [IC 20-40-15]	Classroom Innovation Program I	Classroom Innovation Program II
Cash and investments - beginning	\$ -	\$ 3,169	\$ -	\$ -	\$ 78,139	\$ 91	\$ -	\$ (199)	\$ -
Receipts:									
Local sources	-	-	-	-	21,562	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	10,017	-	4,838	-	15,000	65,000	135,000
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	10,017	-	26,400	-	15,000	65,000	135,000
Disbursements:									
Current:									
Instruction	-	3,169	10,011	-	-	-	-	-	-
Support services	-	-	-	-	84,615	91	15,000	64,801	135,000
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	3,169	10,011	-	84,615	91	15,000	64,801	135,000
Excess (deficiency) of receipts over disbursements	-	(3,169)	6	-	(58,215)	(91)	-	199	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(3,169)	6	-	(58,215)	(91)	-	199	-
Cash and investments - ending	\$ -	\$ -	\$ 6	\$ -	\$ 19,924	\$ -	\$ -	\$ -	\$ -

EAST NOBLE SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	FY 12/13 Performance Based Awards	Workforce Development Grant	Senator David Ford Technology	Imagining & Creating Grant	Begin Teach Internship Program	FY 11/12 Title I	FY 12/13 Title I	FY 13/14 Title I	FY 10/11 Part B, IDEA
Cash and investments - beginning	\$ -	\$ (1,428)	\$ -	\$ -	\$ 66	\$ (28,333)	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	7,635	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	3,000	-	-	-	-	-	-
Federal sources	-	-	-	-	-	168,306	315,483	-	30
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	7,635	3,000	-	-	168,306	315,483	-	30
Disbursements:									
Current:									
Instruction	-	-	3,000	-	-	138,698	301,293	-	30
Support services	-	6,207	-	-	-	777	52,988	-	-
Noninstructional services	-	-	-	-	-	498	193	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	6,207	3,000	-	-	139,973	354,474	-	30
Excess (deficiency) of receipts over disbursements	-	1,428	-	-	-	28,333	(38,991)	-	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,428	-	-	-	28,333	(38,991)	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 66	\$ -	\$ (38,991)	\$ -	\$ -

EAST NOBLE SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	FY 11/12 Part B, IDEA - Cooperative	FY 12/13 Part B, IDEA - Cooperative	FY 13/14 Part B, IDEA - Cooperative	FY 12/13 Preschool Handicap - Cooperative	FY 13/14 Preschool Handicap - Cooperative	FY 11/13 Title II, Part A	FY 12/14 Title II, Part A	2014 Title II, Part A - E-Learning	FY 10/11 Title II, Part A
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (270)	\$ -	\$ -	\$ (10,214)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	347,378	369,648	-	23,200	-	62,680	-	-	34,761
Other	-	-	-	-	-	-	-	-	-
Total receipts	347,378	369,648	-	23,200	-	62,680	-	-	34,761
Disbursements:									
Current:									
Instruction	347,378	434,904	-	23,200	-	-	-	-	-
Support services	-	-	-	-	-	76,637	-	-	24,547
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	347,378	434,904	-	23,200	-	76,637	-	-	24,547
Excess (deficiency) of receipts over disbursements	-	(65,256)	-	-	-	(13,957)	-	-	10,214
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(65,256)	-	-	-	(13,957)	-	-	10,214
Cash and investments - ending	\$ -	\$ (65,256)	\$ -	\$ -	\$ -	\$ (14,227)	\$ -	\$ -	\$ -

EAST NOBLE SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2013
(Continued)

	2012-2013 Title II, Part A - E-Learning	FY 11/12 Title III English Proficiency	FY 12/13 Title III English Proficiency	2013-2015 Title III English Proficiency	Education Jobs Stimulus	Payroll Deductions	Payroll Clearing	Flex Clearing	Totals
Cash and investments - beginning	\$ -	\$ (190)	\$ -	\$ (40,815)	\$ 71,907	\$ 275	\$ 522	\$ 13,115,857	
Receipts:									
Local sources	-	-	-	-	-	-	-	-	14,179,053
Intermediate sources	-	-	-	-	-	-	-	-	253
State sources	-	-	-	-	-	-	-	-	24,381,133
Federal sources	-	8,492	2,336	-	241,002	-	-	-	2,547,822
Other	-	-	-	-	-	5,530,120	20,426	86,642	5,909,044
Total receipts	-	8,492	2,336	-	241,002	5,530,120	20,426	86,642	47,017,305
Disbursements:									
Current:									
Instruction	-	8,302	2,336	-	6,312	-	-	-	17,195,838
Support services	10,330	-	-	-	191,545	-	-	-	11,451,648
Noninstructional services	-	-	-	-	2,330	-	-	-	1,918,411
Facilities acquisition and construction	-	-	-	-	-	-	-	-	3,046,067
Debt services	-	-	-	-	-	-	-	-	5,584,816
Nonprogrammed charges	-	-	-	-	-	5,500,993	20,701	86,612	8,086,822
Total disbursements	10,330	8,302	2,336	-	200,187	5,500,993	20,701	86,612	47,283,602
Excess (deficiency) of receipts over disbursements	(10,330)	190	-	-	40,815	29,127	(275)	30	(266,297)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	589,477
Transfers out	-	-	-	-	-	-	-	-	(589,477)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,330)	190	-	-	40,815	29,127	(275)	30	(266,297)
Cash and investments - ending	\$ (10,330)	\$ -	\$ -	\$ -	\$ 101,034	\$ -	\$ 552	\$ 12,849,560	

EAST NOBLE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014

	General	Debt Service	Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 4,736,794	\$ 2,940,030	\$ 66,633	\$ 404,643	\$ 1,139,550	\$ 395,171	\$ 445,000	\$ 139,337	\$ 328,903	\$ 150,762
Receipts:										
Local sources	85,801	5,337,931	55,432	2,894,194	1,580,243	520,141	302	137	674,681	351,092
Intermediate sources	61	-	-	-	-	-	-	-	-	-
State sources	24,006,795	-	-	-	-	-	-	-	18,988	134,156
Federal sources	-	-	-	-	-	-	-	-	923,127	-
Other	27,984	-	-	7,273	1,672	13,388	-	-	-	-
Total receipts	24,120,641	5,337,931	55,432	2,901,467	1,581,915	533,529	302	137	1,616,796	485,248
Disbursements:										
Current:										
Instruction	16,025,010	-	-	-	-	-	-	-	-	-
Support services	5,467,902	-	-	1,996,195	1,651,669	427,968	-	-	-	605,537
Noninstructional services	399,878	-	-	-	-	-	-	-	1,471,864	-
Facilities acquisition and construction	-	-	-	904,732	-	-	-	52,709	92,319	-
Debt services	-	5,352,008	122,065	-	-	37,217	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	50,000	-
Total disbursements	21,892,790	5,352,008	122,065	2,900,927	1,651,669	465,185	-	52,709	1,614,183	605,537
Excess (deficiency) of receipts over disbursements	2,227,851	(14,077)	(66,633)	540	(69,754)	68,344	302	(52,572)	2,613	(120,289)
Other financing sources (uses):										
Transfers in	-	-	-	-	42,559	-	143,267	-	46,539	-
Transfers out	(143,267)	-	-	-	-	-	-	-	(46,203)	-
Total other financing sources (uses)	(143,267)	-	-	-	42,559	-	143,267	-	336	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,084,584	(14,077)	(66,633)	540	(27,195)	68,344	143,569	(52,572)	2,949	(120,289)
Cash and investments - ending	<u>\$ 6,821,378</u>	<u>\$ 2,925,953</u>	<u>\$ -</u>	<u>\$ 405,183</u>	<u>\$ 1,112,355</u>	<u>\$ 463,515</u>	<u>\$ 588,569</u>	<u>\$ 86,765</u>	<u>\$ 331,852</u>	<u>\$ 30,473</u>

EAST NOBLE SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2014
(Continued)

	<u>Self- Insurance</u>	<u>Levy Excess</u>	<u>Educational License Plates</u>	<u>FY 11/12 Alternative Education</u>	<u>FY 12/13 Alternative Education</u>	<u>FY 12/13 Early Intervention Grant</u>	<u>FY 13/14 Early Intervention Grant</u>	<u>Gift/ Donation</u>	<u>Build a Business Project Grant</u>	<u>ENHS Beautification Project</u>
Cash and investments - beginning	\$ 1,617,782	\$ 42,559	\$ 64	\$ -	\$ -	\$ -	\$ -	\$ 86,402	\$ 4,109	\$ -
Receipts:										
Local sources	2,566,200	-	-	-	-	-	-	43,066	500	6,775
Intermediate sources	-	-	150	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	22,250	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	244,885	-	-	-	-	-	-	1,021	-	-
Total receipts	2,811,085	-	150	-	-	-	22,250	44,087	500	6,775
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	-	27,996	4,609	-
Support services	2,237	-	100	-	-	-	3,626	9,787	-	-
Noninstructional services	-	-	-	-	-	-	-	15,000	-	40
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	2,841,771	-	-	-	-	-	-	-	-	-
Total disbursements	2,844,008	-	100	-	-	-	3,626	52,783	4,609	40
Excess (deficiency) of receipts over disbursements	(32,923)	-	50	-	-	-	18,624	(8,696)	(4,109)	6,735
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(42,559)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(42,559)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(32,923)	(42,559)	50	-	-	-	18,624	(8,696)	(4,109)	6,735
Cash and investments - ending	\$ 1,584,859	\$ -	\$ 114	\$ -	\$ -	\$ -	\$ 18,624	\$ 77,706	\$ -	\$ 6,735

EAST NOBLE SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2014
(Continued)

	Bosch Innovation Grants	All Write!!! Dekko Grant	Character Counts	FY 13/14 All Write!!! Program	2014 All Write!!! Summer Institute	FY 12/13 All Write!!! Program	2013 All Write!!! Summer Institute	FY 14/15 All Write!!! Program	FY 11/12 All Write!!! Program	2012 All Write!!! Summer Institute
Cash and investments - beginning	\$ -	\$ -	\$ 4,587	\$ 23,000	\$ -	\$ 66,587	\$ 25,719	\$ -	\$ -	\$ -
Receipts:										
Local sources	33,786	25,000	-	53,213	38,935	80	23,553	38,000	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	33,786	25,000	-	53,213	38,935	80	23,553	38,000	-	-
Disbursements:										
Current:										
Instruction	6,092	-	-	-	-	-	-	-	-	-
Support services	10,400	3,505	115	91,195	17,432	19,623	35,674	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	16,492	3,505	115	91,195	17,432	19,623	35,674	-	-	-
Excess (deficiency) of receipts over disbursements	17,294	21,495	(115)	(37,982)	21,503	(19,543)	(12,121)	38,000	-	-
Other financing sources (uses):										
Transfers in	-	-	-	60,642	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(47,044)	(13,598)	-	-	-
Total other financing sources (uses)	-	-	-	60,642	-	(47,044)	(13,598)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	17,294	21,495	(115)	22,660	21,503	(66,587)	(25,719)	38,000	-	-
Cash and investments - ending	<u>\$ 17,294</u>	<u>\$ 21,495</u>	<u>\$ 4,472</u>	<u>\$ 45,660</u>	<u>\$ 21,503</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,000</u>	<u>\$ -</u>	<u>\$ -</u>

EAST NOBLE SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2014
(Continued)

	Reality Store Project	Student Computer	Wayne Center G.O. Bonds	Rome City G.O. Bonds	In & Out Clearing	School Lunch Trust	Miscellaneous Cafeteria	Miscellaneous Transportation	FY 11/12 Higher Ability Grant	FY 12/13 Higher Ability Grant
Cash and investments - beginning	\$ 302	\$ 108,140	\$ 3,090	\$ 52,202	\$ 21,876	\$ 17,993	\$ 1,977	\$ 31,445	\$ -	\$ 2,125
Receipts:										
Local sources	-	135,359	3	-	53,819	75	2,764	5,677	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	15	-	-	33,925	-	-	-	-	-
Total receipts	-	135,374	3	-	87,744	75	2,764	5,677	-	-
Disbursements:										
Current:										
Instruction	-	-	-	-	9,751	-	-	-	-	2,125
Support services	-	116,320	-	-	65,570	1,704	2,597	2,102	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	52,202	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	116,320	-	52,202	75,321	1,704	2,597	2,102	-	2,125
Excess (deficiency) of receipts over disbursements	-	19,054	3	(52,202)	12,423	(1,629)	167	3,575	-	(2,125)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	46,203	-	-	-	-
Transfers out	-	-	-	-	-	(46,539)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(336)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	19,054	3	(52,202)	12,423	(1,965)	167	3,575	-	(2,125)
Cash and investments - ending	\$ 302	\$ 127,194	\$ 3,093	\$ -	\$ 34,299	\$ 16,028	\$ 2,144	\$ 35,020	\$ -	\$ -

EAST NOBLE SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2014
(Continued)

	FY 13/14 Higher Ability Grant	FY 11/12 Non-English Speaking Program	FY 12/13 Non-English Speaking Program	FY 13/14 Non-English Speaking Program	School Technology	Rome City Star Grant	Technology Grants [IC 20-40-15]	Classroom Innovation Program I	Classroom Innovation Program II
Cash and investments - beginning	\$ -	\$ -	\$ 6	\$ -	\$ 19,924	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	79,911	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	40,640	-	-	11,541	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	40,640	-	-	11,541	79,911	-	-	-	-
Disbursements:									
Current:									
Instruction	24,725	-	6	7,676	-	-	-	-	-
Support services	-	-	-	-	68,577	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	24,725	-	6	7,676	68,577	-	-	-	-
Excess (deficiency) of receipts over disbursements	15,915	-	(6)	3,865	11,334	-	-	-	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	15,915	-	(6)	3,865	11,334	-	-	-	-
Cash and investments - ending	<u>\$ 15,915</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,865</u>	<u>\$ 31,258</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EAST NOBLE SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2014
(Continued)

	FY 12/13 Performance Based Awards	Workforce Development Grant	Senator David Ford Technology	Imagining & Creating Grant	Begin Teach Internship Program	FY 11/12 Title I	FY 12/13 Title I	FY 13/14 Title I	FY 10/11 Part B, IDEA
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 66	\$ -	\$ (38,991)	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	287,136	-	-	55,815	-	-	-	-	-
Federal sources	-	-	-	-	-	185,277	384,683	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	287,136	-	-	55,815	-	-	185,277	384,683	-
Disbursements:									
Current:									
Instruction	283,292	-	-	-	-	-	113,280	341,621	-
Support services	3,844	-	-	55,815	-	-	32,828	80,767	-
Noninstructional services	-	-	-	-	-	-	178	635	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	287,136	-	-	55,815	-	-	146,286	423,023	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	38,991	(38,340)	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	38,991	(38,340)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 66	\$ -	\$ (38,340)	\$ -	\$ -

EAST NOBLE SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2014
(Continued)

	FY 11/12 Part B, IDEA - Cooperative	FY 12/13 Part B, IDEA - Cooperative	FY 13/14 Part B, IDEA - Cooperative	FY 12/13 Preschool Handicap - Cooperative	FY 13/14 Preschool Handicap - Cooperative	FY 11/13 Title II, Part A	FY 12/14 Title II, Part A	2014 Title II, Part A - E-Learning	FY 10/11 Title II, Part A
Cash and investments - beginning	\$ -	\$ (65,256)	\$ -	\$ -	\$ -	\$ (14,227)	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	516,879	408,545	-	21,885	25,738	75,064	279	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	516,879	408,545	-	21,885	25,738	75,064	279	-
Disbursements:									
Current:									
Instruction	-	451,623	457,728	-	21,885	-	-	-	-
Support services	-	-	-	-	-	11,511	85,591	8,225	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	451,623	457,728	-	21,885	11,511	85,591	8,225	-
Excess (deficiency) of receipts over disbursements	-	65,256	(49,183)	-	-	14,227	(10,527)	(7,946)	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	65,256	(49,183)	-	-	14,227	(10,527)	(7,946)	-
Cash and investments - ending	\$ -	\$ (49,183)	\$ -	\$ -	\$ -	\$ (10,527)	\$ (7,946)	\$ -	\$ -

EAST NOBLE SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2014
(Continued)

	2012-2013 Title II, Part A - E-Learning	FY 11/12 Title III English Proficiency	FY 12/13 Title III English Proficiency	2013-2015 Title III English Proficiency	Education Jobs Stimulus	Payroll Deductions	Payroll Clearing	Flex Clearing	Totals
Cash and investments - beginning	\$ (10,330)	\$ -	\$ -	\$ -	\$ -	\$ 101,034	\$ -	\$ 552	\$ 12,849,560
Receipts:									
Local sources	-	-	-	-	-	-	-	-	14,606,670
Intermediate sources	-	-	-	-	-	-	-	-	211
State sources	-	-	-	-	-	-	-	-	24,577,321
Federal sources	16,000	-	12,801	5,602	-	-	-	-	2,575,880
Other	-	-	-	-	-	5,580,349	17,983	71,061	5,999,556
Total receipts	16,000	-	12,801	5,602	-	5,580,349	17,983	71,061	47,759,638
Disbursements:									
Current:									
Instruction	-	-	12,801	6,803	-	-	-	-	17,797,023
Support services	5,670	-	-	-	-	-	-	-	10,884,086
Noninstructional services	-	-	-	-	-	-	-	-	1,887,595
Facilities acquisition and construction	-	-	-	-	-	-	-	-	1,101,962
Debt services	-	-	-	-	-	-	-	-	5,511,290
Nonprogrammed charges	-	-	-	-	-	5,583,615	17,983	71,087	8,564,456
Total disbursements	5,670	-	12,801	6,803	-	5,583,615	17,983	71,087	45,746,412
Excess (deficiency) of receipts over disbursements	10,330	-	-	(1,201)	-	(3,266)	-	(26)	2,013,226
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	339,210
Transfers out	-	-	-	-	-	-	-	-	(339,210)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	10,330	-	-	(1,201)	-	(3,266)	-	(26)	2,013,226
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (1,201)	\$ -	\$ 97,768	\$ -	\$ 526	\$ 14,862,786

EAST NOBLE SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2014

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Avilla School Building Corporation	Avilla Remodel	\$ 510,313	1/15/1994	1/15/2015
East Noble School Building Corporation	ENHS / SSES	1,830,250	7/15/1996	1/15/2017
East Noble School Building Corporation	ENHS	784,400	7/15/2004	12/31/2018
Kansas State Bank #3	Insurance for 1-1	58,600	2/8/2011	2/1/2015
East Noble School Building Corporation	North Side Elementary	1,060,975	1/15/2005	1/15/2019
Santander Leasing LLC	Special Needs Bus	19,285	7/16/2012	7/16/2016
Sun Trust #5	Laptops for 1-1	68,537	8/9/2012	7/13/2016
Sun Trust #6	Laptops for 1-1	33,184	8/9/2012	4/26/2015
Sun Trust #7	Laptops for 1-1	96,820	7/17/2013	7/15/2017
East Noble School Building Corporation	Wayne Center	<u>1,038,938</u>	9/13/2007	12/31/2017
Total of annual lease payments		<u>\$ 5,501,302</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal and Interest Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
General obligation bonds	Rome City Remodel	\$ 1,930,000	\$ 98,906
Qualified zone academy bonds	Rome City Remodel	<u>1,960,000</u>	<u>-</u>
Total governmental activities		<u>\$ 3,890,000</u>	<u>\$ 98,906</u>

EAST NOBLE SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2014

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.

	Ending Balance
Governmental activities:	
Land	\$ 3,018,641
Buildings	78,829,128
Improvements other than buildings	1,481,100
Machinery, equipment, and vehicles	<u>6,112,567</u>
 Total capital assets	 <u>\$ 89,441,436</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE EAST NOBLE SCHOOL CORPORATION, NOBLE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the East Noble School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2012 to June 30, 2014. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2012 to June 30, 2014.

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

June 4, 2015

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

EAST NOBLE SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2013 and 2014

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	FY 13-14	\$ 140,594	\$ 122,464
National School Lunch Program	10.555	FY 13-14	961,167	923,686
Summer Food Service Program for Children	10.559	FY 13-14	<u>7,466</u>	<u>5,802</u>
Total for federal grantor agency			<u>1,109,227</u>	<u>1,051,952</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027			
		14211-067-PN01	30	-
		14212-046-PN01	347,378	-
		14213-046-PN01	369,648	516,879
		14214-046-PN01	<u>-</u>	<u>408,545</u>
Total for program			<u>717,056</u>	<u>925,424</u>
Special Education-Preschool Grants	84.173			
		45713-046-PN01	23,200	-
		45714-046-PN01	<u>-</u>	<u>21,885</u>
Total for program			<u>23,200</u>	<u>21,885</u>
Total for cluster			<u>740,256</u>	<u>947,309</u>
Educational Technology State Grants Cluster				
Educational Technology State Grants	84.318			
		A58-2-12IT-0667	<u>65,000</u>	<u>-</u>

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

EAST NOBLE SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2013 and 2014
 (Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (Continued)				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
		12-6060	139,973	-
		13-6060	315,483	185,277
		14-6060	-	384,683
Total for cluster			<u>455,456</u>	<u>569,960</u>
English Language Acquisition State Grants	84.365			
		01112-070-PN01	8,302	-
		01113-072-PN01	2,336	12,801
		01114-019-PN01	-	5,602
Total for program			<u>10,638</u>	<u>18,403</u>
Improving Teacher Quality State Grants	84.367			
		10-6060	24,547	-
		11-6060	76,637	11,511
		12-6060	-	75,064
		13-6060	-	16,000
		14-6060	-	279
Total for program			<u>101,184</u>	<u>102,854</u>
Education Jobs Fund	84.410			
		6060	<u>200,187</u>	<u>-</u>
Total for federal grantor agency			<u>1,572,721</u>	<u>1,638,526</u>
Total federal awards expended			<u>\$ 2,681,948</u>	<u>\$ 2,690,478</u>

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

**EAST NOBLE SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the School Corporation and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2013 and 2014. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2013	2014
National School Lunch Program	10.555	\$ 134,721	\$ 128,825

**EAST NOBLE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

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

Identification of Major Programs:

<u>Name of Federal Program or Cluster</u>
Child Nutrition Cluster
Title I, Part A Cluster

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

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

***FINDING 2014-001 - INTERNAL CONTROLS OVER THE PREPARATION
OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

**EAST NOBLE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)**

During the audit of the SEFA, we noted that the Child Nutrition Cluster programs were not identified separately, the reported amounts were based on School Lunch fund expenditures, and commodities were not considered in reporting. Fund expenditures were reported instead of reimbursement received for the following federal programs; 84.010 (Title I Grants to Local Educational Agencies), 84.027 (Special Education - Grants to States), and 84.367 (Improving Teacher Quality State Grants). In addition, 84.318 (Educational Technology State Grants) was not reported on the SEFA. In total, the SEFA was overreported in FY 2013 by \$1,173,966 and in FY 2014 by \$625,609. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receiving, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.

EAST NOBLE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

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AUDITEE PREPARED DOCUMENT

The subsequent document was provided by management of the School Corporation. The document is presented as intended by the School Corporation.

East Noble School Corporation

Corrective Action Plan

Findings 2014-001 Internal Controls over the preparation of the schedule of expenditures of Federal Awards

Auditee Contact Person: Brian Leitch

Title of Contact Person: Business Manager

Phone Number: 260-347-2502

Expected Completion Date: July 31, 2015

East Noble School Corporation will develop and put into place proper procedures for the preparation and reporting of the (SEFA) Schedule of Expenditures of Federal Awards. These procedures will include but not limited to:

1. The SEFA Report will be prepared by the Deputy Treasurer. Actual Receipts will be used for Reimbursement Grants and actual expenditures will be used for any Advanced Grant.
2. For School Lunch Reporting we will use the CND-1 reports along with any non-cash assistance.
3. The SEFA report will be reviewed by the Treasurer before information is entered into the Gateway Program.

The expected completion date of these procedures is not to exceed July 31, 2015, and will be expected to become a part of our Standard Operation Procedures.



April 6, 2015

Brian Leitch
Business Manager
East Noble School Corporation

OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the School Corporation. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.