

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

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

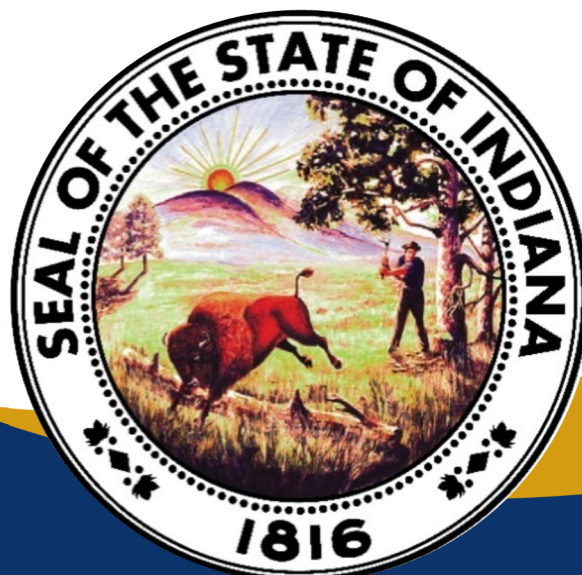
SUPPLEMENTAL COMPLIANCE REPORT

OF

EAST NOBLE SCHOOL CORPORATION

NOBLE COUNTY, INDIANA

July 1, 2022 to June 30, 2024



FILED

03/27/2025

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Audit Result and Comment: Annual Financial Report	4-5
Exit Conference.....	6

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Brian A. Leitch	07-01-22 to 06-30-25
Superintendent of Schools	Dr. Teresa L. Gremaux	07-01-22 to 06-30-25
President of the School Board	Brent Durbin David Pine Dr. Douglas Jansen	07-01-22 to 12-31-23 01-01-24 to 12-31-24 01-01-25 to 06-30-25



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INDIANA STATE BOARD OF ACCOUNTS

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

This report is supplemental to the audit report of the East Noble School Corporation (School Corporation), for the period from July 1, 2022 to June 30, 2024. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the School Corporation. It should be read in conjunction with the Financial Statement Audit Report of the School Corporation, which provides our opinions on the School Corporation's financial statement. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Result and Comment contained herein describes the identified reportable instance of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Result and Comment, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

March 20, 2025

EAST NOBLE SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

ANNUAL FINANCIAL REPORT

Condition and Context

Financial and other information is required to be entered annually into the Indiana Gateway for Government Units financial reporting system, which is the source of the School Corporation's Annual Financial Report (AFR), financial statement, and Schedule of Expenditures of Federal Awards (SEFA). The School Corporation filed its AFR as prescribed; however, the School Corporation had not established effective internal controls over the following AFR components, which resulted in the following errors:

Financial Data

- The Payroll Clearing fund was omitted, resulting in the understatement of receipts and disbursements for fiscal year 2022-2023 by \$26,772 and \$26,172, respectively. For 2023-2024, the beginning cash and investments balance, receipts, and disbursements were understated by \$600, \$39,074, and \$40,412, respectively. The ending cash and investments balance as of June 30, 2024, was overstated by \$738.
- The receipts and disbursements of the Payroll & Deductions fund were understated for 2022-2023 and 2023-2024 by \$15,746,923 and \$16,973,514, respectively.

Audit adjustments were proposed, accepted by the School Corporation, and made to the financial statement and to the Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis presented as Other Information in the Financial Statement Audit Report of the School Corporation.

Grants

- 10.555 National School Lunch Program: overstated the 2022-2023 grant by \$61,707.
- 10.555 National School Lunch Program Commodities: understated by \$148,416 and \$180,423 for 2022-2023 and 2023-2024, respectively.
- 84.027 Special Education Grants to States: omitted the ARP funding for 2022-2023 and 2023-2024 by \$122,345 and \$84,344, respectively. For 2023-2024, one reimbursement was omitted on the Special Education Cooperative Allocation Sheet, causing an understatement of the Part B grant by \$92,978.

EAST NOBLE SCHOOL CORPORATION
AUDIT RESULT AND COMMENT
(Continued)

- 84.173 Special Education Preschool Grants: omitted the ARP funding for 2022-2023 and 2023-2024 by \$10,432 and \$4,998, respectively. For 2023-2024, the preschool grant was understated by \$2,000.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in the Federal Compliance Audit Report of the School Corporation.

Criteria

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

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

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

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

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner as set forth in the uniform compliance guidelines. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

EAST NOBLE SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on March 20, 2025, with Brian A. Leitch, Treasurer; Dr. Teresa L. Gremaux, Superintendent of Schools; Dr. Michelle D. Grewe, Assistant Superintendent of Schools; Holly Singleton, Deputy Treasurer; Faye Kline, School Board member; and Joel Lash, School Board member.