

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, 2014 to June 30, 2016



FILED
03/09/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Business Manager/Treasurer	Brian A. Leitch	01-01-14 to 12-31-18
Superintendent of Schools	Ann W. Linson	07-01-14 to 06-30-18
President of the School Board	Dan Beall Barbara Babcock John Wicker David Desper	01-01-14 to 12-31-14 01-01-15 to 12-31-16 01-01-17 to 12-31-17 01-01-18 to 12-31-18



STATE OF INDIANA
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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, 2014 to June 30, 2016, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2014 to June 30, 2016.

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, 2014 to June 30, 2016, 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 February 8, 2018, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

February 8, 2018



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

TO: THE OFFICIALS OF THE 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, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated February 8, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

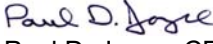
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

February 8, 2018

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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, 2015 and 2016

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
General	\$ 6,821,378	\$ 24,012,015	\$ 22,583,290	\$ 1,078	\$ 8,251,181	\$ 24,082,854	\$ 23,932,224	\$ 14	\$ 8,401,825
Debt Service	2,925,953	5,425,888	5,508,115	-	2,843,726	5,605,390	5,466,959	-	2,982,157
Capital Projects	405,183	2,981,699	2,449,241	-	937,641	2,993,790	2,469,453	19,275	1,481,253
School Transportation	1,112,355	1,808,725	1,587,822	-	1,333,258	1,843,442	1,634,786	-	1,541,914
School Bus Replacement	463,515	551,127	473,629	(19,919)	521,094	560,480	547,779	(145,000)	388,795
Rainy Day	588,569	2,226	-	19,919	610,714	123,056	-	145,000	878,770
Construction	86,765	79	12,903	-	73,941	67	67,933	-	6,075
School Lunch	331,852	1,606,617	1,562,748	(3,451)	372,270	1,649,827	1,464,601	(10,334)	547,162
Textbook Rental	30,473	630,945	480,084	-	181,334	508,214	355,085	-	334,463
Self-Insurance	1,584,859	2,805,664	2,659,772	-	1,730,751	2,882,148	2,962,912	-	1,649,987
Educational License Plates	114	131	-	-	245	207	30	-	422
14/15 Alternative Education	-	10,573	10,573	-	-	-	-	-	-
15/16 Alternative Education	-	-	-	-	-	12,793	12,776	-	17
FY 13/14 Early Intervention Grant	18,624	-	18,624	-	-	-	-	-	-
14/15 Early Intervention Grant	-	39,380	23,360	-	16,020	-	16,020	-	-
15/16 Early Intervention Grant	-	-	-	-	-	35,157	-	-	35,157
Gift/Donation	77,706	120,745	31,126	-	167,325	77,192	164,480	-	80,037
ENHS Beautification Project	6,735	20,909	14,808	-	12,836	2,091	218	-	14,709
Bosch Innovation Grants	17,294	-	17,197	-	97	-	97	-	-
All Write!!! Dekko Grant	21,495	25,000	18,887	-	27,608	-	27,608	-	-
Bosch Stem Grant	-	-	-	-	-	11,112	3,386	-	7,726
Bosch Foundation Grants	-	-	-	-	-	16,995	1,200	-	15,795
Ignite Kindergarten Grant	-	-	-	-	-	5,000	-	-	5,000
Instructional Support	4,472	-	-	-	4,472	-	173	-	4,299
FY 13/14 All Write!!! Program	45,660	6,000	18,265	(33,395)	-	-	-	-	-
2014 All Write!!! Summer Institute	21,503	35,330	19,506	(37,327)	-	-	-	-	-
FY 14/15 All Write!!! Program	38,000	46,428	105,386	70,722	49,764	500	17,388	(32,876)	-
2015 All Write!!! Summer Institute	-	43,056	24,908	-	18,148	24,955	17,903	(25,200)	-
15/16 All Write!!! Program	-	23,000	-	-	23,000	72,435	105,774	58,076	47,737
2016 All Write Summer Institute	-	-	-	-	-	32,245	25,597	-	6,648
16/17 All Write!!! Program	-	-	-	-	-	38,000	-	-	38,000
Reality Store Project	302	-	-	-	302	-	302	-	-
Miscellaneous Programs	127,194	141,587	86,770	-	182,011	176,474	41,462	-	317,023
Wayne Center G.O. Bonds	3,093	3	-	-	3,096	3	-	-	3,099
Rome City G.O. Bond	-	4,798	4,798	-	-	-	-	-	-
ENHS G.O. Bond of 2015	-	-	329,776	2,000,000	1,670,224	-	1,464,328	-	205,896
ENMS Project G.O. Bond of 2016	-	-	-	-	-	-	43,284	-	(43,284)
In & Out Learning	34,299	50,151	33,733	-	50,717	105,194	79,423	-	76,488
School Lunch Trust	16,028	25	1,758	3,451	17,746	77	1,725	10,334	26,432

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, 2015 and 2016

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
Miscellaneous Cafeteria	2,144	872	1,572	-	1,444	524	768	-	1,200
Miscellaneous Transportation	35,020	3,879	1,862	-	37,037	4,677	2,395	-	39,319
Formative Assessment	-	-	-	-	-	34,819	21,560	-	13,259
FY 13/14 Higher Ability Grant	15,915	-	15,915	-	-	-	-	-	-
14/15 High Ability Grant	-	41,687	18,139	-	23,548	-	23,548	-	-
15/16 High Ability Grant	-	-	-	-	-	42,429	35,445	-	6,984
Secured Schools Safety Grant	-	25,000	75,000	-	(50,000)	50,000	50,000	-	(50,000)
FY 13/14 Non-English Speaking Program	3,865	-	3,865	-	-	-	-	-	-
14/15 Non-English Speaking Program	-	11,818	11,351	-	467	-	467	-	-
15/16 Non-English Speaking Program	-	-	-	-	-	21,675	89	-	21,586
School Technology	31,258	39,964	38,797	-	32,425	32,599	24,388	-	40,636
Imagining & Creating Grant	-	43,988	43,988	-	-	-	-	-	-
Begin Teach Internship Program	66	-	-	(66)	-	-	-	-	-
FY 13/14 Title I	(38,340)	196,684	158,344	-	-	-	-	-	-
14/15 Title I Fund	-	479,492	523,104	-	(43,612)	191,683	148,071	-	-
15/16 Title I Fund	-	-	-	-	-	483,106	520,959	-	(37,853)
FY 13/14 Part B, IDEA - Cooperative	(49,183)	451,643	402,460	-	-	-	-	-	-
14/15 Idea Part B (611) Cooperative	-	423,293	562,000	-	(138,707)	433,216	294,509	-	-
15/16 Idea Part B (611) Cooperative	-	-	-	-	-	728,482	806,521	-	(78,039)
14/15 Preschool (619) Cooperative	-	21,473	21,473	-	-	-	-	-	-
15/16 Preschool (619) Cooperative	-	-	-	-	-	21,541	21,541	-	-
IDEA	-	17,186	17,186	-	-	-	-	-	-
FY 12/14 Title II, Part A	(10,527)	38,758	28,231	-	-	-	-	-	-
2014 Title II, Part A - E-Learning	(7,946)	10,321	2,375	-	-	-	-	-	-
13/15 Title II -A Fund	-	67,839	81,291	-	(13,452)	34,676	21,224	-	-
14/16 Title II -A Fund	-	-	-	-	-	81,653	86,266	-	(4,613)
15/16 Title II -A ELearning	-	99	1,006	-	(907)	9,901	8,994	-	-
2013-2015 Title III English Proficiency	(1,201)	11,990	10,789	-	-	29	29	-	-
14/16 Title III English Proficiency	-	3,479	4,849	-	(1,370)	6,865	13,457	-	(7,962)
15/17 Title III English Proficiency	-	-	-	-	-	15,082	16,243	-	(1,161)
Payroll Deductions	97,768	5,678,598	5,640,808	-	135,558	5,965,720	6,033,601	-	67,677
Payroll Clearing Fund	-	18,405	18,901	-	(496)	18,852	18,356	-	-
Flex Clearing Fund	526	65,779	65,807	-	498	62,290	62,278	-	510
Totals	<u>\$ 14,862,786</u>	<u>\$ 48,044,348</u>	<u>\$ 45,826,192</u>	<u>\$ 2,001,012</u>	<u>\$ 19,081,954</u>	<u>\$ 49,099,517</u>	<u>\$ 49,135,615</u>	<u>\$ 19,289</u>	<u>\$ 19,065,145</u>

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, the following: school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

EAST NOBLE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

Other receipts. Amounts received from various sources, including, but not limited to, the following: return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

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

Sale of capital assets. Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

EAST NOBLE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

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

EAST NOBLE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

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 and the East Noble School construction project that the School Corporation did not receive reimbursement for expenditures until post audit.

Note 8. Holding Corporations

The School Corporation has entered into capital leases with East Noble School Building Corporation and the Avilla School Building Corporation (the lessors). The capital lease with Avilla School Building Corporation was retired during the period covered by the financial statements. 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 2014-2015 and 2015-2016 totaled \$5,237,000 and \$5,221,500, respectively.

EAST NOBLE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. Subsequent Events

The School Corporation issued General Obligation Bonds in the amount of \$2,000,000 for renovations to East Noble High School and is substantially complete. The project was started in May of 2017.

The School Corporation entered into a new capital lease with the East Noble School Building Corporation for \$37,100,000 to build a new middle school. Construction began in September 2016. The project is expected to be substantially completed by July 15, 2018.

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OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the 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 School Corporation's Financial Reports referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

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

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, 2015

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch	Textbook Rental	Self-Insurance	Educational License Plates
Cash and investments - beginning	\$ 6,821,378	\$ 2,925,953	\$ 405,183	\$ 1,112,355	\$ 463,515	\$ 588,569	\$ 86,765	\$ 331,852	\$ 30,473	\$ 1,584,859	\$ 114
Receipts:											
Local sources	54,876	5,425,888	2,922,525	1,806,422	551,127	2,226	79	658,295	504,325	2,603,486	-
Intermediate sources	44	-	-	-	-	-	-	-	-	-	131
State sources	23,936,152	-	-	-	-	-	-	18,646	126,620	-	-
Federal sources	-	-	-	-	-	-	-	929,647	-	-	-
Other receipts	20,943	-	59,174	2,303	-	-	-	29	-	202,178	-
Total receipts	24,012,015	5,425,888	2,981,699	1,808,725	551,127	2,226	79	1,606,617	630,945	2,805,664	131
Disbursements:											
Instruction	16,181,459	-	-	-	-	-	-	-	-	-	-
Support services	6,021,397	-	1,668,945	1,587,822	435,059	-	-	-	480,084	552	-
Noninstructional services	380,434	-	-	-	-	-	-	1,469,573	-	-	-
Facilities acquisition and construction	-	-	780,296	-	-	-	12,903	43,175	-	-	-
Debt service	-	5,508,115	-	-	38,570	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	50,000	-	2,659,220	-
Total disbursements	22,583,290	5,508,115	2,449,241	1,587,822	473,629	-	12,903	1,562,748	480,084	2,659,772	-
Excess (deficiency) of receipts over disbursements	1,428,725	(82,227)	532,458	220,903	77,498	2,226	(12,824)	43,869	150,861	145,892	131
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	1,012	-	-	-	-	-	-	-	-	-	-
Transfers in	66	-	-	-	-	19,919	-	34,544	-	-	-
Transfers out	-	-	-	-	(19,919)	-	-	(37,995)	-	-	-
Total other financing sources (uses)	1,078	-	-	-	(19,919)	19,919	-	(3,451)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,429,803	(82,227)	532,458	220,903	57,579	22,145	(12,824)	40,418	150,861	145,892	131
Cash and investments - ending	\$ 8,251,181	\$ 2,843,726	\$ 937,641	\$ 1,333,258	\$ 521,094	\$ 610,714	\$ 73,941	\$ 372,270	\$ 181,334	\$ 1,730,751	\$ 245

EAST NOBLE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2015

	14/15 Alternative Education	15/16 Alternative Education	FY 13/14 Early Intervention Grant	14/15 Early Intervention Grant	15/16 Early Intervention Grant	Gift/ Donation	ENHS Beautification Project	Bosch Innovation Grants	All Write!!! Dekko Grant	Bosch Stem Grant	Bosch Foundation Grants
Cash and investments - beginning	\$ -	\$ -	\$ 18,624	\$ -	\$ -	\$ 77,706	\$ 6,735	\$ 17,294	\$ 21,495	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	119,730	20,909	-	25,000	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	10,573	-	-	39,380	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	1,015	-	-	-	-	-
Total receipts	10,573	-	-	39,380	-	120,745	20,909	-	25,000	-	-
Disbursements:											
Instruction	10,573	-	-	-	-	6,994	-	10,598	-	-	-
Support services	-	-	18,624	23,360	-	13,632	-	6,599	18,887	-	-
Noninstructional services	-	-	-	-	-	10,500	14,808	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,573	-	18,624	23,360	-	31,126	14,808	17,197	18,887	-	-
Excess (deficiency) of receipts over disbursements	-	-	(18,624)	16,020	-	89,619	6,101	(17,197)	6,113	-	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(18,624)	16,020	-	89,619	6,101	(17,197)	6,113	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 16,020	\$ -	\$ 167,325	\$ 12,836	\$ 97	\$ 27,608	\$ -	\$ -

EAST NOBLE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2015

	Ignite Kindergarten Grant	Instructional Support	FY 13/14 All Write!!! Program	2014 All Write!!! Summer Institute	FY 14/15 All Write!!! Program	2015 All Write!!! Summer Institute	15/16 All Write!!! Program	2016 All Write!!! Summer Institute	16/17 All Write!!! Program	Reality Store Project	Miscellaneous Programs
Cash and investments - beginning	\$ -	\$ 4,472	\$ 45,660	\$ 21,503	\$ 38,000	\$ -	\$ -	\$ -	\$ -	\$ 302	\$ 127,194
Receipts:											
Local sources	-	-	6,000	35,330	46,428	43,056	23,000	-	-	-	141,587
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	6,000	35,330	46,428	43,056	23,000	-	-	-	141,587
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	18,265	19,506	105,386	24,908	-	-	-	-	86,770
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	18,265	19,506	105,386	24,908	-	-	-	-	86,770
Excess (deficiency) of receipts over disbursements	-	-	(12,265)	15,824	(58,958)	18,148	23,000	-	-	-	54,817
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	70,722	-	-	-	-	-	-
Transfers out	-	-	(33,395)	(37,327)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(33,395)	(37,327)	70,722	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(45,660)	(21,503)	11,764	18,148	23,000	-	-	-	54,817
Cash and investments - ending	\$ -	\$ 4,472	\$ -	\$ -	\$ 49,764	\$ 18,148	\$ 23,000	\$ -	\$ -	\$ 302	\$ 182,011

EAST NOBLE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
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	Wayne Center G.O. Bonds	Rome City G.O. Bond	ENHS G.O. Bond of 2015	ENMS Project G.O. Bond of 2016	In & Out Learning	School Lunch Trust	Miscellaneous Cafeteria	Miscellaneous Transportation	Formative Assessment	FY 13/14 Higher Ability Grant
Cash and investments - beginning	\$ 3,093	\$ -	\$ -	\$ -	\$ 34,299	\$ 16,028	\$ 2,144	\$ 35,020	\$ -	\$ 15,915
Receipts:										
Local sources	3	4,798	-	-	43,518	25	872	3,879	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	6,633	-	-	-	-	-
Total receipts	<u>3</u>	<u>4,798</u>	<u>-</u>	<u>-</u>	<u>50,151</u>	<u>25</u>	<u>872</u>	<u>3,879</u>	<u>-</u>	<u>-</u>
Disbursements:										
Instruction	-	-	-	-	7,799	-	-	-	-	15,915
Support services	-	-	-	-	25,934	1,758	1,572	1,862	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	4,798	329,776	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>4,798</u>	<u>329,776</u>	<u>-</u>	<u>33,733</u>	<u>1,758</u>	<u>1,572</u>	<u>1,862</u>	<u>-</u>	<u>15,915</u>
Excess (deficiency) of receipts over disbursements	<u>3</u>	<u>-</u>	<u>(329,776)</u>	<u>-</u>	<u>16,418</u>	<u>(1,733)</u>	<u>(700)</u>	<u>2,017</u>	<u>-</u>	<u>(15,915)</u>
Other financing sources (uses):										
Proceeds of long-term debt	-	-	2,000,000	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	37,995	-	-	-	-
Transfers out	-	-	-	-	-	(34,544)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>3,451</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3</u>	<u>-</u>	<u>1,670,224</u>	<u>-</u>	<u>16,418</u>	<u>1,718</u>	<u>(700)</u>	<u>2,017</u>	<u>-</u>	<u>(15,915)</u>
Cash and investments - ending	<u>\$ 3,096</u>	<u>\$ -</u>	<u>\$ 1,670,224</u>	<u>\$ -</u>	<u>\$ 50,717</u>	<u>\$ 17,746</u>	<u>\$ 1,444</u>	<u>\$ 37,037</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, 2015

	14/15 High Ability Grant	15/16 High Ability Grant	Secured Schools Safety Grant	FY 13/14 Non-English Speaking Program	14/15 Non-English Speaking Program	15/16 Non-English Speaking Program	School Technology	Imagining & Creating Grant	Begin Teach Internship Program	FY 13/14 Title I
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 3,865	\$ -	\$ -	\$ 31,258	\$ -	\$ 66	\$ (38,340)
Receipts:										
Local sources	-	-	-	-	-	-	39,964	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	41,687	-	25,000	-	11,818	-	-	43,988	-	-
Federal sources	-	-	-	-	-	-	-	-	-	196,684
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	41,687	-	25,000	-	11,818	-	39,964	43,988	-	196,684
Disbursements:										
Instruction	18,139	-	-	3,865	11,351	-	-	-	-	128,799
Support services	-	-	-	-	-	-	38,797	43,988	-	29,716
Noninstructional services	-	-	-	-	-	-	-	-	-	(171)
Facilities acquisition and construction	-	-	75,000	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	18,139	-	75,000	3,865	11,351	-	38,797	43,988	-	158,344
Excess (deficiency) of receipts over disbursements	23,548	-	(50,000)	(3,865)	467	-	1,167	-	-	38,340
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(66)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(66)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	23,548	-	(50,000)	(3,865)	467	-	1,167	-	(66)	38,340
Cash and investments - ending	\$ 23,548	\$ -	\$ (50,000)	\$ -	\$ 467	\$ -	\$ 32,425	\$ -	\$ -	\$ -

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, 2015

	14/15 Title I Fund	15/16 Title I Fund	FY 13/14 Part B, IDEA - Cooperative	14/15 Idea Part B (611) Cooperative	15/16 Idea Part B (611) Cooperative	14/15 Preschool (619) Cooperative	15/16 Preschool (619) Cooperative	IDEA	FY 12/14 Title II, Part A	2014 Title II, Part A - E-Learning
Cash and investments - beginning	\$ -	\$ -	\$ (49,183)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,527)	\$ (7,946)
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	479,492	-	451,643	423,293	-	21,473	-	17,186	38,758	10,321
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>479,492</u>	<u>-</u>	<u>451,643</u>	<u>423,293</u>	<u>-</u>	<u>21,473</u>	<u>-</u>	<u>17,186</u>	<u>38,758</u>	<u>10,321</u>
Disbursements:										
Instruction	383,390	-	402,460	562,000	-	21,473	-	17,186	-	-
Support services	139,568	-	-	-	-	-	-	-	28,231	2,375
Noninstructional services	146	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>523,104</u>	<u>-</u>	<u>402,460</u>	<u>562,000</u>	<u>-</u>	<u>21,473</u>	<u>-</u>	<u>17,186</u>	<u>28,231</u>	<u>2,375</u>
Excess (deficiency) of receipts over disbursements	<u>(43,612)</u>	<u>-</u>	<u>49,183</u>	<u>(138,707)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,527</u>	<u>7,946</u>
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(43,612)</u>	<u>-</u>	<u>49,183</u>	<u>(138,707)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,527</u>	<u>7,946</u>
Cash and investments - ending	<u>\$ (43,612)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (138,707)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EAST NOBLE SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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	13/15 Title II -A Fund	14/16 Title II -A Fund	15/16 Title II -A ELearning	2013-2015 Title III English Proficiency	14/16 Title III English Proficiency	15/17 Title III English Proficiency	Payroll Deductions	Payroll Clearing Fund	Flex Clearing Fund	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (1,201)	\$ -	\$ -	\$ 97,768	\$ -	\$ 526	\$ 14,862,786
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	15,083,348
Intermediate sources	-	-	-	-	-	-	-	-	-	175
State sources	-	-	-	-	-	-	-	-	-	24,253,864
Federal sources	67,839	-	99	11,990	3,479	-	-	-	-	2,651,904
Other receipts	-	-	-	-	-	-	5,678,598	18,405	65,779	6,055,057
Total receipts	67,839	-	99	11,990	3,479	-	5,678,598	18,405	65,779	48,044,348
Disbursements:										
Instruction	-	-	-	10,789	4,849	-	-	-	-	17,797,639
Support services	79,784	-	1,006	-	-	-	-	-	-	10,924,387
Noninstructional services	-	-	-	-	-	-	-	-	-	1,875,290
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	1,245,948
Debt service	-	-	-	-	-	-	-	-	-	5,546,685
Nonprogrammed charges	1,507	-	-	-	-	-	5,640,808	18,901	65,807	8,436,243
Total disbursements	81,291	-	1,006	10,789	4,849	-	5,640,808	18,901	65,807	45,826,192
Excess (deficiency) of receipts over disbursements	(13,452)	-	(907)	1,201	(1,370)	-	37,790	(496)	(28)	2,218,156
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	2,000,000
Sale of capital assets	-	-	-	-	-	-	-	-	-	1,012
Transfers in	-	-	-	-	-	-	-	-	-	163,246
Transfers out	-	-	-	-	-	-	-	-	-	(163,246)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	2,001,012
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(13,452)	-	(907)	1,201	(1,370)	-	37,790	(496)	(28)	4,219,168
Cash and investments - ending	\$ (13,452)	\$ -	\$ (907)	\$ -	\$ (1,370)	\$ -	\$ 135,558	\$ (496)	\$ 498	\$ 19,081,954

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, 2016

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch	Textbook Rental	Self-Insurance	Educational License Plates
Cash and investments - beginning	\$ 8,251,181	\$ 2,843,726	\$ 937,641	\$ 1,333,258	\$ 521,094	\$ 610,714	\$ 73,941	\$ 372,270	\$ 181,334	\$ 1,730,751	\$ 245
Receipts:											
Local sources	73,810	5,605,390	2,992,361	1,842,879	560,480	123,056	67	657,856	376,049	2,741,550	-
Intermediate sources	47	-	-	-	-	-	-	-	-	-	207
State sources	23,989,198	-	-	-	-	-	-	21,148	132,165	-	-
Federal sources	-	-	-	-	-	-	-	970,823	-	-	-
Other receipts	19,799	-	1,429	563	-	-	-	-	-	140,598	-
Total receipts	24,082,854	5,605,390	2,993,790	1,843,442	560,480	123,056	67	1,649,827	508,214	2,882,148	207
Disbursements:											
Instruction	16,526,511	-	-	-	-	-	-	-	-	-	-
Support services	7,012,969	-	1,695,821	1,634,786	528,494	-	-	-	355,085	29	30
Noninstructional services	392,744	-	-	-	-	-	-	1,407,481	-	-	-
Facilities acquisition and construction	-	-	773,632	-	-	-	67,933	57,120	-	-	-
Debt service	-	5,466,959	-	-	19,285	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	2,962,883	-
Total disbursements	23,932,224	5,466,959	2,469,453	1,634,786	547,779	-	67,933	1,464,601	355,085	2,962,912	30
Excess (deficiency) of receipts over disbursements	150,630	138,431	524,337	208,656	12,701	123,056	(67,866)	185,226	153,129	(80,764)	177
Other financing sources (uses):											
Sale of capital assets	14	-	19,275	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	145,000	-	36,213	-	-	-
Transfers out	-	-	-	-	(145,000)	-	-	(46,547)	-	-	-
Total other financing sources (uses)	14	-	19,275	-	(145,000)	145,000	-	(10,334)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	150,644	138,431	543,612	208,656	(132,299)	268,056	(67,866)	174,892	153,129	(80,764)	177
Cash and investments - ending	\$ 8,401,825	\$ 2,982,157	\$ 1,481,253	\$ 1,541,914	\$ 388,795	\$ 878,770	\$ 6,075	\$ 547,162	\$ 334,463	\$ 1,649,987	\$ 422

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, 2016

	14/15 Alternative Education	15/16 Alternative Education	FY 13/14 Early Intervention Grant	14/15 Early Intervention Grant	15/16 Early Intervention Grant	Gift/ Donation	ENHS Beautification Project	Bosch Innovation Grants	All Write!!! Dekko Grant	Bosch Stem Grant	Bosch Foundation Grants
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 16,020	\$ -	\$ 167,325	\$ 12,836	\$ 97	\$ 27,608	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	75,692	2,091	-	-	11,112	16,995
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	12,793	-	-	35,157	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	1,500	-	-	-	-	-
Total receipts	-	12,793	-	-	35,157	77,192	2,091	-	-	11,112	16,995
Disbursements:											
Instruction	-	12,776	-	-	-	128,137	-	97	-	-	-
Support services	-	-	-	16,020	-	12,973	-	-	27,608	3,386	1,200
Noninstructional services	-	-	-	-	-	8,480	218	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	14,890	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	12,776	-	16,020	-	164,480	218	97	27,608	3,386	1,200
Excess (deficiency) of receipts over disbursements	-	17	-	(16,020)	35,157	(87,288)	1,873	(97)	(27,608)	7,726	15,795
Other financing sources (uses):											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	17	-	(16,020)	35,157	(87,288)	1,873	(97)	(27,608)	7,726	15,795
Cash and investments - ending	\$ -	\$ 17	\$ -	\$ -	\$ 35,157	\$ 80,037	\$ 14,709	\$ -	\$ -	\$ 7,726	\$ 15,795

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, 2016

	Ignite Kindergarten Grant	Instructional Support	FY 13/14 All Write!!! Program	2014 All Write!!! Summer Institute	FY 14/15 All Write!!! Program	2015 All Write!!! Summer Institute	15/16 All Write!!! Program	2016 All Write!!! Summer Institute	16/17 All Write!!! Program	Reality Store Project	Miscellaneous Programs
Cash and investments - beginning	\$ -	\$ 4,472	\$ -	\$ -	\$ 49,764	\$ 18,148	\$ 23,000	\$ -	\$ -	\$ 302	\$ 182,011
Receipts:											
Local sources	5,000	-	-	-	500	24,955	72,435	32,245	38,000	-	176,474
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	5,000	-	-	-	500	24,955	72,435	32,245	38,000	-	176,474
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	302	-
Support services	-	173	-	-	17,388	17,903	105,774	25,597	-	-	41,462
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	173	-	-	17,388	17,903	105,774	25,597	-	302	41,462
Excess (deficiency) of receipts over disbursements	5,000	(173)	-	-	(16,888)	7,052	(33,339)	6,648	38,000	(302)	135,012
Other financing sources (uses):											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	58,076	-	-	-	-
Transfers out	-	-	-	-	(32,876)	(25,200)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(32,876)	(25,200)	58,076	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,000	(173)	-	-	(49,764)	(18,148)	24,737	6,648	38,000	(302)	135,012
Cash and investments - ending	\$ 5,000	\$ 4,299	\$ -	\$ -	\$ -	\$ -	\$ 47,737	\$ 6,648	\$ 38,000	\$ -	\$ 317,023

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, 2016

	Wayne Center G.O. Bonds	Rome City G.O. Bond	ENHS G.O. Bond of 2015	ENMS Project G.O. Bond of 2016	In & Out Learning	School Lunch Trust	Miscellaneous Cafeteria	Miscellaneous Transportation	Formative Assessment	FY 13/14 Higher Ability Grant
Cash and investments - beginning	\$ 3,096	\$ -	\$ 1,670,224	\$ -	\$ 50,717	\$ 17,746	\$ 1,444	\$ 37,037	\$ -	\$ -
Receipts:										
Local sources	3	-	-	-	49,760	-	524	4,677	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	34,819	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	55,434	77	-	-	-	-
Total receipts	3	-	-	-	105,194	77	524	4,677	34,819	-
Disbursements:										
Instruction	-	-	-	-	3,211	-	-	-	21,560	-
Support services	-	-	-	-	76,212	1,725	768	2,395	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	1,464,328	43,284	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	1,464,328	43,284	79,423	1,725	768	2,395	21,560	-
Excess (deficiency) of receipts over disbursements	3	-	(1,464,328)	(43,284)	25,771	(1,648)	(244)	2,282	13,259	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	46,547	-	-	-	-
Transfers out	-	-	-	-	-	(36,213)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	10,334	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3	-	(1,464,328)	(43,284)	25,771	8,686	(244)	2,282	13,259	-
Cash and investments - ending	\$ 3,099	\$ -	\$ 205,896	\$ (43,284)	\$ 76,488	\$ 26,432	\$ 1,200	\$ 39,319	\$ 13,259	\$ -

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, 2016

	14/15 High Ability Grant	15/16 High Ability Grant	Secured Schools Safety Grant	FY 13/14 Non-English Speaking Program	14/15 Non-English Speaking Program	15/16 Non-English Speaking Program	School Technology	Imagining & Creating Grant	Begin Teach Internship Program	FY 13/14 Title I
Cash and investments - beginning	\$ 23,548	\$ -	\$ (50,000)	\$ -	\$ 467	\$ -	\$ 32,425	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	26,035	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	42,429	50,000	-	-	21,675	6,564	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	42,429	50,000	-	-	21,675	32,599	-	-	-
Disbursements:										
Instruction	23,548	35,445	-	-	467	89	-	-	-	-
Support services	-	-	-	-	-	-	24,388	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	50,000	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	23,548	35,445	50,000	-	467	89	24,388	-	-	-
Excess (deficiency) of receipts over disbursements	(23,548)	6,984	-	-	(467)	21,586	8,211	-	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(23,548)	6,984	-	-	(467)	21,586	8,211	-	-	-
Cash and investments - ending	\$ -	\$ 6,984	\$ (50,000)	\$ -	\$ -	\$ 21,586	\$ 40,636	\$ -	\$ -	\$ -

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, 2016

	14/15 Title I Fund	15/16 Title I Fund	FY 13/14 Part B, IDEA - Cooperative	14/15 Idea Part B (611) Cooperative	15/16 Idea Part B (611) Cooperative	14/15 Preschool (619) Cooperative	15/16 Preschool (619) Cooperative	IDEA	FY 12/14 Title II, Part A	2014 Title II, Part A - E-Learning
Cash and investments - beginning	\$ (43,612)	\$ -	\$ -	\$ (138,707)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	191,683	483,106	-	433,216	728,482	-	21,541	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	191,683	483,106	-	433,216	728,482	-	21,541	-	-	-
Disbursements:										
Instruction	101,882	370,398	-	294,509	806,521	-	21,541	-	-	-
Support services	45,253	150,525	-	-	-	-	-	-	-	-
Noninstructional services	936	36	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	148,071	520,959	-	294,509	806,521	-	21,541	-	-	-
Excess (deficiency) of receipts over disbursements	43,612	(37,853)	-	138,707	(78,039)	-	-	-	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	43,612	(37,853)	-	138,707	(78,039)	-	-	-	-	-
Cash and investments - ending	\$ -	\$ (37,853)	\$ -	\$ -	\$ (78,039)	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2016

	13/15 Title II -A Fund	14/16 Title II -A Fund	15/16 Title II -A ELearning	2013-2015 Title III English Proficiency	14/16 Title III English Proficiency	15/17 Title III English Proficiency	Payroll Deductions	Payroll Clearing Fund	Flex Clearing Fund	Totals
Cash and investments - beginning	\$ (13,452)	\$ -	\$ (907)	\$ -	\$ (1,370)	\$ -	\$ 135,558	\$ (496)	\$ 498	\$ 19,081,954
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	15,509,996
Intermediate sources	-	-	-	-	-	-	-	-	-	254
State sources	-	-	-	-	-	-	-	-	-	24,345,948
Federal sources	34,676	81,653	9,901	29	6,865	15,082	-	-	-	2,977,057
Other receipts	-	-	-	-	-	-	5,965,720	18,852	62,290	6,266,262
Total receipts	34,676	81,653	9,901	29	6,865	15,082	5,965,720	18,852	62,290	49,099,517
Disbursements:										
Instruction	-	-	-	29	13,457	16,243	-	-	-	18,376,723
Support services	21,224	84,928	8,994	-	-	-	-	-	-	11,913,110
Noninstructional services	-	-	-	-	-	-	-	-	-	1,809,895
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	2,471,187
Debt service	-	-	-	-	-	-	-	-	-	5,486,244
Nonprogrammed charges	-	1,338	-	-	-	-	6,033,601	18,356	62,278	9,078,456
Total disbursements	21,224	86,266	8,994	29	13,457	16,243	6,033,601	18,356	62,278	49,135,615
Excess (deficiency) of receipts over disbursements	13,452	(4,613)	907	-	(6,592)	(1,161)	(67,881)	496	12	(36,098)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	19,289
Transfers in	-	-	-	-	-	-	-	-	-	285,836
Transfers out	-	-	-	-	-	-	-	-	-	(285,836)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	19,289
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	13,452	(4,613)	907	-	(6,592)	(1,161)	(67,881)	496	12	(16,809)
Cash and investments - ending	\$ -	\$ (4,613)	\$ -	\$ -	\$ (7,962)	\$ (1,161)	\$ 67,677	\$ -	\$ 510	\$ 19,065,145

EAST NOBLE SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
East Noble School Building Corporation	ENHS / SSES	\$ 784,000	7/15/1996	1/15/2017
East Noble School Building Corporation	ENHS	800,500	7/15/2004	12/31/2018
East Noble School Building Corporation	North Side Elementary	1,058,000	1/15/2005	12/31/2018
Sun Trust #5	Laptops for 1-1	45,000	8/7/2012	7/13/2016
Sun Trust #7	Laptops for 1-1	14,625	7/17/2013	7/15/2017
Sun Trust #8	Laptops for 1-1	104,345	7/25/2014	7/25/2018
East Noble School Building Corporation	Wayne Center	<u>1,761,500</u>	9/13/2007	12/31/2017
Total of annual lease payments		<u>\$ 4,567,970</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General Obligation Bonds	Rome City Remodel	\$ 1,775,000	\$ 926,906
General Obligation Bonds	ENHS Mechanical Upgrade 2015	1,965,000	113,260
General Obligation Bonds	Qualified Zone Academy Bond	<u>1,960,000</u>	<u>-</u>
Totals		<u>\$ 5,700,000</u>	<u>\$ 1,040,166</u>

EAST NOBLE SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2016

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>Ending Balance</u>
Governmental activities:	
Land	\$ 3,018,641
Buildings	78,861,308
Improvements other than buildings	1,554,080
Machinery, equipment, and vehicles	<u>7,004,626</u>
Total capital assets	<u>\$ 90,438,655</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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, 2014 to June 30, 2016. 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, 2014 to June 30, 2016.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance


Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001 to be a material weakness.

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

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, CPA
State Examiner

February 8, 2018

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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.

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EAST NOBLE SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2015 and 2016

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY 14-15	\$ -	\$ 129,831	\$ -	\$ -
			FY 15-16	-	-	-	137,427
Total - School Breakfast Program				-	129,831	-	137,427
National School Lunch Program	Indiana Department of Education	10.555	FY 14-15	-	799,816	-	-
Commodities			FY 15-16	-	-	-	821,182
			FY 14-16	-	127,834	-	120,256
Total - National School Lunch Program				-	927,650	-	941,438
Summer Food Service Program for Children	Indiana Department of Education	10.559	FY 15-16	-	-	-	12,214
Total - Child Nutrition Cluster				-	1,057,481	-	1,091,079
Total - Department of Agriculture				-	1,057,481	-	1,091,079
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027	14214-046-PN01	-	451,643	-	-
			14215-046-PN01	-	423,293	-	433,216
			99914-46-TA01	-	20,186	-	-
			14216-044-PN01	-	-	-	728,482
Total - Special Education_Grants to States				-	895,122	-	1,161,698
Special Education_Preschool Grants	Indiana Department of Education	84.173	45715-046-PN01	-	21,473	-	-
			45716-044-PN01	-	-	-	21,541
Total - Special Education_Preschool Grants				-	21,473	-	21,541
Total - Special Education Cluster (IDEA)				-	916,595	-	1,183,239
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	14-6060	-	196,684	-	-
			15-6060	-	479,492	-	191,683
			16-6060	-	-	-	483,106
Total - Title I Grants to Local Educational Agencies				-	676,176	-	674,789
English Language Acquisition State Grants	Indiana Department of Education	84.365	01114-019-PN01	-	11,990	-	29
			01115-078-PN01	-	3,479	-	6,865
			01116-079-PN01	-	-	-	15,082
Total - English Language Acquisition State Grants				-	15,469	-	21,976
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Indiana Department of Education	84.367	12-6060	-	38,758	-	-
			13-6060	-	67,839	-	34,676
			14-6060	-	10,321	-	81,653
			15-6060	-	99	-	9,901
Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				-	117,017	-	126,230
Total - Department of Education				-	1,725,257	-	2,006,234
<u>Department of Homeland Security</u>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036	FY14-15	-	3,924	-	-
Total - Department of Homeland Security				-	3,924	-	-
Total federal awards expended				\$ -	\$ 2,786,662	\$ -	\$ 3,097,313

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 (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2015 and 2016. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

Note 3. Special Education Cooperative

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

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?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
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?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Special Education Cluster (IDEA) Title I Grants to Local Education Entities

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

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

No matters are reportable.

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2016-001

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

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14214-046-PN01, 14215-046-PN01,
14216-044-PN01, 99914-46-TA01,
45715-046-PN01, 45716-044-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement. Personnel Activity Reports or other documentation of personnel expenses for employees who worked on multiple activities or cost objectives during the audit period were not completed or presented. Semi-Annual Certifications or other documentation of personnel expenses for employees whose salaries were paid 100 percent out of the grant funds were not completed or presented.

Context

The lack of controls and the noncompliance were systemic issues, which occurred throughout the audit period and enabled noncompliance with the Allowable Costs/Cost Principles requirements.

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

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

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

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

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

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

2 CFR 200.430(i) states in part:

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

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

Cause

Management of the School Corporation had not developed an effective internal control system that would have ensured compliance with the Allowable Costs/Cost Principles compliance requirement.

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

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, to ensure compliance with the Allowable Costs/Cost Principles compliance requirement.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENT

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

Date: January 12, 2018

Corrective Action Plan

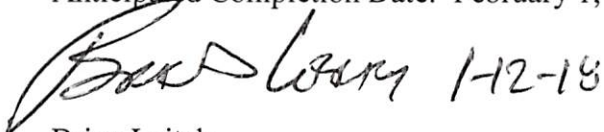
Finding 2016-001

Contact Person Responsible for Corrective Action: Brian Leitch, Business Manager / Treasurer
Contact Phone Number: 260-347-2502
Contact Email: bleitch@eastnoble.net

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: East Noble School Corporation acknowledges that the use of Time & Effort logs and Semi-Annual Certifications will need to be completed per uniform guidance. Semi-Annual certification forms will be completed for all staff who are paid from the Federal Special Education Part B dollars and spend 100% of their time in Special Education. All other staff who spend a portion of their time, paid by the Federal Part B Special Education Grant, and other funds will require Time and Effort logs to be completed and kept on file. The Special Education Coordinator will verify that these forms are completed per uniform guidance, and retained on file for all Special Education who are paid in full or in part by the Federal Special Education Part B Grant.

Anticipated Completion Date: February 1, 2018



Brian Leitch
Business Manager / Treasurer
East Noble School Corporation

OTHER REPORTS

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