

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

WEST NOBLE SCHOOL CORPORATION
NOBLE COUNTY, INDIANA

July 1, 2014 to June 30, 2016



FILED
03/15/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Barbara Fought	07-01-14 to 12-31-18
Superintendent of Schools	Dr. Dennis VanDuyne Galen Mast	07-01-14 to 06-30-17 07-01-17 to 06-30-18
President of the School Board	Jeana Leamon Todd Moore	07-01-14 to 12-31-15 01-01-16 to 12-31-18



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the West 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 January 30, 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

January 30, 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 WEST 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 West 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 January 30, 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.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001 to be a material weakness.

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001.

West Noble School Corporation's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

January 30, 2018

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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WEST 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

	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	\$ 2,122,760	\$ 16,341,582	\$ 16,810,371	\$ 998	\$ 1,654,969	\$ 16,030,350	\$ 15,962,491	\$ -	\$ 1,722,828
Debt Service	1,068,281	1,964,794	1,914,785	-	1,118,290	1,998,276	1,955,918	-	1,160,648
Retirement/Severance Bond Debt Service	142,338	464,835	390,000	-	217,173	393,023	390,000	-	220,196
Capital Projects	872,208	1,749,405	2,039,892	-	581,721	1,732,038	1,896,651	-	417,108
School Transportation	1,486,203	1,765,687	1,676,010	(300,000)	1,275,880	1,774,883	1,563,641	(175,000)	1,312,122
School Bus Replacement	333,029	373,201	266,630	-	439,600	362,667	340,426	-	461,841
Rainy Day	954,091	-	476,498	300,000	777,593	60,942	-	175,000	1,013,535
Construction	-	-	-	-	-	-	-	2,026,566	2,026,566
School Lunch	1,019,699	1,497,890	1,769,783	-	747,806	1,471,737	1,583,531	-	636,012
Textbook Rental	(63,748)	195,739	142,227	-	(10,236)	183,646	124,055	-	49,355
Self-Insurance	1,018,032	3,208,694	3,587,691	-	639,035	3,193,675	3,355,212	-	477,498
New Dawn	(2,995)	2,995	-	-	-	-	-	-	-
Educational License Plates	9,321	150	-	-	9,471	150	-	-	9,621
Alternative Education	7,830	-	-	-	7,830	-	-	-	7,830
Early Intervention Grant	-	10,000	-	-	10,000	11,970	10,000	-	11,970
Teacher Award Grant	47	-	-	(47)	-	-	-	-	-
Science Fair Donation	951	-	-	(951)	-	-	-	-	-
Donation	16,792	120,545	62,587	-	74,750	157,487	60,192	-	172,045
Little Leaps Grant	-	-	-	-	-	31,628	-	-	31,628
Refining Our Schools Grant	13,744	-	-	-	13,744	-	2,714	-	11,030
Formative Assessment	-	-	-	-	-	22,542	22,542	-	-
High Ability Grant 14/15	-	34,964	14,115	-	20,849	-	20,849	-	-
High Ability Grant 13/14	21,427	-	18,853	-	2,574	-	769	-	1,805
Tech Prep	-	-	-	-	-	36,138	19,019	-	17,119
Secured Schools Safety Grant	-	-	-	-	-	-	24,244	-	(24,244)
NESP Grant 15/16	-	-	-	-	-	140,103	84,458	-	55,645
NESP Grant 14/15	-	71,089	57,297	-	13,792	-	13,792	-	-
NESP Grant 13/14	25,140	-	25,140	-	-	-	-	-	-
School Technology	77,121	17,378	3,551	-	90,948	247,192	233,933	-	104,207
Performance Based Awards	-	18,933	18,933	-	-	-	-	-	-
Wellnes Grant	-	1,200	-	-	1,200	1,200	3,788	-	(1,388)
Senator David Ford Technology	(714)	7,935	20,884	-	(13,663)	20,303	74,013	-	(67,373)
School Safety Grant 14/15	-	-	41,543	-	(41,543)	18,444	8,458	-	(31,557)
School Safety Grant 13/14	-	-	39,740	-	(39,740)	50,000	10,260	-	-
School Safety Grant 15/16	-	-	-	-	-	-	10,240	-	(10,240)
Title I, 13/14	(60,512)	281,572	221,060	-	-	-	-	-	-
Title I, 15/16	-	-	-	-	-	331,320	415,019	-	(83,699)
Title I, 14/15	-	384,503	429,642	-	(45,139)	290,252	245,113	-	-
Title I, C Summer Program 13/14	(2,814)	11,224	8,410	-	-	-	-	-	-
Migrant 15/16	-	-	-	-	-	8,834	10,445	-	(1,611)
Migrant 14/15	-	23,669	28,175	-	(4,506)	13,780	9,274	-	-
Summer Breakfast Program	2,780	20,173	20,598	-	2,355	16,990	11,274	-	8,071
Perkins Grant 09/10	605	-	-	-	605	-	-	-	605
Title II, A 15/16	-	-	-	-	-	52,732	66,788	-	(14,056)
Title II, A 13/14	(7,875)	35,291	27,416	-	-	-	-	-	-
Title II, A 14/15	-	51,547	61,376	-	(9,829)	38,019	28,190	-	-
Rural Ed Grant 15/16	-	-	-	-	-	34,242	43,285	-	(9,043)
Rural Ed Grant 13/14	(7,487)	21,856	14,369	-	-	-	-	-	-
Title III, 12/13	-	-	-	-	-	2,666	2,666	-	-
Title III, 14/15	-	41,027	35,236	-	5,791	37,451	60,355	-	(17,113)
Title III, 13/14	(15,450)	30,759	29,707	-	(14,398)	22,160	7,762	-	-
Payroll Clearing	-	4,207,171	4,207,171	-	-	4,118,540	4,118,540	-	-
Totals	\$ 9,030,804	\$ 32,955,808	\$ 34,459,690	\$ -	\$ 7,526,922	\$ 32,905,380	\$ 32,789,907	\$ 2,026,566	\$ 9,668,961

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

WEST 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.

WEST 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.

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.

WEST NOBLE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

WEST NOBLE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

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

WEST NOBLE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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. The Textbook Rental fund had a \$10,236 deficit in cash at the end of the 2014-2015 fiscal year due to the rental of textbooks that was based upon 25 percent of the purchase price of the textbook. Textbooks were purchased prior to rental. Other deficit fund balances were a result of reimbursable grants. The reimbursements for expenditures made by the School Corporation in grant funds were not received by June 30, 2015 or 2016.

Note 8. Holding Corporation

The School Corporation has entered into capital leases with West Noble High School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years ending June 30, 2015 and 2016 totaled \$1,205,582 and \$1,073,576, respectively.

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.

WEST 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	Retirement/ Severance/ Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch
Cash and investments - beginning	\$ 2,122,760	\$ 1,068,281	\$ 142,338	\$ 872,208	\$ 1,486,203	\$ 333,029	\$ 954,091	\$ -	\$ 1,019,699
Receipts:									
Local sources	60,754	1,964,794	464,835	1,749,405	1,765,687	373,201	-	-	630,625
Intermediate sources	8	-	-	-	-	-	-	-	-
State sources	16,280,820	-	-	-	-	-	-	-	8,448
Federal sources	-	-	-	-	-	-	-	-	858,817
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	<u>16,341,582</u>	<u>1,964,794</u>	<u>464,835</u>	<u>1,749,405</u>	<u>1,765,687</u>	<u>373,201</u>	<u>-</u>	<u>-</u>	<u>1,497,890</u>
Disbursements:									
Instruction	11,934,947	-	-	-	-	-	-	-	-
Support services	4,702,422	-	-	1,071,668	1,676,010	266,630	50,000	-	109,574
Noninstructional services	173,002	-	-	-	-	-	-	-	1,493,563
Facilities acquisition and construction	-	-	-	968,224	-	-	426,498	-	166,646
Debt service	-	1,914,785	390,000	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>16,810,371</u>	<u>1,914,785</u>	<u>390,000</u>	<u>2,039,892</u>	<u>1,676,010</u>	<u>266,630</u>	<u>476,498</u>	<u>-</u>	<u>1,769,783</u>
Excess (deficiency) of receipts over disbursements	<u>(468,789)</u>	<u>50,009</u>	<u>74,835</u>	<u>(290,487)</u>	<u>89,677</u>	<u>106,571</u>	<u>(476,498)</u>	<u>-</u>	<u>(271,893)</u>
Other financing sources (uses):									
Transfers in	998	-	-	-	-	-	300,000	-	-
Transfers out	-	-	-	-	(300,000)	-	-	-	-
Total other financing sources (uses)	<u>998</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(467,791)</u>	<u>50,009</u>	<u>74,835</u>	<u>(290,487)</u>	<u>(210,323)</u>	<u>106,571</u>	<u>(176,498)</u>	<u>-</u>	<u>(271,893)</u>
Cash and investments - ending	<u>\$ 1,654,969</u>	<u>\$ 1,118,290</u>	<u>\$ 217,173</u>	<u>\$ 581,721</u>	<u>\$ 1,275,880</u>	<u>\$ 439,600</u>	<u>\$ 777,593</u>	<u>\$ -</u>	<u>\$ 747,806</u>

WEST 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

	Textbook Rental	Self- Insurance	New Dawn	Educational License Plates	Alternative Education	Early Intervention Grant	Teacher Award Grant	Science Fair Donation	Donation
Cash and investments - beginning	\$ (63,748)	\$ 1,018,032	\$ (2,995)	\$ 9,321	\$ 7,830	\$ -	\$ 47	\$ 951	\$ 16,792
Receipts:									
Local sources	72,596	3,208,694	2,995	-	-	-	-	-	120,545
Intermediate sources	-	-	-	150	-	-	-	-	-
State sources	123,143	-	-	-	-	10,000	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	195,739	3,208,694	2,995	150	-	10,000	-	-	120,545
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	62,525
Support services	142,227	-	-	-	-	-	-	-	62
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	3,587,691	-	-	-	-	-	-	-
Total disbursements	142,227	3,587,691	-	-	-	-	-	-	62,587
Excess (deficiency) of receipts over disbursements	53,512	(378,997)	2,995	150	-	10,000	-	-	57,958
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(47)	(951)	-
Total other financing sources (uses)	-	-	-	-	-	-	(47)	(951)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	53,512	(378,997)	2,995	150	-	10,000	(47)	(951)	57,958
Cash and investments - ending	\$ (10,236)	\$ 639,035	\$ -	\$ 9,471	\$ 7,830	\$ 10,000	\$ -	\$ -	\$ 74,750

WEST 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

	Little Leaps Grant	Refining Our Schools Grant	Formative Assessment	High Ability Grant 14/15	High Ability Grant 13/14	Tech Prep	Secured Schools Safety Grant	NESP Grant 15/16	NESP Grant 14/15
Cash and investments - beginning	\$ -	\$ 13,744	\$ -	\$ -	\$ 21,427	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	34,964	-	-	-	-	71,089
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	34,964	-	-	-	-	71,089
Disbursements:									
Instruction	-	-	-	14,115	18,853	-	-	-	57,297
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	14,115	18,853	-	-	-	57,297
Excess (deficiency) of receipts over disbursements	-	-	-	20,849	(18,853)	-	-	-	13,792
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	20,849	(18,853)	-	-	-	13,792
Cash and investments - ending	\$ -	\$ 13,744	\$ -	\$ 20,849	\$ 2,574	\$ -	\$ -	\$ -	\$ 13,792

WEST 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

	NESP Grant 13/14	School Technology	Performance Based Awards	Wellness Grant	Senator David Ford Technology	School Safety Grant 14/15	School Safety Grant 13/14	School Safety Grant 15/16	Title I, 13/14
Cash and investments - beginning	\$ 25,140	\$ 77,121	\$ -	\$ -	\$ (714)	\$ -	\$ -	\$ -	\$ (60,512)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	17,378	18,933	1,200	7,935	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	281,572
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	17,378	18,933	1,200	7,935	-	-	-	281,572
Disbursements:									
Instruction	25,140	-	18,933	-	13,190	-	-	-	178,250
Support services	-	3,551	-	-	-	41,543	39,740	-	36,027
Noninstructional services	-	-	-	-	-	-	-	-	6,783
Facilities acquisition and construction	-	-	-	-	7,694	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	25,140	3,551	18,933	-	20,884	41,543	39,740	-	221,060
Excess (deficiency) of receipts over disbursements	(25,140)	13,827	-	1,200	(12,949)	(41,543)	(39,740)	-	60,512
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(25,140)	13,827	-	1,200	(12,949)	(41,543)	(39,740)	-	60,512
Cash and investments - ending	\$ -	\$ 90,948	\$ -	\$ 1,200	\$ (13,663)	\$ (41,543)	\$ (39,740)	\$ -	\$ -

WEST 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

	Title I, 15/16	Title I, 14/15	Title I, C Summer Program 13/14	Migrant 15/16	Migrant 14/15	Summer Breakfast Program	Perkins Grant 09/10	Title II, A 15/16	Title II, A 13/14
Cash and investments - beginning	\$ -	\$ -	\$ (2,814)	\$ -	\$ -	\$ 2,780	\$ 605	\$ -	\$ (7,875)
Receipts:									
Local sources	-	-	-	-	-	20,173	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	384,503	11,224	-	23,669	-	-	-	35,291
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	384,503	11,224	-	23,669	20,173	-	-	35,291
Disbursements:									
Instruction	-	357,718	1,944	-	6,182	-	-	-	(299)
Support services	-	66,279	-	-	60	-	-	-	27,715
Noninstructional services	-	5,645	6,466	-	21,933	20,598	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	429,642	8,410	-	28,175	20,598	-	-	27,416
Excess (deficiency) of receipts over disbursements	-	(45,139)	2,814	-	(4,506)	(425)	-	-	7,875
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(45,139)	2,814	-	(4,506)	(425)	-	-	7,875
Cash and investments - ending	\$ -	\$ (45,139)	\$ -	\$ -	\$ (4,506)	\$ 2,355	\$ 605	\$ -	\$ -

WEST 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

	Title II, A 14/15	Rural Ed Grant 15/16	Rural Ed Grant 13/14	Title III, 12/13	Title III, 14/15	Title III, 13/14	Payroll Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (7,487)	\$ -	\$ -	\$ (15,450)	\$ -	\$ 9,030,804
Receipts:								
Local sources	-	-	-	-	-	-	-	10,434,304
Intermediate sources	-	-	-	-	-	-	-	158
State sources	-	-	-	-	-	-	-	16,573,910
Federal sources	51,547	-	21,856	-	41,027	30,759	-	1,740,265
Other receipts	-	-	-	-	-	-	4,207,171	4,207,171
Total receipts	51,547	-	21,856	-	41,027	30,759	4,207,171	32,955,808
Disbursements:								
Instruction	-	-	-	-	35,236	29,707	-	12,753,738
Support services	61,376	-	14,369	-	-	-	-	8,309,253
Noninstructional services	-	-	-	-	-	-	-	1,727,990
Facilities acquisition and construction	-	-	-	-	-	-	-	1,569,062
Debt service	-	-	-	-	-	-	-	2,304,785
Nonprogrammed charges	-	-	-	-	-	-	4,207,171	7,794,862
Total disbursements	61,376	-	14,369	-	35,236	29,707	4,207,171	34,459,690
Excess (deficiency) of receipts over disbursements	(9,829)	-	7,487	-	5,791	1,052	-	(1,503,882)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	300,998
Transfers out	-	-	-	-	-	-	-	(300,998)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,829)	-	7,487	-	5,791	1,052	-	(1,503,882)
Cash and investments - ending	\$ (9,829)	\$ -	\$ -	\$ -	\$ 5,791	\$ (14,398)	\$ -	\$ 7,526,922

WEST 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	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch
Cash and investments - beginning	\$ 1,654,969	\$ 1,118,290	\$ 217,173	\$ 581,721	\$ 1,275,880	\$ 439,600	\$ 777,593	\$ -	\$ 747,806
Receipts:									
Local sources	39,074	1,997,151	393,023	1,732,038	1,774,883	362,667	60,942	-	609,038
Intermediate sources	8	-	-	-	-	-	-	-	-
State sources	15,991,268	1,125	-	-	-	-	-	-	10,354
Federal sources	-	-	-	-	-	-	-	-	852,345
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	<u>16,030,350</u>	<u>1,998,276</u>	<u>393,023</u>	<u>1,732,038</u>	<u>1,774,883</u>	<u>362,667</u>	<u>60,942</u>	<u>-</u>	<u>1,471,737</u>
Disbursements:									
Instruction	11,106,070	-	-	-	-	-	-	-	-
Support services	4,693,321	-	-	938,251	1,563,641	340,426	-	-	61,471
Noninstructional services	163,100	-	-	-	-	-	-	-	1,484,169
Facilities acquisition and construction	-	-	-	958,400	-	-	-	-	37,891
Debt service	-	1,955,918	390,000	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>15,962,491</u>	<u>1,955,918</u>	<u>390,000</u>	<u>1,896,651</u>	<u>1,563,641</u>	<u>340,426</u>	<u>-</u>	<u>-</u>	<u>1,583,531</u>
Excess (deficiency) of receipts over disbursements	<u>67,859</u>	<u>42,358</u>	<u>3,023</u>	<u>(164,613)</u>	<u>211,242</u>	<u>22,241</u>	<u>60,942</u>	<u>-</u>	<u>(111,794)</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	2,026,566	-
Transfers in	-	-	-	-	-	-	175,000	-	-
Transfers out	-	-	-	-	(175,000)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(175,000)</u>	<u>-</u>	<u>175,000</u>	<u>2,026,566</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>67,859</u>	<u>42,358</u>	<u>3,023</u>	<u>(164,613)</u>	<u>36,242</u>	<u>22,241</u>	<u>235,942</u>	<u>2,026,566</u>	<u>(111,794)</u>
Cash and investments - ending	<u>\$ 1,722,828</u>	<u>\$ 1,160,648</u>	<u>\$ 220,196</u>	<u>\$ 417,108</u>	<u>\$ 1,312,122</u>	<u>\$ 461,841</u>	<u>\$ 1,013,535</u>	<u>\$ 2,026,566</u>	<u>\$ 636,012</u>

WEST 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

	Textbook Rental	Self- Insurance	New Dawn	Educational License Plates	Alternative Education	Early Intervention Grant	Teacher Award Grant	Science Fair Donation	Donation
Cash and investments - beginning	\$ (10,236)	\$ 639,035	\$ -	\$ 9,471	\$ 7,830	\$ 10,000	\$ -	\$ -	\$ 74,750
Receipts:									
Local sources	72,248	3,193,675	-	-	-	-	-	-	157,487
Intermediate sources	-	-	-	150	-	-	-	-	-
State sources	111,398	-	-	-	-	11,970	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	183,646	3,193,675	-	150	-	11,970	-	-	157,487
Disbursements:									
Instruction	-	-	-	-	-	10,000	-	-	54,093
Support services	103,055	-	-	-	-	-	-	-	446
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	21,000	-	-	-	-	-	-	-	5,653
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	3,355,212	-	-	-	-	-	-	-
Total disbursements	124,055	3,355,212	-	-	-	10,000	-	-	60,192
Excess (deficiency) of receipts over disbursements	59,591	(161,537)	-	150	-	1,970	-	-	97,295
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	59,591	(161,537)	-	150	-	1,970	-	-	97,295
Cash and investments - ending	\$ 49,355	\$ 477,498	\$ -	\$ 9,621	\$ 7,830	\$ 11,970	\$ -	\$ -	\$ 172,045

WEST 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

	Little Leaps Grant	Refining Our Schools Grant	Formative Assessment	High Ability Grant 14/15	High Ability Grant 13/14	Tech Prep	Secured Schools Safety Grant	NESP Grant 15/16	NESP Grant 14/15
Cash and investments - beginning	\$ -	\$ 13,744	\$ -	\$ 20,849	\$ 2,574	\$ -	\$ -	\$ -	\$ 13,792
Receipts:									
Local sources	31,628	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	22,542	-	-	36,138	-	140,103	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	31,628	-	22,542	-	-	36,138	-	140,103	-
Disbursements:									
Instruction	-	-	-	16,964	769	19,019	-	84,458	13,792
Support services	-	2,714	22,542	-	-	-	23,463	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	3,885	-	-	781	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	2,714	22,542	20,849	769	19,019	24,244	84,458	13,792
Excess (deficiency) of receipts over disbursements	31,628	(2,714)	-	(20,849)	(769)	17,119	(24,244)	55,645	(13,792)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	31,628	(2,714)	-	(20,849)	(769)	17,119	(24,244)	55,645	(13,792)
Cash and investments - ending	\$ 31,628	\$ 11,030	\$ -	\$ -	\$ 1,805	\$ 17,119	\$ (24,244)	\$ 55,645	\$ -

WEST 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

	NESP Grant 13/14	School Technology	Performance Based Awards	Wellness Grant	Senator David Ford Technology	School Safety Grant 14/15	School Safety Grant 13/14	School Safety Grant 15/16	Title I, 13/14
Cash and investments - beginning	\$ -	\$ 90,948	\$ -	\$ 1,200	\$ (13,663)	\$ (41,543)	\$ (39,740)	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	247,192	-	1,200	20,303	18,444	50,000	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	247,192	-	1,200	20,303	18,444	50,000	-	-
Disbursements:									
Instruction	-	-	-	-	5,513	-	-	-	-
Support services	-	233,933	-	3,788	-	8,458	10,260	10,240	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	68,500	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	233,933	-	3,788	74,013	8,458	10,260	10,240	-
Excess (deficiency) of receipts over disbursements	-	13,259	-	(2,588)	(53,710)	9,986	39,740	(10,240)	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	13,259	-	(2,588)	(53,710)	9,986	39,740	(10,240)	-
Cash and investments - ending	\$ -	\$ 104,207	\$ -	\$ (1,388)	\$ (67,373)	\$ (31,557)	\$ -	\$ (10,240)	\$ -

WEST 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

	Title I, 15/16	Title I, 14/15	Title I, C Summer Program 13/14	Migrant 15/16	Migrant 14/15	Summer Breakfast Program	Perkins Grant 09/10	Title II, A 15/16	Title II, A 13/14
Cash and investments - beginning	\$ -	\$ (45,139)	\$ -	\$ -	\$ (4,506)	\$ 2,355	\$ 605	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	16,990	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	331,320	290,252	-	8,834	13,780	-	-	52,732	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	<u>331,320</u>	<u>290,252</u>	<u>-</u>	<u>8,834</u>	<u>13,780</u>	<u>16,990</u>	<u>-</u>	<u>52,732</u>	<u>-</u>
Disbursements:									
Instruction	301,773	125,352	-	-	1,944	-	-	-	-
Support services	107,626	118,879	-	-	-	-	-	66,788	-
Noninstructional services	5,620	882	-	10,445	7,330	11,274	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>415,019</u>	<u>245,113</u>	<u>-</u>	<u>10,445</u>	<u>9,274</u>	<u>11,274</u>	<u>-</u>	<u>66,788</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(83,699)</u>	<u>45,139</u>	<u>-</u>	<u>(1,611)</u>	<u>4,506</u>	<u>5,716</u>	<u>-</u>	<u>(14,056)</u>	<u>-</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(83,699)</u>	<u>45,139</u>	<u>-</u>	<u>(1,611)</u>	<u>4,506</u>	<u>5,716</u>	<u>-</u>	<u>(14,056)</u>	<u>-</u>
Cash and investments - ending	<u>\$ (83,699)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,611)</u>	<u>\$ -</u>	<u>\$ 8,071</u>	<u>\$ 605</u>	<u>\$ (14,056)</u>	<u>\$ -</u>

WEST 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

	Title II, A 14/15	Rural Ed Grant 15/16	Rural Ed Grant 13/14	Title III, 12/13	Title III, 14/15	Title III, 13/14	Payroll Clearing	Totals
Cash and investments - beginning	\$ (9,829)	\$ -	\$ -	\$ -	\$ 5,791	\$ (14,398)	\$ -	\$ 7,526,922
Receipts:								
Local sources	-	-	-	-	-	-	-	10,440,844
Intermediate sources	-	-	-	-	-	-	-	158
State sources	-	-	-	-	-	-	-	16,662,037
Federal sources	38,019	34,242	-	2,666	37,451	22,160	-	1,683,801
Other receipts	-	-	-	-	-	-	4,118,540	4,118,540
Total receipts	<u>38,019</u>	<u>34,242</u>	<u>-</u>	<u>2,666</u>	<u>37,451</u>	<u>22,160</u>	<u>4,118,540</u>	<u>32,905,380</u>
Disbursements:								
Instruction	-	-	-	2,666	60,355	7,762	-	11,810,530
Support services	28,190	43,285	-	-	-	-	-	8,380,777
Noninstructional services	-	-	-	-	-	-	-	1,682,820
Facilities acquisition and construction	-	-	-	-	-	-	-	1,096,110
Debt service	-	-	-	-	-	-	-	2,345,918
Nonprogrammed charges	-	-	-	-	-	-	4,118,540	7,473,752
Total disbursements	<u>28,190</u>	<u>43,285</u>	<u>-</u>	<u>2,666</u>	<u>60,355</u>	<u>7,762</u>	<u>4,118,540</u>	<u>32,789,907</u>
Excess (deficiency) of receipts over disbursements	<u>9,829</u>	<u>(9,043)</u>	<u>-</u>	<u>-</u>	<u>(22,904)</u>	<u>14,398</u>	<u>-</u>	<u>115,473</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	2,026,566
Transfers in	-	-	-	-	-	-	-	175,000
Transfers out	-	-	-	-	-	-	-	(175,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,026,566</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>9,829</u>	<u>(9,043)</u>	<u>-</u>	<u>-</u>	<u>(22,904)</u>	<u>14,398</u>	<u>-</u>	<u>2,142,039</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (9,043)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (17,113)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,668,961</u>

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

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
US Bank	Copy Machines	\$ 113,862	10/2/2012	10/1/2016
West Noble High School Building Corporation	Building Improvements; 2011 General Obligation Bonds (QSCB)	319,768	12/31/2011	12/31/2019
West Noble High School Building Corporation	Building Improvements; 2005 General Obligation Bonds (QZAB)	108,278	6/30/2006	6/30/2020
West Noble High School Building Corporation	Building Improvements; 2007 First Mortgage Bonds	<u>645,500</u>	6/30/2008	12/31/2019
Total of annual lease payments		<u>\$ 1,187,408</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	School Severance; Series 2013	\$ 1,038,168	\$ 390,000
Notes and loans payable	Building Improvements; Common School Loan (A0350)	1,100,000	242,000
Notes and loans payable	Building Improvements; Common School Loan (A0569)	5,965,642	825,311
General obligation bonds	Building Improvements; Series 2016	<u>2,000,000</u>	<u>65,745</u>
Totals		<u>\$ 10,103,810</u>	<u>\$ 1,523,056</u>

WEST 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	\$ 77,500
Buildings	39,708,586
Improvements other than buildings	4,407,019
Machinery, equipment, and vehicles	<u>4,948,636</u>
Total capital assets	<u>\$ 49,141,741</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 WEST NOBLE SCHOOL CORPORATION, NOBLE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the West 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. Except as discussed in the following paragraph, 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.

Basis for Qualified Opinion on Child Nutrition Cluster

As described in item 2016-005 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with its Child Nutrition Cluster regarding Program Income. Consequently, we were unable to determine whether the School Corporation complied with these requirements applicable to the program.

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

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the School Corporation's compliance with the requirements of the Child Nutrition Cluster regarding Program Income, described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraph, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the period of July 1, 2014 to June 30, 2016.

Unmodified Opinion on the Title I Grants to Local Education Agencies

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 its Title I Grants to Local Education Agencies identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2014 to June 30, 2016.

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 2016-002. 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 material weaknesses.


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

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

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 items 2016-002, 2016-003, 2016-004, and 2016-005 to be material weaknesses.

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

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

January 30, 2018

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

WEST 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	\$ -	\$ 110,131	\$ -	\$ -
			FY 15-16	-	-	-	115,348
Total - School Breakfast Program				-	110,131	-	115,348
National School Lunch Program							
	Indiana Department of Education	10.555					
Commodities			FY 14-15	-	748,687	-	-
			FY 14-15	-	98,632	-	-
			FY 15-16	-	-	-	736,998
Commodities			FY 15-16	-	-	-	119,678
Total - National School Lunch Program				-	847,319	-	856,676
Summer Food Service Program for Children							
	Indiana Department of Education	10.559					
			FY 14-15	-	18,702	-	-
			FY 15-16	-	-	-	16,990
Total - Summer Food Service Program for Children				-	18,702	-	16,990
Total - Child Nutrition Cluster				-	976,152	-	989,014
Total - Department of Agriculture				-	976,152	-	989,014
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027					
			14213-046-PN01	-	127	-	-
			14214-046-PN01	-	138,236	-	-
			14215-046-PN01	-	383,518	-	110,584
			99914-046-TA01	-	6,292	-	31
			14216-046-PN01	-	-	-	394,653
Total - Special Education_Grants to States				-	528,173	-	505,268
Special Education_Preschool Grants							
	Indiana Department of Education	84.173					
			45715-046-PN01	-	16,075	-	-
			45716-044-PN01	-	-	-	15,900
Total - Special Education_Preschool Grants				-	16,075	-	15,900
Total - Special Education Cluster (IDEA)				-	544,248	-	521,168

WEST 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
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	14-6065	-	281,570	-	-
			15-6065	-	384,503	-	331,320
			16-6065	-	-	-	290,252
Total - Title I Grants to Local Educational Agencies				-	666,073	-	621,572
Migrant Education_State Grant Program	Indiana Department of Education	84.011	38213-004-PN01	-	23,669	-	-
			38214-004-PN01	-	-	-	13,780
			38215-002-PN01	-	11,224	-	-
			38216-003-PN01	-	-	-	3,175
Total - Migrant Education_State Grant Program				-	34,893	-	16,955
Rural Education	Indiana Department of Education	84.358	FY 15	-	21,856	-	-
			FY 16	-	-	-	34,242
Total - Rural Education				-	21,856	-	34,242
English Language Acquisition State Grants	Indiana Department of Education	84.365	01114-092-PN01	-	41,027	-	22,160
			01115-079-PN01	-	30,758	-	37,451
			01116-080-PN01	-	-	-	2,666
Total - English Language Acquisition State Grants				-	71,785	-	62,277
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Indiana Department of Education	84.367	FY 13-14	-	35,290	-	-
			FY 14-15	-	51,547	-	38,019
			FY 15-16	-	-	-	52,732
Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				-	86,837	-	90,751
Total - Department of Education				-	1,425,692	-	1,346,965
Total federal awards expended				\$ -	\$ 2,401,844	\$ -	\$ 2,335,979

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

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

WEST NOBLE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Qualified for Child Nutrition Cluster; Unmodified for Title I Grants to Local Educational Agencies
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	Child Nutrition Cluster Title I Grants to Local Educational Agencies

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

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

Section II - Financial Statement Findings

FINDING 2016-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Noncompliance

Repeat Finding

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2014-001.

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

Condition

The School Corporation did not have a proper system of internal controls in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

The School Corporation had not established effective internal controls over the federal award information entered into the Indiana Gateway for government units (Gateway), which is a financial reporting system used to compile the School Corporation's SEFA. One employee prepared the federal award information entered into Gateway without a control process in place to ensure its accuracy before submission.

Context

The SEFA presented for audit contained the following errors:

1. The Child Nutrition Cluster expenditures were overstated by \$541,911 for fiscal year 2015 and \$186,498 for fiscal year 2016.
2. The Special Education Cluster (IDEA) expenditures were understated by \$52,191 for fiscal year 2015 and \$27,066 for fiscal year 2016.
3. The Migrant Education State Grant Program expenditures were overstated by \$5,659 for fiscal year 2016.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

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. . . ."

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

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

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

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

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"Schedule of expenditures of Federal awards. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.

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

- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

Cause

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

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Context*.

Recommendation

We recommended that the School Corporation's management establish controls to prevent, or detect and correct, errors on the SEFA.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2016-002

Subject: Title I Grants to Local Educational Agencies - Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 14-6065, 15-6065, 16-6065

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

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

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 equivalent documentation of personnel expense were not prepared for all employees who were paid partially from Title I funds. In addition, no controls were in place over the Allowable Costs/Cost Principles compliance requirement.

Context

The School Corporation failed to maintain Personnel Activity Reports or equivalent documentation of personnel expense for employees paid partially from Title I funds. Additionally, no controls were in place over the Allowable Costs/Cost Principles compliance requirement throughout the audit period.

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

OMB A-87 Attachment B, section 8h(4) states:

"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."

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

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. . . ."

2 CFR 200.207(a) states in part: "The Federal awarding agency or pass-through entity may impose additional specific award conditions as needed . . ."

Title I Fiscal Handbook 2015-2016, Basic Title I, Part A and D states: "Employees who work on multiple activities must maintain a time and effort log at least once a month."

Cause

The School Corporation had not established and implemented an effective internal control system to ensure compliance with the Allowable Costs/Cost Principles compliance requirement.

Effect

The failure to establish an effective internal control system placed the School Corporation in noncompliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

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

Views of Responsible Officials

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

FINDING 2016-003

Subject: Title I Grants to Local Educational Agencies - Eligibility, Earmarking,
Special Tests and Provisions - Participation of Private School
Children, Special Tests and Provisions - Schoolwide Programs

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 14-6065, 15-6065, 16-6065

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Eligibility, Matching, Level of Effort, Earmarking, Special Tests
and Provisions - Participation of Private School Children,
Special Tests and Provisions - Schoolwide Programs

Audit Finding: Material Weakness

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 following compliance requirements: Eligibility, Matching, Level of Effort, Earmarking, Special Tests and Provisions - Participation of Private School Children, and Special Tests and Provisions - Schoolwide Programs.

There were no documented controls in place to ensure the Eligibility, Earmarking, Special Tests and Provisions - Participation of Private School Children, and Special Tests and Provisions - Schoolwide Programs were properly determined when completing the Title I applications. One employee completed and submitted the Title I applications. The School Corporation had a control in place to ensure a separate review of the Title I applications; however, there was no documentation that the control was implemented.

Context

The School Corporation had not implemented adequate policies and procedures to ensure that the Title I Grant applications, including eligibility determinations, earmarking requirements, guidelines for participation of private schools, and guidelines for schoolwide programs, were accurate prior to submission. One person prepared and submitted the Title I grant applications with no visible documentation of the indicated review. There was no documentation of a segregation of duties, such as an oversight, review, or approval process.

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. . . ."

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

The School Corporation had not established and implemented an effective internal control system that segregated key functions.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2016-004

Subject: School Breakfast Program and Summer Food Service Program for Children - Cash Management, Procurement and Suspension and Debarment, and Reporting and National School Lunch Program - Cash Management, Procurement and Suspension and Debarment, Reporting, and Special Tests and Provisions - Paid Lunch Equity

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 14-15, FY 15-16

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Procurement and Suspension and Debarment, Reporting, and Special Tests and Provisions - Paid Lunch Equity

Audit Finding: Material Weakness

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

Repeat Finding

This a repeat finding from the immediate prior audit. The prior audit finding numbers were 2014-003, 2014-006, 2014-008, and 2014-009.

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 following compliance requirements: Cash Management, Procurement and Suspension and Debarment, Reporting, and Special Tests and Provisions - Paid Lunch Equity.

Cash Management

Management of the School Corporation had not established documented controls to ensure that the School Lunch fund net cash resources did not exceed the three months average expenditures.

Procurement and Suspension and Debarment

The School Corporation solicited and awarded bids for milk and bread during the audit period. Management did not establish controls to ensure milk and bread vendors were not suspended or debarred prior to the bid award. In addition, the School Board reviewed the recommended bid award for a third-party group purchasing service prior to bid award. However, there were no controls in place to ensure that the School Corporation and School Board formally approved the bids or awarded the contracts to the successful bidders. An oversight, review, or approval process had not been established.

Reporting

The School Corporation had not designed or implemented adequate policies and procedures to ensure that the Monthly Sponsor Claims (claims for reimbursements) and School Food Authority (SFA) Verification Collection Reports were accurate prior to submission. One person prepared and submitted the reports. There was no segregation of duties, such as an oversight, review or approval process.

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

The School Corporation had not designed or implemented adequate policies and procedures to ensure Special Tests and Provisions - Paid Lunch Equity requirements were properly calculated and considered. The calculation was made by one individual. There was no segregation of duties, such as an oversight, review, or approval process.

Context

The lack of properly designed and implemented controls was a systemic problem, which occurred throughout the audit period.

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

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

The School Corporation had not established and implemented an effective internal control system that segregated key functions.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

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

FINDING 2016-005

Subject: Child Nutrition Cluster - Program Income
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY 14-15, FY 15-16
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Program Income
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2014-007.

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 Program Income compliance requirement.

The School Corporation had not designed or implemented adequate policies and procedures to ensure that Program Income was properly recorded. There was no evidence of controls to ensure that receipts generated from cafeteria sales were properly recorded. Daily food service collection reports were not reconciled at the point of service to determine that meals served were properly accounted for as cash sales or prepaid lunches applied. In addition, the School Corporation did not maintain daily food service collection reports. As a result, the assessing, collecting, and recording of program income could not be verified.

Context

The lack of properly designed and implemented controls was a systemic problem, which occurred throughout the audit period.

Criteria

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

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

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

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). . . ."

7 CFR 3016.42 states in part:

"(a) *Applicability.*

(1) This section applies to all financial and programmatic records, supporting documents, statistical records, and other records of grantees or subgrantees . . .

(b) *Length of retention period.*

(1) Except as otherwise provided, records must be retained for three years . . ."

2 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

Cause

Management had not established and implemented an effective internal control system to ensure that documentation was maintained and made available for audit relating to the Program Income compliance requirement.

Effect

The failure to establish an effective internal control system and properly maintain daily food service collection reports prevented the testing of the School Corporation's compliance with the grant agreement and the Program Income compliance requirement.

Questioned Costs

There were no questioned costs identified.

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

Recommendation

We recommended that the School Corporation's management establish controls to ensure that documentation was maintained and made available for audit relating to the Program Income compliance requirement.

Views of Responsible Officials

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

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AUDITEE-PREPARED DOCUMENTS

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

West Noble School Corporation

GALEN MAST, Superintendent
CANDICE HOLBROOK, Curriculum Coordinator

BOARD OF TRUSTEES
Todd Moore, President
Joe Hutsell, Vice President
David Peterson, Secretary
Kathy Hagen, Member
Donna Schwartz, Member
Travis Stohlman, Member
Joshua Vargas, Member

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FINDING 2014-002 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING
FINDING 2014-003 - INTERNAL CONTROLS OVER SCHOOL CHILD NUTRITION CLUSTER
FINDING 2014-004 - ALLOWABLE ACTIVITIES AND ALLOWABLE COSTS
FINDING 2014-005 - ELIGIBILITY
FINDING 2014-006 - PROCUREMENT SUSPENSION AND DEBARMENT
FINDING 2014-007 - PROGRAM INCOME AND SPECIAL TESTS AND PROVISIONS - SCHOOL FOOD ACCOUNTS
FINDING 2014-008 - REPORTING - CHILD NUTRITION CLUSTER
FINDING 2014-009 - SPECIAL TESTS AND PROVISIONS - PAID LUNCH EQUITY
FINDING 2014-010 - INTERNAL CONTROLS OVER CASH MANAGEMENT
FINDING 2014-011 - REPORTING - TITLE I, PART A CLUSTER


Fiscal year in which the finding initially occurred: 2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Barbara Fought
Contact Phone Number: 260-894-3191 Ext. 5003

Status of Audit Finding:

- 2014-001 – Duties have been segregated. A second individual has been added to the review process.
- 2014-002 – Duties have been segregated. A second individual is verifying deposits prior to making the deposit for the School Corporation and School Lunch.
- 2014-003 – The School Corporation Treasurer will meet with the Superintendent to review the school lunch account monthly balances effective 5/1/2018. Free/reduced school lunch applications are being reviewed by a second individual.
- 2014-004 – The time sheet was modified to reflect hours worked in each program.
- 2014-005 – Duties have been segregated. Free/reduced school lunch applications are being reviewed by a second individual.
- 2014-006 – West Noble School Corporation joined a cooperative bid sponsored by the Region 8 Educational Service Center, which meets all of the regulations for the procurement and suspension and debarment.
- 2014-007 – The updated point of sale software did not supply the necessary reports for testing. Replacement of the POS system is scheduled for July/August 2018. A list of student accounts that match the amount in the prepaid account was produced for June 30, 2017.

Summary Schedule of Prior Audit Findings
Page 2

- 2014-008 – Duties of segregation by a seconded individual was added to the review of the direct certified students. Work papers for the direct certification and a copy of the verification of summary are being retained. The review of the meal reimbursement will begin in February 2018. Work papers will be retained for the for the FY 2018 annual financial report.
- 2014-009 – The Paid Lunch Equity tool was completed, records retained, and submitted in a timely fashion. The 18/19 SY tool will be reviewed and signed by a second individual.
- 2014-010 – The monthly reimbursement requests for the Title I program are being reviewed and signed by 2 individuals prior to submission.
- 2014-011 – The Title I final financial reports are being reviewed and signed by 2 individuals prior to submission.

Respectfully Submitted:  _____ 1-30-18
Barbara Fought, Treasurer Date

West Noble School Corporation

GALEN MAST, Superintendent
CANDICE HOLBROOK, Curriculum Coordinator

BOARD OF TRUSTEES
Todd Moore, President
Joe Hutsell, Vice President
David Peterson, Secretary
Kathy Hagen, Member
Donna Schwartz, Member
Travis Stohlman, Member
Joshua Vargas, Member

FINDING 2016 -001 PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Corrective Action Plan: West Noble School Corporation strives to submit timely and accurate information, as well as have proper internal controls in place. A material weakness was discovered. The Treasurer will work with the Grant Administrator to determine that accurate information is reported. The Superintendent will review and sign off on the work papers.

Anticipated Completion Date: July 1, 2018
Contact Person: Barbara Fought
Title: Treasurer
Phone Number: 260-894-3191, ext 5003

FINDING 2016-002 TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES – ALLOWABLE COSTS/COSTS PRINCIPALS

Corrective Action Plan: Effective February 1, 2018, employees paid from Title I Funds will complete a time and effort log regardless of the program.

Anticipated Completion Date: February 1, 2018
Contact Person: Barbara Fought
Title: Treasurer
Phone Number: 260-894-3191, ext 5003

FINDING 2016 – 003 TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES – INTERNAL CONTROLS

Corrective Action Plan: The Title I Grant Administrator will have the application and supporting documentation reviewed by the Treasurer prior to grant submission.

Corrective Actions

Anticipated Completion Date: July 1, 2018
Contact Person: Barbara Fought
Title: Treasurer
Phone Number: 260-894-3191, ext 5003

FINDING 2016-004 CHILD NUTRITION CLUSTER – CASH MANAGEMENT, PROCUREMENT AND SUSPENSION AND DEBARMENT, REPORTING, AND SPECIAL TESTS AND PROVISIONS FOR PAID LUNCH EQUITY

Corrective Action Plan: **CASH MANAGEMENT** – West Noble School Corporation is aware of the Federal regulation that an operating balance be equal to or less than 3 months average of operating expenses. However, the number of students receiving free/reduced benefits exceeds 60%. It is challenging to maintain the recommended cash balance with the high amount of students receiving benefits. West Noble will continue to strive to maintain the recommended cash balance.

PROCUREMENT AND SUSPENSION AND DEBARMENT – West Noble School Corporation joined a cooperative bid sponsored by the Region 8 Educational Service Center, which meets all of the regulations for the procurement and suspension and debarment, starting with the 16/17 school year. The corrective action happened outside of the audit period.

REPORTING – The Treasurer will review and sign off of the claim information prior to filling the claim for reimbursement with the IDOE.

SPECIAL TEST AND PROVISIONS FOR PAID LUNCH EQUITY - The Superintendent will review the Paid Lunch Equity prior to the filing of the information with the IDOE.

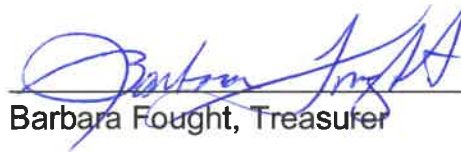
Anticipated Completion Date: July 1, 2018
Contact Person: Barbara Fought
Title: Treasurer
Phone Number: 260-894-3191, ext 5003

FINDING 2016-005 CHILD NUTRITION CLUSTER – PROGRAM INCOME

Corrective Action Plan: West Noble School Corporation is reviewing, and has plans to purchase, a point of sale system which shares information with the student information system, as well as produces the necessary reports so that a review can be done against productions records.

Anticipated Completion Date: July 1, 2018
Contact Person: Barbara Fought
Title: Treasurer
Phone Number: 260-894-3191, ext 5003

Respectfully Submitted:


Barbara Fought, Treasurer

1-30-2018
Date

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/>.