

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

NOBLESVILLE SCHOOLS
HAMILTON COUNTY, INDIANA

July 1, 2013 to June 30, 2015



FILED
06/06/2016

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
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 <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	10-11
Notes to Financial Statement	12-16
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	18-31
Schedule of Payables and Receivables	33
Schedule of Leases and Debt	34
Schedule of Capital Assets.....	35
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance.....	38-40
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	42-43
Notes to Schedule of Expenditures of Federal Awards	44
Schedule of Findings and Questioned Costs	45-48
Auditee Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	50
Corrective Action Plan	51
Other Reports.....	52

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Terry Rich Robin Phelps	07-01-13 to 07-22-15 07-23-15 to 06-30-16
Superintendent of Schools	Libbie Connor Beth Niedermeyer	07-01-13 to 08-31-14 09-01-14 to 06-30-16
President of the School Board	Pat Berghoff Donna Clark	07-01-13 to 06-30-14 07-01-14 to 06-30-16



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE NOBLESVILLE SCHOOLS, HAMILTON COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Noblesville Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, 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 of material misstatement.

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2013 to June 30, 2015.

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, 2013 to June 30, 2015, 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 Payables and Receivables, 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 March 22, 2016, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

March 22, 2016



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 NOBLESVILLE SCHOOLS, HAMILTON 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 Noblesville Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated March 22, 2016, 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 material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001 to be material weaknesses.

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

Compliance and Other Matters


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

Noblesville Schools' 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

March 22, 2016

(This page intentionally left blank.)

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.

NOBLESVILLE SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2014 and 2015

Fund	Cash and Investments		Disbursements	Other Financing		Cash and Investments		Other Financing		Cash and Investments
	07-01-13	Receipts		Sources (Uses)	06-30-14	Receipts	Disbursements	Sources (Uses)	06-30-15	
General	\$ 6,180,541	\$ 56,413,030	\$ 58,185,076	\$ 53	\$ 4,408,548	\$ 58,693,063	\$ 58,435,381	\$ (1,500)	\$ 4,664,730	
Referendum Tax Levy	2,053,704	6,270,189	6,033,939	-	2,289,954	6,462,554	5,666,662	-	3,085,846	
Debt Service	4,154,196	14,355,963	14,838,031	(37,976)	3,634,152	15,550,611	13,855,238	(15,110)	5,314,415	
Exempt Debt	1,602,218	3,320,235	3,293,100	-	1,629,353	4,720,193	5,364,041	-	985,505	
Capital Projects	2,286,096	6,964,337	7,225,564	168,466	2,193,335	5,628,380	7,074,918	170,945	917,742	
School Transportation	333	4,205,617	4,189,391	-	16,559	3,837,532	3,812,962	-	41,129	
School Bus Replacement	477,208	920,819	658,554	-	739,473	842,195	1,008,127	-	573,541	
Rainy Day	3,582,099	27,737	2,353,343	-	1,256,493	-	878,612	-	377,881	
Retirement/Severance Bond	180,448	154	166,221	-	14,381	2	14,383	-	-	
Construction	5,366	1,750	8,769,336	14,439,846	5,677,626	43,763	5,644,524	-	76,865	
School Lunch	1,544,366	3,813,491	3,663,282	59,087	1,753,662	3,890,278	3,830,271	1,500	1,815,169	
Textbook Rental	291,213	770,465	709,092	49,535	402,121	976,027	774,856	20,622	623,914	
Self-Insurance	3,239,775	8,555,126	9,047,026	-	2,747,875	9,676,658	9,443,570	-	2,980,963	
Levy Excess	-	-	-	-	-	571	-	-	571	
Joint Services and Supply - Special Education Cooperative	(207,501)	3,049,979	2,920,642	-	(78,164)	2,800,559	2,716,923	-	5,472	
Child Care Program	-	-	-	-	-	2,088	-	-	2,088	
Alternative Education	3,153	4,320	7,473	-	-	15,075	15,075	-	-	
Miscellaneous Gifts	34,871	111,413	73,458	-	72,826	99,218	100,955	-	71,089	
MS Donations	3,620	-	3,224	-	396	-	396	-	-	
Adult and Continuing Education	2,408	750	2,052	-	1,106	-	1,106	-	-	
Scholarships and Awards	250,467	-	-	-	250,467	-	-	-	250,467	
Brehm Scholarship	203	4,006	-	-	4,209	9	-	(4,000)	218	
Decker Scholarship	907	35	201	-	741	53	400	-	394	
Fern Coy Trust	2,947	20	324	-	2,643	30	927	-	1,746	
Christian Scholarship	2,968	105	1,500	-	1,573	158	-	-	1,731	
Bauchert Scholarship	597	4	-	-	601	7	-	-	608	
Gardner Scholarship	298	16	100	-	214	24	100	-	138	
Teter Scholarship	221	39	-	-	260	60	-	-	320	
Steadman Scholarship	503	273	200	-	576	409	400	-	585	
Aubrey Peters	-	2,280	500	-	1,780	425	500	-	1,705	
Construction, Remodeling, and Equipping Buildings	-	-	-	-	-	-	-	4,000	4,000	
Safe Hiring Fund	4,377	11,339	16,755	-	(1,039)	12,748	17,451	-	(5,742)	
Wellness Program	1,200	-	-	-	1,200	-	-	-	1,200	

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

NOBLESVILLE SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2014 and 2015
(Continued)

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
High Ability	44,331	71,965	106,066	-	10,230	75,293	75,186	-	10,337
Non-English Speaking Programs P.L. 273-1999	6,983	24,208	14,898	-	16,293	28,033	25,728	-	18,598
School Technology	142,501	173,723	165,966	-	150,258	83,866	191,562	-	42,562
Performance Based Awards	-	1,279,233	1,278,898	-	335	-	-	-	335
Miscellaneous Programs	-	-	10,470	-	(10,470)	50,000	39,530	-	-
Senator David Ford Technology	-	-	-	-	-	100,000	97,059	-	2,941
Literacy Skills	-	-	-	-	-	-	12,694	-	(12,694)
Title I 2014-2015	-	487,847	508,187	-	(20,340)	132,868	112,528	-	-
Title I Part D 2013-2014	-	65,845	68,393	-	(2,548)	13,394	10,846	-	-
Title I Part A 2012-2013	(18,357)	91,874	73,517	-	-	-	-	-	-
Title I Part A 2014-2015	-	-	-	-	-	423,779	451,030	-	(27,251)
Title I Part D 2012-2013	(7,788)	29,858	22,070	-	-	-	-	-	-
Title I Part D 2014-2015	-	-	-	-	-	67,853	72,805	-	(4,952)
FSS Grant	-	-	-	-	-	16,664	21,666	-	(5,002)
Federal C/O Grant	-	-	-	-	-	3,166,565	3,287,703	-	(121,138)
Coop Fed Grant	-	3,017,982	3,188,881	-	(170,899)	1,062,073	902,715	-	(11,541)
Carmel Cooperative Grant 2011-2012	(154,246)	1,022,940	874,391	-	(5,697)	345,073	339,376	-	-
Federal Grant B 2014	-	4,359	4,359	-	-	-	-	-	-
Federal Grant B 2015	-	9,951	11,665	-	(1,714)	35,098	31,990	-	1,394
Preschool	-	126,530	121,583	-	4,947	4,774	9,721	-	-
Early Childhood 2013-2014	(11,863)	35,436	23,573	-	-	-	-	-	-
Early Childhood 2014-2015	-	-	-	-	-	116,836	122,367	-	(5,531)
Team Nutrition Training Grants	160	-	160	-	-	-	-	-	-
Team Nutrition	-	-	-	-	-	3,000	-	-	3,000
Project Lead The Way 2010-2011	10,000	-	10,000	-	-	-	-	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	(278)	186,991	191,832	-	(5,119)	170,576	188,167	-	(22,710)
ITQ, Enhanced Education Through Technology, Title II, Part D	-	-	-	-	-	-	555	-	(555)
Title III - Language Instruction	(366)	44,982	45,541	-	(925)	44,977	43,158	-	894
Clearing	351,922	17,196,582	16,984,482	-	564,022	16,733,284	17,232,910	-	64,396
Building Corporation	-	-	5,099	-	(5,099)	5,099	-	-	-
Totals	\$ 26,061,801	\$ 132,673,798	\$ 145,868,415	\$ 14,679,011	\$ 27,546,195	\$ 135,931,795	\$ 141,927,074	\$ 176,457	\$ 21,727,373

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

NOBLESVILLE SCHOOLS
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

NOBLESVILLE SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

NOBLESVILLE SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

NOBLESVILLE SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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.

NOBLESVILLE SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of funds being set up for reimbursable grants of insufficient collection of revenues to establish a positive cash balance.

Note 8. Holding Corporations

The School Corporation has entered into capital leases with the Multi-School Building Corp, Noblesville High School Building Corp, and Noblesville Multi-School Building Corp (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related parties of the School Corporation. Lease payments during the fiscal years ending June 30, 2014 and 2015, totaled \$17,228,260 and \$19,145,040, respectively.

OTHER INFORMATION - UNAUDITED

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

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

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

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

	General	Referendum Tax Levy	Debt Service	Exempt Debt	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction
Cash and investments - beginning	\$ 6,180,541	\$ 2,053,704	\$ 4,154,196	\$ 1,602,218	\$ 2,286,096	\$ 333	\$ 477,208	\$ 3,582,099	\$ 180,448	\$ 5,366
Receipts:										
Local sources	825,152	6,270,189	14,355,963	3,320,235	6,964,337	4,190,853	920,819	27,737	154	1,750
Intermediate sources	22	-	-	-	-	-	-	-	-	-
State sources	55,587,343	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	513	-	-	-	-	14,764	-	-	-	-
Total receipts	56,413,030	6,270,189	14,355,963	3,320,235	6,964,337	4,205,617	920,819	27,737	154	1,750
Disbursements:										
Current:										
Instruction	40,756,621	4,045,600	-	-	-	-	-	-	141,461	-
Support services	15,982,278	1,774,606	-	-	2,950,672	4,189,391	658,554	298,763	24,760	-
Noninstructional services	1,125,499	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	320,678	213,733	-	-	4,274,892	-	-	1,607,348	-	8,769,336
Debt services	-	-	14,838,031	3,293,100	-	-	-	447,232	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	58,185,076	6,033,939	14,838,031	3,293,100	7,225,564	4,189,391	658,554	2,353,343	166,221	8,769,336
Excess (deficiency) of receipts over disbursements	(1,772,046)	236,250	(482,068)	27,135	(261,227)	16,226	262,265	(2,325,606)	(166,067)	(8,767,586)
Other financing sources (uses):										
Sale of capital assets	53	-	-	-	168,466	-	-	-	-	14,439,846
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(37,976)	-	-	-	-	-	-	-
Total other financing sources (uses)	53	-	(37,976)	-	168,466	-	-	-	-	14,439,846
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,771,993)	236,250	(520,044)	27,135	(92,761)	16,226	262,265	(2,325,606)	(166,067)	5,672,260
Cash and investments - ending	\$ 4,408,548	\$ 2,289,954	\$ 3,634,152	\$ 1,629,353	\$ 2,193,335	\$ 16,559	\$ 739,473	\$ 1,256,493	\$ 14,381	\$ 5,677,626

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

	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Joint Services and Supply - Special Education Cooperative	Child Care Program	Alternative Education	Miscellaneous Gifts	MS Donations
Cash and investments - beginning	\$ 1,544,366	\$ 291,213	\$ 3,239,775	\$ -	\$ (207,501)	\$ -	\$ 3,153	\$ 34,871	\$ 3,620
Receipts:									
Local sources	2,413,882	590,014	8,555,126	-	3,049,979	-	-	111,413	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	60,483	180,451	-	-	-	-	4,320	-	-
Federal sources	1,336,382	-	-	-	-	-	-	-	-
Other	2,744	-	-	-	-	-	-	-	-
Total receipts	3,813,491	770,465	8,555,126	-	3,049,979	-	4,320	111,413	-
Disbursements:									
Current:									
Instruction	-	-	-	-	2,868,557	-	7,473	25,840	92
Support services	5,571	709,092	137,813	-	48,408	-	-	300	-
Noninstructional services	3,657,711	-	-	-	-	-	-	2,428	3,080
Facilities acquisition and construction	-	-	-	-	3,677	-	-	44,890	52
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	8,909,213	-	-	-	-	-	-
Total disbursements	3,663,282	709,092	9,047,026	-	2,920,642	-	7,473	73,458	3,224
Excess (deficiency) of receipts over disbursements	150,209	61,373	(491,900)	-	129,337	-	(3,153)	37,955	(3,224)
Other financing sources (uses):									
Sale of capital assets	-	11,559	-	-	-	-	-	-	-
Transfers in	59,087	37,976	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	59,087	49,535	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	209,296	110,908	(491,900)	-	129,337	-	(3,153)	37,955	(3,224)
Cash and investments - ending	\$ 1,753,662	\$ 402,121	\$ 2,747,875	\$ -	\$ (78,164)	\$ -	\$ -	\$ 72,826	\$ 396

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

	Adult and Continuing Education	Scholarships and Awards	Brehm Scholarship	Decker Scholarship	Fern Coy Trust	Christian Scholarship	Bauchert Scholarship	Gardner Scholarship	Teter Scholarship
Cash and investments - beginning	\$ 2,408	\$ 250,467	\$ 203	\$ 907	\$ 2,947	\$ 2,968	\$ 597	\$ 298	\$ 221
Receipts:									
Local sources	750	-	4,006	35	20	105	4	16	39
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	750	-	4,006	35	20	105	4	16	39
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	2,052	-	-	201	324	1,500	-	100	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	2,052	-	-	201	324	1,500	-	100	-
Excess (deficiency) of receipts over disbursements	(1,302)	-	4,006	(166)	(304)	(1,395)	4	(84)	39
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,302)	-	4,006	(166)	(304)	(1,395)	4	(84)	39
Cash and investments - ending	\$ 1,106	\$ 250,467	\$ 4,209	\$ 741	\$ 2,643	\$ 1,573	\$ 601	\$ 214	\$ 260

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

	Steadman Scholarship	Aubrey Peters	Construction, Remodeling, and Equipping Buildings	Safe Hiring Fund	Wellness Program	High Ability	Non-English Speaking Programs P.L. 273-1999	School Technology	Performance Based Awards
Cash and investments - beginning	\$ 503	\$ -	\$ -	\$ 4,377	\$ 1,200	\$ 44,331	\$ 6,983	\$ 142,501	\$ -
Receipts:									
Local sources	273	2,280	-	11,339	-	-	-	1,200	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	71,965	24,208	172,523	1,279,233
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	273	2,280	-	11,339	-	71,965	24,208	173,723	1,279,233
Disbursements:									
Current:									
Instruction	-	-	-	-	-	106,066	14,324	-	1,278,898
Support services	-	-	-	16,755	-	-	574	160,344	-
Noninstructional services	200	500	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	5,622	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	200	500	-	16,755	-	106,066	14,898	165,966	1,278,898
Excess (deficiency) of receipts over disbursements	73	1,780	-	(5,416)	-	(34,101)	9,310	7,757	335
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	73	1,780	-	(5,416)	-	(34,101)	9,310	7,757	335
Cash and investments - ending	\$ 576	\$ 1,780	\$ -	\$ (1,039)	\$ 1,200	\$ 10,230	\$ 16,293	\$ 150,258	\$ 335

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

	Miscellaneous Programs	Senator David Ford Technology	Literacy Skills	Title I 2014-2015	Title I Part D 2013-2014	Title I Part A 2012-2013	Title I Part A 2014-2015	Title I Part D 2012-2013	Title I Part D 2014-2015
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (18,357)	\$ -	\$ (7,788)	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	9,648	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	487,847	65,845	91,874	-	20,210	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	487,847	65,845	91,874	-	29,858	-
Disbursements:									
Current:									
Instruction	-	-	-	453,424	12,431	12	-	14,266	-
Support services	-	-	-	42,361	55,962	72,691	-	7,804	-
Noninstructional services	-	-	-	12,402	-	814	-	-	-
Facilities acquisition and construction	10,470	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	10,470	-	-	508,187	68,393	73,517	-	22,070	-
Excess (deficiency) of receipts over disbursements	(10,470)	-	-	(20,340)	(2,548)	18,357	-	7,788	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,470)	-	-	(20,340)	(2,548)	18,357	-	7,788	-
Cash and investments - ending	\$ (10,470)	\$ -	\$ -	\$ (20,340)	\$ (2,548)	\$ -	\$ -	\$ -	\$ -

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

	FSS Grant	Federal C/O Grant	Coop Fed Grant	Carmel Cooperative Grant 2011-2012	Federal Grant B 2014	Federal Grant B 2015	Preschool	Early Childhood 2013-2014	Early Childhood 2014-2015
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (154,246)	\$ -	\$ -	\$ -	\$ (11,863)	\$ -
Receipts:									
Local sources	-	-	3,017,982	1,022,940	4,359	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	9,951	126,530	35,436	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	3,017,982	1,022,940	4,359	9,951	126,530	35,436	-
Disbursements:									
Current:									
Instruction	-	-	3,125,377	832,326	598	-	121,583	23,573	-
Support services	-	-	44,019	38,631	-	11,665	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	19,485	3,434	3,761	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	3,188,881	874,391	4,359	11,665	121,583	23,573	-
Excess (deficiency) of receipts over disbursements	-	-	(170,899)	148,549	-	(1,714)	4,947	11,863	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(170,899)	148,549	-	(1,714)	4,947	11,863	-
Cash and investments - ending	\$ -	\$ -	\$ (170,899)	\$ (5,697)	\$ -	\$ (1,714)	\$ 4,947	\$ -	\$ -

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

	Team Nutrition Training Grants	Team Nutrition	Project Lead The Way 2010-2011	Improving Teaching Quality, No Child Left, Title II, Part A	ITQ, Enhanced Education Through Technology, Title II, Part D	Title III - Language Instruction	Clearing	Building Corporation	Totals
Cash and investments - beginning	\$ 160	\$ -	\$ 10,000	\$ (278)	\$ -	\$ (366)	\$ 351,922	\$ -	\$ 26,061,801
Receipts:									
Local sources	-	-	-	-	-	-	-	-	55,672,599
Intermediate sources	-	-	-	-	-	-	-	-	22
State sources	-	-	-	-	-	-	-	-	57,552,443
Federal sources	-	-	-	186,991	-	44,982	-	-	2,234,131
Other	-	-	-	-	-	-	17,196,582	-	17,214,603
Total receipts	-	-	-	186,991	-	44,982	17,196,582	-	132,673,798
Disbursements:									
Current:									
Instruction	-	-	-	-	-	34,554	-	-	53,863,076
Support services	-	-	10,000	191,832	-	10,987	-	-	27,443,833
Noninstructional services	160	-	-	-	-	-	-	-	4,806,971
Facilities acquisition and construction	-	-	-	-	-	-	-	-	15,277,378
Debt services	-	-	-	-	-	-	-	-	18,578,363
Nonprogrammed charges	-	-	-	-	-	-	16,984,482	5,099	25,898,794
Total disbursements	160	-	10,000	191,832	-	45,541	16,984,482	5,099	145,868,415
Excess (deficiency) of receipts over disbursements	(160)	-	(10,000)	(4,841)	-	(559)	212,100	(5,099)	(13,194,617)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	14,619,924
Transfers in	-	-	-	-	-	-	-	-	97,063
Transfers out	-	-	-	-	-	-	-	-	(37,976)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	14,679,011
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(160)	-	(10,000)	(4,841)	-	(559)	212,100	(5,099)	1,484,394
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (5,119)	\$ -	\$ (925)	\$ 564,022	\$ (5,099)	\$ 27,546,195

NOBLESVILLE SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015

	General	Referendum Tax Levy	Debt Service	Exempt Debt	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction
Cash and investments - beginning	\$ 4,408,548	\$ 2,289,954	\$ 3,634,152	\$ 1,629,353	\$ 2,193,335	\$ 16,559	\$ 739,473	\$ 1,256,493	\$ 14,381	\$ 5,677,626
Receipts:										
Local sources	1,200,784	6,462,554	15,550,611	4,720,193	5,624,630	3,820,894	842,195	-	2	43,763
Intermediate sources	16	-	-	-	-	-	-	-	-	-
State sources	57,491,057	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	1,206	-	-	-	3,750	16,638	-	-	-	-
Total receipts	58,693,063	6,462,554	15,550,611	4,720,193	5,628,380	3,837,532	842,195	-	2	43,763
Disbursements:										
Current:										
Instruction	40,157,291	3,494,579	-	-	-	-	-	-	-	-
Support services	16,814,929	1,752,338	-	-	2,681,471	3,812,962	1,008,127	878,612	14,383	-
Noninstructional services	1,180,530	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	282,631	419,745	-	-	4,393,447	-	-	-	-	4,089,635
Debt services	-	-	13,855,238	5,364,041	-	-	-	-	-	1,554,889
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	58,435,381	5,666,662	13,855,238	5,364,041	7,074,918	3,812,962	1,008,127	878,612	14,383	5,644,524
Excess (deficiency) of receipts over disbursements	257,682	795,892	1,695,373	(643,848)	(1,446,538)	24,570	(165,932)	(878,612)	(14,381)	(5,600,761)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	170,945	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(1,500)	-	(15,110)	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,500)	-	(15,110)	-	170,945	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	256,182	795,892	1,680,263	(643,848)	(1,275,593)	24,570	(165,932)	(878,612)	(14,381)	(5,600,761)
Cash and investments - ending	\$ 4,664,730	\$ 3,085,846	\$ 5,314,415	\$ 985,505	\$ 917,742	\$ 41,129	\$ 573,541	\$ 377,881	\$ -	\$ 76,865

NOBLESVILLE SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	School Lunch	Textbook Rental	Self-Insurance	Levy Excess	Joint Services and Supply - Special Education Cooperative	Child Care Program	Alternative Education	Miscellaneous Gifts	MS Donations
Cash and investments - beginning	\$ 1,753,662	\$ 402,121	\$ 2,747,875	\$ -	\$ (78,164)	\$ -	\$ -	\$ 72,826	\$ 396
Receipts:									
Local sources	2,456,792	630,274	9,676,658	571	2,800,559	2,088	-	99,218	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	64,586	345,753	-	-	-	-	15,075	-	-
Federal sources	1,366,116	-	-	-	-	-	-	-	-
Other	2,784	-	-	-	-	-	-	-	-
Total receipts	3,890,278	976,027	9,676,658	571	2,800,559	2,088	15,075	99,218	-
Disbursements:									
Current:									
Instruction	-	-	-	-	2,566,160	-	15,075	30,317	96
Support services	13,447	774,856	360,149	-	145,901	-	-	9,131	300
Noninstructional services	3,816,824	-	-	-	-	-	-	1,687	-
Facilities acquisition and construction	-	-	-	-	4,862	-	-	59,820	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	9,083,421	-	-	-	-	-	-
Total disbursements	3,830,271	774,856	9,443,570	-	2,716,923	-	15,075	100,955	396
Excess (deficiency) of receipts over disbursements	60,007	201,171	233,088	571	83,636	2,088	-	(1,737)	(396)
Other financing sources (uses):									
Sale of capital assets	-	5,512	-	-	-	-	-	-	-
Transfers in	1,500	15,110	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,500	20,622	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	61,507	221,793	233,088	571	83,636	2,088	-	(1,737)	(396)
Cash and investments - ending	\$ 1,815,169	\$ 623,914	\$ 2,980,963	\$ 571	\$ 5,472	\$ 2,088	\$ -	\$ 71,089	\$ -

NOBLESVILLE SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Adult and Continuing Education	Scholarships and Awards	Brehm Scholarship	Decker Scholarship	Fern Coy Trust	Christian Scholarship	Bauchert Scholarship	Gardner Scholarship	Teter Scholarship
Cash and investments - beginning	\$ 1,106	\$ 250,467	\$ 4,209	\$ 741	\$ 2,643	\$ 1,573	\$ 601	\$ 214	\$ 260
Receipts:									
Local sources	-	-	9	53	30	158	7	24	60
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	9	53	30	158	7	24	60
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	1,106	-	-	400	927	-	-	100	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	1,106	-	-	400	927	-	-	100	-
Excess (deficiency) of receipts over disbursements	(1,106)	-	9	(347)	(897)	158	7	(76)	60
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(4,000)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(4,000)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,106)	-	(3,991)	(347)	(897)	158	7	(76)	60
Cash and investments - ending	\$ -	\$ 250,467	\$ 218	\$ 394	\$ 1,746	\$ 1,731	\$ 608	\$ 138	\$ 320

NOBLESVILLE SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Steadman Scholarship	Aubrey Peters	Construction, Remodeling, and Equipping Buildings	Safe Hiring Fund	Wellness Program	High Ability	Non-English Speaking Programs P.L. 273-1999	School Technology	Performance Based Awards
Cash and investments - beginning	\$ 576	\$ 1,780	\$ -	\$ (1,039)	\$ 1,200	\$ 10,230	\$ 16,293	\$ 150,258	\$ 335
Receipts:									
Local sources	409	425	-	12,748	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	75,293	28,033	83,866	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	409	425	-	12,748	-	75,293	28,033	83,866	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	75,186	25,728	-	-
Support services	-	-	-	17,451	-	-	-	96,575	-
Noninstructional services	400	500	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	94,987	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	400	500	-	17,451	-	75,186	25,728	191,562	-
Excess (deficiency) of receipts over disbursements	9	(75)	-	(4,703)	-	107	2,305	(107,696)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	4,000	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	4,000	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9	(75)	4,000	(4,703)	-	107	2,305	(107,696)	-
Cash and investments - ending	\$ 585	\$ 1,705	\$ 4,000	\$ (5,742)	\$ 1,200	\$ 10,337	\$ 18,598	\$ 42,562	\$ 335

NOBLESVILLE SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Miscellaneous Programs	Senator David Ford Technology	Literacy Skills	Title I 2014-2015	Title I Part D 2013-2014	Title I Part A 2012-2013	Title I Part A 2014-2015	Title I Part D 2012-2013	Title I Part D 2014-2015
Cash and investments - beginning	\$ (10,470)	\$ -	\$ -	\$ (20,340)	\$ (2,548)	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	50,000	100,000	-	-	-	-	-	-	-
Federal sources	-	-	-	132,868	13,394	-	423,779	-	67,853
Other	-	-	-	-	-	-	-	-	-
Total receipts	50,000	100,000	-	132,868	13,394	-	423,779	-	67,853
Disbursements:									
Current:									
Instruction	-	-	-	88,687	2,769	-	409,749	-	16,851
Support services	-	22,111	12,694	29,135	8,077	-	40,235	-	55,954
Noninstructional services	-	-	-	(5,294)	-	-	1,046	-	-
Facilities acquisition and construction	39,530	74,948	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	39,530	97,059	12,694	112,528	10,846	-	451,030	-	72,805
Excess (deficiency) of receipts over disbursements	10,470	2,941	(12,694)	20,340	2,548	-	(27,251)	-	(4,952)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	10,470	2,941	(12,694)	20,340	2,548	-	(27,251)	-	(4,952)
Cash and investments - ending	\$ -	\$ 2,941	\$ (12,694)	\$ -	\$ -	\$ -	\$ (27,251)	\$ -	\$ (4,952)

NOBLESVILLE SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	FSS Grant	Federal C/O Grant	Coop Fed Grant	Carmel Cooperative Grant 2011-2012	Federal Grant B 2014	Federal Grant B 2015	Preschool	Early Childhood 2013-2014	Early Childhood 2014-2015
Cash and investments - beginning	\$ -	\$ -	\$ (170,899)	\$ (5,697)	\$ -	\$ (1,714)	\$ 4,947	\$ -	\$ -
Receipts:									
Local sources	-	3,166,565	1,062,073	345,073	-	1,452	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	16,664	-	-	-	-	33,646	4,774	-	116,836
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	16,664	3,166,565	1,062,073	345,073	-	35,098	4,774	-	116,836
Disbursements:									
Current:									
Instruction	-	3,199,895	898,701	316,230	-	-	9,721	-	122,367
Support services	21,666	67,931	464	-	-	31,990	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	19,877	3,550	23,146	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	21,666	3,287,703	902,715	339,376	-	31,990	9,721	-	122,367
Excess (deficiency) of receipts over disbursements	(5,002)	(121,138)	159,358	5,697	-	3,108	(4,947)	-	(5,531)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,002)	(121,138)	159,358	5,697	-	3,108	(4,947)	-	(5,531)
Cash and investments - ending	\$ (5,002)	\$ (121,138)	\$ (11,541)	\$ -	\$ -	\$ 1,394	\$ -	\$ -	\$ (5,531)

NOBLESVILLE SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Team Nutrition Training Grants	Team Nutrition	Project Lead The Way 2010-2011	Improving Teaching Quality, No Child Left, Title II, Part A	ITQ, Enhanced Education Through Technology, Title II, Part D	Title III - Language Instruction	Clearing	Building Corporation	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (5,119)	\$ -	\$ (925)	\$ 564,022	\$ (5,099)	\$ 27,546,195
Receipts:									
Local sources	-	-	-	-	-	-	-	-	58,520,872
Intermediate sources	-	-	-	-	-	-	-	-	16
State sources	-	-	-	-	-	-	-	-	58,425,583
Federal sources	-	3,000	-	170,576	-	44,977	-	-	2,222,563
Other	-	-	-	-	-	-	16,733,284	5,099	16,762,761
Total receipts	-	3,000	-	170,576	-	44,977	16,733,284	5,099	135,931,795
Disbursements:									
Current:									
Instruction	-	-	-	-	-	40,504	-	-	51,469,906
Support services	-	-	-	188,167	555	2,654	-	-	28,862,265
Noninstructional services	-	-	-	-	-	-	-	-	4,998,226
Facilities acquisition and construction	-	-	-	-	-	-	-	-	9,506,178
Debt services	-	-	-	-	-	-	-	-	20,774,168
Nonprogrammed charges	-	-	-	-	-	-	17,232,910	-	26,316,331
Total disbursements	-	-	-	188,167	555	43,158	17,232,910	-	141,927,074
Excess (deficiency) of receipts over disbursements	-	3,000	-	(17,591)	(555)	1,819	(499,626)	5,099	(5,995,279)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	176,457
Transfers in	-	-	-	-	-	-	-	-	20,610
Transfers out	-	-	-	-	-	-	-	-	(20,610)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	176,457
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	3,000	-	(17,591)	(555)	1,819	(499,626)	5,099	(5,818,822)
Cash and investments - ending	\$ -	\$ 3,000	\$ -	\$ (22,710)	\$ (555)	\$ 894	\$ 64,396	\$ -	\$ 21,727,373

(This page intentionally left blank.)

NOBLESVILLE SCHOOLS
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2015

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 1,615,864</u>	<u>\$ 298,068</u>

NOBLESVILLE SCHOOLS
SCHEDULE OF LEASES AND DEBT
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Multi-School Building Corp	Lease Rental - FMB Series 2010	\$ 4,400,000	6/30/2011	6/30/2030
Noblesville High School Building Corp	Lease Rental - FMB Series 1993	6,155,000	12/31/2014	12/31/2018
Noblesville High School Building Corp	Lease Rental - FMB Series 2013	1,248,000	12/31/2014	12/31/2032
Noblesville Multi-School Building Corp	Lease Rental - FMB QSCB Series 2010	537,000	6/30/2011	6/30/2030
Noblesville Multi-School Building Corp	Lease Rental - FMRB Series 2005	1,190,000	12/31/2005	12/31/2019
Noblesville Multi-School Building Corp	Lease Rental - FMRB Series 2007	996,000	6/30/2007	12/31/2021
Noblesville Multi-School Building Corp	Lease Rental - FMRB Series 2015	1,450,000	12/31/2007	12/31/2026
Noblesville Multi-School Building Corp	Lease Rental - FMRB Series 2013	<u>3,815,000</u>	12/31/2013	12/31/2026
Total governmental activities		<u>19,791,000</u>		
Total of annual lease payments		<u>\$ 19,791,000</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	School Bonds	\$ -	\$ -
Totals		<u>\$ -</u>	<u>\$ -</u>

NOBLESVILLE SCHOOLS
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2015

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

	Ending Balance
Governmental activities:	
Land	\$ 13,476,000
Buildings	186,541,523
Improvements other than buildings	1,566,449
Machinery, equipment, and vehicles	28,216,503
Total governmental activities	229,800,475
Total capital assets	\$ 229,800,475

(This page intentionally left blank.)

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 NOBLESVILLE SCHOOLS, HAMILTON COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Noblesville Schools' (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, 2013 to June 30, 2015. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2013 to June 30, 2015.

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 2015-002. 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 a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2015-002 to be a material weakness.

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

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

March 22, 2016

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.

NOBLESVILLE SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015

Federal Grantor Agency Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-14	Total Federal Awards Expended 06-30-15
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	FY 14 FY 15	\$ 132,086 -	\$ - 143,185
Total for program			<u>132,086</u>	<u>143,185</u>
National School Lunch Program	10.555	FY 14 FY 15	1,449,731 -	- 1,489,481
Total for program			<u>1,449,731</u>	<u>1,489,481</u>
Total for cluster			<u>1,581,817</u>	<u>1,632,666</u>
Total for federal grantor agency			<u>1,581,817</u>	<u>1,632,666</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010	13-3070 13-3070 14-3070 15-3070 14-3070 13-3070 15-3070 14-3070	91,873 20,209 - - 487,847 65,844 - -	- - 132,867 423,777 - - 67,853 13,394
Total for cluster			<u>665,773</u>	<u>637,891</u>

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

NOBLESVILLE SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-14	Total Federal Awards Expended 06-30-15
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-through Indiana Department of Education (continued)				
Special Education Cluster (IDEA)				
Special Education - Grants to States				
	84.027	14214-025-PN01	1,417,353	431,970
		14215-025-PN01	-	1,388,243
		99914-PN01	9,951	33,646
		14213-025-OPN01	296,013	234,233
Total for program			<u>1,723,317</u>	<u>2,088,092</u>
Special Education - Preschool Grants				
	84.173	45713-025-PN01	16,621	
		45714-025-PN01	59,697	2,253
		45715-025-PN01	-	54,970
Total for program			<u>76,318</u>	<u>57,223</u>
Total for cluster			<u>1,799,635</u>	<u>2,145,315</u>
English Language Acquisition State Grants				
	84.365	0114-059-PN01	-	9,160
		0114-059-PN01	44,982	-
		0115-029-PN01	-	35,816
Total for program			<u>44,982</u>	<u>44,976</u>
Improving Teacher Quality State Grants				
	84.367	FY 13-14	186,991	-
		FY 14-15	-	170,576
Total for program			<u>186,991</u>	<u>170,576</u>
Total for federal grantor agency			<u>2,697,381</u>	<u>2,998,758</u>
Total federal awards expended			<u>\$ 4,279,198</u>	<u>\$ 4,631,424</u>

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

NOBLESVILLE SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

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

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

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2014 and 2015. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2014	2015
National School Lunch Program	10.555	\$ 245,435	\$ 266,550

NOBLESVILLE SCHOOLS
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?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

_____ Name of Federal Program or Cluster _____

Child Nutrition Cluster
Title I Cluster
Special Education Cluster

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

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2015-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The Treasurer prepared the SEFA; however, there was no control to ensure the SEFA was complete and accurate.

The School Corporation should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, (material) misstatements of the SEFA could remain undetected.

NOBLESVILLE SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

During the audit of the SEFA, we noted the following errors:

Incorrect expenditure amounts were listed for some grants and a state grant was incorrectly included on the SEFA. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

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

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

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

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

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

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

NOBLESVILLE SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (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."

Section III - Federal Award Findings and Questioned Costs

FINDING 2015-002 - CASH MANAGEMENT

Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program
CFDA Number: 10.553, 10.555
Federal Award Number and Year (or Other Identifying Number): FY 14, FY 15
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system related to the grant agreement and the Cash Management compliance requirements that have a direct and material effect on the programs. The failure to establish an effective internal control system places 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 also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

There were no procedures established to ensure that the School Lunch fund cash balances were maintained in compliance with the Cash Management requirements. The failure to establish an effective internal control system allowed noncompliance with the requirements.

The School Corporation Food Service department maintains a cash balance in excess of federal regulations. The average expenditures for three months of the School Corporation for the National School Lunch Program for FY 13-14 were \$1,098,985. The month-end cash balances for FY 13-14 ranged from \$1,207,698 to \$1,743,662. The average expenditures for three months of the School Corporation for the National School Lunch Program for FY 14-15 were \$1,149,081. The month-end cash balances for FY 14-15 ranged from \$1,323,220 to \$1,805,168. This compliance requirement was not monitored by the School Lunch Director or by any other employee of the School Corporation.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

NOBLESVILLE SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

7 CFR section 210.14(a) states in part:

"Nonprofit school food service. School food authorities shall maintain a nonprofit school food service"

7 CFR section 210.14(b) states:

"Net cash resources. The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount as may be approved by the State agency in accordance with § 210.19(a)."

7 CFR section 210.2 defines net cash resources as:

"Net cash resources means all monies, as determined in accordance with the State agency's established accounting system, that are available to or have accrued to a school food authority's nonprofit school food service at any given time, less cash payable. Such monies may include, but are not limited to, cash on hand, cash receivable, earnings on investments, cash on deposit and the value of stocks, bonds or other negotiable securities."

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."

The cash balance maintained by the School Corporation resulted in noncompliance with program requirements that they must operate a nonprofit school food service and limit net cash resources. Failure to comply with these requirements could cause the School Corporation to be ineligible to receive future federal reimbursements.

We recommended that School Corporation officials implement procedures that would limit net cash resources to the average expenditures for three months and to establish internal controls to ensure that its School Food Service Program is operated as a nonprofit service.

AUDITEE PREPARED DOCUMENTS

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



NOBLESVILLE SCHOOLS
EDUCATIONAL SERVICES CENTER
18025 RIVER ROAD
NOBLESVILLE, INDIANA 46062
317-773-3171

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number 2013-001

Original Assigned SBA Audit Report Number: B43357

Report Period: July 1, 2011 to June 30, 2013

Pass-Through Entity or Federal Grantor Agency: Not applicable

Contact Person Responsible for Corrective Action: Robin Phelps, Executive Director of Business

Contact Phone Number: 317/773-3171

Status of Finding:

The district is currently working with the State Board of Accounts to ensure the accuracy of future SEFA's. We acknowledge our need to improve internal controls to ensure accuracy.

Finding Number 2013-002

Original Assigned SBA Audit Report Number: B43357

Report Period: July 1, 2011 to June 30, 2013

Pass-Through Entity or Federal Grantor Agency: Indiana Department of Education

Contact Person Responsible for Corrective Action: Robin Phelps, Executive Director of Business

Contact Phone Number: 317/773-3171

Status of Finding:

Completed



(Signature)



(Title)



(Date)



NOBLESVILLE SCHOOLS
EDUCATIONAL SERVICES CENTER
18025 RIVER ROAD
NOBLESVILLE, INDIANA 46062
317-773-3171

**Corrective Action Plan
July 1, 2013 – June 30, 2015**

FINDING 2015-001

Contact Person Responsible for Corrective Action: Robin Phelps, Executive Director of Business
Contact Phone Number: 317-773-3171

Description of Corrective Action Plan:

The district is working with the State Board of Accounts to ensure the accuracy of future Schedule of Expenditures of Federal Awards (SEFA) reporting. We acknowledge our need to improve our internal controls to ensure accuracy. Balancing to additional state reports will be put into place to ensure the expenditure amounts are correct.

Anticipated Completion Date: June 30, 2016

FINDING 2015-002

Contact Person Responsible for Corrective Action: Robin Phelps, Executive Director of Business
Contact Phone Number: 317-773-3171

Description of Corrective Action Plan:

The district recognizes the cash balance in the Food Services' account is in excess of the federal regulations. Because of the size of the cash balance, salaries of food service employees has been adjusted up to help with attracting and retaining food service employees. In the future, any equipment needed in the kitchen will be purchased from the Food Services account. Both of these actions should minimize the cash balance in this account.

Anticipated Completion Date: The district will begin the corrective action plan immediately to minimize the cash balance.

Robin Phelps
(Signature)
Exec. Director of Business
(Title)
2/25/16
(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/>.