

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

ZIONSVILLE COMMUNITY SCHOOLS  
BOONE COUNTY, INDIANA

July 1, 2013 to June 30, 2015



**FILED**  
05/31/2017



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Michael Shafer	07-01-13 to 12-31-17
Superintendent of Schools	Dr. Scott Robison	07-01-13 to 06-30-19
President of the School Board	Jim Longest Shari Richey Jane Burgess	01-01-13 to 12-31-14 01-01-15 to 12-31-16 01-01-17 to 12-31-17



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE ZIONSVILLE COMMUNITY SCHOOLS, BOONE COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Zionsville Community 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 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, 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 April 11, 2017, 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

April 11, 2017



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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 ZIONSVILLE COMMUNITY SCHOOLS, BOONE 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 Zionsville Community 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 April 11, 2017, 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 a deficiency 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 deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Zionsville Community 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

April 11, 2017

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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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ZIONSVILLE COMMUNITY 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 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
General	\$ 813,142	\$ 35,495,974	\$ 33,799,124	\$ 187,902	\$ 2,697,894	\$ 36,595,166	\$ 36,071,243	\$ 70,581	\$ 3,292,398
Referendum Tax Levy	2,530,442	5,497,741	4,903,789	17,265	3,141,659	5,731,772	4,819,715	9,845	4,063,561
Debt Service	9,238,506	19,351,413	17,281,024	(1,329,258)	9,979,637	19,650,953	17,956,214	(1,845,273)	9,829,103
Retirement/Severance Bond Debt Service	248,684	758,435	750,228	(19,687)	237,204	743,786	704,799	(69,897)	206,294
Capital Projects	2,916,209	3,247,972	4,604,424	703,820	2,263,577	2,864,290	3,818,145	986,133	2,295,855
School Transportation	2,794,807	2,396,908	2,860,751	584,158	2,915,122	2,379,842	3,038,843	822,010	3,078,131
School Bus Replacement	753,133	383,100	532,692	(198,901)	404,640	260,285	399,059	97,181	363,047
Rainy Day	621,624	2,262	96,408	274,000	801,478	10,102	825	-	810,755
Post-Retirement/Severance Future Benefits	1,601	-	1,601	-	-	-	-	-	-
School Lunch	884,031	2,453,782	2,243,558	(91,978)	1,002,277	2,322,941	2,323,100	(44,031)	958,087
Textbook Rental	952,197	1,410,268	1,701,157	-	661,308	1,417,730	964,488	-	1,114,550
Donations Fund	392,893	266,214	212,032	-	447,075	527,342	404,560	-	569,857
Zionsville Education Foundation Grants	47,787	79,279	89,028	-	38,038	114,111	126,544	-	25,605
High Ability Fund	28,119	53,968	48,457	-	33,630	55,695	63,710	-	25,615
Secured Schools Safety Grant	-	-	-	-	-	50,000	44,055	-	5,945
Non-English Speaking Programs P.L. 273-1999	15,421	5,067	25,732	5,244	-	4,764	4,764	-	-
School Technology	24,118	26,865	31,568	-	19,415	23,093	20,478	-	22,030
Performance Based Awards	-	358,285	358,285	-	-	803,620	787,200	-	16,420
Pension Bond Refinance	53,647	-	22,250	(31,397)	-	-	-	-	-
Senator David Ford Technology	-	-	-	-	-	77,870	84,883	-	(7,013)
Campus Parking	71,395	30,483	1,959	(212)	99,707	28,357	3,337	(47)	124,680
Extended Service	798,870	2,057,976	1,711,863	(95,712)	1,049,271	2,254,065	2,102,714	(26,502)	1,174,120
Title I 2012-2013	(6,244)	99,740	117,401	-	(23,905)	111,072	89,311	-	(2,144)
Title V	19,035	-	-	-	19,035	-	-	(19,035)	-
Special Education Grant	(52,564)	853,437	845,825	-	(44,952)	944,587	935,914	-	(36,279)
Technical Assistance Special Education Grant	-	9,750	9,750	-	-	7,401	10,026	-	(2,625)
Special Education Preschool Grant	-	20,710	20,710	-	-	21,033	21,033	-	-
Drug Free Schools	10,143	-	-	-	10,143	-	-	-	10,143
Education for Economic Security	6,524	-	-	(6,524)	-	-	-	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	35,659	-	-	6,524	42,183	-	14,344	19,035	46,874
Title II Part A	-	23,978	26,741	-	(2,763)	78,616	80,053	-	(4,200)
Title II Part A: State Activity Grant	-	12,000	12,000	-	-	-	-	-	-
Title III - Language Instruction	5,127	885	768	(5,244)	-	-	-	-	-
Clearing	246,012	10,215,836	10,226,237	-	235,611	10,531,332	10,527,800	-	239,143
<b>Totals</b>	<b>\$ 23,450,318</b>	<b>\$ 85,112,328</b>	<b>\$ 82,535,362</b>	<b>\$ -</b>	<b>\$ 26,027,284</b>	<b>\$ 87,609,825</b>	<b>\$ 85,417,157</b>	<b>\$ -</b>	<b>\$ 28,219,952</b>

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

ZIONSVILLE COMMUNITY 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, 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.

ZIONSVILLE COMMUNITY SCHOOLS  
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:

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

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

ZIONSVILLE COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for 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 is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

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

**Note 4. Deposits and Investments**

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

State statutes authorize the School Corporation to invest in securities including, but not limited to, 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.

ZIONSVILLE COMMUNITY SCHOOLS  
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 Plan**

*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.

ZIONSVILLE COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants and the disbursements were not reimbursed by June 30, 2014 and 2015.

**Note 8. Holding Corporation**

The School Corporation has entered into a series of capital leases with The Zionsville Community Schools 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 fiscal years 2014 and 2015 totaled \$17,270,000 and \$17,946,000, respectively.

**Note 9. Subsequent Events**

On March 15, 2017, the School Corporation issued General Obligation bonds in the amount of \$4,000,000. The purposes of these bonds were as follows:

1. Series 2017A - The \$2,000,000 in proceeds will be used to pay for renovations and improvements at Pleasant View Lower and Upper Elementary Schools, including, but not limited to, the restoration of roofs, the replacement of the exterior windows and doors, the renovation of certain entrances, and the repair and/or installation of curbs and sidewalks.
2. Series 2017B - The \$2,000,000 in proceeds will be used to pay for renovations and improvements, including, but not limited to, an upgrade of the heating and air conditioning system at Pleasant View Upper Elementary School, the restoration of the roof and installation of drainage improvements at Eagle Elementary School, and the renovation of the tennis courts at Zionsville Middle School.

#### 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.

ZIONSVILLE COMMUNITY 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	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits
Cash and investments - beginning	\$ 813,142	\$ 2,530,442	\$ 9,238,506	\$ 248,684	\$ 2,916,209	\$ 2,794,807	\$ 753,133	\$ 621,624	\$ 1,601
Receipts:									
Local sources	1,520,038	5,497,741	19,351,413	758,435	3,247,972	2,396,908	383,100	2,262	-
Intermediate sources	3	-	-	-	-	-	-	-	-
State sources	33,975,933	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	<u>35,495,974</u>	<u>5,497,741</u>	<u>19,351,413</u>	<u>758,435</u>	<u>3,247,972</u>	<u>2,396,908</u>	<u>383,100</u>	<u>2,262</u>	<u>-</u>
Disbursements:									
Instruction	22,127,891	4,902,203	-	-	-	-	-	-	1,601
Support services	10,937,186	1,586	11,024	-	2,381,127	2,860,751	532,692	383	-
Noninstructional services	734,047	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	2,223,297	-	-	96,025	-
Debt services	-	-	17,270,000	750,228	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>33,799,124</u>	<u>4,903,789</u>	<u>17,281,024</u>	<u>750,228</u>	<u>4,604,424</u>	<u>2,860,751</u>	<u>532,692</u>	<u>96,408</u>	<u>1,601</u>
Excess (deficiency) of receipts over disbursements	<u>1,696,850</u>	<u>593,952</u>	<u>2,070,389</u>	<u>8,207</u>	<u>(1,356,452)</u>	<u>(463,843)</u>	<u>(149,592)</u>	<u>(94,146)</u>	<u>(1,601)</u>
Other financing sources (uses):									
Transfers in	187,902	17,265	-	31,397	703,820	584,158	75,099	274,000	-
Transfers out	-	-	(1,329,258)	(51,084)	-	-	(274,000)	-	-
Total other financing sources (uses)	<u>187,902</u>	<u>17,265</u>	<u>(1,329,258)</u>	<u>(19,687)</u>	<u>703,820</u>	<u>584,158</u>	<u>(198,901)</u>	<u>274,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,884,752</u>	<u>611,217</u>	<u>741,131</u>	<u>(11,480)</u>	<u>(652,632)</u>	<u>120,315</u>	<u>(348,493)</u>	<u>179,854</u>	<u>(1,601)</u>
Cash and investments - ending	<u>\$ 2,697,894</u>	<u>\$ 3,141,659</u>	<u>\$ 9,979,637</u>	<u>\$ 237,204</u>	<u>\$ 2,263,577</u>	<u>\$ 2,915,122</u>	<u>\$ 404,640</u>	<u>\$ 801,478</u>	<u>\$ -</u>

ZIONSVILLE COMMUNITY 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	Donations Fund	Zionsville Education Foundation Grants	High Ability Fund	Secured Schools Safety Grant	Non-English Speaking Programs P.L. 273-1999	School Technology	Performance Based Awards
Cash and investments - beginning	\$ 884,031	\$ 952,197	\$ 392,893	\$ 47,787	\$ 28,119	\$ -	\$ 15,421	\$ 24,118	\$ -
Receipts:									
Local sources	2,116,773	1,385,481	266,214	79,279	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	39,919	24,787	-	-	53,968	-	5,067	-	358,285
Federal sources	297,050	-	-	-	-	-	-	26,865	-
Other receipts	40	-	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>2,453,782</b>	<b>1,410,268</b>	<b>266,214</b>	<b>79,279</b>	<b>53,968</b>	<b>-</b>	<b>5,067</b>	<b>26,865</b>	<b>358,285</b>
Disbursements:									
Instruction	-	2,829	131,395	88,133	48,457	-	25,732	-	358,285
Support services	38,331	1,698,328	80,453	895	-	-	-	-	-
Noninstructional services	2,148,676	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	184	-	-	-	-	31,568	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	56,551	-	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>2,243,558</b>	<b>1,701,157</b>	<b>212,032</b>	<b>89,028</b>	<b>48,457</b>	<b>-</b>	<b>25,732</b>	<b>31,568</b>	<b>358,285</b>
Excess (deficiency) of receipts over disbursements	210,224	(290,889)	54,182	(9,749)	5,511	-	(20,665)	(4,703)	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	5,244	-	-
Transfers out	(91,978)	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(91,978)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,244</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	118,246	(290,889)	54,182	(9,749)	5,511	-	(15,421)	(4,703)	-
Cash and investments - ending	\$ 1,002,277	\$ 661,308	\$ 447,075	\$ 38,038	\$ 33,630	\$ -	\$ -	\$ 19,415	\$ -

ZIONSVILLE COMMUNITY 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)

	Pension Bond Refinance	Senator David Ford Technology	Campus Parking	Extended Service	Title I 2012-2013	Title V	Special Education Grant	Technical Assistance Special Education Grant	Special Education Preschool Grant
Cash and investments - beginning	\$ 53,647	\$ -	\$ 71,395	\$ 798,870	\$ (6,244)	\$ 19,035	\$ (52,564)	\$ -	\$ -
Receipts:									
Local sources	-	-	30,483	2,057,976	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	99,740	-	853,437	9,750	20,710
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	30,483	2,057,976	99,740	-	853,437	9,750	20,710
Disbursements:									
Instruction	-	-	-	1,204,125	96,210	-	845,825	9,750	20,710
Support services	22,250	-	1,959	59,213	21,005	-	-	-	-
Noninstructional services	-	-	-	448,525	186	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	22,250	-	1,959	1,711,863	117,401	-	845,825	9,750	20,710
Excess (deficiency) of receipts over disbursements	(22,250)	-	28,524	346,113	(17,661)	-	7,612	-	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(31,397)	-	(212)	(95,712)	-	-	-	-	-
Total other financing sources (uses)	(31,397)	-	(212)	(95,712)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(53,647)	-	28,312	250,401	(17,661)	-	7,612	-	-
Cash and investments - ending	\$ -	\$ -	\$ 99,707	\$ 1,049,271	\$ (23,905)	\$ 19,035	\$ (44,952)	\$ -	\$ -

ZIONSVILLE COMMUNITY 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)

	Drug Free Schools	Education for Economic Security	Improving Teaching Quality, No Child Left, Title II, Part A	Title II Part A	Title II Part A: State Activity Grant	Title III - Language Instruction	Clearing	Totals
Cash and investments - beginning	\$ 10,143	\$ 6,524	\$ 35,659	\$ -	\$ -	\$ 5,127	\$ 246,012	\$ 23,450,318
Receipts:								
Local sources	-	-	-	-	-	-	-	39,094,075
Intermediate sources	-	-	-	-	-	-	-	3
State sources	-	-	-	-	-	-	-	34,457,959
Federal sources	-	-	-	23,978	12,000	885	-	1,344,415
Other receipts	-	-	-	-	-	-	10,215,836	10,215,876
Total receipts	-	-	-	23,978	12,000	885	10,215,836	85,112,328
Disbursements:								
Instruction	-	-	-	26,741	12,000	768	-	29,902,655
Support services	-	-	-	-	-	-	-	18,647,183
Noninstructional services	-	-	-	-	-	-	-	3,331,434
Facilities acquisition and construction	-	-	-	-	-	-	-	2,351,074
Debt services	-	-	-	-	-	-	-	18,020,228
Nonprogrammed charges	-	-	-	-	-	-	10,226,237	10,282,788
Total disbursements	-	-	-	26,741	12,000	768	10,226,237	82,535,362
Excess (deficiency) of receipts over disbursements	-	-	-	(2,763)	-	117	(10,401)	2,576,966
Other financing sources (uses):								
Transfers in	-	-	6,524	-	-	-	-	1,885,409
Transfers out	-	(6,524)	-	-	-	(5,244)	-	(1,885,409)
Total other financing sources (uses)	-	(6,524)	6,524	-	-	(5,244)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(6,524)	6,524	(2,763)	-	(5,127)	(10,401)	2,576,966
Cash and investments - ending	\$ 10,143	\$ -	\$ 42,183	\$ (2,763)	\$ -	\$ -	\$ 235,611	\$ 26,027,284

ZIONSVILLE COMMUNITY 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	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits
Cash and investments - beginning	\$ 2,697,894	\$ 3,141,659	\$ 9,979,637	\$ 237,204	\$ 2,263,577	\$ 2,915,122	\$ 404,640	\$ 801,478	\$ -
Receipts:									
Local sources	1,760,377	5,731,772	19,650,953	743,786	2,864,290	2,379,842	260,285	10,102	-
Intermediate sources	5	-	-	-	-	-	-	-	-
State sources	34,834,784	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	<u>36,595,166</u>	<u>5,731,772</u>	<u>19,650,953</u>	<u>743,786</u>	<u>2,864,290</u>	<u>2,379,842</u>	<u>260,285</u>	<u>10,102</u>	<u>-</u>
Disbursements:									
Instruction	23,404,390	4,817,482	-	-	-	-	-	-	-
Support services	11,854,881	2,233	10,214	-	1,943,991	3,038,843	399,059	825	-
Noninstructional services	811,972	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	1,874,154	-	-	-	-
Debt services	-	-	17,946,000	704,799	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>36,071,243</u>	<u>4,819,715</u>	<u>17,956,214</u>	<u>704,799</u>	<u>3,818,145</u>	<u>3,038,843</u>	<u>399,059</u>	<u>825</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>523,923</u>	<u>912,057</u>	<u>1,694,739</u>	<u>38,987</u>	<u>(953,855)</u>	<u>(659,001)</u>	<u>(138,774)</u>	<u>9,277</u>	<u>-</u>
Other financing sources (uses):									
Transfers in	70,581	9,845	-	-	986,133	822,010	97,181	-	-
Transfers out	-	-	(1,845,273)	(69,897)	-	-	-	-	-
Total other financing sources (uses)	<u>70,581</u>	<u>9,845</u>	<u>(1,845,273)</u>	<u>(69,897)</u>	<u>986,133</u>	<u>822,010</u>	<u>97,181</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>594,504</u>	<u>921,902</u>	<u>(150,534)</u>	<u>(30,910)</u>	<u>32,278</u>	<u>163,009</u>	<u>(41,593)</u>	<u>9,277</u>	<u>-</u>
Cash and investments - ending	<u>\$ 3,292,398</u>	<u>\$ 4,063,561</u>	<u>\$ 9,829,103</u>	<u>\$ 206,294</u>	<u>\$ 2,295,855</u>	<u>\$ 3,078,131</u>	<u>\$ 363,047</u>	<u>\$ 810,755</u>	<u>\$ -</u>

ZIONSVILLE COMMUNITY 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	Donations Fund	Zionsville Education Foundation Grants	High Ability Fund	Secured Schools Safety Grant	Non-English Speaking Programs P.L. 273-1999	School Technology	Performance Based Awards
Cash and investments - beginning	\$ 1,002,277	\$ 661,308	\$ 447,075	\$ 38,038	\$ 33,630	\$ -	\$ -	\$ 19,415	\$ -
Receipts:									
Local sources	2,071,696	1,393,472	527,342	114,111	-	-	-	3,987	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	40,750	24,258	-	-	55,695	50,000	4,764	-	803,620
Federal sources	210,315	-	-	-	-	-	-	19,106	-
Other receipts	180	-	-	-	-	-	-	-	-
Total receipts	<u>2,322,941</u>	<u>1,417,730</u>	<u>527,342</u>	<u>114,111</u>	<u>55,695</u>	<u>50,000</u>	<u>4,764</u>	<u>23,093</u>	<u>803,620</u>
Disbursements:									
Instruction	-	3,969	275,470	124,210	63,710	-	4,764	-	787,200
Support services	45,357	928,795	128,914	2,334	-	44,055	-	-	-
Noninstructional services	2,127,313	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	31,724	176	-	-	-	-	20,478	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	150,430	-	-	-	-	-	-	-	-
Total disbursements	<u>2,323,100</u>	<u>964,488</u>	<u>404,560</u>	<u>126,544</u>	<u>63,710</u>	<u>44,055</u>	<u>4,764</u>	<u>20,478</u>	<u>787,200</u>
Excess (deficiency) of receipts over disbursements	<u>(159)</u>	<u>453,242</u>	<u>122,782</u>	<u>(12,433)</u>	<u>(8,015)</u>	<u>5,945</u>	<u>-</u>	<u>2,615</u>	<u>16,420</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(44,031)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(44,031)</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>(44,190)</u>	<u>453,242</u>	<u>122,782</u>	<u>(12,433)</u>	<u>(8,015)</u>	<u>5,945</u>	<u>-</u>	<u>2,615</u>	<u>16,420</u>
Cash and investments - ending	<u>\$ 958,087</u>	<u>\$ 1,114,550</u>	<u>\$ 569,857</u>	<u>\$ 25,605</u>	<u>\$ 25,615</u>	<u>\$ 5,945</u>	<u>\$ -</u>	<u>\$ 22,030</u>	<u>\$ 16,420</u>

ZIONSVILLE COMMUNITY 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)

	Pension Bond Refinance	Senator David Ford Technology	Campus Parking	Extended Service	Title I 2012-2013	Title V	Special Education Grant	Technical Assistance Special Education Grant	Special Education Preschool Grant
Cash and investments - beginning	\$ -	\$ -	\$ 99,707	\$ 1,049,271	\$ (23,905)	\$ 19,035	\$ (44,952)	\$ -	\$ -
Receipts:									
Local sources	-	-	28,357	2,254,065	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	77,870	-	-	-	-	-	-	-
Federal sources	-	-	-	-	111,072	-	944,587	7,401	21,033
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	77,870	28,357	2,254,065	111,072	-	944,587	7,401	21,033
Disbursements:									
Instruction	-	84,883	-	1,308,335	67,878	-	935,914	10,026	21,033
Support services	-	-	3,337	179,946	21,433	-	-	-	-
Noninstructional services	-	-	-	614,433	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	84,883	3,337	2,102,714	89,311	-	935,914	10,026	21,033
Excess (deficiency) of receipts over disbursements	-	(7,013)	25,020	151,351	21,761	-	8,673	(2,625)	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(47)	(26,502)	-	(19,035)	-	-	-
Total other financing sources (uses)	-	-	(47)	(26,502)	-	(19,035)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(7,013)	24,973	124,849	21,761	(19,035)	8,673	(2,625)	-
Cash and investments - ending	\$ -	\$ (7,013)	\$ 124,680	\$ 1,174,120	\$ (2,144)	\$ -	\$ (36,279)	\$ (2,625)	\$ -

ZIONSVILLE COMMUNITY 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)

	Drug Free Schools	Education for Economic Security	Improving Teaching Quality, No Child Left, Title II, Part A	Title II Part A	Title II Part A: State Activity Grant	Title III - Language Instruction	Clearing	Totals
Cash and investments - beginning	\$ 10,143	\$ -	\$ 42,183	\$ (2,763)	\$ -	\$ -	\$ 235,611	\$ 26,027,284
Receipts:								
Local sources	-	-	-	-	-	-	-	39,794,437
Intermediate sources	-	-	-	-	-	-	-	5
State sources	-	-	-	-	-	-	-	35,891,741
Federal sources	-	-	-	78,616	-	-	-	1,392,130
Other receipts	-	-	-	-	-	-	10,531,332	10,531,512
Total receipts	-	-	-	78,616	-	-	10,531,332	87,609,825
Disbursements:								
Instruction	-	-	12,790	80,053	-	-	-	32,002,107
Support services	-	-	1,554	-	-	-	-	18,605,771
Noninstructional services	-	-	-	-	-	-	-	3,553,718
Facilities acquisition and construction	-	-	-	-	-	-	-	1,926,532
Debt services	-	-	-	-	-	-	-	18,650,799
Nonprogrammed charges	-	-	-	-	-	-	10,527,800	10,678,230
Total disbursements	-	-	14,344	80,053	-	-	10,527,800	85,417,157
Excess (deficiency) of receipts over disbursements	-	-	(14,344)	(1,437)	-	-	3,532	2,192,668
Other financing sources (uses):								
Transfers in	-	-	19,035	-	-	-	-	2,004,785
Transfers out	-	-	-	-	-	-	-	(2,004,785)
Total other financing sources (uses)	-	-	19,035	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	4,691	(1,437)	-	-	3,532	2,192,668
Cash and investments - ending	\$ 10,143	\$ -	\$ 46,874	\$ (4,200)	\$ -	\$ -	\$ 239,143	\$ 28,219,952

ZIONSVILLE COMMUNITY 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>\$ -</u>	<u>\$ 52,261</u>

ZIONSVILLE COMMUNITY SCHOOLS  
SCHEDULE OF LEASES AND DEBT  
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Key Government Finance	Capital Lease - Servers	\$ 429,448	6/30/2014	9/30/2017
Zionsville Community School Building Corporation	Lease-Rental Bonds - 1999 CABS	-	2/24/1999	1/15/2023
Zionsville Community School Building Corporation	Refunding Bonds of 2014B	4,714,000	9/30/2014	12/31/2027
Zionsville Community School Building Corporation	Refunding Bonds of 2014C	2,123,000	9/30/2014	6/30/2016
Zionsville Community School Building Corporation	Lease-Rental Bonds - 2000 CABS	-	6/30/2000	1/15/2018
Zionsville Community School Building Corporation	Lease-Rental Bonds - 2002 CABS	-	1/24/2002	1/15/2025
Zionsville Community School Building Corporation	Lease-Rental Bonds - Series 2003Z Unrefunded Portion	-	9/30/2014	12/31/2024
Zionsville Community School Building Corporation	Lease-Rental Bonds - Series 2005A Unrefunded Portion	-	9/30/2014	6/30/2015
Zionsville Community School Building Corporation	Lease-Rental Bonds - Series 2005Z Unrefunded Portion	-	9/30/2014	12/31/2028
Zionsville Community School Building Corporation	Lease-Rental Bonds - Series 2005 Refunding	2,647,000	8/16/2005	1/15/2018
Zionsville Community School Building Corporation	Lease-Rental Bonds - Series 2007 Refunding	3,608,000	1/30/2007	1/15/2025
Zionsville Community School Building Corporation	Lease-Rental Bonds - Series 2009 Refunding	3,125,000	2/19/2009	7/10/2018
Zionsville Community School Building Corporation	Lease-Rental Bonds - Series 2011 Refunding	3,164,000	4/6/2011	1/15/2020
Zionsville Community School Building Corporation	Lease-Rental Bonds - Series 2012A Refunding	-	3/15/2012	7/15/2027
Zionsville Community School Building Corporation	Lease-Rental Bonds - Series 2012B Refunding	-	3/15/2012	1/15/2030
Zionsville Community School Building Corporation	Refunding Bonds of 2014A	33,000	9/30/2014	12/31/2022
Huntington Public Capital Corporation	Capital Lease - Computers & Other Technology Items	81,724	8/22/2014	11/1/2018
Huntington Public Capital Corporation	Capital Lease - Computers & Other Technology Items	30,640	10/24/2014	11/1/2018
Wells Fargo Financial Leasing	Capital Lease - Copiers	48,912	6/1/2012	6/1/2017
Total governmental activities		<u>20,004,724</u>		
Total of annual lease payments		<u>\$ 20,004,724</u>		

Type	Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Refinanced Pension Bonds	\$ 5,610,000	\$ 645,901
Totals		<u>\$ 5,610,000</u>	<u>\$ 645,901</u>

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ZIONSVILLE COMMUNITY 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	\$ 13,769,903
Buildings	208,322,149
Improvements other than buildings	924,243
Machinery, equipment, and vehicles	8,361,718
Construction in progress	7,210,919
Total governmental activities	238,588,932
Total capital assets	\$ 238,588,932

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE ZIONSVILLE COMMUNITY SCHOOLS, BOONE COUNTY, INDIANA

**Report on Compliance for the Major Federal Program**

We have audited the Zionsville Community 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 its major federal program for the period of July 1, 2013 to June 30, 2015. The School Corporation's major federal program is 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 the School Corporation's major federal program 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 the major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

***Opinion on the 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 its major federal program for the period of July 1, 2013 to June 30, 2015.

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


**Report on Internal Control over Compliance**

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

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

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

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

  
Paul D. Joyce, CPA  
State Examiner

April 11, 2017

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

ZIONSVILLE COMMUNITY 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	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-14	Total Federal Awards Expended 06-30-14	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program							
	Indiana Department of Education	10.553					
			FY 2014	\$ -	\$ 4,191	\$ -	\$ -
			FY 2015	-	-	-	3,702
Total - School Breakfast Program				-	4,191	-	3,702
National School Lunch Program							
	Indiana Department of Education	10.555					
			FY 2014	-	432,219	-	-
			FY 2015	-	-	-	338,583
Total - National School Lunch Program				-	432,219	-	338,583
Total - Child Nutrition Cluster				-	436,410	-	342,285
Total - Department of Agriculture				-	436,410	-	342,285
<u>Environmental Protection Agency</u>							
Performance Partnership Grants							
Facility Rental							
	Indiana Department of Environmental Management	66.605	FY 2015	-	-	-	125
Total - Environmental Protection Agency				-	-	-	125
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States							
	Indiana Department of Education	84.027					
			14212-063-PN01	-	60,363	-	-
			14213-063-PN01	-	169,043	-	63,703
			14214-063-PN01	-	684,394	-	193,141
			99914-063-TA01	-	9,750	-	689
			14214-149-PN01	-	-	-	1,521
			14215-149-PN01	-	-	-	762,925
			99914-149-PN01	-	-	-	6,901
Total - Special Education_Grants to States				-	923,550	-	1,028,880
Special Education_Preschool Grants							
	Indiana Department of Education	84.173					
			45712-063-PN01	-	459	-	-
			45713-063-PN01	-	-	-	485
			45714-063-PN01	-	20,710	-	194
			45715-149-PN01	-	-	-	21,033
Total - Special Education_Preschool Grants				-	21,169	-	21,712
Total - Special Education Cluster (IDEA)				-	944,719	-	1,050,592

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

ZIONSVILLE COMMUNITY 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	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-14	Total Federal Awards Expended 06-30-14	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15
<u>Department of Education (continued)</u>							
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I 2012-13			13-0630	-	24,906	-	-
Title I 2013-14			14-0630	-	74,834	-	31,096
Title I 2014-15			15-0630	-	-	-	79,975
Total - Title I Grants to Local Educational Agencies				-	99,740	-	111,071
English Language Acquisition State Grants	Wabash Valley Education Center	84.365					
Title III-FY13			01114-104-PN01	-	885	-	-
Improving Teacher Quality State Grants	Indiana Department of Education	84.367					
Title II Part A-FFY11			PL 107-110	-	9,363	-	-
Title II Part A-FFY12			12-0630	-	14,615	-	36,656
Title II Part A-FFY13			13-0630	-	-	-	32,959
Title II Part A-FFY14			14-0630	-	-	-	9,001
eLearning Regional Conference Grant			A58-3-13IT-1173	-	12,000	-	-
Total - Improving Teacher Quality State Grants				-	35,978	-	78,616
Total - Department of Education				-	1,081,322	-	1,240,279
<u>Department of Health and Human Services</u>							
Preventive Health and Health Services Block Grant	Indiana State Department of Health	93.991	FY 2014				
Department of Health Survey				-	100	-	-
Total - Department of Health and Human Services				-	100	-	-
<u>Social Security Administration</u>							
Disability Insurance/SSI Cluster							
Social Security Disability Insurance	Indiana Family and Social Services Administration	96.001	FY 2014				
2014 Disability Determination				-	14	-	-
Total - Social Security Administration				-	14	-	-
<u>Department of Homeland Security</u>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036	FY 2015				
2014 Public Assistance Disaster Declaration				-	-	-	17,403
Total - Department of Homeland Security				-	-	-	17,403
Total federal awards expended				\$ -	\$ 1,517,846	\$ -	\$ 1,600,092

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

ZIONSVILLE COMMUNITY SCHOOLS  
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, 2014 and 2015. 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.

ZIONSVILLE COMMUNITY 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 weakness identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

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

Identification of Major Program:

Name of Federal Program or Cluster

Special Education Cluster (IDEA)

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 - INTERNAL CONTROLS OVER RECEIPTS**

*Condition*

One individual was in charge of receiving checks and money, preparing the receipts, and making the daily deposits. There was no control in place, such as an oversight, review, or approval process over the individual's activities.

*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:

ZIONSVILLE COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

"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. . . ."

*Cause*

Management of the School Corporation had not established a proper system of internal control related to receipt transactions.

*Effect*

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected.

*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**

No matters are reportable.

AUDITEE-PREPARED DOCUMENT

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

# Zionsville Community Schools

900 Mulberry Street • Zionsville, Indiana 46077  
317.873.2858 • [www.zcs.k12.in.us](http://www.zcs.k12.in.us)



## CORRECTIVE ACTION PLAN

### **FINDING 2015-001** (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Michael A. Shafer, CFO

Contact Phone Number: 317-873-2858

### Views of Responsible Official:

We believe that appropriate controls were in place during the audit period. However, we were unable to locate documentation dating back to the beginning of the audit period in 2013 to demonstrate to the satisfaction of the auditors that management reviewed or provided adequate oversight to the preparation of receipts and bank deposits. While we are confident that the supervising management employee who oversaw the clerical employee who performed these tasks did review the source documents, reports and other documentation generated by the preparation of receipts and bank deposits, the supervisor did not specifically initial and date those documents to demonstrate that reviews had occurred. It was our understanding that initialing documents in this manner was not specifically required by the Indiana State Board of Accounts' *Uniform Compliance Guidelines* as it existed at that time. We also note that the Board of Accounts' *Uniform Internal Control Standards for Indiana Political Subdivisions* was not issued until September 2015, after the end of this current audit period. Both the management employee and the clerical employee who served in the respective positions during the applicable portion of the audit period are no longer employed by Zionsville Community Schools for unrelated reasons (one retired, the other moved out of state due to a spouse's job transfer). Accordingly, management cannot now document that the necessary reviews and oversight occurred.

### Description of Corrective Action Plan:

The current Controller (representing management) provides oversight to the employee who prepares receipts and bank deposits. Central to this process are reviews of all bank deposits with comparisons to receipts and verifications of amounts. These reviews are documented and a file of the resultant documentation is maintained.

### Anticipated Completion Date:

The Corrective Action Plan described above is currently in place, and is documented to have been followed consistently since June 2015.

*Michael A. Shafer*

Chief Financial Officer

April 11, 2017

#### 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/>.