

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

AUDIT REPORT

OF

CARMEL CLAY SCHOOLS

HAMILTON COUNTY, INDIANA

July 1, 2005 to June 30, 2007



FILED

03/28/2008

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Roger McMichael	07-01-05 to 06-30-08
Superintendent of Schools	Dr. Barbara Underwood	07-01-05 to 06-30-08
President of the School Board	Capi Scheidler Stephen Backer	07-01-05 to 06-30-06 07-01-06 to 06-30-08



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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE CARMEL CLAY SCHOOLS, HAMILTON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Carmel Clay Schools (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2006 and 2007, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated December 10, 2007, 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 and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the School Corporation taken as a whole. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

The Schedules of Funding Progress, Schedule of Contributions From the Employer and Other Contributing Entities, as listed in the Table of Contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Corporation has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Schedule of Capital Assets and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

December 10, 2007



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE CARMEL CLAY SCHOOLS, HAMILTON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Carmel Clay Schools (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated December 10, 2007. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
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 statements are 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the School Corporation's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 10, 2007

CARMEL CLAY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2006

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 50,004,573	\$ -	\$ 332,750	\$ (49,671,823)
Support services	71,913,795	6,176,769	808,499	(64,928,527)
Community services	1,007,781	-	-	(1,007,781)
Nonprogrammed charges	14,478,118	-	-	(14,478,118)
Debt service	<u>38,756,723</u>	<u>-</u>	<u>-</u>	<u>(38,756,723)</u>
Total government activities	<u>\$ 176,160,990</u>	<u>\$ 6,176,769</u>	<u>\$ 1,141,249</u>	<u>(168,842,972)</u>
General receipts:				
Property taxes				84,925,004
Other local sources				18,525,494
State aid				22,898,646
Bonds and loans				18,039,930
Grants and contributions not restricted to specific programs				9,601,889
Sale of property, adjustments, and refunds				3,623,085
Investment earnings				<u>1,785,002</u>
Total general receipts				<u>159,399,050</u>
Change in net assets				(9,443,922)
Net assets - beginning				<u>61,586,440</u>
Net assets - ending				<u>\$ 52,142,518</u>
<u>Assets</u>				
Cash and investments				\$ 36,608,448
Restricted assets:				
Cash and investments				<u>15,534,070</u>
Total assets				<u>\$ 52,142,518</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 10,146,375
Other purposes				5,387,695
Unrestricted				<u>36,608,448</u>
Total net assets				<u>\$ 52,142,518</u>

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

CARMEL CLAY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 54,021,298	\$ -	\$ 380,929	\$ (53,640,369)
Support services	70,877,582	6,729,434	758,597	(63,389,551)
Community services	1,119,595	-	-	(1,119,595)
Nonprogrammed charges	17,252,482	-	-	(17,252,482)
Debt service	39,791,592	-	-	(39,791,592)
	<u>\$ 183,062,549</u>	<u>\$ 6,729,434</u>	<u>\$ 1,139,526</u>	<u>(175,193,589)</u>
Total government activities				
General receipts:				
Property taxes				62,548,785
Other local sources				17,838,964
State aid				21,204,382
Bonds and loans				28,549,765
Grants and contributions not restricted to specific programs				10,174,144
Sale of property, adjustments, and refunds				5,943,542
Investment earnings				1,896,735
				<u>148,156,317</u>
Total general receipts				<u>148,156,317</u>
Change in net assets				(27,037,272)
Net assets - beginning				<u>52,142,518</u>
Net assets - ending				<u>\$ 25,105,246</u>
<u>Assets</u>				
Cash and investments				\$ 15,968,692
Restricted assets:				
Cash and investments				<u>9,136,554</u>
Total assets				<u>\$ 25,105,246</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 2,784,766
Other purposes				6,351,788
Unrestricted				<u>15,968,692</u>
Total net assets				<u>\$ 25,105,246</u>

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

CARMEL CLAY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2006

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 53,150,633	\$ 5,794,512	\$ 18,082,656	\$ 13,728,677	\$ 988,612	\$ 19,437,641	\$ 111,182,731
Intermediate sources	105	-	-	-	-	54,822	54,927
State sources	23,217,709	-	-	-	-	718,498	23,936,207
Federal sources	-	-	-	-	-	9,705,577	9,705,577
Bonds and loans	15,500,000	2,000,000	89,930	-	450,000	-	18,039,930
Sale of property, adjustments and refunds	1,868,262	569,055	-	7,069	-	484,467	2,928,853
Interfund loans	-	-	-	-	-	648,500	648,500
Total receipts	93,736,709	8,363,567	18,172,586	13,735,746	1,438,612	31,049,505	166,496,725
Disbursements:							
Current:							
Instruction	40,364,564	-	-	-	-	11,831,399	52,195,963
Support services	27,263,351	5,926,845	-	15,051,760	928,033	23,753,863	72,923,852
Community services	922,445	-	-	-	-	85,336	1,007,781
Nonprogrammed charges	2,697,606	-	-	-	-	1,327,429	4,025,035
Debt services	16,000,000	1,700,000	16,828,242	-	375,000	3,853,481	38,756,723
Interfund loans	648,500	-	-	-	-	-	648,500
Total disbursements	87,896,466	7,626,845	16,828,242	15,051,760	1,303,033	40,851,508	169,557,854
Excess (deficiency) of receipts over disbursements	5,840,243	736,722	1,344,344	(1,316,014)	135,579	(9,802,003)	(3,061,129)
Other financing sources (uses):							
Transfers in	506,609	51,374	-	-	-	2,025,085	2,583,068
Transfers out	(6,188,819)	(352,653)	(3,676)	(168,720)	(213)	(3,355,199)	(10,069,280)
Total other financing sources (uses)	(5,682,210)	(301,279)	(3,676)	(168,720)	(213)	(1,330,114)	(7,486,212)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	158,033	435,443	1,340,668	(1,484,734)	135,366	(11,132,117)	(10,547,341)
Cash and investments - beginning	18,372,220	2,259,861	6,936,236	11,734,208	171,323	17,828,316	57,302,164
Cash and investments - ending	\$ 18,530,253	\$ 2,695,304	\$ 8,276,904	\$ 10,249,474	\$ 306,689	\$ 6,696,199	46,754,823
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because: Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.							
							5,387,695
Net assets of governmental activities							\$ 52,142,518
Cash and Investment Assets - Ending							
Cash and investments	\$ 18,530,253	\$ 2,695,304	\$ -	\$ 10,249,474	\$ 306,689	\$ 4,826,728	\$ 36,608,448
Restricted assets:							
Cash and investments	-	-	8,276,904	-	-	1,869,471	10,146,375
Total cash and investment assets - ending	\$ 18,530,253	\$ 2,695,304	\$ 8,276,904	\$ 10,249,474	\$ 306,689	\$ 6,696,199	\$ 46,754,823
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ 8,276,904	\$ -	\$ -	\$ 1,869,471	\$ 10,146,375
Unrestricted	18,530,253	2,695,304	-	10,249,474	306,689	4,826,728	36,608,448
Total cash and investment fund balance - ending	\$ 18,530,253	\$ 2,695,304	\$ 8,276,904	\$ 10,249,474	\$ 306,689	\$ 6,696,199	\$ 46,754,823

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

CARMEL CLAY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 40,047,028	\$ 4,301,744	\$ 13,317,876	\$ 10,830,391	\$ 684,798	\$ 19,488,012	\$ 88,669,849
Intermediate sources	105	-	-	-	-	19,643	19,748
State sources	21,570,121	-	-	-	-	697,476	22,267,597
Federal sources	-	-	-	-	-	10,250,454	10,250,454
Bonds and loans	25,800,000	2,300,000	49,765	-	400,000	-	28,549,765
Sale of property, adjustments and refunds	2,454,133	600,828	-	71,217	-	1,594,289	4,720,467
Interfund loans	648,500	-	2,300,000	3,400,000	-	-	6,348,500
Total receipts	90,519,887	7,202,572	15,667,641	14,301,608	1,084,798	32,049,874	160,826,380
Disbursements:							
Current:							
Instruction	44,460,410	-	-	-	-	11,792,906	56,253,316
Support services	29,048,641	6,487,789	-	22,012,378	179,997	14,194,799	71,923,604
Community services	1,085,018	-	-	-	-	34,577	1,119,595
Nonprogrammed charges	825,608	-	-	-	-	4,813,041	5,638,649
Debt services	15,500,000	2,000,000	17,988,295	-	450,000	3,853,297	39,791,592
Interfund loans	-	-	3,400,000	2,300,000	-	648,500	6,348,500
Total disbursements	90,919,677	8,487,789	21,388,295	24,312,378	629,997	35,337,120	181,075,256
Excess (deficiency) of receipts over disbursements	(399,790)	(1,285,217)	(5,720,654)	(10,010,770)	454,801	(3,287,246)	(20,248,876)
Other financing sources (uses):							
Transfers in	88,854	165,787	-	-	-	1,638,251	1,892,892
Transfers out	(6,429,446)	(298,364)	(114,413)	(191,081)	-	(2,612,077)	(9,645,381)
Total other financing sources (uses)	(6,340,592)	(132,577)	(114,413)	(191,081)	-	(973,826)	(7,752,489)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,740,382)	(1,417,794)	(5,835,067)	(10,201,851)	454,801	(4,261,072)	(28,001,365)
Cash and investments - beginning	18,530,253	2,695,304	8,276,904	10,249,474	306,689	6,696,199	46,754,823
Cash and investments - ending	\$ 11,789,871	\$ 1,277,510	\$ 2,441,837	\$ 47,623	\$ 761,490	\$ 2,435,127	18,753,458
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because: Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.							
							6,351,788
Net assets of governmental activities							\$ 25,105,246
Cash and Investment Assets - Ending							
Cash and investments	\$ 11,789,871	\$ 1,277,510	\$ -	\$ 47,623	\$ 761,490	\$ 2,092,198	\$ 15,968,692
Restricted assets:							
Cash and investments	-	-	2,441,837	-	-	342,929	2,784,766
Total cash and investment assets - ending	\$ 11,789,871	\$ 1,277,510	\$ 2,441,837	\$ 47,623	\$ 761,490	\$ 2,435,127	\$ 18,753,458
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ 2,441,837	\$ -	\$ -	\$ 342,929	\$ 2,784,766
Unrestricted	11,789,871	1,277,510	-	47,623	761,490	2,092,198	15,968,692
Total cash and investment fund balance - ending	\$ 11,789,871	\$ 1,277,510	\$ 2,441,837	\$ 47,623	\$ 761,490	\$ 2,435,127	\$ 18,753,458

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

CARMEL CLAY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENTS BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2006

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 3,201,447
Miscellaneous	<u>868,843</u>
Total operating receipts	<u>4,070,290</u>
Operating disbursements:	
Insurance claims and expense	<u>10,453,083</u>
Deficiency of operating receipts over operating disbursements	(6,382,793)
Transfers in	<u>7,486,212</u>
Change in net assets	1,103,419
Cash and investment fund balance - beginning	<u>4,284,276</u>
Cash and investment fund balance - ending	<u>\$ 5,387,695</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 5,387,695</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 5,387,695</u>

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

CARMEL CLAY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENTS BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2007

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 3,278,039
Miscellaneous	<u>1,547,397</u>
Total operating receipts	<u>4,825,436</u>
Operating disbursements:	
Insurance claims and expense	<u>11,613,832</u>
Deficiency of operating receipts over operating disbursements	(6,788,396)
Transfers in	<u>7,752,489</u>
Change in net assets	964,093
Cash and investment fund balance - beginning	<u>5,387,695</u>
Cash and investment fund balance - ending	<u><u>\$ 6,351,788</u></u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u><u>\$ 6,351,788</u></u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u><u>\$ 6,351,788</u></u>

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

CARMEL CLAY SCHOOLS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2006

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Other	\$ -	\$ 93,306	
Investment earnings:			
Interest	<u>124,999</u>	<u>-</u>	
Total additions	<u>124,999</u>	<u>93,306</u>	
Deductions:			
Benefits			
Administrative and general	<u>357,778</u>	<u>-</u>	
	<u>-</u>	<u>181,348</u>	
Total deductions	<u>357,778</u>	<u>181,348</u>	
Deficiency of total additions over total deductions	(232,779)	(88,042)	
Cash and investment fund balance - beginning	<u>3,647,953</u>	<u>213,894</u>	
Cash and investment fund balance - ending	<u>\$ 3,415,174</u>	<u>\$ 125,852</u>	
Net assets:			
Cash and investments	<u>\$ 3,415,174</u>	<u>\$ 125,852</u>	<u>\$ 311,908</u>
Total net assets - cash and investment basis held in trust	<u>\$ 3,415,174</u>	<u>\$ 125,852</u>	<u>\$ 311,908</u>

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

CARMEL CLAY SCHOOLS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2007

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ 1,435	\$ 166,986	
Investment earnings:			
Interest	176,755	-	
Total additions	178,190	166,986	
Deductions:			
Benefits			
Administrative and general	283,835	-	
	-	100,619	
Total deductions	283,835	100,619	
Excess (deficiency) of total additions over total deductions			
	(105,645)	66,367	
Cash and investment fund balance - beginning	3,415,174	125,852	
Cash and investment fund balance - ending	\$ 3,309,529	\$ 192,219	
Net assets:			
Cash and investments	\$ 3,309,529	\$ 192,219	\$ 496,515
Total net assets - cash and investment basis held in trust	\$ 3,309,529	\$ 192,219	\$ 496,515

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

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENTS

I. 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 School Corporation's financial reporting entity is composed of the following:

Primary Government: Carmel Clay Schools

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Venture

The School Corporation is a participant with Frankton-Lapel School Corporation, Hamilton Heights School Corporation, Hamilton Southeastern School Corporation, Sheridan Community Schools, Noblesville Schools, and Westfield Washington School Corporation in a joint venture to operate Hamilton Boone Madison Special Education Cooperative (Cooperative) which was created to educate children with special educational needs. The School Corporation is obligated by contract to remit a percentage of the Cooperative's expenses based on the number of students that attend the Cooperative from Carmel Clay Schools.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statements of Activities and Net Assets – Cash and Investment Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The transportation operating fund accounts for financial resources for the transportation of school children to and from school.

The debt service fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

The school bus replacement fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for the risk associated with financing medical benefits to employees, retirees, and dependents.

The pension trust funds account for the bonds and payments anticipated to be made to employees on or after termination of employment or to pay postretirement or severance benefits held by the School Corporation in a trustee capacity.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the Carmel Clay Schools.

Agency funds account for assets held by the School Corporation as an agent for outside parties, including other governmental units, or on behalf of other funds within the same governmental unit and serve as control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment 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. Investment transactions are not presented on the financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any enterprise funds.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. 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% 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 become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

3. Compensated Absences

a. Sick Leave

Employees earn sick leave at the rate of 6 days to 12 days per year. Unused sick leave may be accumulated to a maximum of 155 to 313 days. Accumulated sick leave is paid to employees through cash payments upon termination.

b. Vacation Leave

Nonteaching or administrative and noncertified School Corporation employees earn vacation leave at rates from 10 days to 25 days per year based upon the number of years of service. Vacation leave does not accumulate from year to year except that 5 days may be carried forward when specifically approved. Accumulated vacation leave is paid to employees upon retirement or termination of service.

c. Personal Leave

School Corporation employees earn personal leave at the rate of 2 days to 4 days per year. Unused personal leave may be added to the accumulation of sick leave at the end of each year.

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

4. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

5. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

6. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are reported as reimbursements.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Cash Activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Cash Activities.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following July 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval from the Indiana Department of Local Government Finance.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Cash and Investment Balance Deficits

At June 30, 2007, the following fund reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2007
Special Ed Co-op	\$ <u>479,738</u>

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2006 and 2007, were as follows:

Transfer From	Transfer To	2006	2007
General Fund	Transporation Operating Fund	\$ 51,374	\$ 51,374
	Other governmental funds	328,519	318,009
	Internal Service Fund	5,808,926	6,060,062
Transporation Operating Fund	Other governmental funds	1,188	-
	Internal Service Fund	351,465	298,364
Debt Service Fund	Transporation Operating Fund	-	114,413
	Other governmental funds	3,676	-
Capital Projects Fund	Other governmental funds	2,737	-
	Internal Service Fund	165,983	191,081
School Bus Replacement Fund	Other governmental funds	213	-
	General Fund	506,609	88,854
Other governmental funds	Other governmental funds	1,688,752	1,320,242
	Internal Service Fund	<u>1,159,838</u>	<u>1,202,982</u>
Totals		<u>\$ 10,069,280</u>	<u>\$ 9,645,381</u>

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions.

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

The School Corporation is 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 (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Medical Benefits to Employees, Retirees, and Dependents

The School Corporation has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees, and dependents. The risk financing fund is accounted for in the Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$100,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

B. Holding Corporations

The School Corporation has entered into two capital leases with Carmel High School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the year totaled \$6,796,175.

The School Corporation has entered into two capital leases with Carmel 2002 School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the year totaled \$10,586,500.

C. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides post-employment medical benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 55 with at least 30 years of service. Currently, 100 retirees meet these eligibility requirements. The School Corporation provides 100% of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2007, disbursements of \$811,721 were recognized for postemployment benefits.

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF 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 member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF 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. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 698,559
Interest on net pension obligation	(82,125)
Adjustment to annual required contribution	93,587
Annual pension cost	710,021
Contributions made	681,234
Increase in net pension obligation	28,787
Net pension obligation, beginning of year	(1,132,752)
Net pension obligation, end of year	\$ (1,103,965)

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF
Contribution rates:	
School Corporation	5.50%
Plan members	3%
Actuarial valuation date	07-01-06
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions

Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 490,822	140%	\$ (1,005,718)
	06-30-05	573,961	122%	(1,132,752)
	06-30-06	710,021	96%	(1,103,965)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' Retirement Fund (TRF), 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 TRF Board, most requirements of the system and gives the School Corporation authority

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 member's contributions, set by state statute at 3% 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.

TRF 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:

Teachers' Retirement Fund
150 West Market Street
Indianapolis, IN 46204
Ph. (317) 232-3860

Funding Policy and Annual Pension Costs

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.

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2007, 2006, and 2005, were \$2,265,204, \$1,953,982, and \$1,646,926, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years, respectively.

CARMEL CLAY SCHOOLS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 11,067,713	\$ 10,948,103	\$ 119,610	101%	\$ 11,489,214	1%
07-01-05	11,623,405	12,324,975	(701,570)	94%	12,316,804	(6%)
07-01-06	12,175,576	12,600,723	(425,147)	97%	13,221,298	(3%)

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006

	Referendum	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Special Education Co-op	Special Education Co-op
Receipts:							
Local sources	\$ 1,018,164	\$ 161,217	\$ 4,146,612	\$ 2,056,436	\$ -	\$ 350	\$ 7,948,193
Intermediate sources	-	-	-	-	-	-	-
State sources	-	426,128	115,828	32,631	-	-	-
Federal sources	-	-	645,790	-	-	-	-
Sale of property, adjustments and refunds	-	-	118,232	84	-	-	13,543
Interfund loans	-	-	-	-	-	-	640,000
Total receipts	1,018,164	587,345	5,026,462	2,089,151	-	350	8,601,736
Disbursements:							
Current:							
Instruction	-	439,888	-	-	-	1,710	4,945,393
Support services	-	68,159	4,963,153	1,646,510	-	-	2,706,246
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	16,105	-	416,324	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	524,152	4,963,153	2,062,834	-	1,710	7,651,639
Excess (deficiency) of receipts over disbursements	1,018,164	63,193	63,309	26,317	-	(1,360)	950,097
Other financing sources (uses):							
Transfers in	-	4,942	-	-	19,176	-	313,067
Transfers out	-	(23,473)	(48,948)	-	(506,609)	-	(588,292)
Total other financing sources (uses)	-	(18,531)	(48,948)	-	(487,433)	-	(275,225)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,018,164	44,662	14,361	26,317	(487,433)	(1,360)	674,872
Cash and investments - beginning	-	281,401	118,720	467,135	506,609	1,450	(666,627)
Cash and investments - ending	\$ 1,018,164	\$ 326,063	\$ 133,081	\$ 493,452	\$ 19,176	\$ 90	\$ 8,245
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,018,164	\$ 326,063	\$ 133,081	\$ 493,452	\$ 19,176	\$ 90	\$ 8,245
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,018,164	\$ 326,063	\$ 133,081	\$ 493,452	\$ 19,176	\$ 90	\$ 8,245
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,018,164	326,063	133,081	493,452	19,176	90	8,245
Total cash and investment fund balance - ending	\$ 1,018,164	\$ 326,063	\$ 133,081	\$ 493,452	\$ 19,176	\$ 90	\$ 8,245

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Safe Schools	School Library Grant	Safe Haven Grant	Early Intervention Grant	Economic Education Grant	Gifted and Talented	4-H Seminar
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	15,500
State sources	-	-	14,364	79,032	5,000	36,066	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	-	-	14,364	79,032	5,000	36,066	15,500
Disbursements:							
Current:							
Instruction	-	-	-	-	5,120	36,391	-
Support services	-	-	-	78,819	23	1,231	4,870
Community services	-	-	35,704	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	35,704	78,819	5,143	37,622	4,870
Excess (deficiency) of receipts over disbursements	-	-	(21,340)	213	(143)	(1,556)	10,630
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(21,340)	213	(143)	(1,556)	10,630
Cash and investments - beginning	11,015	205	21,455	-	206	7,579	9,177
Cash and investments - ending	<u>\$ 11,015</u>	<u>\$ 205</u>	<u>\$ 115</u>	<u>\$ 213</u>	<u>\$ 63</u>	<u>\$ 6,023</u>	<u>\$ 19,807</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 11,015	\$ 205	\$ 114	\$ 213	\$ 63	\$ 6,023	\$ 19,807
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 11,015</u>	<u>\$ 205</u>	<u>\$ 114</u>	<u>\$ 213</u>	<u>\$ 63</u>	<u>\$ 6,023</u>	<u>\$ 19,807</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	11,015	205	114	213	63	6,023	19,807
Total cash and investment fund balance - ending	<u>\$ 11,015</u>	<u>\$ 205</u>	<u>\$ 114</u>	<u>\$ 213</u>	<u>\$ 63</u>	<u>\$ 6,023</u>	<u>\$ 19,807</u>

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Non-English Speaking Program	Tech Prep Grant	Buddy System	Technology Plan Grant	Technology Connect Grant	Outdoor Pool
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	39,322	-	-	-	-
State sources	4,250	-	1,000	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	4,250	39,322	1,000	-	-	-
Disbursements:						
Current:						
Instruction	-	-	-	-	2,335	-
Support services	6,088	133,267	-	-	55	5,000
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	6,088	133,267	-	-	2,390	5,000
Excess (deficiency) of receipts over disbursements	(1,838)	(93,945)	1,000	-	(2,390)	(5,000)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(61)	-	-	-	-	-
Total other financing sources (uses)	(61)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,899)	(93,945)	1,000	-	(2,390)	(5,000)
Cash and investments - beginning	8,752	212,180	-	106	2,396	79,222
Cash and investments - ending	\$ 6,853	\$ 118,235	\$ 1,000	\$ 106	\$ 6	\$ 74,222
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 6,853	\$ 118,234	\$ 1,000	\$ 106	\$ 6	\$ 74,222
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 6,853	\$ 118,234	\$ 1,000	\$ 106	\$ 6	\$ 74,222
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	6,853	118,234	1,000	106	6	74,222
Total cash and investment fund balance - ending	\$ 6,853	\$ 118,234	\$ 1,000	\$ 106	\$ 6	\$ 74,222

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	State Library Grant	DC Trip Administration	Title 1	Title V	Federal Discretionary Grant	Carryover Subgrant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	4,199	-	-	-	-	-
Federal sources	-	-	334,191	54,385	-	-
Sale of property, adjustments and refunds	-	5,960	-	-	-	122,903
Interfund loans	-	-	-	-	-	-
Total receipts	4,199	5,960	334,191	54,385	-	122,903
Disbursements:						
Current:						
Instruction	-	-	252,524	-	-	84,777
Support services	-	699	51,791	94,959	17,028	11,072
Community services	-	4,800	11,409	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	-	5,499	315,724	94,959	17,028	95,849
Excess (deficiency) of receipts over disbursements	4,199	461	18,467	(40,574)	(17,028)	27,054
Other financing sources (uses):						
Transfers in	-	-	-	32,000	-	-
Transfers out	-	-	(5,814)	(2,657)	1,183	(6,581)
Total other financing sources (uses)	-	-	(5,814)	29,343	1,183	(6,581)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,199	461	12,653	(11,231)	(15,845)	20,473
Cash and investments - beginning	-	-	5,312	12,043	15,845	-
Cash and investments - ending	<u>\$ 4,199</u>	<u>\$ 461</u>	<u>\$ 17,965</u>	<u>\$ 812</u>	<u>\$ -</u>	<u>\$ 20,473</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 4,199	\$ 461	\$ 17,966	\$ 812	\$ -	\$ 20,473
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 4,199</u>	<u>\$ 461</u>	<u>\$ 17,966</u>	<u>\$ 812</u>	<u>\$ -</u>	<u>\$ 20,473</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	4,199	461	17,966	812	-	20,473
Total cash and investment fund balance - ending	<u>\$ 4,199</u>	<u>\$ 461</u>	<u>\$ 17,966</u>	<u>\$ 812</u>	<u>\$ -</u>	<u>\$ 20,473</u>

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Federal Subgrant	Federal Carryover	Federal C/O	Federal New	CSPD Roundtable	Sliver Funds
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	8,012,123	-	113,829
Sale of property, adjustments and refunds	122,036	-	-	16	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	122,036	-	-	8,012,139	-	113,829
Disbursements:						
Current:						
Instruction	16,694	797,781	-	4,810,533	16,652	107,402
Support services	96,596	43,162	-	758,250	3,447	5,978
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	400,000	-	495,000	-	-
Debt services	-	-	-	-	-	-
Total disbursements	113,290	1,240,943	-	6,063,783	20,099	113,380
Excess (deficiency) of receipts over disbursements	8,746	(1,240,943)	-	1,948,356	(20,099)	449
Other financing sources (uses):						
Transfers in	-	1,637,411	-	-	-	-
Transfers out	(4,699)	946	-	(2,083,500)	-	(3,970)
Total other financing sources (uses)	(4,699)	1,638,357	-	(2,083,500)	-	(3,970)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,047	397,414	-	(135,144)	(20,099)	(3,521)
Cash and investments - beginning	33,177	(358,060)	1,552	420,909	21,754	32,764
Cash and investments - ending	\$ 37,224	\$ 39,354	\$ 1,552	\$ 285,765	\$ 1,655	\$ 29,243
Cash and Investment Assets - Ending						
Cash and investments	\$ 37,224	\$ 39,354	\$ 1,552	\$ 285,765	\$ 1,655	\$ 29,244
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 37,224	\$ 39,354	\$ 1,552	\$ 285,765	\$ 1,655	\$ 29,244
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	37,224	39,354	1,552	285,765	1,655	29,244
Total cash and investment fund balance - ending	\$ 37,224	\$ 39,354	\$ 1,552	\$ 285,765	\$ 1,655	\$ 29,244

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Child Services	Early Childhood	Federal Preschool Grant	Milken Educator	Title IV Part A Drug-Free	Emergency Impact
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	254,436	-	-	41,497	14,250
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	-	254,436	-	-	41,497	14,250
Disbursements:						
Current:						
Instruction	85,000	211,549	16,400	-	-	1,250
Support services	-	41,007	-	-	4,716	13,000
Community services	-	-	-	-	33,423	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	85,000	252,556	16,400	-	38,139	14,250
Excess (deficiency) of receipts over disbursements	(85,000)	1,880	(16,400)	-	3,358	-
Other financing sources (uses):						
Transfers in	-	-	18,489	-	-	-
Transfers out	-	(45,221)	-	-	(4,389)	-
Total other financing sources (uses)	-	(45,221)	18,489	-	(4,389)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(85,000)	(43,341)	2,089	-	(1,031)	-
Cash and investments - beginning	85,000	59,274	1,110	1,284	6,249	-
Cash and investments - ending	\$ -	\$ 15,933	\$ 3,199	\$ 1,284	\$ 5,218	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 15,933	\$ 3,199	\$ 1,284	\$ 5,218	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 15,933	\$ 3,199	\$ 1,284	\$ 5,218	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	15,933	3,199	1,284	5,218	-
Total cash and investment fund balance - ending	\$ -	\$ 15,933	\$ 3,199	\$ 1,284	\$ 5,218	\$ -

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Title II	Title II Part D	English Language Acquisition	Retirement Bond	Building Project	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 3,833,338	\$ 273,331	\$ 19,437,641
Intermediate sources	-	-	-	-	-	54,822
State sources	-	-	-	-	-	718,498
Federal sources	186,122	6,173	42,781	-	-	9,705,577
Sale of property, adjustments and refunds	-	-	-	-	101,693	484,467
Interfund loans	8,500	-	-	-	-	648,500
Total receipts	194,622	6,173	42,781	3,833,338	375,024	31,049,505
Disbursements:						
Current:						
Instruction	-	-	-	-	-	11,831,399
Support services	210,474	11,870	45,809	-	12,730,584	23,753,863
Community services	-	-	-	-	-	85,336
Nonprogrammed charges	-	-	-	-	-	1,327,429
Debt services	-	-	-	3,853,481	-	3,853,481
Total disbursements	210,474	11,870	45,809	3,853,481	12,730,584	40,851,508
Excess (deficiency) of receipts over disbursements	(15,852)	(5,697)	(3,028)	(20,143)	(12,355,560)	(9,802,003)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	2,025,085
Transfers out	(32,294)	-	-	(820)	-	(3,355,199)
Total other financing sources (uses)	(32,294)	-	-	(820)	-	(1,330,114)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(48,146)	(5,697)	(3,028)	(20,963)	(12,355,560)	(11,132,117)
Cash and investments - beginning	48,426	15,333	3,028	1,890,434	14,471,901	17,828,316
Cash and investments - ending	\$ 280	\$ 9,636	\$ -	\$ 1,869,471	\$ 2,116,341	\$ 6,696,199
Cash and Investment Assets - Ending						
Cash and investments	\$ 280	\$ 9,636	\$ -	\$ -	\$ 2,116,341	\$ 4,826,728
Restricted assets:						
Cash and investments	-	-	-	1,869,471	-	1,869,471
Total cash and investment assets - ending	\$ 280	\$ 9,636	\$ -	\$ 1,869,471	\$ 2,116,341	\$ 6,696,199
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 1,869,471	\$ -	\$ 1,869,471
Unrestricted	280	9,636	-	-	2,116,341	4,826,728
Total cash and investment fund balance - ending	\$ 280	\$ 9,636	\$ -	\$ 1,869,471	\$ 2,116,341	\$ 6,696,199

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007

	Referendum	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Special Education Co-op	Special Education Co-op
Receipts:							
Local sources	\$ 1,548,355	\$ 117,988	\$ 4,607,020	\$ 2,160,549	\$ -	\$ -	\$ 8,661,241
Intermediate sources	-	-	-	-	-	-	-
State sources	-	489,708	116,989	45,316	-	-	-
Federal sources	-	-	586,167	-	-	-	-
Sale of property, adjustments and refunds	-	-	908,851	1,094	-	-	17,792
Total receipts	1,548,355	607,696	6,219,027	2,206,959	-	-	8,679,033
Disbursements:							
Current:							
Instruction	-	561,171	-	-	-	61	5,142,902
Support services	-	85,654	6,246,319	1,363,979	-	-	3,104,336
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	2,138,531	28,718	-	413,076	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	640,000
Total disbursements	2,138,531	675,543	6,246,319	1,777,055	-	61	8,887,238
Excess (deficiency) of receipts over disbursements	(590,176)	(67,847)	(27,292)	429,904	-	(61)	(208,205)
Other financing sources (uses):							
Transfers in	-	4,942	-	-	-	-	313,184
Transfers out	-	(102,454)	(51,754)	-	(19,176)	-	(592,962)
Total other financing sources (uses)	-	(97,512)	(51,754)	-	(19,176)	-	(279,778)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(590,176)	(165,359)	(79,046)	429,904	(19,176)	(61)	(487,983)
Cash and investments - beginning	1,018,164	326,063	133,081	493,452	19,176	90	8,245
Cash and investments - ending	\$ 427,988	\$ 160,704	\$ 54,035	\$ 923,356	\$ -	\$ 29	\$ (479,738)
Cash and Investment Assets - Ending							
Cash and investments	\$ 427,988	\$ 160,704	\$ 54,035	\$ 923,356	\$ -	\$ 29	\$ (479,738)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 427,988	\$ 160,704	\$ 54,035	\$ 923,356	\$ -	\$ 29	\$ (479,738)
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	427,988	160,704	54,035	923,356	-	29	(479,738)
Total cash and investment fund balance - ending	\$ 427,988	\$ 160,704	\$ 54,035	\$ 923,356	\$ -	\$ 29	\$ (479,738)

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Safe Schools	School Library Grant	Safe Haven Grant	Early Intervention Grant	Economic Education Grant	Gifted and Talented	4-H Seminar
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	7,500
State sources	-	-	-	-	5,000	36,066	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	-	-	-	5,000	36,066	7,500
Disbursements:							
Current:							
Instruction	996	-	-	-	3,929	40,689	-
Support services	770	-	-	213	67	1,400	3,564
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	1,766	-	-	213	3,996	42,089	3,564
Excess (deficiency) of receipts over disbursements	(1,766)	-	-	(213)	1,004	(6,023)	3,936
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,766)	-	-	(213)	1,004	(6,023)	3,936
Cash and investments - beginning	11,015	205	115	213	63	6,023	19,807
Cash and investments - ending	<u>\$ 9,249</u>	<u>\$ 205</u>	<u>\$ 115</u>	<u>\$ -</u>	<u>\$ 1,067</u>	<u>\$ -</u>	<u>\$ 23,743</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 9,249	\$ 205	\$ 114	\$ -	\$ 1,067	\$ -	\$ 23,743
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 9,249</u>	<u>\$ 205</u>	<u>\$ 114</u>	<u>\$ -</u>	<u>\$ 1,067</u>	<u>\$ -</u>	<u>\$ 23,743</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	9,249	205	114	-	1,067	-	23,743
Total cash and investment fund balance - ending	<u>\$ 9,249</u>	<u>\$ 205</u>	<u>\$ 114</u>	<u>\$ -</u>	<u>\$ 1,067</u>	<u>\$ -</u>	<u>\$ 23,743</u>

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Non-English Speaking Program	Tech Prep Grant	Buddy System	Technology Plan Grant	Technology Connect Grant	Outdoor Pool
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	12,143	-	-	-	-
State sources	4,397	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	4,397	12,143	-	-	-	-
Disbursements:						
Current:						
Instruction	-	-	1,000	-	-	-
Support services	4,879	65,821	-	-	6	74,222
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	4,879	65,821	1,000	-	6	74,222
Excess (deficiency) of receipts over disbursements	(482)	(53,678)	(1,000)	-	(6)	(74,222)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(482)	(53,678)	(1,000)	-	(6)	(74,222)
Cash and investments - beginning	6,853	118,235	1,000	106	6	74,222
Cash and investments - ending	<u>\$ 6,371</u>	<u>\$ 64,557</u>	<u>\$ -</u>	<u>\$ 106</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 6,371	\$ 64,556	\$ -	\$ 106	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 6,371</u>	<u>\$ 64,556</u>	<u>\$ -</u>	<u>\$ 106</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	6,371	64,556	-	106	-	-
Total cash and investment fund balance - ending	<u>\$ 6,371</u>	<u>\$ 64,556</u>	<u>\$ -</u>	<u>\$ 106</u>	<u>\$ -</u>	<u>\$ -</u>

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	State Library Grant	DC Trip Administration	Title 1	Title V	Federal Discretionary Grant	Carryover Subgrant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	391,440	51,393	-	-
Sale of property, adjustments and refunds	-	7,020	-	-	506,156	-
Total receipts	-	7,020	391,440	51,393	506,156	-
Disbursements:						
Current:						
Instruction	-	-	292,864	-	446,599	15,530
Support services	4,199	668	70,519	103,942	34,159	3,474
Community services	-	5,220	6,018	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	4,199	5,888	369,401	103,942	480,758	19,004
Excess (deficiency) of receipts over disbursements	(4,199)	1,132	22,039	(52,549)	25,398	(19,004)
Other financing sources (uses):						
Transfers in	-	-	-	64,000	-	-
Transfers out	-	-	(16,085)	(2,639)	-	(1,469)
Total other financing sources (uses)	-	-	(16,085)	61,361	-	(1,469)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,199)	1,132	5,954	8,812	25,398	(20,473)
Cash and investments - beginning	4,199	461	17,965	812	-	20,473
Cash and investments - ending	\$ -	\$ 1,593	\$ 23,919	\$ 9,624	\$ 25,398	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 1,593	\$ 23,920	\$ 9,624	\$ 25,398	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 1,593	\$ 23,920	\$ 9,624	\$ 25,398	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	1,593	23,920	9,624	25,398	-
Total cash and investment fund balance - ending	\$ -	\$ 1,593	\$ 23,920	\$ 9,624	\$ 25,398	\$ -

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Federal Subgrant	Federal Carryover	Federal C/O	Federal New	CSPD Roundtable	Sliver Funds
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	8,541,542	-	-
Sale of property, adjustments and refunds	120,565	1,927	-	-	-	-
Total receipts	120,565	1,927	-	8,541,542	-	-
Disbursements:						
Current:						
Instruction	19,318	702,121	-	4,299,549	-	23,546
Support services	122,111	33,861	-	760,754	-	2,590
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	445,000	-	1,787,716	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	141,429	1,180,982	-	6,848,019	-	26,136
Excess (deficiency) of receipts over disbursements	(20,864)	(1,179,055)	-	1,693,523	-	(26,136)
Other financing sources (uses):						
Transfers in	-	1,244,024	-	-	-	-
Transfers out	(12,216)	(12,931)	-	(1,689,181)	-	(1,596)
Total other financing sources (uses)	(12,216)	1,231,093	-	(1,689,181)	-	(1,596)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(33,080)	52,038	-	4,342	-	(27,732)
Cash and investments - beginning	37,224	39,354	1,552	285,765	1,655	29,243
Cash and investments - ending	\$ 4,144	\$ 91,392	\$ 1,552	\$ 290,107	\$ 1,655	\$ 1,511
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 4,144	\$ 91,392	\$ 1,552	\$ 290,107	\$ 1,655	\$ 1,512
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 4,144	\$ 91,392	\$ 1,552	\$ 290,107	\$ 1,655	\$ 1,512
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	4,144	91,392	1,552	290,107	1,655	1,512
Total cash and investment fund balance - ending	\$ 4,144	\$ 91,392	\$ 1,552	\$ 290,107	\$ 1,655	\$ 1,512

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Child Services	Early Childhood	Federal Preschool Grant	Milken Educator	Title IV Part A Drug-Free	Emergency Impact
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	307,183	-	-	38,328	10,125
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	307,183	-	-	38,328	10,125
Disbursements:						
Current:						
Instruction	-	229,728	12,903	-	-	-
Support services	-	43,146	-	-	4,075	10,125
Community services	-	-	-	-	23,339	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	272,874	12,903	-	27,414	10,125
Excess (deficiency) of receipts over disbursements	-	34,309	(12,903)	-	10,914	-
Other financing sources (uses):						
Transfers in	-	-	12,101	-	-	-
Transfers out	-	(37,517)	-	-	(5,709)	-
Total other financing sources (uses)	-	(37,517)	12,101	-	(5,709)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(3,208)	(802)	-	5,205	-
Cash and investments - beginning	-	15,933	3,199	1,284	5,218	-
Cash and investments - ending	\$ -	\$ 12,725	\$ 2,397	\$ 1,284	\$ 10,423	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 12,725	\$ 2,397	\$ 1,284	\$ 10,423	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 12,725	\$ 2,397	\$ 1,284	\$ 10,423	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	12,725	2,397	1,284	10,423	-
Total cash and investment fund balance - ending	\$ -	\$ 12,725	\$ 2,397	\$ 1,284	\$ 10,423	\$ -

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Title II	Title II Part D	English Language Acquisition	Retirement Bond	Building Project	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 2,326,755	\$ 66,104	\$ 19,488,012
Intermediate sources	-	-	-	-	-	19,643
State sources	-	-	-	-	-	697,476
Federal sources	267,046	-	57,230	-	-	10,250,454
Sale of property, adjustments and refunds	-	-	-	-	30,884	1,594,289
Total receipts	267,046	-	57,230	2,326,755	96,988	32,049,874
Disbursements:						
Current:						
Instruction	-	-	-	-	-	11,792,906
Support services	181,167	9,636	53,191	-	1,805,952	14,194,799
Community services	-	-	-	-	-	34,577
Nonprogrammed charges	-	-	-	-	-	4,813,041
Debt services	-	-	-	3,853,297	-	3,853,297
Interfund loans	8,500	-	-	-	-	648,500
Total disbursements	189,667	9,636	53,191	3,853,297	1,805,952	35,337,120
Excess (deficiency) of receipts over disbursements	<u>77,379</u>	<u>(9,636)</u>	<u>4,039</u>	<u>(1,526,542)</u>	<u>(1,708,964)</u>	<u>(3,287,246)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	1,638,251
Transfers out	(64,910)	-	(1,478)	-	-	(2,612,077)
Total other financing sources (uses)	(64,910)	-	(1,478)	-	-	(973,826)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12,469	(9,636)	2,561	(1,526,542)	(1,708,964)	(4,261,072)
Cash and investments - beginning	280	9,636	-	1,869,471	2,116,341	6,696,199
Cash and investments - ending	<u>\$ 12,749</u>	<u>\$ -</u>	<u>\$ 2,561</u>	<u>\$ 342,929</u>	<u>\$ 407,377</u>	<u>\$ 2,435,127</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 12,749	\$ -	\$ 2,561	\$ -	\$ 407,377	\$ 2,092,198
Restricted assets:						
Cash and investments	-	-	-	342,929	-	342,929
Total cash and investment assets - ending	\$ 12,749	\$ -	\$ 2,561	\$ 342,929	\$ 407,377	\$ 2,435,127
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 342,929	\$ -	\$ 342,929
Unrestricted	12,749	-	2,561	-	407,377	2,092,198
Total cash and investment fund balance - ending	\$ 12,749	\$ -	\$ 2,561	\$ 342,929	\$ 407,377	\$ 2,435,127

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2006

	Eric Clark Center	Donations	Memorial Gifts	Ball State Grant	CEC Grant	Capital Improvements HBM	Indiana Next	Writing Initiative	Totals
Additions:									
Contributions:									
Other	\$ 26,667	\$ 61,921	\$ -	\$ 3,680	\$ 250	\$ 788	\$ -	\$ -	\$ 93,306
Deductions:									
Administrative and general	25,890	58,851	-	6,865	-	88,369	1,373	-	181,348
Excess (deficiency) of total additions over total deductions	777	3,070	-	(3,185)	250	(87,581)	(1,373)	-	(88,042)
Cash and investment fund balance - beginning	5,890	93,638	4,469	16,895	17	89,820	1,500	1,665	213,894
Cash and Investments - June 30	<u>\$ 6,667</u>	<u>\$ 96,708</u>	<u>\$ 4,469</u>	<u>\$ 13,710</u>	<u>\$ 267</u>	<u>\$ 2,239</u>	<u>\$ 127</u>	<u>\$ 1,665</u>	<u>\$ 125,852</u>
Net assets:									
Cash and investments	<u>\$ 6,667</u>	<u>\$ 96,708</u>	<u>\$ 4,469</u>	<u>\$ 13,710</u>	<u>\$ 267</u>	<u>\$ 2,239</u>	<u>\$ 127</u>	<u>\$ 1,665</u>	<u>\$ 125,852</u>
Total net assets - cash and investment basis held in trust	<u>\$ 6,667</u>	<u>\$ 96,708</u>	<u>\$ 4,469</u>	<u>\$ 13,710</u>	<u>\$ 267</u>	<u>\$ 2,239</u>	<u>\$ 127</u>	<u>\$ 1,665</u>	<u>\$ 125,852</u>

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007

	Eric Clark Center	Donations	Memorial Gifts	Ball State Grant	CEC Grant	Capital Improvements HBM	Indiana Next	Writing Initiative	Totals
Additions:									
Contributions:									
Other	\$ 40,000	\$ 100,994	\$ -	\$ 480	\$ -	\$ 25,512	\$ -	\$ -	\$ 166,986
Deductions:									
Administrative and general	12,438	70,785	-	1,346	-	15,923	127	-	100,619
Excess (deficiency) of total additions over total deductions	27,562	30,209	-	(866)	-	9,589	(127)	-	66,367
Cash and investment fund balance - beginning	6,667	96,708	4,469	13,710	267	2,239	127	1,665	125,852
Cash and Investments - June 30	<u>\$ 34,229</u>	<u>\$ 126,917</u>	<u>\$ 4,469</u>	<u>\$ 12,844</u>	<u>\$ 267</u>	<u>\$ 11,828</u>	<u>\$ -</u>	<u>\$ 1,665</u>	<u>\$ 192,219</u>
Net assets:									
Cash and investments	\$ 34,229	\$ 126,917	\$ 4,469	\$ 12,844	\$ 267	\$ 11,828	\$ -	\$ 1,665	\$ 192,219
Total net assets - cash and investment basis held in trust	<u>\$ 34,229</u>	<u>\$ 126,917</u>	<u>\$ 4,469</u>	<u>\$ 12,844</u>	<u>\$ 267</u>	<u>\$ 11,828</u>	<u>\$ -</u>	<u>\$ 1,665</u>	<u>\$ 192,219</u>

CARMEL CLAY SCHOOLS
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended June 30, 2007

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 10,656,624
Buildings	337,064,753
Improvements other than buildings	10,460,648
Machinery and equipment	9,699,855
Transportation	<u>11,466,248</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 379,348,128</u>

CARMEL CLAY SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 For The Year Ended June 30, 2007

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Carmel 2002 School Building Corporation	\$ 139,825,000	\$ 9,366,038
Carmel High School Building Corporation	23,265,000	3,978,863
Carmel High School Building Corporation	23,910,000	2,826,963
Carmel 2002 School Building Corporation	26,285,000	1,281,760
Bonds payable:		
General obligation bonds:		
Pension Bonds of 2003	<u>21,250,000</u>	<u>3,854,663</u>
Total governmental activities debt	<u>\$ 234,535,000</u>	<u>\$ 21,308,287</u>

CARMEL CLAY SCHOOLS
AUDIT RESULTS AND COMMENTS

PRESCRIBED FORMS

The following prescribed or approved forms were not submitted for review or in some cases were not used in the proper manner:

Textbook Rental Receipts

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

FEES

The School Corporation, at the time of charging and collecting textbook rental fees, requires other fees to be paid including, but not limited to, Publication Fee, Computer Usage Fee, and Career Fee. School Corporation Officials could not always provide documentation to verify students received consumable goods or services equal to the fee charged.

The Constitution of the State of Indiana, Article 8, Section 1 states: "Knowledge and learning, generally diffused throughout a community, being essential to the preservation of a free government; it shall be the duty of the General Assembly to encourage, by all suitable means, moral, intellectual, scientific, and agricultural improvement; and to provide, by law, for a general and uniform system of Common Schools, wherein tuition shall be without charge, and equally open to all."

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

TRANSPORTATION FUND - RECORD OF HOURS WORKED

Several officials and employees had portions of their salaries paid from Transportation and other Funds. The portions were based on a percentage. A detailed record of transportation related hours worked by these employees was not presented for audit.

Indiana Code 5-11-9-4 requires in part: ". . . records be maintained showing which hours were worked each day by officers and employees . . . employed . . . in more than one (1) position by the same public agency . . ." Some positions have been formally established by boards of school trustees, through job description, duties assigned, title, salary schedules, etc., as transportation related (for example, Assistant Superintendent-Transportation Director). We will not take audit exception, in these situations (other than positions excluded by statute), to direct transportation related employees having direct transportation related expenses being paid from the transportation fund if a cost allocation system based upon auditable statistics is established tracking costs attributable to the transportation program and therefore payable from the transportation fund. The use of time cards, time logs, or other means of accumulating auditable statistics upon which to base costs would have to be maintained. The time spent on such programs by persons serving in more than one program area must be specific if costs are to be separated. These costs cannot be accurately maintained on a percentage basis and requires the use of one of the methods mentioned above to provide auditable statistics and should cover all program areas in which a person serves or for which the service, materials, supplies, etc., are provided. (The School Administrator and Uniform Compliance Guidelines, Volume 157)

CARMEL CLAY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

TEXTBOOK RENTAL CHARGES

The School Corporation in calculating textbook rental charges, charged the cost of the textbook plus an additional 20% for the cost for shipping and handling, and then would multiply that amount by the 25% allowable charge per year.

Indiana Code 20-26-12-2 states in part: "(a) A governing body may purchase from a contracting publisher, at the price equal to or less than the net contract price, any textbook adopted by the state board and selected by the proper local officials. The governing body may rent these textbooks to students . . . The annual rental rate may not to exceed twenty-five percent (25%) of the retail price of the textbooks."

We are of the audit position that up to twenty-five (25%) percent of the retail price of a textbook may be collected annually (which could include actual shipping and handling) for each year of the original six year adoption period. (The School Administrator, Volume 145, page 6)

CAPITAL ASSET POLICY

A capital asset policy was presented for audit changing the threshold for capital assets from \$1,000 to \$5,000. There was no evidence that the policy presented had been approved by the School Board.

Indiana Code 20-26-5-4 states in part: "In carrying out the school purposes of a school corporation, the governing body acting on the school corporation's behalf has the following specific powers: . . . To prepare, make, enforce, amend, or repeal rules, regulations, and procedures: (A) for the government and management of the schools, property, facilities, and activities of the school corporation . . ."

USE OF FORM SA-1 or SA-7, CLAIM FOR PAYMENT (Mohawk Elementary School, Clay Middle School, and Woodbrook Elementary School)

Proper signatures were not evident on several claims reviewed. (Mohawk Elementary School and Clay Middle School)

The prescribed form was not always attached to the invoice or properly completed. (Woodbrook Elementary School)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

OVERDRAWN FUND BALANCES

The Special Education Co-op Fund has an overdrawn fund balance of (\$479,738) at June 30, 2007.

CARMEL CLAY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

The following schools have overdrawn fund balances at year-end:

Orchard Park Elementary - Grade 5 Student Account - \$2.00 and Media Account - \$111.63
Prairie Trace Elementary - Grade 2 Student Account - \$25.84
Tri County Opportunity School - Lunch Account - First Year \$23.89
Second Year \$445.12
Carmel High School - First Year - Orchestra Account - \$35.80
Second Year - Coquettes \$1,377.27, and Step Team \$24.12

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

ECA DEPOSITS (Woodbrook Elementary School, Mosaics School, and Carmel Middle School)

Receipts were not always deposited within a reasonable time. Receipts, in some cases, accumulated to over \$7,435 before a deposit was made. (Woodbrook Elementary School)

Receipts were not always deposited within a reasonable time. Receipts, in some cases, accumulated to over \$199 before a deposit was made. (Mosaics School)

Collections from athletic events were not always deposited within a reasonable time. Collections from athletic events, in some instances, were held for periods in excess of 11 days and accumulated to over \$1,500 before depositing. (Carmel Middle School)

Indiana Code 20-41-1-9 states in part: ". . . receipts shall be deposited without unreasonable delay."

CONDITION OF RECORDS (Clay Middle School and Carmel Middle School)

The following deficiencies relating to the recordkeeping were noted:

Several transactions were recorded using negative receipts and negative disbursements.

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 Extra-Curricular Accounts, Chapter 7)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

CARMEL CLAY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

VENDING, CONCESSIONS OR OTHER SALES CONTROLS (Carmel High School)

Information was not presented for audit to indicate that inventories and reconcilements to purchases and sales concerning the bookstore were performed. Additionally, the bookstore starts out with two cash drawers with a \$100 in each and does not have a system to track daily purchases. Periodically, the money in the drawers above the cash change amount is taken, deposited, and turned in to the ECA Treasurer as the sales.

Internal controls over vending operations, concessions or other sales should include, at a minimum, a regular reconciliation of the beginning inventory, purchases, distributions, items sold and ending inventory to the amount received. Any discrepancies noted should be immediately documented in writing to proper officials. The reconciliation should provide an accurate accounting.

Persons with access to vending should be properly designated and access should be limited to those designated. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

VENDING PROCEEDS (Carmel High School)

The High School splits the vending machine proceeds between students and teachers in an 80% and 20% ratio, respectively. The student concession account is used to fund activities and materials directly related to student activities, whereas the 20% that goes to the teachers concession account is used for items directly related to staff activities and needs.

The State Board of Accounts is of the audit position that as long as the Division of School and Community Nutrition policy allows for a choice, the decision of which fund will account for the vending revenue is as follows:

1. If a particular student group or organization manages the vending function, the proceeds should accrue to that group's Extra-Curricular Fund.
2. If the vending in question is located at athletic events and managed by athletes or athletic department individuals, the proceeds may go to the Athletic Fund.
3. If no particular student group manages the vending function, the proceeds should go to the School Lunch Fund or the Extra-Curricular General Fund, Student Activity Fund or Concession Fund for the benefit of all students consistent with the article in "The School Administrator" Vol. 167, September 2004.

Our audit position has been based in part upon the substance of the transaction (the revenues are primarily from students or parents paying into vending machines, picture money, etc.). (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 6)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE CARMEL CLAY SCHOOLS, HAMILTON COUNTY, INDIANA

Compliance

We have audited the compliance of the Carmel Clay Schools (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A control deficiency in a School Corporation's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

This report is intended solely for the information and use of the School Corporation's management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 10, 2007

CARMEL CLAY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2006 and 2007

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-06	Total Federal Awards Expended 06-30-07
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	FY 2005/2006 FY 2006/2007	\$ 13,431 -	\$ - 29,684
Total for program			13,431	29,684
National School Lunch Program	10.555	FY 2005/2006 FY 2006/2007	807,037 -	- 974,786
Total for program			807,037	974,786
Total for cluster			820,468	1,004,470
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Special Education Cluster				
Special Education - Grants to States	84.027	14203-025-DY08 14204-007-DY02 14204-035-DY01 14205-025-DY01 14204-025-SN01 14202-025-PN01 14205-025-PN01 14206-025-PN01 14207-025-PN01 14204-025-PY02 14205-025-PY02 14206-025-PY02 14205-025-SN01	1,190 18,909 85,000 86,079 438 549 2,654,852 5,491,884 - 68,396 1,171,601 - 30,833	- - - 27,731 - - 116 2,285,648 6,251,436 - - 43,597 1,150,315 -
Total for program			9,609,731	9,758,843
Special Education - Preschool Grants	84.173	45705-025-PN01 45705-025-PY02 45706-025-PN01 45706-025-PY02 45707-025-PN01	59,007 16,400 238,770 - -	- 2,117 65,666 10,786 244,725
Total for program			314,177	323,294
Total for cluster			9,923,908	10,082,137
Title I Grants to Local Educational Agencies	84.010	06-3060 07-3060	321,537 -	- 385,486
Total for program			321,537	385,486
Safe and Drug Free Schools and Communities	84.186	04-015 05-028 06-306	17,605 24,923 -	- 9,805 23,317
Total for program			42,528	33,122

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

CARMEL CLAY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2006 and 2007
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-06	Total Federal Awards Expended 06-30-07
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
State Grants for Innovative Programs	84.298	03-291 04-280 05-308	24,428 73,188 -	- 25,311 81,269
Total for program			<u>97,616</u>	<u>106,580</u>
Education Technology State Grants	84.318	04-3060 05-3060 06-3060	7,240 4,630 -	- 3,463 6,173
Total for program			<u>11,870</u>	<u>9,636</u>
English Language Acquisition Grants	84.365	04-3060 05-3060 06-3060	3,028 42,781 -	- - 54,669
Total for program			<u>45,809</u>	<u>54,669</u>
Improving Teacher Quality State Grants	84.367	03-279 04-432 05-279 06-279	85,297 125,471 - -	- 46,879 137,338 20,359
Total for program			<u>210,768</u>	<u>204,576</u>
Hurricane Education Recovery	84.938	FY 05/06 FY 06/07	14,250 -	- 10,125
Total for program			<u>14,250</u>	<u>10,125</u>
Total for federal grantor agency			<u>10,668,286</u>	<u>10,886,331</u>
Total federal awards expended			<u>\$ 11,488,754</u>	<u>\$ 11,890,801</u>

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

CARMEL CLAY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Carmel Clay School Corporation (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 the Indiana Code (IC 5-11-1 et seq.), audits of School Corporation shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2006 and 2007:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>2006</u>	<u>2007</u>
Special Education Cluster	84.027	<u>\$ 800,000</u>	<u>\$ 2,075,000</u>

III. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2006 and 2007. This noncash assistance is also included in the federal expenditures presented in the schedule.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>2006</u>	<u>2007</u>
National School Lunch	10.555	<u>\$ 236,083</u>	<u>\$ 334,846</u>

CARMEL CLAY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
Material weaknesses identified? no
Reportable conditions identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:
Material weaknesses identified? no
Reportable conditions identified that are not considered to be material weaknesses? none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

Name of Federal Program or Cluster

Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$701,387

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CARMEL CLAY SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CARMEL CLAY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on January 15, 2008, with Dr. Barbara Underwood, Superintendent of Schools; and Roger McMichael, Treasurer.