

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, 2007 to June 30, 2009



FILED

03/05/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Roger McMichael	07-01-07 to 06-30-10
Superintendent of Schools	Dr. Barbara Underwood Dr. Stuart J. Swensson	07-01-07 to 12-31-09 01-01-10 to 06-30-10
President of the School Board	Stephen Becker (Vacant) Bruce Calabrese Andrew Klein	07-01-07 to 03-23-09 03-24-09 to 04-18-09 04-19-09 to 06-30-09 07-01-09 to 06-30-10



STATE OF INDIANA
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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, the business-type 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, 2008 and 2009, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2008 and 2009, 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 January 20, 2010, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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 accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the

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

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.

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is 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 Combining Schedules, as listed in the Table of Contents, 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 Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. 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

January 20, 2010



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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, the business-type 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, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated January 20, 2010. 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.

The School Corporation's response to the findings identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, the school board, 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

January 20, 2010

CARMEL CLAY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 67,213,343	\$ -	\$ 942,587	\$ (66,270,756)
Support services	39,076,466	6,232,806	1,018,241	(31,825,419)
Noninstructional services	6,940,647	-	-	(6,940,647)
Facilities acquisition and construction	10,339,624	-	-	(10,339,624)
Debt service	50,724,281	-	-	(50,724,281)
Nonprogrammed charges	17,405,687	-	-	(17,405,687)
 Total governmental activities	 <u>\$ 191,700,048</u>	 <u>\$ 6,232,806</u>	 <u>\$ 1,960,828</u>	 <u>(183,506,414)</u>
 General receipts:				
Property taxes				92,124,795
Other local sources				20,340,468
State aid				19,830,376
Bonds and loans				22,075,240
Grants and contributions not restricted to specific programs				9,914,702
Sale of property				3,153,921
Investment earnings				1,498,367
Other				601,040
 Total general receipts				 <u>169,538,909</u>
 Change in net assets				 (13,967,505)
 Net assets - beginning as previously stated				 25,105,246
Restatement of fund (See Note III C)				<u>11,828</u>
 Net assets - restated				 <u>25,117,074</u>
 Net assets - ending				 <u>\$ 11,149,569</u>
 <u>Assets</u>				
Cash and investments				\$ 4,308,626
Restricted assets:				
Cash and investments				<u>6,840,943</u>
 Total assets				 <u>\$ 11,149,569</u>
 <u>Net Assets</u>				
Restricted for:				
Debt service				\$ 20,397
Other purposes				6,820,546
Unrestricted				<u>4,308,626</u>
 Total net assets				 <u>\$ 11,149,569</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, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		Charges for Services	Operating Grants and Contributions	<u>Totals</u>
Governmental activities:				
Instruction	\$ 67,157,774	\$ -	\$ 1,371,285	\$ (65,786,489)
Support services	41,474,176	7,852,050	999,241	(32,622,885)
Noninstructional services	7,248,574	-	-	(7,248,574)
Facilities acquisition and construction	10,277,557	-	-	(10,277,557)
Debt service	48,330,717	-	-	(48,330,717)
Nonprogrammed charges	19,532,418	-	-	(19,532,418)
	<u>\$ 194,021,216</u>	<u>\$ 7,852,050</u>	<u>\$ 2,370,526</u>	<u>(183,798,640)</u>
General receipts:				
Property taxes				89,856,595
Other local sources				21,850,677
State aid				43,657,328
Bonds and loans				13,534,400
Grants and contributions not restricted to specific programs				17,147,675
Sale of property				23,200
Investment earnings				312,566
Other				2,094,363
				<u>188,476,804</u>
Total general receipts				<u>188,476,804</u>
Change in net assets				4,678,164
Net assets - beginning				<u>11,149,569</u>
Net assets - ending				<u>\$ 15,827,733</u>
<u>Assets</u>				
Cash and investments				\$ 7,770,868
Restricted assets:				
Cash and investments				<u>8,056,865</u>
Total assets				<u>\$ 15,827,733</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 2,268,627
Other purposes				5,788,238
Unrestricted				<u>7,770,868</u>
Total net assets				<u>\$ 15,827,733</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, 2008

	General	School Lunch	Textbook Rental	Excess Levy	Government Stimulus
Receipts:					
Local sources	\$ 56,858,397	\$ 5,014,283	\$ 2,224,623	\$ 577,697	\$ -
Intermediate sources	105	-	-	-	-
State sources	20,636,465	120,391	72,613	-	-
Federal sources	-	825,237	-	-	-
Temporary loans	19,700,000	-	-	-	-
Interfund loans	-	-	-	-	-
Other	47,769	-	-	-	-
Total receipts	97,242,736	5,959,911	2,297,236	577,697	-
Disbursements:					
Current:					
Instruction	60,551,273	-	-	-	-
Support services	21,292,995	-	1,459,789	-	-
Noninstructional services	1,097,090	5,827,097	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	25,800,000	-	-	-	-
Nonprogrammed charges	534,925	94,763	459,955	-	-
Interfund loans	-	-	-	-	-
Total disbursements	109,276,283	5,921,860	1,919,744	-	-
Excess (deficiency) of receipts over disbursements	(12,033,547)	38,051	377,492	577,697	-
Other financing sources (uses):					
Sale of capital assets	1,577,304	292,340	-	-	-
Transfers in	-	-	19,548	-	-
Transfers out	(369,384)	-	-	-	-
Total other financing sources (uses)	1,207,920	292,340	19,548	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,825,627)	330,391	397,040	577,697	-
Cash and investments - beginning as previously stated	11,789,871	54,035	923,356	-	-
Restatement of fund (See Note III C)	-	-	-	-	-
Cash and investments - beginning as restated	11,789,871	54,035	923,356	-	-
Cash and investments - ending	\$ 964,244	\$ 384,426	\$ 1,320,396	\$ 577,697	\$ -
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.					
Net assets of governmental activities					
Cash and Investment Assets - Ending					
Cash and investments	\$ 964,244	\$ 384,426	\$ 1,320,396	\$ 577,697	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	\$ 964,244	\$ 384,426	\$ 1,320,396	\$ 577,697	\$ -
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	964,244	384,426	1,320,396	577,697	-
Total cash and investment fund balance - ending	\$ 964,244	\$ 384,426	\$ 1,320,396	\$ 577,697	\$ -

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, 2008
(Continued)

	Debt Service	Capital Projects	Other	Totals
Receipts:				
Local sources	\$ 17,880,008	\$ 16,506,845	\$ 20,777,853	\$ 119,839,706
Intermediate sources	-	-	114,733	114,838
State sources	-	-	517,424	21,346,893
Federal sources	-	-	9,533,776	10,359,013
Temporary loans	75,240	-	2,300,000	22,075,240
Interfund loans	1,205,265	1,010,000	2,342,265	4,557,530
Other	-	223	253,540	301,532
	<u>19,160,513</u>	<u>17,517,068</u>	<u>35,839,591</u>	<u>178,594,752</u>
Total receipts				
Disbursements:				
Current:				
Instruction	-	-	15,558,883	76,110,156
Support services	-	6,632,922	12,099,415	41,485,121
Noninstructional services	-	-	16,460	6,940,647
Facilities acquisition and construction	-	9,833,844	505,780	10,339,624
Debt services	18,369,618	-	6,554,663	50,724,281
Nonprogrammed charges	-	-	4,324,891	5,414,534
Interfund loans	3,197,265	1,100,000	260,265	4,557,530
	<u>21,566,883</u>	<u>17,566,766</u>	<u>39,320,357</u>	<u>195,571,893</u>
Total disbursements				
Excess (deficiency) of receipts over disbursements	<u>(2,406,370)</u>	<u>(49,698)</u>	<u>(3,480,766)</u>	<u>(16,977,141)</u>
Other financing sources (uses):				
Sale of capital assets	-	3,475	667,759	2,540,878
Transfers in	-	-	1,062,702	1,082,250
Transfers out	(19,548)	-	(693,318)	(1,082,250)
	<u>(19,548)</u>	<u>3,475</u>	<u>1,037,143</u>	<u>2,540,878</u>
Total other financing sources (uses)				
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,425,918)	(46,223)	(2,443,623)	(14,436,263)
Cash and investments - beginning as previously stated	2,441,837	47,623	3,496,736	18,753,458
Restatement of fund (See Note III C)	-	-	11,828	11,828
Cash and investments - beginning as restated	<u>2,441,837</u>	<u>47,623</u>	<u>3,508,564</u>	<u>18,765,286</u>
Cash and investments - ending	<u>\$ 15,919</u>	<u>\$ 1,400</u>	<u>\$ 1,064,941</u>	<u>4,329,023</u>
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.				<u>6,820,546</u>
Net assets of governmental activities				<u>\$ 11,149,569</u>
Cash and Investment Assets - Ending				
Cash and investments	\$ -	\$ 1,400	\$ 1,060,463	\$ 4,308,626
Restricted assets:				
Cash and investments	<u>15,919</u>	<u>-</u>	<u>4,478</u>	<u>20,397</u>
Total cash and investment assets - ending	<u>\$ 15,919</u>	<u>\$ 1,400</u>	<u>\$ 1,064,941</u>	<u>\$ 4,329,023</u>
Cash and Investment Fund Balance - Ending				
Restricted for:				
Debt service	\$ 15,919	\$ -	\$ 4,478	\$ 20,397
Unrestricted	<u>-</u>	<u>1,400</u>	<u>1,060,463</u>	<u>4,308,626</u>
Total cash and investment fund balance - ending	<u>\$ 15,919</u>	<u>\$ 1,400</u>	<u>\$ 1,064,941</u>	<u>\$ 4,329,023</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, 2009

	General	School Lunch	Textbook Rental	Excess Levy	Government Stimulus
Receipts:					
Local sources	\$ 54,460,885	\$ 5,577,616	\$ 2,206,741	\$ -	\$ -
Intermediate sources	105	-	-	-	-
State sources	44,887,925	123,729	59,917	-	-
Federal sources	-	815,595	-	-	6,810,974
Temporary loans	3,500,000	-	-	-	-
Interfund loans	3,300,000	-	-	-	-
Other	40,332	182,120	30	-	-
Total receipts	106,189,247	6,699,060	2,266,688	-	6,810,974
Disbursements:					
Current:					
Instruction	58,486,075	-	-	-	1,626,857
Support services	24,086,550	-	2,451,662	-	137,639
Noninstructional services	1,228,532	6,012,214	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	23,200,000	-	-	-	-
Nonprogrammed charges	214,147	-	-	-	-
Interfund loans	-	-	-	-	3,300,000
Total disbursements	107,215,304	6,012,214	2,451,662	-	5,064,496
Excess (deficiency) of receipts over disbursements	(1,026,057)	686,846	(184,974)	-	1,746,478
Other financing sources (uses):					
Sale of capital assets	8,000	-	-	-	-
Transfers in	469,294	-	1,482	-	-
Transfers out	(369,384)	-	(469,294)	(577,697)	-
Total other financing sources (uses)	107,910	-	(467,812)	(577,697)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(918,147)	686,846	(652,786)	(577,697)	1,746,478
Cash and investments - beginning	964,244	384,426	1,320,396	577,697	-
Cash and investments - ending	<u>\$ 46,097</u>	<u>\$ 1,071,272</u>	<u>\$ 667,610</u>	<u>\$ -</u>	<u>\$ 1,746,478</u>
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.					
Net assets of governmental activities					
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 46,097	\$ 1,071,272	\$ 667,610	\$ -	\$ 1,746,478
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	\$ 46,097	\$ 1,071,272	\$ 667,610	\$ -	\$ 1,746,478
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	46,097	1,071,272	667,610	-	1,746,478
Total cash and investment fund balance - ending	\$ 46,097	\$ 1,071,272	\$ 667,610	\$ -	\$ 1,746,478

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, 2009
(Continued)

	Debt Service	Capital Projects	Other	Totals
Receipts:				
Local sources	\$ 17,353,186	\$ 16,602,615	\$ 23,495,914	\$ 119,696,957
Intermediate sources	-	-	115,161	115,266
State sources	-	-	510,804	45,582,375
Federal sources	-	-	9,966,585	17,593,154
Temporary loans	400	4,000,000	6,034,000	13,534,400
Interfund loans	3,092,000	-	216,000	6,608,000
Other	-	-	513,558	736,040
Total receipts	<u>20,445,586</u>	<u>20,602,615</u>	<u>40,852,022</u>	<u>203,866,192</u>
Disbursements:				
Current:				
Instruction	-	-	15,478,948	75,591,880
Support services	-	7,003,477	11,676,902	45,356,230
Noninstructional services	-	-	7,828	7,248,574
Facilities acquisition and construction	-	10,007,136	270,421	10,277,557
Debt services	18,671,153	-	6,459,564	48,330,717
Nonprogrammed charges	-	-	4,551,815	4,765,962
Interfund loans	-	1,010,000	2,298,000	6,608,000
Total disbursements	<u>18,671,153</u>	<u>18,020,613</u>	<u>40,743,478</u>	<u>198,178,920</u>
Excess (deficiency) of receipts over disbursements	<u>1,774,433</u>	<u>2,582,002</u>	<u>108,544</u>	<u>5,687,272</u>
Other financing sources (uses):				
Sale of capital assets	-	15,200	-	23,200
Transfers in	-	-	1,493,359	1,964,135
Transfers out	(1,482)	-	(546,278)	(1,964,135)
Total other financing sources (uses)	<u>(1,482)</u>	<u>15,200</u>	<u>947,081</u>	<u>23,200</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,772,951</u>	<u>2,597,202</u>	<u>1,055,625</u>	<u>5,710,472</u>
Cash and investments - beginning	<u>15,919</u>	<u>1,400</u>	<u>1,064,941</u>	<u>4,329,023</u>
Cash and investments - ending	<u>\$ 1,788,870</u>	<u>\$ 2,598,602</u>	<u>\$ 2,120,566</u>	<u>10,039,495</u>
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.				
				<u>5,788,238</u>
Net assets of governmental activities				<u>\$ 15,827,733</u>
Cash and Investment Assets - Ending				
Cash and investments	\$ -	\$ 2,598,602	\$ 1,640,809	\$ 7,770,868
Restricted assets:				
Cash and investments	<u>1,788,870</u>	<u>-</u>	<u>479,757</u>	<u>2,268,627</u>
Total cash and investment assets - ending	<u>\$ 1,788,870</u>	<u>\$ 2,598,602</u>	<u>\$ 2,120,566</u>	<u>\$ 10,039,495</u>
Cash and Investment Fund Balance - Ending				
Restricted for:				
Debt service	\$ 1,788,870	\$ -	\$ 479,757	\$ 2,268,627
Unrestricted	<u>-</u>	<u>2,598,602</u>	<u>1,640,809</u>	<u>7,770,868</u>
Total cash and investment fund balance - ending	<u>\$ 1,788,870</u>	<u>\$ 2,598,602</u>	<u>\$ 2,120,566</u>	<u>\$ 10,039,495</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
PROPRIETARY FUND
For the Year Ended June 30, 2008

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 7,360,853
Miscellaneous	<u>5,123,235</u>
Total operating receipts	<u>12,484,088</u>
Operating disbursements:	
Insurance claims and expense	5,915,904
Other	<u>6,099,426</u>
Total operating disbursements	<u>12,015,330</u>
Change in net assets	468,758
Cash and investment fund balance - beginning	<u>6,351,788</u>
Cash and investment fund balance - ending	<u>\$ 6,820,546</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 6,820,546</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 6,820,546</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
PROPRIETARY FUND
For the Year Ended June 30, 2009

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 12,316,160
Miscellaneous	<u>1,417,988</u>
Total operating receipts	<u>13,734,148</u>
Operating disbursements:	
Insurance claims and expense	47,248
Other	<u>14,719,208</u>
Total operating disbursements	<u>14,766,456</u>
Deficiency of operating receipts over operating disbursements	(1,032,308)
Cash and investment fund balance - beginning	<u>6,820,546</u>
Cash and investment fund balance - ending	<u>\$ 5,788,238</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 5,788,238</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 5,788,238</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, 2008

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 206,550	
Investment earnings:			
Interest	111,437	-	
Total additions	111,437	206,550	
Deductions:			
Benefits			
Administrative and general	294,988	-	
	-	219,482	
Total deductions	294,988	219,482	
Deficiency of total additions over total deductions	(183,551)	(12,932)	
Other financing sources (uses)			
Transfers out	-	-	
Total other financing sources (uses)	-	-	
Deficiency of receipts and other financing sources over disbursements and other financing uses	(183,551)	(12,932)	
Cash and investment fund balance - beginning	3,309,529	180,391	
Cash and investment fund balance - ending	\$ 3,125,978	\$ 167,459	\$ 372,402
Net assets:			
Cash and investments	\$ 3,125,978	\$ 167,459	
Total net assets - cash and investment basis held in trust	\$ 3,125,978	\$ 167,459	

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, 2009

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Other	\$ -	\$ 158,079	
Investment earnings:			
Interest	<u>24,098</u>	<u>-</u>	
Total additions	<u>24,098</u>	<u>158,079</u>	
Deductions:			
Benefits	326,195	-	
Administrative and general	<u>-</u>	<u>175,270</u>	
Total deductions	<u>326,195</u>	<u>175,270</u>	
Deficiency of total additions over total deductions	(302,097)	(17,191)	
Cash and investment fund balance - beginning	<u>3,125,978</u>	<u>167,459</u>	
Cash and investment fund balance - ending	<u>\$ 2,823,881</u>	<u>\$ 150,268</u>	<u>\$ 406,245</u>
Net assets:			
Cash and investments	<u>\$ 2,823,881</u>	<u>\$ 150,268</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 2,823,881</u>	<u>\$ 150,268</u>	

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, Noblesville Schools, Sheridan Community 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 and Net Assets – Cash and Investment Basis display information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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, 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

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.)

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 school lunch fund is used to account for receipts and disbursements for the food service program.

The textbook rental fund is used to account for receipts and disbursements concerning textbooks and workbooks furnished to students.

The excess levy fund is used to account for property taxes received which exceed 102% of ad valorem property tax levy.

The government stimulus fund accounts for receipts and disbursements of cash received from the federal government to be used to supplement funding of local, state, and federal programs.

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.

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 funds report a trust arrangement under which the principal and income 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 for accounts for certain cash transactions during the time they are liability to the School Corporation.

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary 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.

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.

3. 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.

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

4. 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.

5. 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.

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.

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 not reported as reimbursements but as adjustments to disbursements in the respective funds.
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 Activities and Net Assets – Cash and Investment Basis 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 government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

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 of 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, 2008 and 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	2008	2009
Special Education Co-op	\$ -	\$ 376,166

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 and Investments

1. 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 School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2009, the School Corporation had deposit balances in the amount of \$19,208,127.

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.

2. Investments

Statutory Authorization for Investments

Indiana Code 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the School Corporation to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The School Corporation does not have a formal investment policy for custodial credit risk for investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School Corporation must follow state statute and limit the stated final maturities of the investments to no more than two years. The School Corporation does not have a formal investment policy for interest rate risk for investments.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below. The School Corporation does not have a formal investment policy for credit risk for investments.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School Corporation does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

Foreign Currency Risk

The School Corporation does not have a formal policy in regards to foreign currency risk.

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2008 and 2009, were as follows:

Transfer From	Transfer To	2008	2009
General Fund	Other governmental funds	\$ 369,384	\$ 369,384
Textbook Rental	General Fund	-	469,294
Levy Excess	Other governmental funds	-	577,697
Debt Service	Textbook Rental	19,548	1,482
Other governmental funds	Other governmental funds	693,318	546,278
Totals		<u>\$ 1,082,250</u>	<u>\$ 1,964,135</u>

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

C. Restatements and Reclassifications

For the year ended June 30, 2009, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit. New Funds represents the inclusion of existing funds which were not presented in the prior report.

Opinion Unit	Balance as Reported June 30, 2007	Fund Reclassification	New Funds	Prior Period Adjustments	Balance as Restated January 1, 2008
Governmental Funds	\$ -	\$ 11,828	\$ -	\$ -	\$ 11,828
Fiduciary Funds	11,828	(11,828)	-	-	-

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.

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 ending June 30, 2009, totaled \$5,557,862.

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 ending June 30, 2009, totaled \$12,240,500.

C. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Teacher Early Retirement

Plan Description

Teacher Early Retirement Incentive Healthcare Plan is a single-employer defined benefit health-care plan administered by Rehn and Associates. The plan provides medical benefits to eligible retirees and their families. The plan is a contract between the School Board and the Teacher's Union and any amendments to the benefit provisions would have to be agreed upon by the School Board and the Teacher's Union. Rehn and Associates issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for the participants. That report may be obtained by contacting:

Carmel Clay Schools
5201 East 131st Street
Carmel, IN 46033

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy

The contribution requirements of plan members for the Teachers Early Retirement Incentive Healthcare Plan are established by the contract between the School Board and the Teacher's Union. An actuarial study was completed and the amount determined to fully fund the plan for all employees projected, as of March 1, 2003, to reach the Teacher Retirement Fund Rule of 85 by no later than June 30, 2023. The School Corporation issued a bond in 2003 to cover the cost of the plan for those employees.

Single-Employer Defined Contribution Healthcare Plan

Voluntary Employees' Beneficiary Association

Program Description

Carmel Clay Schools sponsors one single employer defined contribution OPEB plan titled Voluntary Employees' Beneficiary Association. The school corporation established this Plan as a benefit for all teachers and administrators presently or subsequently employed in certificated positions that are not eligible for the benefits provided in the Teachers' Early Retirement plan listed above. Qualified retirees of the School Corporation are eligible to receive retirement medical benefits from this plan. Retirees' and/or covered dependents qualifying health insurance and medical costs are eligible for reimbursement from their reimbursement account, subject to plan conditions and limitations.

Program Provisions

Benefit provisions for this plan are established or may be amended by the School Board. The plan establishes a retirement medical benefits trust account for all teachers and administrators presently or subsequently employed in certificated positions and are not eligible for the Teachers' Early Retirement plan. Teachers will not vest in this program until the earlier of their retirement under the Teachers Retirement Fund or, their completion of twenty-five years of contracted employment as a teacher in the Carmel Clay Schools, with years of employment counting whether the given teacher was in a paid or unpaid status. Administrators will not vest in this program until the earlier of their retirement under Indiana State Teachers' Retirement Fund or Public Employees' Retirement Fund or their completion of 25 years of contracted employment as an administrator in the Carmel Clay Schools, with years of employment counting whether the given administrator was in paid or unpaid status.

Funding Policy

Carmel Clay Schools shall deposit an amount equal to 1% of the teacher's gross pay into the given teacher's trust account within two weeks of each pay period. For the fiscal years ending June 30, 2008, and June 30, 2009, the School Corporation contributed \$384,174.44 and \$391,722.08, respectively.

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.

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 917,832
Interest on net pension obligation	(71,369)
Adjustment to annual required contribution	81,330
Annual pension cost	927,793
Contributions made	854,959
Increase in net pension obligation	72,834
Net pension obligation, beginning of year	(984,399)
Net pension obligation, end of year	\$ (911,565)

	PERF
Contribution rates:	
School Corporation	6.5%
Plan members	3%
Actuarial valuation date	07-01-08
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

<u>Actuarial Assumptions</u>	PERF
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%

CARMEL CLAY SCHOOLS
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Three Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-06	\$ 710,021	96%	\$ (1,103,965)
	06-30-07	900,993	87%	(984,399)
	06-30-08	927,793	92%	(911,565)

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 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.

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 7.00% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2009, 2008, and 2007, were \$2,681,322, \$2,522,927, 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)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 12,175,576	\$ 12,600,723	\$ (425,147)	97%	\$ 13,221,298	(3%)
07-01-07	13,603,372	14,175,330	(571,958)	96%	13,391,816	(4%)
07-01-08	14,204,688	14,968,619	(763,931)	95%	13,567,382	(6%)

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, 2008

	Referendum	Transportation Operating	Special Education Preschool	Special Education Co-op 1	Special Education Co-op 2	Safe Schools	School Library Grant
Receipts:							
Local sources	\$ 2,103,648	\$ 6,527,901	\$ 164,176	\$ -	\$ 8,732,168	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	308,509	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	1,700,000	-	-	-	-	-
Interfund loans	-	-	95,000	-	555,000	-	-
Other	-	204	-	-	506	-	-
Total receipts	2,103,648	8,228,105	567,685	-	9,287,674	-	-
Disbursements:							
Current:							
Instruction	-	-	707,027	-	6,586,109	-	-
Support services	-	7,243,100	-	29	2,180,412	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	80,324	-	-
Debt services	-	2,300,000	-	-	-	-	-
Nonprogrammed charges	2,446,847	-	5,656	-	-	-	-
Interfund loans	-	155,000	-	-	-	-	-
Total disbursements	2,446,847	9,698,100	712,683	29	8,846,845	-	-
Excess (deficiency) of receipts over disbursements	(343,199)	(1,469,995)	(144,998)	(29)	440,829	-	-
Other financing sources (uses):							
Sale of capital assets	-	352,969	-	-	19,389	-	-
Transfers in	-	51,374	4,942	-	313,067	-	-
Transfers out	-	(148,758)	(20,291)	-	(289,554)	-	-
Total other financing sources (uses)	-	255,585	(15,349)	-	42,902	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(343,199)	(1,214,410)	(160,347)	(29)	483,731	-	-
Cash and investments - beginning as previously stated	427,988	1,277,510	160,704	29	(479,738)	9,249	205
Restatement of fund	-	-	-	-	-	-	-
Cash and investments - beginning as restated	427,988	1,277,510	160,704	29	(479,738)	9,249	205
Cash and investments - ending	\$ 84,789	\$ 63,100	\$ 357	\$ -	\$ 3,993	\$ 9,249	\$ 205
Cash and Investment Assets - Ending							
Cash and investments	\$ 84,789	\$ 63,100	\$ 357	\$ -	\$ 3,993	\$ 9,249	\$ 205
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 84,789	\$ 63,100	\$ 357	\$ -	\$ 3,993	\$ 9,249	\$ 205
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	84,789	63,100	357	-	3,993	9,249	205
Total cash and investment fund balance - ending	\$ 84,789	\$ 63,100	\$ 357	\$ -	\$ 3,993	\$ 9,249	\$ 205

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, 2008
 (Continued)

	Safe Haven Grant	Economic Education Grant	Gifted and Talented	4-H Seminar	Non-English Speaking Program	Tech Prep Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	114,733
State sources	70,317	2,100	90,919	-	45,579	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	684
Total receipts	70,317	2,100	90,919	-	45,579	115,417
Disbursements:						
Current:						
Instruction	35,745	3,166	26,512	296	566	-
Support services	34,573	-	24,700	12,061	30,261	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	70,318	3,166	51,212	12,357	30,827	-
Excess (deficiency) of receipts over disbursements	(1)	(1,066)	39,707	(12,357)	14,752	115,417
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(424)	-
Total other financing sources (uses)	-	-	-	-	(424)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1)	(1,066)	39,707	(12,357)	14,328	115,417
Cash and investments - beginning as previously stated	115	1,067	-	23,743	6,371	64,557
Restatement of fund	-	-	-	-	-	-
Cash and investments - beginning as restated	115	1,067	-	23,743	6,371	64,557
Cash and investments - ending	\$ 114	\$ 1	\$ 39,707	\$ 11,386	\$ 20,699	\$ 179,974
Cash and Investment Assets - Ending						
Cash and investments	\$ 114	\$ 1	\$ 39,707	\$ 11,386	\$ 20,699	\$ 179,974
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 114	\$ 1	\$ 39,707	\$ 11,386	\$ 20,699	\$ 179,974
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	114	1	39,707	11,386	20,699	179,974
Total cash and investment fund balance - ending	\$ 114	\$ 1	\$ 39,707	\$ 11,386	\$ 20,699	\$ 179,974

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, 2008
 (Continued)

	Technology Plan Grant	Essay/Tech Grant	DC Trip Administration	Title 1	Title V	Federal Discretionary Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	488,737	17,000	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	193,677
Total receipts	-	-	-	488,737	17,000	193,677
Disbursements:						
Current:						
Instruction	-	-	357	466,515	284	412,682
Support services	-	-	-	11,475	7,880	-
Noninstructional services	-	-	5,486	4,129	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	-	5,843	482,119	8,164	412,682
Excess (deficiency) of receipts over disbursements	-	-	(5,843)	6,618	8,836	(219,005)
Other financing sources (uses):						
Sale of capital assets	-	-	6,327	-	-	193,677
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(15,738)	926	(70)
Total other financing sources (uses)	-	-	6,327	(15,738)	926	193,607
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	484	(9,120)	9,762	(25,398)
Cash and investments - beginning as previously stated	106	-	1,593	23,919	9,624	25,398
Restatement of fund	-	-	-	-	-	-
Cash and investments - beginning as restated	106	-	1,593	23,919	9,624	25,398
Cash and investments - ending	\$ 106	\$ -	\$ 2,077	\$ 14,799	\$ 19,386	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 106	\$ -	\$ 2,077	\$ 14,799	\$ 19,386	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 106	\$ -	\$ 2,077	\$ 14,799	\$ 19,386	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	106	-	2,077	14,799	19,386	-
Total cash and investment fund balance - ending	\$ 106	\$ -	\$ 2,077	\$ 14,799	\$ 19,386	\$ -

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, 2008
 (Continued)

	Federal Subgrant	Federal Carryover	Federal C/O	Federal New	CSPD Roundtable	Silver Funds
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	8,321,392	-	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	58,469	-	-	-	-	-
Total receipts	58,469	-	-	8,321,392	-	-
Disbursements:						
Current:						
Instruction	9,120	675,165	-	6,326,907	86	-
Support services	103,677	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	1,872,388	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	112,797	675,165	-	8,199,295	86	-
Excess (deficiency) of receipts over disbursements	(54,328)	(675,165)	-	122,097	(86)	-
Other financing sources (uses):						
Sale of capital assets	58,469	-	-	-	-	-
Transfers in	-	687,406	-	-	-	-
Transfers out	(6,207)	(15,951)	-	(176,970)	-	-
Total other financing sources (uses)	52,262	671,455	-	(176,970)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,066)	(3,710)	-	(54,873)	(86)	-
Cash and investments - beginning as previously stated	4,144	91,392	1,552	290,107	1,655	1,511
Restatement of fund	-	-	-	-	-	-
Cash and investments - beginning as restated	4,144	91,392	1,552	290,107	1,655	1,511
Cash and investments - ending	\$ 2,078	\$ 87,682	\$ 1,552	\$ 235,234	\$ 1,569	\$ 1,511
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,078	\$ 87,682	\$ 1,552	\$ 235,234	\$ 1,569	\$ 1,511
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 2,078	\$ 87,682	\$ 1,552	\$ 235,234	\$ 1,569	\$ 1,511
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,078	87,682	1,552	235,234	1,569	1,511
Total cash and investment fund balance - ending	\$ 2,078	\$ 87,682	\$ 1,552	\$ 235,234	\$ 1,569	\$ 1,511

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, 2008
 (Continued)

	Early Childhood	Federal Preschool Grant	Milken Educator	Title IV Part A Drug-Free	Federal Subgrant Carmel Clay	Title II
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	308,634	-	-	28,087	-	293,251
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	308,634	-	-	28,087	-	293,251
Disbursements:						
Current:						
Instruction	296,309	7,173	5	1,018	-	2,743
Support services	-	-	60	24,447	-	131,186
Noninstructional services	-	-	-	6,845	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	296,309	7,173	65	32,310	-	133,929
Excess (deficiency) of receipts over disbursements	12,325	(7,173)	(65)	(4,223)	-	159,322
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	35	5,878	-	-	-	-
Transfers out	(18,226)	(21)	-	(823)	-	(623)
Total other financing sources (uses)	(18,191)	5,857	-	(823)	-	(623)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,866)	(1,316)	(65)	(5,046)	-	158,699
Cash and investments - beginning as previously stated	12,725	2,397	1,284	10,423	-	12,749
Restatement of fund	-	-	-	-	-	-
Cash and investments - beginning as restated	12,725	2,397	1,284	10,423	-	12,749
Cash and investments - ending	\$ 6,859	\$ 1,081	\$ 1,219	\$ 5,377	\$ -	\$ 171,448
Cash and Investment Assets - Ending						
Cash and investments	\$ 6,859	\$ 1,081	\$ 1,219	\$ 5,377	\$ -	\$ 171,448
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 6,859	\$ 1,081	\$ 1,219	\$ 5,377	\$ -	\$ 171,448
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	6,859	1,081	1,219	5,377	-	171,448
Total cash and investment fund balance - ending	\$ 6,859	\$ 1,081	\$ 1,219	\$ 5,377	\$ -	\$ 171,448

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, 2008
 (Continued)

	English Language Acquisition	Retirement Bond	School Bus Replacement	Building Project	Capital Improvement HBM	Totals
Receipts:						
Local sources	\$ -	\$ 2,216,212	\$ 1,023,746	\$ 10,002	\$ -	\$ 20,777,853
Intermediate sources	-	-	-	-	-	114,733
State sources	-	-	-	-	-	517,424
Federal sources	76,675	-	-	-	-	9,533,776
Temporary loans	-	-	600,000	-	-	2,300,000
Interfund loans	-	1,405,265	287,000	-	-	2,342,265
Other	-	-	-	-	-	253,540
Total receipts	76,675	3,621,477	1,910,746	10,002	-	35,839,591
Disbursements:						
Current:						
Instruction	1,098	-	-	-	-	15,558,883
Support services	23,492	-	2,272,062	-	-	12,099,415
Noninstructional services	-	-	-	-	-	16,460
Facilities acquisition and construction	-	-	-	379,395	46,061	505,780
Debt services	-	3,854,663	400,000	-	-	6,554,663
Nonprogrammed charges	-	-	-	-	-	4,324,891
Interfund loans	-	105,265	-	-	-	260,265
Total disbursements	24,590	3,959,928	2,672,062	379,395	46,061	39,320,357
Excess (deficiency) of receipts over disbursements	52,085	(338,451)	(761,316)	(369,393)	(46,061)	(3,480,766)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	36,928	667,759
Transfers in	-	-	-	-	-	1,062,702
Transfers out	(588)	-	-	-	-	(693,318)
Total other financing sources (uses)	(588)	-	-	-	36,928	1,037,143
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	51,497	(338,451)	(761,316)	(369,393)	(9,133)	(2,443,623)
Cash and investments - beginning as previously stated	2,561	342,929	761,490	407,377	-	3,496,736
Restatement of fund	-	-	-	-	11,828	11,828
Cash and investments - beginning as restated	2,561	342,929	761,490	407,377	11,828	3,508,564
Cash and investments - ending	\$ 54,058	\$ 4,478	\$ 174	\$ 37,984	\$ 2,695	\$ 1,064,941
Cash and Investment Assets - Ending						
Cash and investments	\$ 54,058	\$ -	\$ 174	\$ 37,984	\$ 2,695	\$ 1,060,463
Restricted assets:						
Cash and investments	-	4,478	-	-	-	4,478
Total cash and investment assets - ending	\$ 54,058	\$ 4,478	\$ 174	\$ 37,984	\$ 2,695	\$ 1,064,941
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ 4,478	\$ -	\$ -	\$ -	\$ 4,478
Unrestricted	54,058	-	174	37,984	2,695	1,060,463
Total cash and investment fund balance - ending	\$ 54,058	\$ 4,478	\$ 174	\$ 37,984	\$ 2,695	\$ 1,064,941

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, 2009

	Referendum	Transportation Operating	Special Education Preschool	Special Education Co-op 1	Special Education Co-op 2	Safe Schools	School Library Grant
Receipts:							
Local sources	\$ 2,057,400	\$ 6,908,927	\$ 149,973	\$ -	\$ 9,097,183	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	334,737	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	950,000	3,000,000	-	-	-	-	-
Interfund loans	-	155,000	-	-	-	-	-
Other	-	531	-	-	-	-	-
Total receipts	3,007,400	10,064,458	484,710	-	9,097,183	-	-
Disbursements:							
Current:							
Instruction	-	-	391,865	-	6,770,074	-	-
Support services	-	7,925,397	-	-	2,368,591	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	96,744	-	-
Debt services	-	2,000,000	-	-	-	-	-
Nonprogrammed charges	2,726,990	-	-	-	-	-	-
Interfund loans	-	61,000	95,000	-	555,000	-	-
Total disbursements	2,726,990	9,986,397	486,865	-	9,790,409	-	-
Excess (deficiency) of receipts over disbursements	280,410	78,061	(2,155)	-	(693,226)	-	-
Other financing sources (uses):							
Transfers in	-	629,072	4,942	-	313,067	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	629,072	4,942	-	313,067	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	280,410	707,133	2,787	-	(380,159)	-	-
Cash and investments - beginning	84,789	63,100	357	-	3,993	9,249	205
Cash and investments - ending	\$ 365,199	\$ 770,233	\$ 3,144	\$ -	\$ (376,166)	\$ 9,249	\$ 205
Cash and Investment Assets - Ending							
Cash and investments	\$ 365,199	\$ 770,233	\$ 3,144	\$ -	\$ (376,166)	\$ 9,249	\$ 205
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 365,199	\$ 770,233	\$ 3,144	\$ -	\$ (376,166)	\$ 9,249	\$ 205
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	365,199	770,233	3,144	-	(376,166)	9,249	205
Total cash and investment fund balance - ending	\$ 365,199	\$ 770,233	\$ 3,144	\$ -	\$ (376,166)	\$ 9,249	\$ 205

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, 2009
 (Continued)

	Safe Haven Grant	Economic Education Grant	Gifted and Talented	4-H Seminar	Non-English Speaking Program	Tech Prep Grant
Receipts:						
Local sources	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	6,500	-	108,661
State sources	30,680	3,699	90,919	-	49,769	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>30,680</u>	<u>3,799</u>	<u>90,919</u>	<u>6,500</u>	<u>49,769</u>	<u>108,661</u>
Disbursements:						
Current:						
Instruction	-	3,053	85,896	-	489	-
Support services	30,680	406	27,530	1,064	39,378	125,768
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>30,680</u>	<u>3,459</u>	<u>113,426</u>	<u>1,064</u>	<u>39,867</u>	<u>125,768</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>340</u>	<u>(22,507)</u>	<u>5,436</u>	<u>9,902</u>	<u>(17,107)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>340</u>	<u>(22,507)</u>	<u>5,436</u>	<u>9,902</u>	<u>(17,107)</u>
Cash and investments - beginning	<u>114</u>	<u>1</u>	<u>39,707</u>	<u>11,386</u>	<u>20,699</u>	<u>179,974</u>
Cash and investments - ending	<u>\$ 114</u>	<u>\$ 341</u>	<u>\$ 17,200</u>	<u>\$ 16,822</u>	<u>\$ 30,601</u>	<u>\$ 162,867</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 114	\$ 341	\$ 17,200	\$ 16,822	\$ 30,601	\$ 162,867
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 114</u>	<u>\$ 341</u>	<u>\$ 17,200</u>	<u>\$ 16,822</u>	<u>\$ 30,601</u>	<u>\$ 162,867</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>114</u>	<u>341</u>	<u>17,200</u>	<u>16,822</u>	<u>30,601</u>	<u>162,867</u>
Total cash and investment fund balance - ending	<u>\$ 114</u>	<u>\$ 341</u>	<u>\$ 17,200</u>	<u>\$ 16,822</u>	<u>\$ 30,601</u>	<u>\$ 162,867</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, 2009
 (Continued)

	Technology Plan Grant	Essay/Tech Grant	DC Trip Administration	Title 1	Title V	Federal Discretionary Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	1,000	-	-	-	-
Federal sources	-	-	-	498,653	18,933	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	8,000	5,620	-	-	-
Total receipts	-	9,000	5,620	498,653	18,933	-
Disbursements:						
Current:						
Instruction	-	4,000	-	433,016	-	-
Support services	-	-	-	33,582	68,704	-
Noninstructional services	-	-	5,661	797	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	592	682	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	4,000	5,661	467,987	69,386	-
Excess (deficiency) of receipts over disbursements	-	5,000	(41)	30,666	(50,453)	-
Other financing sources (uses):						
Transfers in	-	-	-	-	50,000	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	50,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	5,000	(41)	30,666	(453)	-
Cash and investments - beginning	106	-	2,077	14,799	19,386	-
Cash and investments - ending	\$ 106	\$ 5,000	\$ 2,036	\$ 45,465	\$ 18,933	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 106	\$ 5,000	\$ 2,036	\$ 45,465	\$ 18,933	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 106	\$ 5,000	\$ 2,036	\$ 45,465	\$ 18,933	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	106	5,000	2,036	45,465	18,933	-
Total cash and investment fund balance - ending	\$ 106	\$ 5,000	\$ 2,036	\$ 45,465	\$ 18,933	\$ -

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, 2009
 (Continued)

	Federal Subgrant	Federal Carryover	Federal C/O	Federal New	CSPD Roundtable	Sliver Funds
Receipts:						
Local sources	\$ -	\$ 53	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	8,750,611	150,000	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	53	-	8,750,611	150,000	-
Disbursements:						
Current:						
Instruction	-	560,041	-	6,362,170	149,914	-
Support services	2,078	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	1,823,508	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	2,078	560,041	-	8,185,678	149,914	-
Excess (deficiency) of receipts over disbursements	(2,078)	(559,988)	-	564,933	86	-
Other financing sources (uses):						
Transfers in	-	493,986	-	-	-	-
Transfers out	-	-	-	(493,986)	-	-
Total other financing sources (uses)	-	493,986	-	(493,986)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,078)	(66,002)	-	70,947	86	-
Cash and investments - beginning	2,078	87,682	1,552	235,234	1,569	1,511
Cash and investments - ending	\$ -	\$ 21,680	\$ 1,552	\$ 306,181	\$ 1,655	\$ 1,511
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 21,680	\$ 1,552	\$ 306,181	\$ 1,655	\$ 1,511
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 21,680	\$ 1,552	\$ 306,181	\$ 1,655	\$ 1,511
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	21,680	1,552	306,181	1,655	1,511
Total cash and investment fund balance - ending	\$ -	\$ 21,680	\$ 1,552	\$ 306,181	\$ 1,655	\$ 1,511

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, 2009
 (Continued)

	Early Childhood	Federal Preschool Grant	Milken Educator	Title IV Part A Drug-Free	Federal Subgrant Carmel Clay	Title II
Receipts:						
Local sources	\$ 347	\$ -	\$ -	\$ -	\$ -	\$ 491
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	302,326	-	-	1,000	-	202,912
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	499,407	-
Total receipts	<u>302,673</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>499,407</u>	<u>203,403</u>
Disbursements:						
Current:						
Instruction	295,521	2,292	-	-	404,804	-
Support services	-	-	65	3,323	92,681	140,612
Noninstructional services	-	-	-	1,370	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	43
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>295,521</u>	<u>2,292</u>	<u>65</u>	<u>4,693</u>	<u>497,485</u>	<u>140,655</u>
Excess (deficiency) of receipts over disbursements	<u>7,152</u>	<u>(2,292)</u>	<u>(65)</u>	<u>(3,693)</u>	<u>1,922</u>	<u>62,748</u>
Other financing sources (uses):						
Transfers in	-	2,292	-	-	-	-
Transfers out	(2,292)	-	-	-	-	(50,000)
Total other financing sources (uses)	<u>(2,292)</u>	<u>2,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>4,860</u>	<u>-</u>	<u>(65)</u>	<u>(3,693)</u>	<u>1,922</u>	<u>12,748</u>
Cash and investments - beginning	<u>6,859</u>	<u>1,081</u>	<u>1,219</u>	<u>5,377</u>	<u>-</u>	<u>171,448</u>
Cash and investments - ending	<u>\$ 11,719</u>	<u>\$ 1,081</u>	<u>\$ 1,154</u>	<u>\$ 1,684</u>	<u>\$ 1,922</u>	<u>\$ 184,196</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 11,719	\$ 1,081	\$ 1,154	\$ 1,684	\$ 1,922	\$ 184,196
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 11,719</u>	<u>\$ 1,081</u>	<u>\$ 1,154</u>	<u>\$ 1,684</u>	<u>\$ 1,922</u>	<u>\$ 184,196</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	11,719	1,081	1,154	1,684	1,922	184,196
Total cash and investment fund balance - ending	<u>\$ 11,719</u>	<u>\$ 1,081</u>	<u>\$ 1,154</u>	<u>\$ 1,684</u>	<u>\$ 1,922</u>	<u>\$ 184,196</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, 2009
 (Continued)

	English Language Acquisition	Retirement Bond	School Bus Replacement	Building Project	Capital Improvement HBM	Totals
Receipts:						
Local sources	\$ -	\$ 3,834,843	\$ 1,320,342	\$ 405	\$ 125,850	\$ 23,495,914
Intermediate sources	-	-	-	-	-	115,161
State sources	-	-	-	-	-	510,804
Federal sources	42,150	-	-	-	-	9,966,585
Temporary loans	-	1,800,000	284,000	-	-	6,034,000
Interfund loans	-	-	61,000	-	-	216,000
Other	-	-	-	-	-	513,558
Total receipts	42,150	5,634,843	1,665,342	405	125,850	40,852,022
Disbursements:						
Current:						
Instruction	15,813	-	-	-	-	15,478,948
Support services	37,810	-	778,421	-	812	11,676,902
Noninstructional services	-	-	-	-	-	7,828
Facilities acquisition and construction	20,675	-	-	33,248	119,754	270,421
Debt services	-	3,859,564	600,000	-	-	6,459,564
Nonprogrammed charges	-	-	-	-	-	4,551,815
Interfund loans	-	1,300,000	287,000	-	-	2,298,000
Total disbursements	74,298	5,159,564	1,665,421	33,248	120,566	40,743,478
Excess (deficiency) of receipts over disbursements	(32,148)	475,279	(79)	(32,843)	5,284	108,544
Other financing sources (uses):						
Transfers in	-	-	-	-	-	1,493,359
Transfers out	-	-	-	-	-	(546,278)
Total other financing sources (uses)	-	-	-	-	-	947,081
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(32,148)	475,279	(79)	(32,843)	5,284	1,055,625
Cash and investments - beginning	54,058	4,478	174	37,984	2,695	1,064,941
Cash and investments - ending	\$ 21,910	\$ 479,757	\$ 95	\$ 5,141	\$ 7,979	\$ 2,120,566
Cash and Investment Assets - Ending						
Cash and investments	\$ 21,910	\$ -	\$ 95	\$ 5,141	\$ 7,979	\$ 1,640,809
Restricted assets:						
Cash and investments	-	479,757	-	-	-	479,757
Total cash and investment assets - ending	\$ 21,910	\$ 479,757	\$ 95	\$ 5,141	\$ 7,979	\$ 2,120,566
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ 479,757	\$ -	\$ -	\$ -	\$ 479,757
Unrestricted	21,910	-	95	5,141	7,979	1,640,809
Total cash and investment fund balance - ending	\$ 21,910	\$ 479,757	\$ 95	\$ 5,141	\$ 7,979	\$ 2,120,566

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, 2008

	Eric Clark Center	Donations	Memorial Gifts	Ball State Grant	CEC Grant	Writing Initiative	Totals
Additions:							
Contributions:							
Other	\$ 51,166	\$ 152,464	\$ -	\$ 2,920	\$ -	\$ -	\$ 206,550
Deductions:							
Administrative and general	30,824	181,647	3,712	3,299	-	-	219,482
Excess (deficiency) of total additions over total deductions	20,342	(29,183)	(3,712)	(379)	-	-	(12,932)
Other financing sources (uses):							
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources disbursements and other financing uses	20,342	(29,183)	(3,712)	(379)	-	-	(12,932)
Cash and investment fund balance - beginning	34,229	126,917	4,469	12,844	267	1,665	180,391
Cash and investments - June 30	<u>\$ 54,571</u>	<u>\$ 97,734</u>	<u>\$ 757</u>	<u>\$ 12,465</u>	<u>\$ 267</u>	<u>\$ 1,665</u>	<u>\$ 167,459</u>
Net assets:							
Cash and investments	\$ 54,571	\$ 97,734	\$ 757	\$ 12,465	\$ 267	\$ 1,665	\$ 167,459
Total net assets - cash and investment basis held in trust	<u>\$ 54,571</u>	<u>\$ 97,734</u>	<u>\$ 757</u>	<u>\$ 12,465</u>	<u>\$ 267</u>	<u>\$ 1,665</u>	<u>\$ 167,459</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, 2009

	Eric Clark Center	Donations	Memorial Gifts	Ball State Grant	CEC Grant	Writing Initiative	Totals
Additions:							
Contributions:							
Other	\$ 51,167	\$ 104,912	\$ -	\$ 2,000	\$ -	\$ -	\$ 158,079
Deductions:							
Administrative and general	82,249	91,882	-	1,139	-	-	175,270
Excess (deficiency) of total additions over total deductions	(31,082)	13,030	-	861	-	-	(17,191)
Cash and investment fund balance - beginning	54,571	97,734	757	12,465	267	1,665	167,459
Cash and investments - June 30	<u>\$ 23,489</u>	<u>\$ 110,764</u>	<u>\$ 757</u>	<u>\$ 13,326</u>	<u>\$ 267</u>	<u>\$ 1,665</u>	<u>\$ 150,268</u>
Net assets:							
Cash and investments	<u>\$ 23,489</u>	<u>\$ 110,764</u>	<u>\$ 757</u>	<u>\$ 13,326</u>	<u>\$ 267</u>	<u>\$ 1,665</u>	<u>\$ 150,268</u>
Total net assets - cash and investment basis held in trust	<u>\$ 23,489</u>	<u>\$ 110,764</u>	<u>\$ 757</u>	<u>\$ 13,326</u>	<u>\$ 267</u>	<u>\$ 1,665</u>	<u>\$ 150,268</u>

CARMEL CLAY SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended June 30, 2009

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	340,731,421
Improvements other than buildings	10,795,726
Machinery and equipment	10,237,512
Transportation	15,097,526
Construction in progress	<u>3,169,240</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 390,688,049</u>

CARMEL CLAY SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2009

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	\$ 132,645,000	\$ 9,407,444
Carmel High School Building Corporation	16,915,000	3,985,987
Carmel High School Building Corporation	20,270,000	2,855,519
Carmel 2002 School Building Corporation	25,510,000	1,684,297
Bonds payable:		
General obligation bonds:		
Pension Bonds of 2003	<u>15,350,000</u>	<u>3,854,550</u>
Total governmental activities debt	<u>\$ 210,690,000</u>	<u>\$ 21,787,797</u>

CARMEL CLAY SCHOOLS
AUDIT RESULTS AND COMMENTS

PENALTIES, INTEREST, AND OTHER CHARGES

Interest totaling \$181.36 was paid to the Indiana Department of Revenue May 15, 2008, for the period February 2008.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

TRANSPORTATION FUND EXPENDITURES – ADMINISTRATORS

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

IC 20-40-6-6(a) states in part:

"The following costs are payable from the fund: (1) The salaries paid bus drivers, transportation supervisors, mechanics and garage employees, clerks, and other transportation-related employees . . ."

IC 20-40-6-6(b) states:

"Percentages, or parts of salaries of teaching personnel or principals are not attributable to transportation. However, parts of salaries of instructional aides who are assigned to assist with the school transportation program are attributable to transportation. The costs described in this subsection (other than instructional aide costs) may not be budgeted for payment or paid from the fund."

IC 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 formerly established by boards of school trustees, through job descriptions, 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 employee's 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

CARMEL CLAY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

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 for which the service, materials, supplies, etc. are provided. (The School Administrator and Uniform Compliance Guidelines, Volume 157)

TEXTBOOK RENTAL CHARGES

The School Corporation charged the cost of the textbook plus an additional 20% for the cost for shipping and handling, in calculating textbook rental charges, and then would multiply that amount by the 25% allowable charge per year. A similar comment appeared in the prior Report B31718.

IC 20-26-12-2 states in part:

"(a) A governing body may purchase from a contracting publisher, at a 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 exceed twenty-five percent (25%) of the retail price of the textbooks."

Therefore, 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. A textbook costing twelve dollars (\$12.00) (which includes shipping and handling) could be recovered at a maximum of eighteen dollars (\$18.00) over the six year period (\$12.00/4, x 6). (The School Administrator and Uniform Compliance Guidelines, Volume 185)

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, Computer Usage Fee and Technology Fee. School Corporation Officials could not always provide documentation to verify students received consumable goods or services equal to the fee charged. Information provided for the Activity Fee, charged to all high school students, has embedded an amount for Media (i.e. school library). Documentation provided for Biology Fees included but not limited to charges for light bulbs for overhead projectors and testing supplies.

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)

CARMEL CLAY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

STATE TEXTBOOK REIMBURSEMENT - LACK OF RECORDS

Records were not presented for audit to support State Textbook Reimbursement for students receiving financial assistance claimed by the School Corporation.

IC 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The School Corporation did not comply with directives of the Internal Revenue Service by not reporting the personal miles driven in a school corporation owned vehicle on the individuals W-2.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OVERDRAWN FUND BALANCES (School Corporation,
Carmel High School, Tri-County Education Center)

The School Corporation Special Education Co-op Fund was overdrawn \$376,166 at June 30, 2009.

The following schools had overdrawn fund balances for the following extra-curricular (ECA), at each respective year-end:

<u>ECA</u>	<u>Fund</u>	<u>School Year</u>	<u>Amount</u>
Tri-County Education Center	Interest	2007-2008	\$ 33.00
	Lunch	2007-2008	96.62
	Lunch	2008-2009	216.28
Carmel High School	Coquettes	2007-2008	12.37
	Computer Science	2007-2008	105.70

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)

CARMEL CLAY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

CREDIT CARDS (School Corporation and Carmel High School)

Certain employees of the Carmel Clay Schools are using credit cards in some instances to purchase items for the School. We noted instances where some charges had insufficient documentation and another charge was paid based on the credit card slip only. We also noted an instance of the purchase of alcohol with the credit card. There was insufficient documentation that the charge had been reimbursed to the School.

Employees of the Carmel High School ECA are using credit cards to purchase items without following the Carmel Clay Schools approved credit card policy. We noted instances where the credit card was paid on the basis of the statement without supporting detailed invoices. The cards are not kept in the custody of the ECA Treasurer or the School Corporation's Business office and no log is used to control the use of the cards.

Purchases of alcoholic beverages may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Supporting documentation such as receipts, cancelled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.

CARMEL CLAY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

- (7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
- (8) If properly authorized, an annual fee may be paid.

(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)

TRAVEL POLICY (School Corporation and Carmel High School)

The Carmel Clay Schools has issued a travel policy and have established a fixed mileage chart for distances between school buildings. We noted that in some instances, these fixed miles were not used, and in one instance resulted in the employee being overpaid for her documented travel.

We noted instances of reimbursement for hotel/motel room costs and meals in an amount greater than the receipt presented for reimbursement.

Additionally, travel charges incurred by high school personnel are paid by a credit card issued to the High School. The individuals then submit reimbursement to the School Corporation Office and receive the reimbursement checks. The employee would then endorse the check to the Carmel High School ECA Fund to reimburse for the original credit card payment.

Each governmental unit should adopt a written travel policy in conformity with applicable statutes. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Reimbursement for lodging and meals should be based upon actual receipts for amounts paid unless otherwise authorized by statute. (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)

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

USE OF FORM SA-7/SA-1, CLAIM FOR PAYMENT (Mohawk Trails Elementary and Mosaics)

Proper signatures were not evident on several claims reviewed.

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)

CONDITION OF RECORDS (Clay Middle School and Tri-County Education Center)

The following deficiencies relating to the recordkeeping were noted.

Several transactions were recorded using negative receipts and negative disbursements. (Clay Middle)

1. Financial records presented for audit were incomplete and not reflective of the activity of the Extra-Curricular Account (ECA) Fund. The records presented did not provide sufficient information to audit. No duplicate receipts were provided for review. Deposit slips were not provided and could not be traced to receipts. The control ledger and the bank balance for the two years under audit did not agree at year-end. Checks that were remitted to the ECA were copied in support of the deposit in some cases, the date of these checks were sometimes 4 to 6 weeks before actual deposit. (Tri-County)
2. Several claims were not signed by the appropriate officials and several invoices did not have a SA-1/SA-7 attached. Checks were noted where the payee was Cash. The ECA is paying people for being bus aides, bus drivers, and teacher's aides without submitting the payments through the School Corporation's payroll. (Tri-County)

A similar comment appeared in the prior Report B31718.

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)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

ECA DEPOSITS (Mosaics)

Receipts were not always deposited within a reasonable time. Receipts were held up to 14 days before a deposit was made. In some cases, receipts accumulated to over \$146 before a deposit was made.

A similar comment appeared in the prior Report B31718.

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

CARMEL CLAY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

ECA PURCHASE OF EQUIPMENT (Carmel High School)

A disbursement of \$114,933 was made from the Athletic Fund on October 28, 2008, for a new scoreboard. Additionally, a laptop computer was purchased on June 3, 2009, from the Investment Income fund for \$1,847. A review of the School Board minutes did not reveal authorization for the purchase of this equipment.

IC 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 behalf has the . . . specific powers . . . acquire such personal property or an interest in personal property as the governing body deems necessary for school purposes . . ." Therefore, extra-curricular equipment purchases should be approved prior to purchase by the Board of School Trustees. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

TRANSFER OF EXTRA-CURRICULAR FUNDS (Carmel High School)

Funds from the Student Concessions Fund invested in a Certificate of Deposit were transferred in the 2008-2009 school year, to the Investment Income Fund.

IC 20-41-1-4 provides in part, concerning extra-curricular funds: "Funds may not be transferred from the accounts of any organization, class, or activity except by a majority vote of its members . . ."

FACILITIES RENTAL (Carmel High School)

The Athletic Department received \$2,500 for the rental of a school field to a Lacrosse Club. The \$2,500 was deposited into the Extra-Curricular Account and a check was written to send \$1,250 (only half of the rental fee) to the School Corporation Office.

All educational functions are the specific responsibility of the governing body (board of school trustees, etc.) of the school corporation acting on its behalf (IC 20-26-5-4), including providing the facilities and equipment therefore. All monies received for educational purposes, including those related to educational programs or facilities must be receipted to school corporation funds. (Accounting and Uniform Compliance Manual for Extra-Curricular Accounts, Chapter 6)

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

Information was not presented for audit to indicate that bookstore inventories and reconcilements to purchases and sales were performed. Additionally, the bookstore starts out with two cash drawers with a hundred dollars in each and does not have a system to track daily purchases. The money in the drawers above the cash amount is taken, deposited, and turned in to the Extra-Curricular Account Treasurer as the sales for the day. An inventory is taken at the end of the year, but there is no inventory control to compare to the physical inventory.

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.

CARMEL CLAY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

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)

PRESCRIBED FORMS (Carmel High School)

Prescribed SA-8 Summary Collection Form was not always in use.

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)

FUND SOURCES AND USES (Creekside Middle School)

Receipts were incorrectly recorded in the Faculty Vending Fund and Interest Fund. A Herf Jones photography commission check for \$6,816 was split between the Faculty Vending Fund and Interest Fund.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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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, 2008 and 2009. 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, 2008 and 2009.

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.

The School Corporation's response to the findings identified in our audit is described in the accompanying Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, school board, 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

January 20, 2010

CARMEL CLAY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2008 and 2009

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 06-30-08	Total Federal Awards Expended 06-30-09
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	FY 2007/2008 FY 2008/2009	\$ 46,087 -	\$ - 55,571
Total for program			<u>46,087</u>	<u>55,571</u>
National School Lunch Program	10.555	FY 2007/2008 FY 2008/2009	1,010,117 -	- 1,085,577
Total for program			<u>1,010,117</u>	<u>1,085,577</u>
Total for cluster			<u>1,056,204</u>	<u>1,141,148</u>
Child and Adult Care Food Program	10.558	FY 2007/2008 FY 2008/2009	13,092 -	- 15,057
Total for program			<u>13,092</u>	<u>15,057</u>
Total for federal grantor agency			<u>1,069,296</u>	<u>1,156,205</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Special Education Cluster				
Special Education - Grants to States	84.027	14206-025-PY02 14207-025-PY02 14208-025-PY02 14207-025-PN01 14208-025-PN01 14209-025-PN01 14207-049-DY01 14204-035-DY01	95,634 599,724 - 1,004,200 6,684,658 - 86 85,000	- 90,593 469,449 - 1,021,248 7,164,429 149,914 -
Total for program			<u>8,469,302</u>	<u>8,895,633</u>
Special Education - Preschool Grants	84.173	45707-025-PN01 45708-025-PN01 45709-025-PN01 45707-025-PY02 45708-025-PY02	52,615 256,041 - 5,878 -	- 53,414 242,107 - 2,292
Total for program			<u>314,534</u>	<u>297,813</u>
Total for cluster			<u>8,783,836</u>	<u>9,193,446</u>
Title 1 Grants to Local Educational Agencies	84.010	05-3060 07-3060 08-3060 09-3060	- 40,468 457,389 -	13,111 - 34,871 420,006
Total for program			<u>497,857</u>	<u>467,988</u>

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, 2008 and 2009
(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 06-30-08	Total Federal Awards Expended 06-30-09
Safe and Drug-Free Schools and Communities - State Grants	84.186	04-015 05-028 06-3060 07-3060	2,278 1,769 4,640 24,447	- - 1,371 3,323
Total for program			<u>33,134</u>	<u>4,694</u>
State Grants for Innovative Programs	84.298	05-308 06-3060	7,239 -	- 69,386
Total for program			<u>7,239</u>	<u>69,386</u>
English Language Acquisition Grants	84.365	06-3060 07-3060 08-3060	2,561 22,617 -	- 54,058 20,240
Total for program			<u>25,178</u>	<u>74,298</u>
Improving Teacher Quality State Grants	84.367	05-279 06-306 07-3060	21,782 111,658 1,112	- 32,309 108,345
Total for program			<u>134,552</u>	<u>140,654</u>
ARRA - State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	2009 Award	-	1,764,496
Total for federal grantor agency			<u>9,481,796</u>	<u>11,714,962</u>
Total federal awards expended			<u>\$ 10,551,092</u>	<u>\$ 12,871,167</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 Schools (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 Corporations 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, 2008 and 2009:

Program Title	Federal CFDA Number	2008	2009
Special Education - Grants to States	84.027	<u>\$ 1,872,387</u>	<u>\$ 1,823,508</u>

III. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2008 and 2009. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2008	2009
National School Lunch Program	10.555	<u>\$ 334,846</u>	<u>\$ 334,443</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
Significant deficiencies 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
Significant deficiencies 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:

CFDA Number	Name of Federal Program or Cluster
84.010	Child Nutrition Cluster Title 1 Grants to Local Educational Agencies Special Education Cluster
84.394	State Fiscal Stabilization Fund - Education State Grants, Recovery Act

Dollar threshold used to distinguish between Type A and Type B programs: \$702,318

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 February 2, 2010, with Roger McMichael, Assistant Superintendent of Schools; Dr. Stuart J. Swensson, Superintendent of Schools; Bruce Calabrese, Board member; and David Stowers, Deputy Treasurer. The official response has been made a part of this report and may be found on pages 66 through 68.



CARMEL CLAY SCHOOLS

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Assistant Superintendent
Business Affairs

Jeff Swensson, Ph.D.
Assistant Superintendent
Curriculum, Instruction & Assessment

February 10, 2010

State Board of Accounts
State Examiner
Attention: Mr. Bruce Hartman
302 W. Washington Street
Room E418
Indianapolis, IN 46204-2765

RE: Response to Audit – Period July 1, 2007 to June 30, 2009

Dear Mr. Hartman:

I am providing the following responses to the various recommendations made by the Field Examiners, as follows:

PENALTIES, INTEREST AND OTHER CHARGES

RESPONSE: We implemented control procedures in May 2008 which will ensure the payment of interest will not happen in the future.

TRANSPORTATION FUND EXPENDITURES – ADMINISTRATORS

RESPONSE: The only employees Carmel Clay Schools is paying on a percentage basis from the Transportation Fund are the Assistant Superintendent for Business Affairs, the Supervisor of Accounting, and the Supervisor of Human Resources. The employees in question are salaried, exempt employees as defined by the federal wage and hour statute. Indiana Code 21-2-11.5-2(c), which became effective July 1, 1995, specifically prohibits paying percentages or parts of salaries of teaching personnel or principals. Carmel Clay Schools does not pay any percentages of teaching personnel or principals from the Transportation Fund. However, this code does not specifically prohibit paying percentages on parts of salaries for other school personnel.

IC 5-11-9-4 references hourly, non-exempt employees as defined by the federal wage and hour statute. The employees in question are salaried, exempt employees whose job responsibilities are not defined by the number of hours they work in a given area

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of responsibility. Further, IC 5-11-9-4(b) describes employees who occupy more than one position. These employees do not occupy more than position.

TEXTBOOK RENTAL CHARGES

RESPONSE: We addressed this matter in 2008 in a forward-looking manner. We will address this comment for any textbooks that have not been through the adoption process since the original finding in B31718.

FEES

RESPONSE: The high school Media fee and fee components not directly consumed by students will be eliminated beginning with the 2010-11 school year.

STATE TEXTBOOK REIMBURSEMENT – LACK OF RECORDS

RESPONSE: Records were made available to field examiners of each secondary student's schedule which included the detail for each course. These records were alphabetized within grade level; students qualifying for free and reduced meals were interspersed with students who did not qualify or did not apply. The supporting calculation worksheets were not retained. Information needed to verify our textbook reimbursement request was available, although time consuming to audit. In the future we will retain the calculation worksheets.

FEDERAL AND STATE AGENCIES – COMPLIANCE REQUIREMENTS

RESPONSE: The school district will include the value of personal use of a school owned vehicle on individual W-2 forms.

OVERDRAWN FUND BALANCES

RESPONSE: The Administration has addressed the auditor's comment and those cash balances will not be overdrawn in the future.

CREDIT CARDS

RESPONSE: The Administration has reviewed our procedures with the staff involved with this process. Reimbursement was received for the purchase of alcohol. The Administration has advised the appropriate Carmel High School staff regarding proper use of credit cards.

TRAVEL POLICY

RESPONSE: In the future reimbursement for travel will be based on a fixed mileage chart or the actual odometer readings submitted by the claimant.

The reimbursement "in an amount greater than the receipt presented" was made in the amount billed to our employee per the hotel's invoice. The auditor's review revealed there were charges above and beyond the standard room rate which was described on the invoice. These charges were the responsibility of the employee and were reimbursed to the School Corporation on January 8, 2010.

**ECA USE OF FORMS; CONDITION OF RECORDS; DEPOSITS; PURCHASE OF EQUIPMENT;
TRANSFER OF FUNDS; PRESCRIBED FORMS; FUND SOURCES AND USES**

RESPONSE: *The Administration has brought these findings to the attention of the appropriate school staff.*

FACILITIES RENTAL (Carmel High School)

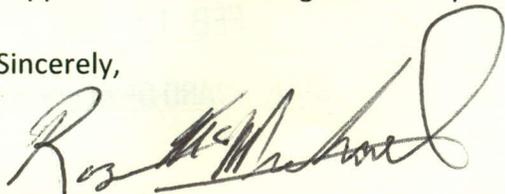
RESPONSE: *In the future, revenue received for facility rental will be receipted into school corporation funds.*

VENDING, CONCESSIONS OR OTHER SALES CONTROLS

RESPONSE: *The Administration is working with Carmel High School staff to implement a computerized cash register system which will track inventory purchases and sales to facilitate accurate reconciliation to the physical inventory.*

I appreciate the thoroughness and professionalism exhibited by your field examiners.

Sincerely,



Roger McMichael
Assistant Superintendent for Business Affairs

RM:jm

c: Dr. Jeff Swensson, Superintendent
Mr. B. C. Calabrese, Board of School Trustees
Mr. David Stowers, Supervisor of Accounting