

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CARMEL CLAY SCHOOLS
HAMILTON COUNTY, INDIANA

July 1, 2009 to June 30, 2011



FILED

02/01/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Roger McMichael	07-01-09 to 06-30-12
Superintendent of Schools	Dr. Barbara Underwood Dr. Stuart J. Swensson	07-01-09 to 12-31-09 01-01-10 to 06-30-12
President of the School Board	Andrew Klein Patricia Hackett	07-01-09 to 06-30-10 07-01-10 to 06-30-12



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

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT
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 statement of the Carmel Clay Schools (School Corporation), for the years ended June 30, 2010 and 2011. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 opinion.

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the years ended June 30, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated December 8, 2011, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, 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 financial statement and, accordingly, we express no opinion on them.

The School Corporation's response to the Audit Results and Comments 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, School Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 8, 2011



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

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

We have audited the financial statement of the Carmel Clay Schools (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated December 8, 2011. 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 opinion on the financial statement, 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The School Corporation's response to the Audit Results and Comments 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, School Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 8, 2011

FINANCIAL STATEMENT

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

CARMEL CLAY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2010 and 2011

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
General	\$ 46,095	\$ 82,794,882	\$ 78,695,628	\$ 120,916	\$ 4,266,265	\$ 84,168,499	\$ 83,695,338	\$ 45,152	\$ 4,784,578
Referendum Tax Levy	365,199	3,137,206	2,263,588	-	1,238,817	8,420,741	7,342,089	-	2,317,469
Debt Service	1,788,870	23,754,347	18,103,944	(3,864,235)	3,575,038	20,083,026	18,099,550	(22,065)	5,536,449
Retirement/Severance Bond Debt Service	479,757	5,678,642	5,654,550	-	503,849	4,060,467	3,854,157	-	710,159
Capital Projects	2,598,602	23,414,493	21,060,027	151,630	5,104,698	16,728,456	14,566,684	-	7,266,470
School Transportation	770,232	10,246,732	10,665,562	51,374	402,776	8,405,360	8,349,716	349,815	808,235
School Bus Replacement	95	1,163,401	1,158,094	-	5,402	1,628,884	1,595,844	-	38,442
Special Education Preschool	3,144	207,626	213,241	2,471	-	-	-	-	-
Rainy Day	-	-	912,739	3,850,000	2,937,261	-	2,937,261	-	-
Retirement/Severance Bond	2,823,883	5,444	411,044	-	2,418,283	221,818	493,363	-	2,146,738
Construction	5,141	1	5,142	-	-	-	-	-	-
School Lunch	1,071,273	7,153,923	6,418,239	-	1,806,957	7,214,618	7,077,689	-	1,943,886
Textbook Rental	667,611	2,341,980	1,349,623	(473,594)	1,186,374	2,193,620	2,068,632	(388,281)	923,081
Self-Insurance	5,788,239	16,251,687	15,327,771	-	6,712,155	17,306,198	15,432,773	-	8,585,580
Levy Excess	-	298,441	-	-	298,441	-	-	(298,441)	-
Special Ed Co-op Operating	(376,166)	6,825,155	6,677,860	313,067	84,196	5,712,054	6,935,436	313,068	(826,118)
Alternative Education	9,248	-	-	-	9,248	-	-	(9,248)	-
School Library Printed Material	205	-	-	-	205	-	109	-	96
SAFE School Haven	114	12,000	12,000	-	114	-	-	-	114
Eric Clark Center	23,489	51,166	42,334	-	32,321	51,167	26,847	-	56,641
Donations	110,764	65,222	117,480	-	58,506	48,855	45,147	-	62,214
Teacher Memorial	757	-	-	-	757	-	-	-	757
Ball State Grant	13,326	1,999	5,231	-	10,094	1,999	3,008	-	9,085
CEC Grant	267	-	-	-	267	-	-	-	267
Special Ed Co-op Capital	7,979	73,668	70,865	-	10,782	11,771	15,755	-	6,798
Writing Initiative	1,665	-	-	-	1,665	-	-	-	1,665
Gifted and Talented	17,200	91,491	87,560	-	21,131	90,121	89,670	-	21,582
Economic Education Mini Grant	341	-	340	-	1	-	-	-	1
4-H	16,822	5,001	4,666	-	17,157	-	5,315	-	11,842
Non-English Speaking Programs P.L. 273-1999	30,600	53,958	70,554	-	14,004	47,069	42,811	-	18,262
School Technology	162,867	163,143	117,768	-	208,242	75,614	174,784	-	109,072
Technology Grants [IC 20-40-15]	106	-	-	-	106	-	106	-	-
Workforce and Essay Grants	5,000	7,500	5,000	-	7,500	1,520	9,020	-	-
Indiana Cares Grant	-	-	-	-	-	3,318	3,318	-	-
DC Trip	2,036	4,494	5,361	-	1,169	4,412	5,439	-	142
Diesel Wise Grant	-	76,000	75,968	-	32	75,968	76,000	-	-

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

CARMEL CLAY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2010 and 2011
(Continued)

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
Title I	45,464	447,449	446,202	-	46,711	362,319	411,682	-	(2,652)
Title V	18,933	7,383	26,316	-	-	-	-	-	-
5190 Special Education Grant	-	495,034	493,115	-	1,919	528,591	531,525	-	(1,015)
5220 Federal Carry-Over	21,679	-	306,614	322,802	37,867	-	40,725	-	(2,858)
5230 Federal Carry-Over	1,552	-	-	-	1,552	-	-	-	1,552
Federal Part B	306,182	8,691,009	8,452,532	(322,802)	221,857	8,859,770	9,405,219	-	(323,592)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	1,655	-	-	-	1,655	-	-	-	1,655
Federal Part B Targeted Funds	-	80,000	80,000	-	-	-	-	-	-
Sliver Funds	1,512	-	-	-	1,512	-	-	-	1,512
Federal Preschool	11,719	294,230	243,606	(17,120)	45,223	213,230	267,521	-	(9,068)
Federal Preschool Carryover	1,081	-	11,056	17,122	7,147	-	6,066	-	1,081
Milken Educator Grant	1,155	-	65	-	1,090	-	-	-	1,090
5880 Title IV	1,683	-	1,317	-	366	25,391	31,353	1,122	(4,474)
5888 Title IV	-	25,887	24,765	-	1,122	-	-	(1,122)	-
Team Nutrition Training Grants	-	-	-	-	-	6,075	6,075	-	-
5990 Special Education Grant	1,921	-	1,921	-	-	-	-	-	-
Federal Mental Health Grant	-	77,685	77,685	-	-	136,982	136,982	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	184,197	157,897	224,487	-	117,607	50,920	181,383	10,000	(2,856)
Title III, Language Instruction	21,910	43,162	29,289	-	35,783	9,123	44,906	-	-
Fiscal Stabilization - Education	1,746,478	6,415,471	8,161,949	-	-	-	-	-	-
Special Education - Part B	-	6,519,490	6,403,739	-	115,751	5,457,870	5,452,386	-	121,235
Special Education - Part B - Preschool	-	338,065	323,281	-	14,784	133,970	150,763	-	(2,009)
Payroll	406,245	27,896,871	27,918,582	-	384,534	28,867,625	28,827,341	-	424,818
Totals	<u>\$ 19,208,127</u>	<u>\$ 235,369,235</u>	<u>\$ 222,758,700</u>	<u>\$ 151,631</u>	<u>\$ 31,970,293</u>	<u>\$ 221,207,421</u>	<u>\$ 218,439,788</u>	<u>\$ -</u>	<u>\$ 34,737,926</u>

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

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

The accompanying financial statement presents the financial information for the School Corporation (primary government).

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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

C. Cash and Investments

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

D. Receipts

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

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

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

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

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

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

E. Disbursements

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

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

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

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

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

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

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

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Other financing sources and uses

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

Proceeds of long-term debt which includes money received in relation to the issuance of bonds or other long-term debt issues.

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

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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

The School Corporation also contributes to additional pension plans unique to the School Corporation. Information regarding these plans may be obtained from the School Corporation.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

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

The supplementary information presented was prepared and/or approved by management of the School Corporation. It is presented as intended by the School Corporation.

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010

	General	Referendum Tax Levy	Debt Service	Retirement/ Serverance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day
Cash and investments - beginning	\$ 46,095	\$ 365,199	\$ 1,788,870	\$ 479,757	\$ 2,598,602	\$ 770,232	\$ 95	\$ 3,144	\$ -
Receipts:									
Local sources	3,969,628	3,137,206	23,754,347	5,678,642	23,414,493	10,185,065	888,401	-	-
Intermediate sources	3,827	-	-	-	-	-	-	-	-
State sources	78,818,260	-	-	-	-	-	-	207,626	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	61,000	275,000	-	-
Other	3,167	-	-	-	-	667	-	-	-
Total receipts	<u>82,794,882</u>	<u>3,137,206</u>	<u>23,754,347</u>	<u>5,678,642</u>	<u>23,414,493</u>	<u>10,246,732</u>	<u>1,163,401</u>	<u>207,626</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	51,982,176	-	-	-	-	-	-	213,241	-
Support services	21,852,951	-	-	-	6,203,447	7,614,562	813,094	-	912,739
Noninstructional services	1,261,833	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	10,856,580	-	-	-	-
Debt services	-	950,000	18,103,944	5,654,550	4,000,000	2,700,000	284,000	-	-
Nonprogrammed charges	298,668	1,313,588	-	-	-	-	-	-	-
Interfund loans	3,300,000	-	-	-	-	351,000	61,000	-	-
Total disbursements	<u>78,695,628</u>	<u>2,263,588</u>	<u>18,103,944</u>	<u>5,654,550</u>	<u>21,060,027</u>	<u>10,665,562</u>	<u>1,158,094</u>	<u>213,241</u>	<u>912,739</u>
Excess (deficiency) of receipts over disbursements	<u>4,099,254</u>	<u>873,618</u>	<u>5,650,403</u>	<u>24,092</u>	<u>2,354,466</u>	<u>(418,830)</u>	<u>5,307</u>	<u>(5,615)</u>	<u>(912,739)</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	151,630	-	-	-	-
Transfers in	487,829	-	-	-	-	51,374	-	2,471	3,850,000
Transfers out	(366,913)	-	(3,864,235)	-	-	-	-	-	-
Total other financing sources (uses)	<u>120,916</u>	<u>-</u>	<u>(3,864,235)</u>	<u>-</u>	<u>151,630</u>	<u>51,374</u>	<u>-</u>	<u>2,471</u>	<u>3,850,000</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>4,220,170</u>	<u>873,618</u>	<u>1,786,168</u>	<u>24,092</u>	<u>2,506,096</u>	<u>(367,456)</u>	<u>5,307</u>	<u>(3,144)</u>	<u>2,937,261</u>
Cash and investments - ending	<u>\$ 4,266,265</u>	<u>\$ 1,238,817</u>	<u>\$ 3,575,038</u>	<u>\$ 503,849</u>	<u>\$ 5,104,698</u>	<u>\$ 402,776</u>	<u>\$ 5,402</u>	<u>\$ -</u>	<u>\$ 2,937,261</u>

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Retirement/ Severance Bond	Construction	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Special Education Co-op Operating	Alternative Education	School Library Printed Material
Cash and investments - beginning	\$ 2,823,883	\$ 5,141	\$ 1,071,273	\$ 667,611	\$ 5,788,239	\$ -	\$ (376,166)	\$ 9,248	\$ 205
Receipts:									
Local sources	5,444	1	5,833,498	2,251,112	14,921,463	-	6,825,155	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	118,480	90,744	-	298,441	-	-	-
Federal sources	-	-	996,004	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	205,941	124	1,330,224	-	-	-	-
Total receipts	5,444	1	7,153,923	2,341,980	16,251,687	298,441	6,825,155	-	-
Disbursements:									
Current:									
Instruction	286,197	-	-	-	-	-	5,885,072	-	-
Support services	107,460	-	-	1,349,623	41,654	-	777,987	-	-
Noninstructional services	12,758	-	6,418,239	-	-	-	-	-	-
Facilities acquisition and construction	4,629	5,142	-	-	-	-	14,801	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	15,286,117	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	411,044	5,142	6,418,239	1,349,623	15,327,771	-	6,677,860	-	-
Excess (deficiency) of receipts over disbursements	(405,600)	(5,141)	735,684	992,357	923,916	298,441	147,295	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	14,235	-	-	313,067	-	-
Transfers out	-	-	-	(487,829)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(473,594)	-	-	313,067	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(405,600)	(5,141)	735,684	518,763	923,916	298,441	460,362	-	-
Cash and investments - ending	\$ 2,418,283	\$ -	\$ 1,806,957	\$ 1,186,374	\$ 6,712,155	\$ 298,441	\$ 84,196	\$ 9,248	\$ 205

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	SAFE School Haven	Eric Clark Center	Donations	Teacher Memorial	Ball State Grant	CEC Grant	Special Education Co-op Capital	Writing Initive	Gifted and Talented
Cash and investments - beginning	\$ 114	\$ 23,489	\$ 110,764	\$ 757	\$ 13,326	\$ 267	\$ 7,979	\$ 1,665	\$ 17,200
Receipts:									
Local sources	-	-	65,222	-	1,999	-	73,668	-	-
Intermediate sources	-	51,166	-	-	-	-	-	-	-
State sources	12,000	-	-	-	-	-	-	-	91,491
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	12,000	51,166	65,222	-	1,999	-	73,668	-	91,491
Disbursements:									
Current:									
Instruction	-	-	65,973	-	2,866	-	-	-	46,983
Support services	12,000	-	51,507	-	2,365	-	1,068	-	40,577
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	42,334	-	-	-	-	69,797	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	12,000	42,334	117,480	-	5,231	-	70,865	-	87,560
Excess (deficiency) of receipts over disbursements	-	8,832	(52,258)	-	(3,232)	-	2,803	-	3,931
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	8,832	(52,258)	-	(3,232)	-	2,803	-	3,931
Cash and investments - ending	\$ 114	\$ 32,321	\$ 58,506	\$ 757	\$ 10,094	\$ 267	\$ 10,782	\$ 1,665	\$ 21,131

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Economic Education Mini Grant	4-H	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Grants [IC 20-40-15]	Workforce and Essay Grants	Indiana Cares Grant	DC Trip	Diesel Wise Grant
Cash and investments - beginning	\$ 341	\$ 16,822	\$ 30,600	\$ 162,867	\$ 106	\$ 5,000	\$ -	\$ 2,036	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	5,001	-	163,143	-	-	-	-	-
State sources	-	-	53,958	-	-	7,500	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	76,000
Other	-	-	-	-	-	-	-	4,494	-
Total receipts	-	5,001	53,958	163,143	-	7,500	-	4,494	76,000
Disbursements:									
Current:									
Instruction	340	-	-	-	-	5,000	-	-	-
Support services	-	4,666	70,554	117,768	-	-	-	-	75,968
Noninstructional services	-	-	-	-	-	-	-	5,361	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	340	4,666	70,554	117,768	-	5,000	-	5,361	75,968
Excess (deficiency) of receipts over disbursements	(340)	335	(16,596)	45,375	-	2,500	-	(867)	32
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(340)	335	(16,596)	45,375	-	2,500	-	(867)	32
Cash and investments - ending	\$ 1	\$ 17,157	\$ 14,004	\$ 208,242	\$ 106	\$ 7,500	\$ -	\$ 1,169	\$ 32

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Title I	Title V	5190 Special Education Grant	5220 Federal Carry-Over	5230 Federal Carry-Over	Federal Part B	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Federal Part B Targeted Funds
Cash and investments - beginning	\$ 45,464	\$ 18,933	\$ -	\$ 21,679	\$ 1,552	\$ 306,182	\$ 1,655	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	447,449	7,383	-	-	-	8,691,009	-	80,000
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	495,034	-	-	-	-	-
Total receipts	<u>447,449</u>	<u>7,383</u>	<u>495,034</u>	<u>-</u>	<u>-</u>	<u>8,691,009</u>	<u>-</u>	<u>80,000</u>
Disbursements:								
Current:								
Instruction	404,251	-	382,603	306,614	-	6,627,375	-	80,000
Support services	41,951	26,105	110,512	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	211	-	-	-	1,825,157	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>446,202</u>	<u>26,316</u>	<u>493,115</u>	<u>306,614</u>	<u>-</u>	<u>8,452,532</u>	<u>-</u>	<u>80,000</u>
Excess (deficiency) of receipts over disbursements	<u>1,247</u>	<u>(18,933)</u>	<u>1,919</u>	<u>(306,614)</u>	<u>-</u>	<u>238,477</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	322,802	-	-	-	-
Transfers out	-	-	-	-	-	(322,802)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>322,802</u>	<u>-</u>	<u>(322,802)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,247</u>	<u>(18,933)</u>	<u>1,919</u>	<u>16,188</u>	<u>-</u>	<u>(84,325)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 46,711</u>	<u>\$ -</u>	<u>\$ 1,919</u>	<u>\$ 37,867</u>	<u>\$ 1,552</u>	<u>\$ 221,857</u>	<u>\$ 1,655</u>	<u>\$ -</u>

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Sliver Funds	Federal Preschool	Federal Preschool Carryover	Milken Educator Grant	5880 Title IV	5888 Title IV	Team Nutrition Training Grants	5990 Special Education Grant
Cash and investments - beginning	\$ 1,512	\$ 11,719	\$ 1,081	\$ 1,155	\$ 1,683	\$ -	\$ -	\$ 1,921
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	294,230	-	-	-	25,887	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	294,230	-	-	-	25,887	-	-
Disbursements:								
Current:								
Instruction	-	243,606	11,056	-	-	-	-	-
Support services	-	-	-	65	1,317	24,765	-	1,921
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	243,606	11,056	65	1,317	24,765	-	1,921
Excess (deficiency) of receipts over disbursements	-	50,624	(11,056)	(65)	(1,317)	1,122	-	(1,921)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	17,122	-	-	-	-	-
Transfers out	-	(17,120)	-	-	-	-	-	-
Total other financing sources (uses)	-	(17,120)	17,122	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	33,504	6,066	(65)	(1,317)	1,122	-	(1,921)
Cash and investments - ending	\$ 1,512	\$ 45,223	\$ 7,147	\$ 1,090	\$ 366	\$ 1,122	\$ -	\$ -

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Federal Mental Health Grant	Improving Teaching Quality, No Child Left, Title II, Part A	Title III, Language Instruction	Fiscal Stabilization - Education	Special Education - Part B	Special Education - Part B - Preschool	Payroll	Totals
Cash and investments - beginning	\$ -	\$ 184,197	\$ 21,910	\$ 1,746,478	\$ -	\$ -	\$ 406,245	\$ 19,208,127
Receipts:								
Local sources	-	9,097	-	-	775	-	-	101,015,216
Intermediate sources	-	-	-	-	-	-	-	223,137
State sources	-	-	-	-	-	-	-	79,698,500
Federal sources	77,685	148,800	43,162	3,115,471	6,518,715	338,065	-	20,783,860
Interfund loans	-	-	-	3,300,000	-	-	-	3,712,000
Other	-	-	-	-	-	-	27,896,871	29,936,522
Total receipts	<u>77,685</u>	<u>157,897</u>	<u>43,162</u>	<u>6,415,471</u>	<u>6,519,490</u>	<u>338,065</u>	<u>27,896,871</u>	<u>235,369,235</u>
Disbursements:								
Current:								
Instruction	75,872	-	-	7,327,416	3,358,397	-	27,918,582	105,223,620
Support services	-	222,165	29,289	834,533	355,780	53,775	-	41,752,168
Noninstructional services	-	-	-	-	-	-	-	7,698,191
Facilities acquisition and construction	1,813	-	-	-	35,316	5,568	-	11,035,980
Debt services	-	-	-	-	-	-	-	31,692,494
Nonprogrammed charges	-	2,322	-	-	2,654,246	263,938	-	21,644,247
Interfund loans	-	-	-	-	-	-	-	3,712,000
Total disbursements	<u>77,685</u>	<u>224,487</u>	<u>29,289</u>	<u>8,161,949</u>	<u>6,403,739</u>	<u>323,281</u>	<u>27,918,582</u>	<u>222,758,700</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(66,590)</u>	<u>13,873</u>	<u>(1,746,478)</u>	<u>115,751</u>	<u>14,784</u>	<u>(21,711)</u>	<u>12,610,535</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	151,630
Transfers in	-	-	-	-	-	-	-	5,058,900
Transfers out	-	-	-	-	-	-	-	(5,058,899)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,631</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>(66,590)</u>	<u>13,873</u>	<u>(1,746,478)</u>	<u>115,751</u>	<u>14,784</u>	<u>(21,711)</u>	<u>12,762,166</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 117,607</u>	<u>\$ 35,783</u>	<u>\$ -</u>	<u>\$ 115,751</u>	<u>\$ 14,784</u>	<u>\$ 384,534</u>	<u>\$ 31,970,293</u>

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011

	General	Referendum Tax Levy	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day
Cash and investments - beginning	\$ 4,266,265	\$ 1,238,817	\$ 3,575,038	\$ 503,849	\$ 5,104,698	\$ 402,776	\$ 5,402	\$ -	\$ 2,937,261
Receipts:									
Local sources	3,348,592	8,420,741	20,083,026	4,060,467	16,728,387	8,054,360	1,103,909	-	-
Intermediate sources	25	-	-	-	-	-	-	-	-
State sources	80,816,146	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	351,000	500,000	-	-
Other	3,736	-	-	-	69	-	24,975	-	-
Total receipts	<u>84,168,499</u>	<u>8,420,741</u>	<u>20,083,026</u>	<u>4,060,467</u>	<u>16,728,456</u>	<u>8,405,360</u>	<u>1,628,884</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	63,676,686	2,542,684	-	-	-	-	-	-	-
Support services	18,379,040	3,455,109	-	-	6,374,948	7,849,716	1,320,844	-	2,937,261
Noninstructional services	1,346,177	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	8,191,736	-	-	-	-
Debt services	-	-	18,099,550	3,854,157	-	-	-	-	-
Nonprogrammed charges	293,435	1,344,296	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	500,000	275,000	-	-
Total disbursements	<u>83,695,338</u>	<u>7,342,089</u>	<u>18,099,550</u>	<u>3,854,157</u>	<u>14,566,684</u>	<u>8,349,716</u>	<u>1,595,844</u>	<u>-</u>	<u>2,937,261</u>
Excess (deficiency) of receipts over disbursements	<u>473,161</u>	<u>1,078,652</u>	<u>1,983,476</u>	<u>206,310</u>	<u>2,161,772</u>	<u>55,644</u>	<u>33,040</u>	<u>-</u>	<u>(2,937,261)</u>
Other financing sources (uses):									
Transfers in	419,594	47,969	279,975	69,120	282,470	470,214	16,967	-	-
Transfers out	(374,442)	(47,969)	(302,040)	(69,120)	(282,470)	(120,399)	(16,967)	-	-
Total other financing sources (uses)	<u>45,152</u>	<u>-</u>	<u>(22,065)</u>	<u>-</u>	<u>-</u>	<u>349,815</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>518,313</u>	<u>1,078,652</u>	<u>1,961,411</u>	<u>206,310</u>	<u>2,161,772</u>	<u>405,459</u>	<u>33,040</u>	<u>-</u>	<u>(2,937,261)</u>
Cash and investments - ending	<u>\$ 4,784,578</u>	<u>\$ 2,317,469</u>	<u>\$ 5,536,449</u>	<u>\$ 710,159</u>	<u>\$ 7,266,470</u>	<u>\$ 808,235</u>	<u>\$ 38,442</u>	<u>\$ -</u>	<u>\$ -</u>

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Retirement/ Severance Bond	Construction	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Special Education Co-op Operating	Alternative Education	School Library Printed Material
Cash and investments - beginning	\$ 2,418,283	\$ -	\$ 1,806,957	\$ 1,186,374	\$ 6,712,155	\$ 298,441	\$ 84,196	\$ 9,248	\$ 205
Receipts:									
Local sources	221,818	-	5,834,489	2,093,093	15,195,094	-	5,712,054	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	123,567	100,097	-	-	-	-	-
Federal sources	-	-	1,088,839	-	114,963	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	167,723	430	1,996,141	-	-	-	-
Total receipts	221,818	-	7,214,618	2,193,620	17,306,198	-	5,712,054	-	-
Disbursements:									
Current:									
Instruction	385,791	-	-	-	-	-	6,729,273	-	-
Support services	93,474	-	-	2,068,632	42,608	-	196,500	-	109
Noninstructional services	9,766	-	7,077,689	-	-	-	-	-	-
Facilities acquisition and construction	4,332	-	-	-	-	-	9,663	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	15,390,165	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	493,363	-	7,077,689	2,068,632	15,432,773	-	6,935,436	-	109
Excess (deficiency) of receipts over disbursements	(271,545)	-	136,929	124,988	1,873,425	-	(1,223,382)	-	(109)
Other financing sources (uses):									
Transfers in	-	-	-	22,065	-	816,900	313,068	-	-
Transfers out	-	-	-	(410,346)	-	(1,115,341)	-	(9,248)	-
Total other financing sources (uses)	-	-	-	(388,281)	-	(298,441)	313,068	(9,248)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(271,545)	-	136,929	(263,293)	1,873,425	(298,441)	(910,314)	(9,248)	(109)
Cash and investments - ending	\$ 2,146,738	\$ -	\$ 1,943,886	\$ 923,081	\$ 8,585,580	\$ -	\$ (826,118)	\$ -	\$ 96

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	SAFE School Haven	Eric Clark Center	Donations	Teacher Memorial	Ball State Grant	CEC Grant	Special Education Co-op Capital	Writing Initive	Gifted and Talented
Cash and investments - beginning	\$ 114	\$ 32,321	\$ 58,506	\$ 757	\$ 10,094	\$ 267	\$ 10,782	\$ 1,665	\$ 21,131
Receipts:									
Local sources	-	-	48,855	-	1,999	-	11,771	-	-
Intermediate sources	-	51,167	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	90,121
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	51,167	48,855	-	1,999	-	11,771	-	90,121
Disbursements:									
Current:									
Instruction	-	-	35,715	-	615	-	-	-	45,792
Support services	-	-	154	-	2,393	-	-	-	43,878
Noninstructional services	-	-	3,348	-	-	-	-	-	-
Facilities acquisition and construction	-	26,847	5,930	-	-	-	15,755	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	26,847	45,147	-	3,008	-	15,755	-	89,670
Excess (deficiency) of receipts over disbursements	-	24,320	3,708	-	(1,009)	-	(3,984)	-	451
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	24,320	3,708	-	(1,009)	-	(3,984)	-	451
Cash and investments - ending	\$ 114	\$ 56,641	\$ 62,214	\$ 757	\$ 9,085	\$ 267	\$ 6,798	\$ 1,665	\$ 21,582

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Economic Education Mini Grant	4-H	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Grants [IC 20-40-15]	Workforce and Essay Grants	Indiana Cares Grant	DC Trip	Diesel Wise Grant
Cash and investments - beginning	\$ 1	\$ 17,157	\$ 14,004	\$ 208,242	\$ 106	\$ 7,500	\$ -	\$ 1,169	\$ 32
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	65,914	-	-	-	-	-
State sources	-	-	47,069	9,700	-	1,520	-	-	75,968
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	3,318	4,412	-
Total receipts	-	-	47,069	75,614	-	1,520	3,318	4,412	75,968
Disbursements:									
Current:									
Instruction	-	-	-	-	-	9,020	3,318	-	-
Support services	-	5,315	42,811	174,784	106	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	5,439	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	76,000
Total disbursements	-	5,315	42,811	174,784	106	9,020	3,318	5,439	76,000
Excess (deficiency) of receipts over disbursements	-	(5,315)	4,258	(99,170)	(106)	(7,500)	-	(1,027)	(32)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(5,315)	4,258	(99,170)	(106)	(7,500)	-	(1,027)	(32)
Cash and investments - ending	\$ 1	\$ 11,842	\$ 18,262	\$ 109,072	\$ -	\$ -	\$ -	\$ 142	\$ -

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Title I	Title V	5190 Special Education Grant	5220 Federal Carry-Over	5230 Federal Carry-Over	Federal Part B	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Federal Part B Targeted Funds
Cash and investments - beginning	\$ 46,711	\$ -	\$ 1,919	\$ 37,867	\$ 1,552	\$ 221,857	\$ 1,655	\$ -
Receipts:								
Local sources	-	-	-	-	-	1,482	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	362,319	-	-	-	-	8,858,288	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	528,591	-	-	-	-	-
Total receipts	362,319	-	528,591	-	-	8,859,770	-	-
Disbursements:								
Current:								
Instruction	366,051	-	356,782	40,725	-	7,441,896	-	-
Support services	45,631	-	174,743	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	1,963,323	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	411,682	-	531,525	40,725	-	9,405,219	-	-
Excess (deficiency) of receipts over disbursements	(49,363)	-	(2,934)	(40,725)	-	(545,449)	-	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(49,363)	-	(2,934)	(40,725)	-	(545,449)	-	-
Cash and investments - ending	\$ (2,652)	\$ -	\$ (1,015)	\$ (2,858)	\$ 1,552	\$ (323,592)	\$ 1,655	\$ -

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Sliver Funds	Federal Preschool	Federal Preschool Carryover	Milken Educator Grant	5880 Title IV	5888 Title IV	Team Nutrition Training Grants	5990 Special Education Grant
Cash and investments - beginning	\$ 1,512	\$ 45,223	\$ 7,147	\$ 1,090	\$ 366	\$ 1,122	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	213,230	-	-	25,391	-	6,075	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	213,230	-	-	25,391	-	6,075	-
Disbursements:								
Current:								
Instruction	-	267,521	6,066	-	-	-	-	-
Support services	-	-	-	-	31,353	-	6,075	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	267,521	6,066	-	31,353	-	6,075	-
Excess (deficiency) of receipts over disbursements	-	(54,291)	(6,066)	-	(5,962)	-	-	-
Other financing sources (uses):								
Transfers in	-	-	-	-	1,122	-	-	-
Transfers out	-	-	-	-	-	(1,122)	-	-
Total other financing sources (uses)	-	-	-	-	1,122	(1,122)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(54,291)	(6,066)	-	(4,840)	(1,122)	-	-
Cash and investments - ending	\$ 1,512	\$ (9,068)	\$ 1,081	\$ 1,090	\$ (4,474)	\$ -	\$ -	\$ -

CARMEL CLAY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Federal Mental Health Grant	Improving Teaching Quality, No Child Left, Title II, Part A	Title III, Language Instruction	Fiscal Stabilization - Education	Special Education - Part B	Special Education - Part B - Preschool	Payroll	Totals
Cash and investments - beginning	\$ -	\$ 117,607	\$ 35,783	\$ -	\$ 115,751	\$ 14,784	\$ 384,534	\$ 31,970,293
Receipts:								
Local sources	106	-	-	-	-	-	-	90,920,243
Intermediate sources	-	-	-	-	-	-	-	117,106
State sources	-	-	-	-	-	-	-	81,264,188
Federal sources	136,876	50,920	9,123	-	5,457,870	133,970	-	16,457,864
Interfund loans	-	-	-	-	-	-	-	851,000
Other	-	-	-	-	-	-	28,867,625	31,597,020
Total receipts	136,982	50,920	9,123	-	5,457,870	133,970	28,867,625	221,207,421
Disbursements:								
Current:								
Instruction	130,130	-	-	-	2,779,722	-	28,827,341	113,645,128
Support services	-	178,516	44,906	-	404,731	47,678	-	43,921,315
Noninstructional services	-	-	-	-	-	-	-	8,442,419
Facilities acquisition and construction	6,852	-	-	-	1,298	-	-	8,262,413
Debt services	-	-	-	-	-	-	-	21,953,707
Nonprogrammed charges	-	2,867	-	-	2,266,635	103,085	-	21,363,806
Interfund loans	-	-	-	-	-	-	-	851,000
Total disbursements	136,982	181,383	44,906	-	5,452,386	150,763	28,827,341	218,439,788
Excess (deficiency) of receipts over disbursements	-	(130,463)	(35,783)	-	5,484	(16,793)	40,284	2,767,633
Other financing sources (uses):								
Transfers in	-	10,000	-	-	-	-	-	2,749,464
Transfers out	-	-	-	-	-	-	-	(2,749,464)
Total other financing sources (uses)	-	10,000	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(120,463)	(35,783)	-	5,484	(16,793)	40,284	2,767,633
Cash and investments - ending	\$ -	\$ (2,856)	\$ -	\$ -	\$ 121,235	\$ (2,009)	\$ 424,818	\$ 34,737,926

CARMEL CLAY SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2011

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

	Ending Balance
Other:	
Capital assets, not being depreciated:	
Land	\$ 10,656,624
Infrastructure	344,427,512
Buildings	11,139,945
Improvements other than buildings	11,048,403
Machinery and equipment	15,584,278
Total capital assets not being depreciated	\$ 392,856,761

CARMEL CLAY SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2011

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	Fund/ Department
Capital leases:			
Carmel 2002 School Building Corporation	\$ 124,875,000	\$ 9,826,309	Debt Service
Carmel High School Building Corporation	10,115,000	3,944,038	Debt Service
Carmel High School Building Corporation	16,320,000	2,901,350	Debt Service
Carmel 2002 School Building Corporation	24,040,000	1,900,485	Debt Service
Bonds payable:			
General obligation bonds:			
Pension Bonds of 2003	<u>8,935,000</u>	<u>3,853,591</u>	Retirement/Severance Bond Debt Service
Total debt	<u>\$ 184,285,000</u>	<u>\$ 22,425,772</u>	

CARMEL CLAY SCHOOLS
AUDIT RESULTS AND COMMENTS

CASH NECESSARY TO BALANCE, BANK RECONCILIATIONS

A comparison of the records to the bank account indicated a cash necessary to balance of \$2,160.07 at June 30, 2010, and \$3,022.17 at June 30, 2011.

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 Indiana Public School Corporations, Chapter 9)

OVERDRAWN FUND BALANCE

The Special Education Co-op Operating Fund was overdrawn \$826,118 at June 30, 2011.

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)

TRAVEL POLICY

The School Corporation had a travel policy established stating mileage will be reimbursed based on a fixed mileage chart for distances between school buildings or documented odometer readings. We noted five out of ten claims where mileage was claimed to places other than those noted on the fixed mileage chart without odometer readings being provided.

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)

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

CREDIT CARDS

The School Corporation is using credit cards to purchase items with an approved credit card policy; however, the policy does not specifically state the purposes for which the credit cards may be used. Some examples of purchases made, but not specifically identified as allowable in the policy, were supplies and maintenance on school vehicles and car door magnets and buttons encouraging voting for the 2011 school referendum. We also noted seven charges out of 24 credit card bills did not have itemized receipt documentation attached to the claim.

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.

CARMEL CLAY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

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.
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)

TRANSPORTATION FUND EXPENDITURES - ADMINISTRATORS

Four administrative employees had portions of their salaries paid from the Transportation Fund and the General Fund. A detailed record of transportation related hours worked by these employees was not presented for audit and the payments appeared to be on a percentage basis. A total of \$108,558.59 was paid from the Transportation Fund in 2009-2010 and \$105,337.08 was paid in 2010-2011.

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 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)

CARMEL CLAY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

CONDITION OF RECORDS (Applies to Tri-County Education Center)

The following deficiencies relating to the recordkeeping were noted.

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 or deposit slips were provided for review to support the ledger. In the 2010-2011 school year, the education center was in the process of closing and no students were attending. No records were maintained for this school year, except for a report noting beginning and ending balances of each fund. After review of bank statements it was determined the center had very little financial activity. Bank balances and ending record balances were compared in both school years, and it was noted that the bank balance was higher than the record balance.
2. Several claims were not supported by a SA-1 or SA-7.
3. Reimbursements were made to the Principal and one other education center employee during the audit period totaling \$1,615.23 and \$542. These reimbursements were made without itemized receipts showing proof of purchase.
4. Receipts were not always deposited within a reasonable time. Receipts, in some instances, were held for periods in excess of 30 days and accumulated to over \$300 before being deposited.

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 for 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)

Indiana Code 20-41-1-9(a) states in part: "The treasurer shall deposit all receipts in one (1) bank account. The receipts shall be deposited without unreasonable delay . . ."

All claims, invoices, receipts, and accounts payable vouchers, including those presented to the governing body for approval in accordance with IC 5-11-10, should contain adequate detailed documentation. All claims, invoices, receipts, and accounts payable vouchers regarding reimbursement for meals and expenses for individuals must have specific detailed information of the names of all individuals for which amounts are claimed, including the nature, name, and purpose of the business meeting, to enable the governing body to authorize payment. Payments which do not have proper itemization showing the business nature of the claim may be the personal obligation of the responsible official, employee or other person for whom the claim is made. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

CARMEL CLAY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

ERRORS ON CLAIMS (Applies to Woodbrook Elementary)

The following deficiencies were noted on claims during the audit period:

1. Claims or Purchase orders were not prepared for four disbursements purchased by debit card. Those purchases were made at Jimmy Johns for gift cards, Marsh, Mike's Carwash for gift cards, and Harcourt Outlines.
2. Purchases made to Jimmy Johns, Marsh, and Mike's Carwash made by debit card were not supported by itemized invoices or receipts.

Indiana Code 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

VENDING, CONCESSIONS, OR OTHER SALES CONTROLS (Applies to 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.

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)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

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

Compliance

We have audited the compliance of the Carmel Clay Schools (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011. 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, 2010 and 2011.

Internal Control Over Compliance

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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 deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

The School Corporation's response to the Audit Results and Comments 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, School Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 8, 2011

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

CARMEL CLAY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011

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 06-30-10	Total Federal Awards Expended 06-30-11
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	3060	\$ 71,602	\$ 91,843
National School Lunch Program	10.555	3060	<u>1,220,212</u>	<u>1,365,864</u>
Total for cluster			<u>1,291,814</u>	<u>1,457,707</u>
Team Nutrition Grants	10.574	3060	-	6,075
Total for federal grantor agency			<u>1,291,814</u>	<u>1,463,782</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010	09-3060	45,464	-
		10-3060	400,739	46,711
		11-3060	-	<u>364,971</u>
Total for cluster			<u>446,203</u>	<u>411,682</u>
Special Education Cluster (IDEA)				
Special Education - Grants to State	84.027	14209-025-PN01	1,033,380	-
		14210-025-PN01	7,419,151	1,664,424
		14211-025-PN01	-	7,740,792
		14208-025-PY02	24,537	-
		14209-025-PY02	<u>282,078</u>	<u>40,724</u>
Total for program			<u>8,759,146</u>	<u>9,445,940</u>
Special Education - Preschool Grants				
	84.173	45709-025-PN01	40,446	-
		45710-025-PN01	203,162	64,143
		45711-025-PN01	-	203,379
		45709-025-PY02	<u>11,055</u>	<u>6,066</u>
Total for program			<u>254,663</u>	<u>273,588</u>
ARRA - Special Education - Grants to States, Recovery Act				
	84.391	3060	<u>6,403,739</u>	<u>5,452,382</u>
ARRA - Special Education - Preschool Grants, Recovery Act				
	84.392	3060	<u>323,280</u>	<u>150,762</u>
Total for cluster			<u>15,740,828</u>	<u>15,322,672</u>
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	3060	<u>8,161,948</u>	-
Direct Grant				
Fund for the Improvement of Education	84.215	Q215M090059	<u>77,684</u>	<u>136,876</u>
Pass-Through Indiana Department of Education				
Safe and Drug-Free Schools and Communities - State Grants				
	84.186	07/08	1,317	-
		08/09	24,764	1,122
		09/10	-	<u>31,352</u>
Total for program			<u>26,081</u>	<u>32,474</u>
State Grants for Innovative Programs	84.298		<u>26,316</u>	-
English Language Acquisition Grants				
	84.365	08/09	21,910	-
		09/10	7,378	35,782
		10/11	-	<u>9,123</u>
Total for program			<u>29,288</u>	<u>44,905</u>
Improving Teacher Quality State Grants				
	84.367	08/09	184,197	-
		09/10	40,289	108,510
		10/11	-	<u>72,872</u>
Total for program			<u>224,486</u>	<u>181,382</u>
Total for federal grantor agency			<u>24,732,834</u>	<u>16,129,991</u>
Total federal awards expended			<u>\$ 26,024,648</u>	<u>\$ 17,593,773</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

Note 1. Basis of Presentation

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

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

Note 2. 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, 2010 and 2011:

Program Title	Federal CFDA Number	2010	2011
Special Education - Grants to States	84.027	\$ 1,825,156	\$ 1,963,323
ARRA - Special Education - Grants to States, Recovery Act	84.391	2,654,246	2,266,635
ARRA - Special Education - Preschool Grants	84.392	263,938	103,085

Note 3. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2010 and 2011. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	2010	2011
Child Nutrition Cluster	\$ 307,589	\$ 377,329

CARMEL CLAY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

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

Identification of Major Programs:

Name of Federal Program or Cluster

Special Education Cluster (IDEA)
State Fiscal Stabilization Fund Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$1,308,553

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CARMEL CLAY SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CARMEL CLAY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on January 4, 2012, with Dr. Stuart J. Swensson, Superintendent of Schools; Roger McMichael, Treasurer; David Stowers, Supervisor of Accounting/Deputy Treasurer; Patricia Hackett, President of the School Board; and Layla Spanenburg, Vice President of the School Board. The Official Response has been made a part of this report and may be found on pages 47 and 48.



CARMEL CLAY SCHOOLS

5201 East Main Street, Carmel, Indiana 46033 • Telephone: 317.844.9961 • Fax: 317.844.9965 • www.ccs.k12.in.us

Jeff Swensson, Ph.D.
Superintendent of Schools

Amy Dudley, Ed.D.
Assistant Superintendent
Curriculum, Instruction & Assessment

Roger McMichael, M.B.A.
Assistant Superintendent
Business Affairs

Ryan Newman, M.S.
Director
Human Resources

January 5, 2012

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, 2009 to June 30, 2011

Dear Mr. Hartman:

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

CASH NECESSARY TO BALANCE BANK RECONCILIATIONS

RESPONSE: The administration is doing a thorough review of its revenue records and expenditure records in an effort to reconcile the bank statements.

OVERDRAWN FUND BALANCES

RESPONSE: In the future an inter-fund loan will be taken as necessary to ensure funds are not overdrawn.

TRAVEL POLICY

RESPONSE: Steps will be taken to ensure mileage will not be reimbursed without proper odometer readings.

Carmel Clay School Board of Trustees

Patricia M.R. Hackett • Andrew R. Klein • Pamela S. Knowles • Gregory W. Phillips • Layla N. Spanenberg

Experience excellence...Explore opportunities...Realize potential

CREDIT CARDS

RESPONSE: The School Corporation credit card is only used for purchases from accounts where adequate balances are available and have been previously approved by the Board of School Trustees. Steps will be taken to ensure proper itemized receipts will be attached to each claim.

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 20-40-6-6(b) specifically prohibits 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. 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.

CONDITION OF RECORDS (Tri-County Education Center)

RESPONSE: Tri-County Education Center has been closed, thus there will be no more financial activity.

ERRORS ON CLAIMS (Woodbrook Elementary)

RESPONSE: The audit comments were shared with the principal of Woodbrook Elementary.

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

RESPONSE: The audit comments were shared with the principal of Carmel High School. Also, the district treasurer will assist the high school administration in implementing proper internal controls for their extra-curricular accounts.

Sincerely,



Roger McMichael
Assistant Superintendent for Business Affairs

RM:jm

- c: Dr. Jeff Swensson, Superintendent
- Mrs. Patricia M. R. Hackett, President Board of School Trustees
- Mr. David Stowers, Supervisor of Accounting