

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, 2013 to June 30, 2015



FILED
09/20/2017

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance with <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	10-11
Notes to Financial Statement	12-17
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	20-35
Schedule of Payables and Receivables	37
Schedule of Leases and Debt	38
Schedule of Capital Assets.....	39
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance	42-44
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	47
Notes to Schedule of Expenditures of Federal Awards	48
Schedule of Findings and Questioned Costs	49-57
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	60-61
Corrective Action Plan	62-65
Other Reports.....	66

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Roger McMichael	07-01-13 to 06-30-18
Superintendent of Schools	Dr. R. Stephen Tegarden Dr. Nicholas Wahl	06-10-13 to 08-27-13 08-28-13 to 06-30-18
President of the School Board	Layla Spanenberg	07-01-13 to 06-30-18



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Carmel Clay Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2013 to June 30, 2015, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated August 14, 2017, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

August 14, 2017



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 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, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Carmel Clay Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated August 14, 2017, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001 and 2015-002 to be material weaknesses.

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-002.

Carmel Clay School's Response to Findings

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

August 14, 2017

(This page intentionally left blank.)

FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
General	\$ 5,201,519	\$ 86,514,021	\$ 90,643,278	\$ (51,018)	\$ 1,021,244	\$ 89,017,139	\$ 87,114,805	\$ (51,374)	2,872,204
Referendum Tax Levy	8,045,487	13,864,311	13,932,944	-	7,976,854	14,096,780	17,215,414	-	4,858,220
Debt Service	520	21,985,754	18,411,250	(150,000)	3,425,024	22,003,443	18,174,525	256,983	7,510,925
Retirement/Severance Bond Debt Service	50,135	1,800,174	1,850,309	-	-	-	-	-	-
Capital Projects	341,111	16,401,639	14,866,497	-	1,876,253	15,494,957	15,548,342	50	1,822,918
School Transportation	59,613	9,315,340	9,176,863	51,374	249,464	8,565,842	8,506,170	51,374	360,510
School Bus Replacement	408	1,591,645	801,001	-	791,052	1,807,580	1,441,420	-	1,157,212
Rainy Day	2,099,816	-	2,249,816	150,000	-	-	-	-	-
Retirement/Severance Bond	1,818,340	387,744	391,288	-	1,814,796	563,322	347,236	-	2,030,882
Construction	-	-	-	-	-	-	2,778,296	18,080,000	15,301,704
School Lunch	1,933,832	7,594,742	7,743,409	-	1,785,165	7,653,220	7,849,612	-	1,588,773
Textbook Rental	1,594,925	2,120,971	997,559	-	2,718,337	2,203,581	3,292,280	33,765	1,663,403
Self-Insurance	10,268,241	17,434,328	15,601,676	-	12,100,893	16,159,229	16,337,681	-	11,922,441
Levy Excess	-	-	-	-	-	1,205	-	-	1,205
Special Ed Co-op Operating	533	479,467	480,000	-	-	-	-	-	-
School Library Printed Material	-	-	-	-	-	-	-	-	-
SAFE School Haven	114	-	-	-	114	-	-	-	114
Eric Clarck Center	47,636	53,319	70,686	-	30,269	93,486	50,013	-	73,742
Donations	62,791	72,509	53,068	-	82,232	385,642	90,191	-	377,683
Ball State Grant	411	-	148	-	263	-	-	-	263
CEC Grant	267	-	-	-	267	-	-	-	267
Construction, Remodeling, and Equipping Buildings	-	-	-	-	-	-	-	-	-
Writing Initiative	1,665	-	-	-	1,665	-	-	-	1,665
Gifted and Talented 2012-13	28,676	-	28,676	-	-	-	-	-	-
High Ability Grant	-	124,359	119,365	-	4,994	-	4,994	-	-
High Ability Grant, 2014-15	-	-	-	-	-	134,231	109,974	-	24,257
Economic Education Mini Grant	1	-	-	-	1	-	-	-	1
Secured Schools Safety Grant	-	-	-	-	-	50,000	50,000	-	-
Recreational Activities	14,982	-	-	-	14,982	-	-	-	14,982
Scholarships and Awards	-	2,250	-	-	2,250	750	2,911	-	89
Non-English Speaking Programs P.L. 273-1999	1,077	-	-	-	1,077	-	1	-	1,076
Non-English Speaking Programs P.L. 273-1999 2012-13	27,051	-	27,051	-	-	-	-	-	-
Non-English Speaking	-	47,103	3,533	-	43,570	-	43,570	-	-
Non-English Speaking, 2014-15	-	-	-	-	-	50,019	4,782	-	45,237
School Technology	215,619	192,459	171,578	-	236,500	172,082	253,483	-	155,099

The notes to the financial statement are 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, 2014 and 2015
(Continued)

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
Miscellaneous Programs	-	-	-	-	-	-	-	-	-
DC Trip	554	19,301	17,007	-	2,848	20,645	16,839	-	6,654
Title I	(2,320)	-	-	-	(2,320)	-	-	-	(2,320)
Title I 2012-13	(11,157)	39,966	28,809	-	-	-	-	-	-
Title I, 2013-14	-	414,523	422,635	-	(8,112)	16,148	8,036	-	-
Title I, 2014-15	-	-	-	-	-	352,270	369,272	-	(17,002)
Part B TA Grant	-	31,130	35,856	-	(4,726)	32,915	29,078	-	(889)
5220 Federal Carry-Over	(2,858)	-	-	-	(2,858)	-	-	-	(2,858)
5230 Federal Carry-Over	1,552	-	-	-	1,552	-	-	-	1,552
Federal Part B	-	97,849	97,849	-	-	-	-	-	-
Federal Part B 2012-13	(91,526)	451,840	369,542	-	(9,228)	67,553	58,325	-	-
Federal Part B 2013-14	-	2,176,215	2,335,923	-	(159,708)	433,257	287,583	-	(14,034)
Federal Part B 2014-15	-	-	-	-	-	2,371,048	2,477,028	-	(105,980)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	1,655	-	-	-	1,655	-	-	-	1,655
Silver Funds	1,512	-	-	-	1,512	-	-	-	1,512
Federal Preschool	153	-	-	-	153	-	-	-	153
Early Childhood	(2,462)	17,864	15,402	-	-	6,235	6,235	-	-
Federal Early Childhood	-	63,431	68,881	-	(5,450)	17,967	12,517	-	-
Federal Early Childhood 2014-15	-	-	-	-	-	58,980	63,816	-	(4,836)
Federal Preschool Carry-Over	1,081	-	-	-	1,081	-	-	-	1,081
Milken Educator Grant	1,020	-	-	-	1,020	-	-	-	1,020
Title IV	367	-	-	-	367	-	-	-	367
Federal Special Ed Subgrant 2011-12	(4,120)	12,658	8,538	-	-	-	-	-	-
Improving Teaching Quality, No Child Left, Title II, Part A 2010-11	-	-	3,460	-	(3,460)	11,099	7,639	-	-
Improving Teaching Quality, No Child Left, Title II, Part A 2012-13	(3,116)	164,707	161,591	-	-	-	-	-	-
Title II	-	69,237	72,954	-	(3,717)	113,305	109,588	-	-
Title II, FFY2013	-	-	-	-	-	72,557	79,557	-	(7,000)
Title III, Language Instruction 2012-13	(2,619)	22,827	20,208	-	-	-	-	-	-
Title III, 2013-14	-	46,065	48,319	-	(2,254)	19,572	17,318	-	-
Title III, 2014-16	-	-	-	-	-	58,513	62,298	-	(3,785)
Education Jobs	-	-	-	-	-	-	-	-	-
Payroll Trust	311,761	28,116,397	28,084,479	-	343,679	38,413,894	38,309,211	-	448,362
Prepaid Food	-	-	-	-	-	275,003	-	-	275,003
Totals	<u>\$ 32,014,247</u>	<u>\$ 211,726,145</u>	<u>\$ 209,411,448</u>	<u>\$ 356</u>	<u>\$ 34,329,300</u>	<u>\$ 220,793,469</u>	<u>\$ 221,130,040</u>	<u>\$ 18,370,798</u>	<u>\$ 52,363,527</u>

The notes to the financial statement are 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, the following: school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

Intermediate sources. Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

State sources. Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Interfund loans. Amounts 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. Amounts received from various sources, including, but not limited to, the following: return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

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

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

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services. Amounts disbursed for food service operations and community service operations.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Debt service. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

Interfund loans. Amounts 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. Amounts received in relation to the issuance of bonds or other long-term debt issues.

Sale of capital assets. Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

CARMEL CLAY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

C. Additional Pension Plans

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.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2014 and 2015.

Note 8. Holding Corporations

The School Corporation has entered into capital leases with Carmel 2002 School Building Corporation and Carmel High School Building Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related-parties of the School Corporation. Lease payments during the fiscal years 2014 and 2015 totaled \$16,941,750 and \$17,329,625, respectively.

Note 9. Subsequent Event

The School Corporation entered into one new bond issue in 2016. The General Obligation Bond, Series 2016, in the amount of \$8,160,000 was closed on November 10, 2016. The proceeds are to be used for the High School and Junior High buildings remodeling and renovations, as well as technology improvements.

Note 10. Other Postemployment Benefits

The School Corporation provides to eligible retirees and their spouses the following benefits: health, dental, and vision insurance. Retired administrators may also receive life insurance; however, the retirees must pay the full premium. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

(This page intentionally left blank.)

OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

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

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, 2014

	General	Referendum Tax Levy	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 5,201,519	\$ 8,045,487	\$ 520	\$ 50,135	\$ 341,111	\$ 59,613	\$ 408	\$ 2,099,816	\$ 1,818,340
Receipts:									
Local sources	2,218,647	13,864,311	21,689,754	1,800,174	15,088,995	8,702,140	1,591,645	-	387,744
Intermediate sources	11	-	-	-	-	-	-	-	-
State sources	83,996,525	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	296,000	-	296,000	-	1,311,000	613,000	-	-	-
Other receipts	2,838	-	-	-	1,644	200	-	-	-
Total receipts	86,514,021	13,864,311	21,985,754	1,800,174	16,401,639	9,315,340	1,591,645	-	387,744
Disbursements:									
Instruction	67,151,183	6,147,476	-	-	-	-	-	-	291,070
Support services	21,632,127	7,785,468	-	-	7,537,410	9,176,863	188,000	-	93,672
Noninstructional services	1,484,926	-	-	-	-	-	-	-	6,546
Facilities acquisition and construction	-	-	-	-	7,329,087	-	-	2,249,816	-
Debt service	79,042	-	17,284,250	1,850,309	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	296,000	-	1,127,000	-	-	-	613,001	-	-
Total disbursements	90,643,278	13,932,944	18,411,250	1,850,309	14,866,497	9,176,863	801,001	2,249,816	391,288
Excess (deficiency) of receipts over disbursements	(4,129,257)	(68,633)	3,574,504	(50,135)	1,535,142	138,477	790,644	(2,249,816)	(3,544)
Other financing sources (uses):									
Sale of capital assets	356	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	51,374	-	150,000	-
Transfers out	(51,374)	-	(150,000)	-	-	-	-	-	-
Total other financing sources (uses)	(51,018)	-	(150,000)	-	-	51,374	-	150,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,180,275)	(68,633)	3,424,504	(50,135)	1,535,142	189,851	790,644	(2,099,816)	(3,544)
Cash and investments - ending	\$ 1,021,244	\$ 7,976,854	\$ 3,425,024	\$ -	\$ 1,876,253	\$ 249,464	\$ 791,052	\$ -	\$ 1,814,796

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, 2014
 (Continued)

	Construction	School Lunch	Textbook Rental	Self-Insurance	Levy Excess	Special Ed Co-op Operating	School Library Printed Material	SAFE School Haven	Eric Clark Center
Cash and investments - beginning	\$ -	\$ 1,933,832	\$ 1,594,925	\$ 10,268,241	\$ -	\$ 533	\$ -	\$ 114	\$ 47,636
Receipts:									
Local sources	-	6,114,915	2,002,069	14,487,076	-	479,467	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	53,319
State sources	-	129,579	118,902	-	-	-	-	-	-
Federal sources	-	1,317,617	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	32,631	-	2,947,252	-	-	-	-	-
Total receipts	-	7,594,742	2,120,971	17,434,328	-	479,467	-	-	53,319
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	7,111	997,559	342,558	-	-	-	-	-
Noninstructional services	-	7,736,298	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	70,686
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	15,259,118	-	-	-	-	-
Interfund loans	-	-	-	-	-	480,000	-	-	-
Total disbursements	-	7,743,409	997,559	15,601,676	-	480,000	-	-	70,686
Excess (deficiency) of receipts over disbursements	-	(148,667)	1,123,412	1,832,652	-	(533)	-	-	(17,367)
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	-	(148,667)	1,123,412	1,832,652	-	(533)	-	-	(17,367)
Cash and investments - ending	\$ -	\$ 1,785,165	\$ 2,718,337	\$ 12,100,893	\$ -	\$ -	\$ -	\$ 114	\$ 30,269

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, 2014
 (Continued)

	Donations	Ball State Grant	CEC Grant	Construction, Remodeling, and Equipping Buildings	Writing Initiative	Gifted and Talented 2012-13	High Ability Grant	High Ability Grant, 2014-15	Economic Education Mini Grant
Cash and investments - beginning	\$ 62,791	\$ 411	\$ 267	\$ -	\$ 1,665	\$ 28,676	\$ -	\$ -	\$ 1
Receipts:									
Local sources	72,509	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	124,359	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	72,509	-	-	-	-	-	124,359	-	-
Disbursements:									
Instruction	34,781	148	-	-	-	26,320	51,617	-	-
Support services	2,986	-	-	-	-	2,356	67,748	-	-
Noninstructional services	301	-	-	-	-	-	-	-	-
Facilities acquisition and construction	15,000	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	53,068	148	-	-	-	28,676	119,365	-	-
Excess (deficiency) of receipts over disbursements	19,441	(148)	-	-	-	(28,676)	4,994	-	-
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	19,441	(148)	-	-	-	(28,676)	4,994	-	-
Cash and investments - ending	\$ 82,232	\$ 263	\$ 267	\$ -	\$ 1,665	\$ -	\$ 4,994	\$ -	\$ 1

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, 2014
 (Continued)

	Secured Schools Safety Grant	Recreational Activities	Scholarships and Awards	Non-English Speaking Programs P.L. 273-1999	Non-English Speaking Programs P.L. 273-1999 2012-13	Non- English Speaking	Non- English Speaking, 2104-15	School Technology	Miscellaneous Programs
Cash and investments - beginning	\$ -	\$ 14,982	\$ -	\$ 1,077	\$ 27,051	\$ -	\$ -	\$ 215,619	\$ -
Receipts:									
Local sources	-	-	2,250	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	184,753	-
State sources	-	-	-	-	-	47,103	-	7,706	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	2,250	-	-	47,103	-	192,459	-
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	27,051	3,533	-	171,578	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	27,051	3,533	-	171,578	-
Excess (deficiency) of receipts over disbursements	-	-	2,250	-	(27,051)	43,570	-	20,881	-
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	-	-	2,250	-	(27,051)	43,570	-	20,881	-
Cash and investments - ending	\$ -	\$ 14,982	\$ 2,250	\$ 1,077	\$ -	\$ 43,570	\$ -	\$ 236,500	\$ -

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, 2014
 (Continued)

	DC Trip	Title I	Title I 2012-13	Title I, 2013-14	Title I, 2104-15	Part B TA Grant	5220 Federal Carry-Over	5230 Federal Carry-Over
Cash and investments - beginning	\$ 554	\$ (2,320)	\$ (11,157)	\$ -	\$ -	\$ -	\$ (2,858)	\$ 1,552
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	39,966	414,523	-	31,130	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	19,301	-	-	-	-	-	-	-
Total receipts	19,301	-	39,966	414,523	-	31,130	-	-
Disbursements:								
Instruction	-	-	20,257	379,163	-	35,856	-	-
Support services	-	-	8,552	43,472	-	-	-	-
Noninstructional services	17,007	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	17,007	-	28,809	422,635	-	35,856	-	-
Excess (deficiency) of receipts over disbursements	2,294	-	11,157	(8,112)	-	(4,726)	-	-
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	2,294	-	11,157	(8,112)	-	(4,726)	-	-
Cash and investments - ending	\$ 2,848	\$ (2,320)	\$ -	\$ (8,112)	\$ -	\$ (4,726)	\$ (2,858)	\$ 1,552

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, 2014
 (Continued)

	Federal Part B	Federal Part B 2012-13	Federal Part B 2013-14	Federal Part B 2014-15	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Silver Funds	Federal Preschool	Early Childhood
Cash and investments - beginning	\$ -	\$ (91,526)	\$ -	\$ -	\$ 1,655	\$ 1,512	\$ 153	\$ (2,462)
Receipts:								
Local sources	-	73,622	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	97,849	378,218	2,176,215	-	-	-	-	17,864
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	97,849	451,840	2,176,215	-	-	-	-	17,864
Disbursements:								
Instruction	97,849	348,895	1,890,824	-	-	-	-	15,402
Support services	-	20,647	445,099	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	97,849	369,542	2,335,923	-	-	-	-	15,402
Excess (deficiency) of receipts over disbursements	-	82,298	(159,708)	-	-	-	-	2,462
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	-	82,298	(159,708)	-	-	-	-	2,462
Cash and investments - ending	\$ -	\$ (9,228)	\$ (159,708)	\$ -	\$ 1,655	\$ 1,512	\$ 153	\$ -

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, 2014
 (Continued)

	Federal Early Childhood	Federal Early Childhood 2014-15	Federal Preschool Carry-Over	Milken Educator Grant	Title IV	Federal Special Ed Subgrant 2011-12	Improving Teaching Quality, No Child Left, Title II, Part A 2010-11	Improving Teaching Quality, No Child Left, Title II, Part A 2012-13
Cash and investments - beginning	\$ -	\$ -	\$ 1,081	\$ 1,020	\$ 367	\$ (4,120)	\$ -	\$ (3,116)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	63,431	-	-	-	-	-	-	164,707
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	12,658	-	-
Total receipts	63,431	-	-	-	-	12,658	-	164,707
Disbursements:								
Instruction	68,881	-	-	-	-	490	-	-
Support services	-	-	-	-	-	8,048	3,460	161,591
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	68,881	-	-	-	-	8,538	3,460	161,591
Excess (deficiency) of receipts over disbursements	(5,450)	-	-	-	-	4,120	(3,460)	3,116
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,450)	-	-	-	-	4,120	(3,460)	3,116
Cash and investments - ending	\$ (5,450)	\$ -	\$ 1,081	\$ 1,020	\$ 367	\$ -	\$ (3,460)	\$ -

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, 2014
 (Continued)

	Title II	Title II, FFY 2013	Title III, Language Instruction 2012-13	Title III, 2013-14	Title III, 2014-16	Education Jobs	Payroll Trust	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (2,619)	\$ -	\$ -	\$ -	\$ 311,761	\$ 32,014,247
Receipts:								
Local sources	86	-	-	-	-	-	-	88,575,404
Intermediate sources	-	-	-	-	-	-	-	238,083
State sources	-	-	-	-	-	-	-	84,424,174
Federal sources	69,151	-	22,827	46,065	-	-	-	4,839,563
Interfund loans	-	-	-	-	-	-	-	2,516,000
Other receipts	-	-	-	-	-	-	28,116,397	31,132,921
Total receipts	<u>69,237</u>	<u>-</u>	<u>22,827</u>	<u>46,065</u>	<u>-</u>	<u>-</u>	<u>28,116,397</u>	<u>211,726,145</u>
Disbursements:								
Instruction	-	-	-	-	-	-	-	76,560,212
Support services	72,954	-	20,208	48,319	-	-	-	48,868,370
Noninstructional services	-	-	-	-	-	-	-	9,245,078
Facilities acquisition and construction	-	-	-	-	-	-	-	9,664,589
Debt service	-	-	-	-	-	-	-	19,213,601
Nonprogrammed charges	-	-	-	-	-	-	-	15,259,118
Interfund loans	-	-	-	-	-	-	28,084,479	30,600,480
Total disbursements	<u>72,954</u>	<u>-</u>	<u>20,208</u>	<u>48,319</u>	<u>-</u>	<u>-</u>	<u>28,084,479</u>	<u>209,411,448</u>
Excess (deficiency) of receipts over disbursements	<u>(3,717)</u>	<u>-</u>	<u>2,619</u>	<u>(2,254)</u>	<u>-</u>	<u>-</u>	<u>31,918</u>	<u>2,314,697</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	356
Transfers in	-	-	-	-	-	-	-	201,374
Transfers out	-	-	-	-	-	-	-	(201,374)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>356</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(3,717)</u>	<u>-</u>	<u>2,619</u>	<u>(2,254)</u>	<u>-</u>	<u>-</u>	<u>31,918</u>	<u>2,315,053</u>
Cash and investments - ending	<u>\$ (3,717)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,254)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 343,679</u>	<u>\$ 34,329,300</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, 2015

	General	Referendum Tax Levy	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 1,021,244	\$ 7,976,854	\$ 3,425,024	\$ -	\$ 1,876,253	\$ 249,464	\$ 791,052	\$ -	\$ 1,814,796
Receipts:									
Local sources	3,159,399	14,096,780	22,003,443	-	15,464,917	8,565,842	1,807,580	-	563,322
Intermediate sources	8	-	-	-	-	-	-	-	-
State sources	85,850,166	-	-	-	30,040	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	7,566	-	-	-	-	-	-	-	-
Total receipts	89,017,139	14,096,780	22,003,443	-	15,494,957	8,565,842	1,807,580	-	563,322
Disbursements:									
Instruction	67,190,369	5,844,527	-	-	-	-	-	-	268,632
Support services	18,443,217	11,370,887	-	-	7,021,491	8,506,170	1,441,420	-	73,762
Noninstructional services	1,481,219	-	-	-	-	-	-	-	4,842
Facilities acquisition and construction	-	-	-	-	8,526,851	-	-	-	-
Debt service	-	-	18,174,525	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	87,114,805	17,215,414	18,174,525	-	15,548,342	8,506,170	1,441,420	-	347,236
Excess (deficiency) of receipts over disbursements	1,902,334	(3,118,634)	3,828,918	-	(53,385)	59,672	366,160	-	216,086
Other financing sources (uses):									
Proceeds of long-term debt	-	-	290,748	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	50	-	-	-	-
Transfers in	-	-	-	-	-	51,374	-	-	-
Transfers out	(51,374)	-	(33,765)	-	-	-	-	-	-
Total other financing sources (uses)	(51,374)	-	256,983	-	50	51,374	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,850,960	(3,118,634)	4,085,901	-	(53,335)	111,046	366,160	-	216,086
Cash and investments - ending	\$ 2,872,204	\$ 4,858,220	\$ 7,510,925	\$ -	\$ 1,822,918	\$ 360,510	\$ 1,157,212	\$ -	\$ 2,030,882

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, 2015
 (Continued)

	Construction	School Lunch	Textbook Rental	Self-Insurance	Levy Excess	Special Ed Co-op Operating	School Library Printed Material	SAFE School Haven	Eric Clark Center
Cash and investments - beginning	\$ -	\$ 1,785,165	\$ 2,718,337	\$ 12,100,893	\$ -	\$ -	\$ -	\$ 114	\$ 30,269
Receipts:									
Local sources	-	6,210,130	2,088,318	14,657,390	1,205	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	93,486
State sources	-	126,917	115,263	-	-	-	-	-	-
Federal sources	-	1,316,173	-	-	-	-	-	-	-
Other receipts	-	-	-	1,501,839	-	-	-	-	-
Total receipts	-	7,653,220	2,203,581	16,159,229	1,205	-	-	-	93,486
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	14,426	3,292,280	28,586	-	-	-	-	-
Noninstructional services	-	7,835,186	-	-	-	-	-	-	-
Facilities acquisition and construction	2,778,296	-	-	-	-	-	-	-	50,013
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	16,309,095	-	-	-	-	-
Total disbursements	2,778,296	7,849,612	3,292,280	16,337,681	-	-	-	-	50,013
Excess (deficiency) of receipts over disbursements	(2,778,296)	(196,392)	(1,088,699)	(178,452)	1,205	-	-	-	43,473
Other financing sources (uses):									
Proceeds of long-term debt	18,080,000	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	33,765	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	18,080,000	-	33,765	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	15,301,704	(196,392)	(1,054,934)	(178,452)	1,205	-	-	-	43,473
Cash and investments - ending	\$ 15,301,704	\$ 1,588,773	\$ 1,663,403	\$ 11,922,441	\$ 1,205	\$ -	\$ -	\$ 114	\$ 73,742

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, 2015
 (Continued)

	Donations	Ball State Grant	CEC Grant	Construction, Remodeling, and Equipping Buildings	Writing Initiative	Gifted and Talented 2012-13	High Ability Grant	High Ability Grant, 2014-15	Economic Education Mini Grant
Cash and investments - beginning	\$ 82,232	\$ 263	\$ 267	\$ -	\$ 1,665	\$ -	\$ 4,994	\$ -	\$ 1
Receipts:									
Local sources	385,642	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	134,231	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	385,642	-	-	-	-	-	-	134,231	-
Disbursements:									
Instruction	63,940	-	-	-	-	-	4,994	53,840	-
Support services	2,294	-	-	-	-	-	-	56,134	-
Noninstructional services	4,607	-	-	-	-	-	-	-	-
Facilities acquisition and construction	19,350	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	90,191	-	-	-	-	-	4,994	109,974	-
Excess (deficiency) of receipts over disbursements	295,451	-	-	-	-	-	(4,994)	24,257	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
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	295,451	-	-	-	-	-	(4,994)	24,257	-
Cash and investments - ending	\$ 377,683	\$ 263	\$ 267	\$ -	\$ 1,665	\$ -	\$ -	\$ 24,257	\$ 1

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, 2015
 (Continued)

	Secured Schools Safety Grant	Recreational Activities	Scholarships and Awards	Non-English Speaking Programs P.L. 273-1999	Non-English Speaking Programs P.L. 273-1999 2012-13	Non- English Speaking	Non- English Speaking, 2104-15	School Technology	Miscellaneous Programs
Cash and investments - beginning	\$ -	\$ 14,982	\$ 2,250	\$ 1,077	\$ -	\$ 43,570	\$ -	\$ 236,500	\$ -
Receipts:									
Local sources	-	-	750	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	161,626	-
State sources	50,000	-	-	-	-	-	50,019	10,456	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	50,000	-	750	-	-	-	50,019	172,082	-
Disbursements:									
Instruction	-	-	2,911	-	-	-	-	-	-
Support services	50,000	-	-	-	-	43,570	4,782	253,483	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	1	-	-	-	-	-
Total disbursements	50,000	-	2,911	1	-	43,570	4,782	253,483	-
Excess (deficiency) of receipts over disbursements	-	-	(2,161)	(1)	-	(43,570)	45,237	(81,401)	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
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	-	-	(2,161)	(1)	-	(43,570)	45,237	(81,401)	-
Cash and investments - ending	\$ -	\$ 14,982	\$ 89	\$ 1,076	\$ -	\$ -	\$ 45,237	\$ 155,099	\$ -

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, 2015
 (Continued)

	DC Trip	Title I	Title I 2012-13	Title I, 2013-14	Title I, 2104-15	Part B TA Grant	5220 Federal Carry-Over	5230 Federal Carry-Over	Federal Part B
Cash and investments - beginning	\$ 2,848	\$ (2,320)	\$ -	\$ (8,112)	\$ -	\$ (4,726)	\$ (2,858)	\$ 1,552	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	16,148	352,270	32,915	-	-	-
Other receipts	20,645	-	-	-	-	-	-	-	-
Total receipts	20,645	-	-	16,148	352,270	32,915	-	-	-
Disbursements:									
Instruction	-	-	-	807	305,931	29,078	-	-	-
Support services	-	-	-	7,229	63,341	-	-	-	-
Noninstructional services	16,839	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	16,839	-	-	8,036	369,272	29,078	-	-	-
Excess (deficiency) of receipts over disbursements	3,806	-	-	8,112	(17,002)	3,837	-	-	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
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	3,806	-	-	8,112	(17,002)	3,837	-	-	-
Cash and investments - ending	\$ 6,654	\$ (2,320)	\$ -	\$ -	\$ (17,002)	\$ (889)	\$ (2,858)	\$ 1,552	\$ -

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, 2015
 (Continued)

	Federal Part B 2012-13	Federal Part B 2013-14	Federal Part B 2014-15	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Silver Funds	Federal Preschool	Early Childhood	Federal Early Childhood
Cash and investments - beginning	\$ (9,228)	\$ (159,708)	\$ -	\$ 1,655	\$ 1,512	\$ 153	\$ -	\$ (5,450)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	67,553	433,257	2,371,048	-	-	-	6,235	17,967
Other receipts	-	-	-	-	-	-	-	-
Total receipts	67,553	433,257	2,371,048	-	-	-	6,235	17,967
Disbursements:								
Instruction	58,325	287,583	1,992,545	-	-	-	6,235	12,517
Support services	-	-	484,483	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	58,325	287,583	2,477,028	-	-	-	6,235	12,517
Excess (deficiency) of receipts over disbursements	9,228	145,674	(105,980)	-	-	-	-	5,450
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
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	9,228	145,674	(105,980)	-	-	-	-	5,450
Cash and investments - ending	\$ -	\$ (14,034)	\$ (105,980)	\$ 1,655	\$ 1,512	\$ 153	\$ -	\$ -

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, 2015
 (Continued)

	Federal Early Childhood 2014-15	Federal Preschool Carry-Over	Milken Educator Grant	Title IV	Federal Special Ed Subgrant 2011-12	Improving Teaching Quality, No Child Left, Title II, Part A 2010-11	Improving Teaching Quality, No Child Left, Title II, Part A 2012-13	Title II
Cash and investments - beginning	\$ -	\$ 1,081	\$ 1,020	\$ 367	\$ -	\$ (3,460)	\$ -	\$ (3,717)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	58,980	-	-	-	-	11,099	-	113,305
Other receipts	-	-	-	-	-	-	-	-
Total receipts	58,980	-	-	-	-	11,099	-	113,305
Disbursements:								
Instruction	63,816	-	-	-	-	-	-	-
Support services	-	-	-	-	-	7,639	-	109,588
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	63,816	-	-	-	-	7,639	-	109,588
Excess (deficiency) of receipts over disbursements	(4,836)	-	-	-	-	3,460	-	3,717
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
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	(4,836)	-	-	-	-	3,460	-	3,717
Cash and investments - ending	\$ (4,836)	\$ 1,081	\$ 1,020	\$ 367	\$ -	\$ -	\$ -	\$ -

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, 2015
 (Continued)

	Title II, FFY 2013	Title III, Language Instruction 2012-13	Title III, 2013-14	Title III, 2014-16	Education Jobs	Payroll Trust	Prepaid Food	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (2,254)	\$ -	\$ -	\$ 343,679	\$ -	\$ 34,329,300
Receipts:								
Local sources	-	-	-	-	-	-	-	89,004,718
Intermediate sources	-	-	-	-	-	-	-	255,120
State sources	-	-	-	-	-	-	-	86,367,092
Federal sources	72,557	-	19,572	58,513	-	-	-	4,947,592
Other receipts	-	-	-	-	-	38,413,894	275,003	40,218,947
Total receipts	72,557	-	19,572	58,513	-	38,413,894	275,003	220,793,469
Disbursements:								
Instruction	-	-	-	-	-	-	-	76,186,050
Support services	79,557	-	17,318	62,298	-	-	-	51,433,955
Noninstructional services	-	-	-	-	-	-	-	9,342,693
Facilities acquisition and construction	-	-	-	-	-	-	-	11,374,510
Debt service	-	-	-	-	-	-	-	18,174,525
Nonprogrammed charges	-	-	-	-	-	38,309,211	-	54,618,307
Total disbursements	79,557	-	17,318	62,298	-	38,309,211	-	221,130,040
Excess (deficiency) of receipts over disbursements	(7,000)	-	2,254	(3,785)	-	104,683	275,003	(336,571)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	18,370,748
Sale of capital assets	-	-	-	-	-	-	-	50
Transfers in	-	-	-	-	-	-	-	85,139
Transfers out	-	-	-	-	-	-	-	(85,139)
Total other financing sources (uses)	-	-	-	-	-	-	-	18,370,798
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,000)	-	2,254	(3,785)	-	104,683	275,003	18,034,227
Cash and investments - ending	\$ (7,000)	\$ -	\$ -	\$ (3,785)	\$ -	\$ 448,362	\$ 275,003	\$ 52,363,527

(This page intentionally left blank.)

CARMEL CLAY SCHOOLS
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2015

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 3,369,912</u>	<u>\$ 229,605</u>

CARMEL CLAY SCHOOLS
SCHEDULE OF LEASES AND DEBT
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Carmel 2002 School Building Corporation	West Clay ES; additions to 4 elem schools	\$ 2,352,000	6/24/2014	12/31/2023
Carmel 2002 School Building Corporation	Creekside MS; improvements to Carmel MS Clay MS and Forest Dale ES	11,063,500	10/2/2012	12/31/2024
Carmel High School Building Corporation	Additions and Improvements to Carmel HS	2,843,500	9/24/2014	12/31/2017
Carmel High School Building Corporation	Construction/improvements to Carmel HS	<u>621,625</u>	3/3/2004	12/31/2015
Total governmental activities		<u>16,880,625</u>		
Total of annual lease payments		<u>\$ 16,880,625</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	GO Bonds Series 2014	\$ 5,300,000	\$ 2,205,500
General obligation bonds	GO Bonds Series 2015	<u>12,080,000</u>	<u>837,240</u>
Total governmental activities		<u>17,380,000</u>	<u>3,042,740</u>
Totals		<u>\$ 17,380,000</u>	<u>\$ 3,042,740</u>

CARMEL CLAY SCHOOLS
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2015

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

	Ending Balance
Governmental activities:	
Land	\$ 10,656,624
Buildings	349,462,448
Improvements other than buildings	11,418,478
Machinery, equipment, and vehicles	29,663,643
Total governmental activities	401,201,193
Total capital assets	\$ 401,201,193

(This page intentionally left blank.)

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 FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

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

Report on Compliance for Each Major Federal Program

We have audited the Carmel Clay School's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2013 to June 30, 2015. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Basis for Qualified Opinion on Title I Grants to Local Educational Agencies

As described in item 2015-004 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with its Title I Grants to Local Educational Agencies regarding Cash Management and Reporting compliance requirements. Consequently, we were unable to determine whether the School Corporation complied with these requirements applicable to the program.

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

Basis for Qualified Opinion on Special Education Cluster (IDEA)

As described in item 2015-004 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with its Special Education Cluster (IDEA) regarding Cash Management and Reporting compliance requirements. Consequently, we were unable to determine whether the School Corporation complied with these requirements applicable to the program.

As described in item 2015-003 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding the Allowable Costs/Cost Principles, compliance requirement that is applicable to its Special Education Cluster (IDEA). Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

Qualified Opinion on Title I Grants to Local Educational Agencies

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the School Corporation's compliance with the requirements of its Title I Grants to Local Educational Agencies regarding Cash Management and Reporting, described in the *Basis for Qualified Opinion on Title I Grants to Local Educational Agencies* paragraph, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on Title I Grants to Local Educational Agencies for the period of July 1, 2013 to June 30, 2015.

Qualified Opinion on Special Education Cluster (IDEA)

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the School Corporation's compliance with the requirements of its Special Education Cluster (IDEA) regarding Cash Management and Reporting, and except for the noncompliance described in the *Basis for Qualified Opinion on Special Education Cluster (IDEA)* paragraph, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on Special Education Cluster (IDEA) for the period of July 1, 2013 to June 30, 2015.

Unmodified Opinion on the Other Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2013 to June 30, 2015.

Other Matters

The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Report on Internal Control over Compliance


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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2015-003 and 2015-004 to be material weaknesses.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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


Paul D. Joyce, CPA
State Examiner

August 14, 2017

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

(This page intentionally left blank.)

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-14	Total Federal Awards Expended 06-30-14	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	3060	\$ -	\$ 144,951	\$ -	\$ 149,523
National School Lunch Program		10.555	3060	-	1,172,665	-	1,166,651
School Lunch Commodities			3060	-	449,921	-	445,049
Total - National School Lunch Program				-	1,622,586	-	1,611,700
Total - Child Nutrition Cluster				-	1,767,537	-	1,761,223
Total - Department of Agriculture				-	1,767,537	-	1,761,223
Department of Education							
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I Part A			13-3060	-	69,047	-	-
Title I Part A			14-3060	-	385,442	-	26,620
Title I Part A			15-3060	-	-	-	341,798
Total - Title I Grants to Local Educational Agencies				-	454,489	-	368,418
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027					
Part B 611 Grant (ages 3-21)			14212-025-PN01	-	97,849	-	-
Part B 611 Grant (ages 3-21)			14213-131-PN01	-	451,838	-	67,553
Part B 611 Grant (ages 3-21)			14214-131-PN01	-	2,176,215	-	433,257
Part B 611 Grant (ages 3-21)			14215-131-PN01	-	-	-	2,371,048
Technical Assistance Grant: FY2014 Part B			99914-131-TA01	-	31,130	-	32,915
Total - Special Education_Grants to States				-	2,757,032	-	2,904,773
Special Education_Preschool Grants	Indiana Department of Education	84.173					
Part B 619 Grant (ages 3-5)			45713-131-PN01	-	17,864	-	6,235
Part B 619 Grant (ages 3-5)			45714-131-PN01	-	63,431	-	17,967
Part B 619 Grant (ages 3-5)			45715-131-PN01	-	-	-	58,980
Total - Special Education_Preschool Grants				-	81,295	-	83,182
Total - Special Education Cluster (IDEA)				-	2,838,327	-	2,987,955
English Language Acquisition State Grants	Indiana Department of Education	84.365					
Title III			1113-025-PN01	-	22,827	-	-
Title III			1114-025-PN01	-	46,066	-	19,571
Title III			1115-025-PN01	-	-	-	58,513
Total - English Language Acquisition State Grants				-	68,893	-	78,084
Improving Teacher Quality State Grants	Indiana Department of Education	84.367					
Title II Part A			11-3060	-	164,707	-	-
Title II Part A			12-3060	-	69,151	-	113,305
Title II Part A			13-3060	-	-	-	72,557
Title II Part A			14-3060	-	-	-	11,099
Total - Improving Teacher Quality State Grants				-	233,858	-	196,961
Total - Department of Education				-	3,141,078	-	3,263,000
Total federal awards expended				\$ -	\$ 5,363,104	\$ -	\$ 5,392,641

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 (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2014 and 2015. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

CARMEL CLAY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Qualified: Special Education Cluster and Title I Grants to Local Educational Agencies Unmodified: Improving Teacher Quality State Grants

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	yes
---	-----

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Special Education Cluster (IDEA) Title I Grants to Local Educational Agencies
84.367	Improving Teacher Quality State Grants

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

Auditee qualified as low-risk auditee?	no
--	----

CARMEL CLAY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II - Financial Statement Findings

FINDING 2015-001

Subject: Internal Controls over Financial Transactions and Reporting
Audit Finding: Material Weakness

Condition

There were deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. The documentation for the internal control procedures over the bank reconciliation process that ensured that the cash and investment balances were accurate and complete, and to also provide evidence that the controls were operating effectively, were not retained by the School Corporation.

Context

The internal control designed and implemented by the School Corporation failed to correct the immaterial differences of \$18 and \$20,790 in the combined bank reconciliations at June 30, 2014 and 2015, respectively.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Cause

Management of the School Corporation had not designed and implemented an effective system of internal control.

Effect

The failure to design and implement controls could have enabled material misstatements or irregularities to remain undetected.

CARMEL CLAY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that management establish a system of internal control that would have ensured proper reporting regarding cash and investments.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2015-002

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Other Matters

Condition

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). Amounts received in the form of commodities were omitted from the SEFA resulting in an understatement of \$894,970. In addition, \$50,652 in federal awards was shown in the incorrect grant program. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

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

CARMEL CLAY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

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

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

Cause

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Condition*.

Recommendation

We recommended that management establish a system of internal control that would have ensured proper reporting of the SEFA.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

CARMEL CLAY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2015-003

Subject: Special Education Cluster (IDEA) - Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14212-025-PN01, 14213-131-PN01,
45713-131-PN01, 45714-131-PN01,
99914-131-TA01, 14214-131-PN01,
45715-131-PN01, 14215-131-PN01

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters/Modified Opinion

Condition

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement. The Semi-Annual Certifications and Personnel Activity Reports were prepared by the School Corporation, but did not list all employees paid through the Special Education programs for the 2013-2014 and 2014-2015 school years. Some substitute teachers, who did not perform Special Education duties and were not listed on either type of required report, were paid from Special Education funds.

Context

The Semi-Annual Certifications and Personnel Activity Reports were prepared, but some employees not listed on the required reports, were paid with Special Education funds and did not perform Special Education duties.

Criteria

OMB Circular A-87, Attachment B, 8h states in part:

". . . (3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection . . ."

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

CARMEL CLAY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

OMB Circular A-87, Attachment A, Part C. states in part:

- "1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:
- a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
 - b. Be allocable to Federal awards under the provisions of this Circular.
 - c. Be authorized or not prohibited under State or local laws or regulations.
 - d. Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
 - e. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
 - f. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
 - g. Except as otherwise provided for in this Circular, be determined in accordance with generally accepted accounting principles.
 - h. Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.
 - i. Be the net of all applicable credits.
 - j. Be adequately documented. . . ."

Cause

Management of the School Corporation had not established an effective internal control system that would have ensured that the School Corporation complied with the Allowable Costs/Cost Principles requirements.

Effect

Without an effective system of internal control in place, the School Corporation paid employees that did not perform work related to the Special Education grants.

Questioned Costs

There were no questioned costs identified.

CARMEL CLAY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, and ensure compliance related to the grant agreement and the compliance requirement listed above.

Views of Responsible Officials and Planned Corrective Actions

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2015-004

Subject: Special Education Cluster (IDEA) and Title I Grants to Local Educational Agencies - Cash Management and Reporting

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants, Title I Grants to Local Educational Agencies

CFDA Numbers: 84.027, 84.173, 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 14212-025-PN01, 14213-131-PN01, 45713-131-PN01, 45714-131-PN01, 99914-131-TA01, 14214-131-PN01, 45715-131-PN01, 14215-131-PN01, 13-3060, 14-3060, 15-3060

Compliance Requirements: Cash Management, Reporting

Audit Findings: Material Weakness, Scope Limitation/Modified Opinion

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Cash Management and Reporting.

Management of the School Corporation had not established an effective internal control system related to submission of the cash reimbursement request reports and final expenditure reports for the Special Education and Title I grants.

Nine Special Education grant reimbursement requests were tested. Supporting documentation could not be obtained for one of the reimbursement requests tested. Seven Title I grant reimbursement requests were tested. Supporting documentation could not be obtained for two of the reimbursement requests tested. In addition, two final expenditure reports for the Title I grant did not provide sufficient evidence of a control that ensured the reports were accurate.

Context

Sufficient supporting documentation could not be obtained for three of the sixteen total reimbursement requests selected for testing for the Special Education and the Title I grants. Sufficient evidence of a control process could not be obtained for two final expenditure reports which were selected for testing for the Title I grants.

CARMEL CLAY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

34 CFR 80.20 states in part:

"(a) A State must expand and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to: . . .

(2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

(b) The financial management systems of other grantees and subgrantees must meet the following standards:

(1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.

(2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. . . ."

Cause

Management of the School Corporation had not established an effective internal control system that would have ensured that supporting documentation was maintained and made available for audit relating to the Cash Management and Reporting compliance requirements.

Effect

The failure to maintain and make available supporting documentation prevented the determination of the School Corporation's compliance with the Cash Management and Reporting compliance requirements.

Questioned Costs

There were no questioned costs identified.

CARMEL CLAY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that the School Corporation's management establish controls to ensure that supporting documentation is maintained and made available for audit relating to the compliance requirements listed above.

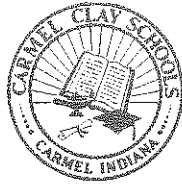
Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

(This page intentionally left blank.)

AUDITEE-PREPARED DOCUMENTS

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



CARMEL CLAY SCHOOLS

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2013-001

Fiscal year in which the finding initially occurred: 2011

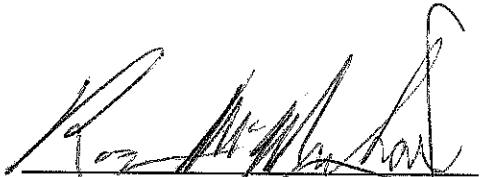
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Roger McMichael

Contact Phone Number: 317-844-9961

Status of Audit Finding:

Carmel Clay Schools has implemented new internal controls subsequent to the State Board of Accounts finding referenced above. Supporting documentation for receipts is now given to the Deputy Treasurer for review and signature, and said documentation will be retained for audit purposes.



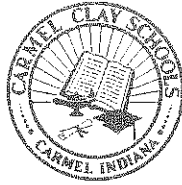
(Signature)

Associate Superintendent for Business

(Title)

7-10-17

(Date)



CARMEL CLAY SCHOOLS

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2013-002

Fiscal year in which the finding initially occurred: 2011

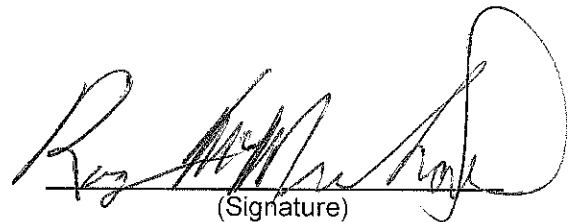
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Roger McMichael

Contact Phone Number: 317-844-9961

Status of Audit Finding:

Carmel Clay Schools has implemented new internal controls subsequent to the State Board of Accounts finding referenced above. Preparation of reimbursement forms is now completed by one person, and another person reviews. Both the preparer and the reviewer sign off on the form.



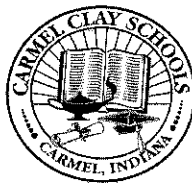
(Signature)

Associate Superintendent for Business

(Title)

7-10-17

(Date)



CARMEL CLAY SCHOOLS

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

Nicholas D. Wahl, Ed.D.
Superintendent of Schools

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

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

Corrine Middleton
Director
Human Resources

CORRECTIVE ACTION PLAN

FINDING 2015-001

Contact Person Responsible for Corrective Action: Kara Kollros
Contact Phone Number: 317-844-9961

Views of Responsible Official: We concur with the finding. During this audit period, Carmel Clay Schools converted to a new financial software program. Along with this conversion came a learning curve on the bank reconciliation process and an understanding double entry accounting. The bank reconciliation was still completed each month with the unreconciled amount being noted and checked by two people. However, the cause of the unreconciled amount was not determined until after the audit period had ended. As of today's date, the unreconciled amount has been reduced to \$2,975.07 with continuing efforts to reconcile this completely.

Description of Corrective Action Plan:

Carmel Clay Schools has modified its internal controls subsequent to the State Board of Accounts finding referenced above. Preparation of the bank reconciliation is now completed by one person, and another person reviews. Both the preparer and the reviewer sign off on the form.

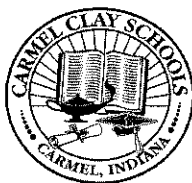
Anticipated Completion Date: 8/14/17

Kara J. Kollros
Deputy Treasurer/Supervisor of Accounting
Carmel Clay Schools

Carmel Clay Schools Board of Trustees

Lin Zheng • Katie Browning • Michael J. Kerschner • Pamela S. Knowles • Layla N. Spanenberg

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



CARMEL CLAY SCHOOLS

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

Nicholas D. Wahl, Ed.D.
Superintendent of Schools

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

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

Corrine Middleton
Director
Human Resources

CORRECTIVE ACTION PLAN

FINDING 2015-002

Contact Person Responsible for Corrective Action: Kara Kollros
Contact Phone Number: 317-844-9961

Views of Responsible Official: We concur with the finding. Prior to this audit, the auditors entered the commodity amount on the SEFA. Now that we are aware it is our responsibility, it will be completed appropriately.

Description of Corrective Action Plan:

Carmel Clay Schools has adjusted its internal controls subsequent to the State Board of Accounts finding referenced above. The SEFA will be completed and reviewed prior to submission.

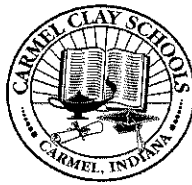
Anticipated Completion Date: 8/14/17

Kara J. Kollros
Deputy Treasurer/Supervisor of Accounting
Carmel Clay Schools

Carmel Clay Schools Board of Trustees

Lin Zheng • Katie Browning • Michael J. Kerschner • Pamela S. Knowles • Layla N. Spanenberg

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



CARMEL CLAY SCHOOLS

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

Nicholas D. Wahl, Ed.D.
Superintendent of Schools

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

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

Corrine Middleton
Director
Human Resources

CORRECTIVE ACTION PLAN

FINDING 2015-003

Federal Agency: U.S. Department of Education

Federal Program: Special Education Cluster

CFDA Number: 84.027, 84.173

Federal Award Number and Year (or Other Identifying Number): 14212-025-PN01, 14213-131-PN01, EDS A58-4-14CI-1966, 45713-131-PN01, 45714-131-PN01, 99914-131-TA01, 14214-131-PN01, 45715-131-PN01, 14215-131-PN01

Contact Person Responsible for Corrective Action: Jay Arthur

Contact Phone Number: 317-844-9961

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Carmel Clay Schools has adjusted its internal controls subsequent to the State Board of Accounts finding referenced above. Grant administrators will now review all personnel expense for accuracy on a regular basis.

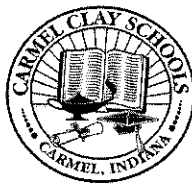
Anticipated Completion Date: 8/14/17

Kara J. Kollros
Deputy Treasurer/Supervisor of Accounting
Carmel Clay Schools

Carmel Clay Schools Board of Trustees

Lin Zheng • Katie Browning • Michael J. Kerschner • Pamela S. Knowles • Layla N. Spanenberg

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



CARMEL CLAY SCHOOLS

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

Nicholas D. Wahl, Ed.D.
Superintendent of Schools

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

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

Corrine Middleton
Director
Human Resources

CORRECTIVE ACTION PLAN

FINDING 2015-004

Federal Agency: U.S. Department of Education
Federal Program: Special Education Grants and Title I Grants
CFDA Number: 84.027 and 84.173, 84.010
Federal Award Number and Year (or Other Identifying Number): 14212-025-PN01, 14213-131-PN01, EDS A58-4-14CI-1966, 45713-131-PN01, 45714-131-PN01, 99914-131-TA01, 14214-131-PN01, 45715-131-PN01, 14215-131-PN01, 13-3060, 14-3060, 15-3060

Contact Person Responsible for Corrective Action: Kara Kollros
Contact Phone Number: 317-844-9961

Views of Responsible Official: We concur with the finding. Detailed documentation of all expenditures in the grant were provided and matched the total expenses incurred for the grant, however, we were unable to provide detailed reports for individual reimbursement requests in some instances.

Description of Corrective Action Plan:

Carmel Clay Schools has adjusted its internal controls subsequent to the State Board of Accounts finding referenced above. Detailed documentation will be attached and kept on file with each grant reimbursement request. Also, a copy of the final expenditure report will be kept with a signature of the preparer and reviewer.

Anticipated Completion Date: 8/14/17

Kara J. Kollros
Deputy Treasurer/Supervisor of Accounting
Carmel Clay Schools

Carmel Clay Schools Board of Trustees

Lin Zheng • Katie Browning • Michael J. Kerschner • Pamela S. Knowles • Layla N. Spanenberg

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

OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.