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January 6, 2023

To: The Officials of the Carmel-Clay School Corporation
Carmel-Clay School Corporation
5201 E. Main Street
Carmel, IN 46033

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the Carmel-Clay School Corporation. We have reviewed the audit report opined upon by FORVIS, LLP, Independent Public Accountants, for the period July 1, 2020 to June 30, 2021. Per the *Independent Auditor's Report*, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate remaining fund information of Carmel-Clay School Corporation as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We call your attention to the findings in the report on pages 10 through 11. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan can be found on pages 14 through 15.

In our opinion, FORVIS, LLP prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

CARMEL CLAY SCHOOL CORPORATION

FINANCIAL STATEMENTS

Year Ended June 30, 2021



CARMEL CLAY SCHOOL CORPORATION

ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2021

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CARMEL CLAY SCHOOL CORPORATION

ANNUAL FINANCIAL REPORT
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INDEPENDENT AUDITORS' REPORT

Independent Auditor's Report

School Board
Carmel Clay Schools
Carmel, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Carmel Clay Schools (School Corporation), as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the School Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity'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 statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Carmel Clay Schools as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The 2020 financial statements, before they were restated for the matters discussed in Note III.G, were audited by other auditors, and their report thereon, dated May 25, 2021, expressed unmodified opinions. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison, pension and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carmel Clay School's basic financial statements. The combining and individual fund statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated November 29, 2022, on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the School Corporation's 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.

FORVIS,LLP

Indianapolis, Indiana
November 29, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

CARMEL CLAY SCHOOL CORPORATION

Management's Discussion and Analysis

June 30, 2021

As management of the Carmel Clay School Corporation, Hamilton County, Indiana, ("Carmel Clay") we offer readers of Carmel Clay's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2021. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- Total assets and deferred outflows of Carmel Clay exceeded its total liabilities and deferred inflows by \$166,688 (reported as net position). Of this amount \$11,976 was reported as "unrestricted net position".
- As of the close of the current fiscal year, Carmel Clay's governmental funds reported a combined ending fund balance of \$93,110.
- At the end of the current fiscal year, the fund balance for the Operations Fund was \$2,436 which represented 9.90% of total Operations Fund expenditures, excluding transfers out.
- Carmel Clay's total bond and loan related debt as of June 30, 2021 is \$191,971.
- Other Post-Employment Benefits payable was \$17,984, as of June 30, 2021.
- Net Pension Liability as of June 30, 2021 was \$10,952.
- Carmel Clay issued \$20,100 of General Obligation Bonds and \$21,665 of First Mortgage Bonds to finance renovations at several of the school buildings.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Carmel Clay's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all Carmel Clay's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Carmel Clay is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The governmental activities of Carmel Clay include instruction, support services, community services, facilities acquisition and construction, interest on long-term debt, and nonprogrammed charges.

The government-wide financial statements can be found on pages 1-2 of this report.

CARMEL CLAY SCHOOL CORPORATION

Management's Discussion and Analysis

June 30, 2021

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Carmel Clay, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of Carmel Clay can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Carmel Clay maintains 38 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Education Fund, Operations Fund, Operating Referendum Fund, Debt Service Fund, Building Corporation Construction Fund, and Construction Funds, which are considered to be major funds. Data for the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the report. Carmel Clay adopts an annual appropriated budget for its operations, educational, and debt service funds. Budgetary comparison schedules have been provided for the major special revenue funds in the required supplementary information to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 3-5 of this report.

Proprietary funds. Carmel Clay maintains one proprietary fund for internal services. Internal service funds are an accounting device used to accumulate and allocate costs internally among Carmel Clay's various functions. Carmel Clay uses the internal service fund to account for self-insurance. Because these services benefit the governmental-type functions, they have been included within the governmental activities on the Statement of Net Position in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 6-8 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those are not available to support Carmel Clay's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 9-10 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 11-54 of this report.

CARMEL CLAY SCHOOL CORPORATION

Management's Discussion and Analysis

June 30, 2021

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Carmel Clay's budgets for its major special revenue funds as well as a reconciliation between the budget schedules and fund financial statements. Since Carmel Clay budgets on a calendar year basis and reports on fiscal year ended June 30th basis, there is a timing exception. In addition, Carmel Clay's progress in funding its obligation to provide pension and other post-employment benefits to certain employees is included as supplementary information. Required supplementary information can be found on pages 55-71 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on budgets. Combining and individual fund statements and schedules can be found pages on 72-85 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of government's financial position. For Carmel Clay, total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$166,688 at the close of the most recent fiscal year.

A total of \$124,843 (74.89%) of Carmel Clay's net position reflects the investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. Carmel Clay uses these capital assets to provide services; consequently, these assets are not available for future spending. Although Carmel Clay's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table reflects the condensed statement of Carmel Clay's net position:

Carmel Clay School Corporation Net Position as of June 30

	Governmental-Type Activities	
	2021	2020
Current and Other Assets	\$ 144,687	\$ 160,931
Capital Assets	254,716	206,861
Total Assets	399,403	367,792
Deferred Outflow of Resources	15,456	13,613
Long-term Liabilities Outstanding	201,962	198,782
Other Liabilities	31,718	10,895
Total Liabilities	233,680	209,677
Deferred Inflow of Resources	14,491	14,878
Net Investment in Capital Assets	124,843	100,884
Restricted	29,868	42,466
Unrestricted	11,976	13,500
Total Net Position	\$ 166,687	\$ 156,850

CARMEL CLAY SCHOOL CORPORATION

Management's Discussion and Analysis

June 30, 2021

A portion of Carmel Clay's net position, \$29,868 (17.92%), represents resources that are subject to external restrictions on how they may be used. A negative balance for unrestricted net position is more common for units of government like the School that utilize pay as you go policies for long-term debt, pensions and other post-employment benefits rather than accumulating assets in advance.

At the end of the current fiscal year, Carmel Clay reported a positive balance in net position.

The following table provides a summary of changes in net position for Carmel Clay.

Carmel Clay School Corporation – Changes in Net Position For the year ended June 30

Description	Governmental Activities	
	2021	2020
Revenues:		
Program Revenues:		
Charges for Services	\$ 5,534	\$ 6,884
Operating Grants and Contributions	17,294	18,432
General Revenues:		
Taxes:		
Property	72,444	73,129
Other	6,313	6,511
State Aid	105,325	104,168
Non employer entity contributions	-	-
Other	15,674	11,736
Total Revenues	<u>222,584</u>	<u>220,860</u>
Expenses:		
Instruction	108,784	103,008
Support Services	62,514	61,857
Community Services	8,237	9,371
Facilities Acquisition and Construction	12,083	19,122
Interest on Long Term Debt	4,146	2,237
Nonprogrammed Charges	20,922	12,020
Total Expenses	<u>216,686</u>	<u>207,615</u>
Changes in Net Position	5,898	13,245
Net Position - beginning of year - adjusted	<u>160,789</u>	<u>143,605</u>
Net Position - End of Year	<u>\$ 166,687</u>	<u>\$ 156,850</u>

CARMEL CLAY SCHOOL CORPORATION

Management's Discussion and Analysis

June 30, 2021

Carmel Clay's net position from governmental activities was \$166,867 as of June 30, 2021. Notable governmental activities revenue and expense for the fiscal year ended June 30, 2021 included the following:

- Property tax revenues were \$72,444 as compared to \$73,129 in the prior year. These revenues were generated by Carmel Clay's tax rate applied to the assessed value of the School Corporation.
- Other taxes reported a total of \$6,313, a decrease of 3.04% from the previous year.
- State Aid totaled \$105,325, an increase of 1.11% from the prior year.
- Charges for services reported a total amount of \$5,534 for student fees, textbook rental fees, transfer tuition, childcare, vocation education and joint school fees. Charge for services totaled \$6,884 in the prior year. The decrease was caused by fewer students attending school in person due to COVID-19 resulting in less a la carte food sales.
- Operating grants and contributions reported a total amount of \$17,294 from a variety of sources including adult education, special education, and school lunch. In the prior year, \$18,432 was reported.
- Expenses from instruction were \$108,784 as compared to \$103,008 in the prior year, a 5.61% increase.
- Support services expenses reported a total amount of \$62,514, an increase from the \$61,857 reported in the prior year, a 1.1% increase.
- Community services expenses reported a total amount of \$8,237, a decrease from the \$9,339 reported in the prior year. The decrease resulted from less food purchased and a reduction of staff because of the pandemic.
- Expenses for facilities acquisition and construction were \$12,083 compared to \$19,122 reported in the prior year, a decrease of 36.81%. This decrease was primarily due to the completion of a large construction project and cost associated with an explosion at the high school in the prior year.

Carmel Clay's overall cash and cash equivalents are \$80,830. Carmel Clay's property tax rate for 2021 is \$.8583. The rate was \$.8572 for 2020 (per \$100 of assessed value).

Program Revenue and Expenses – Governmental Activities

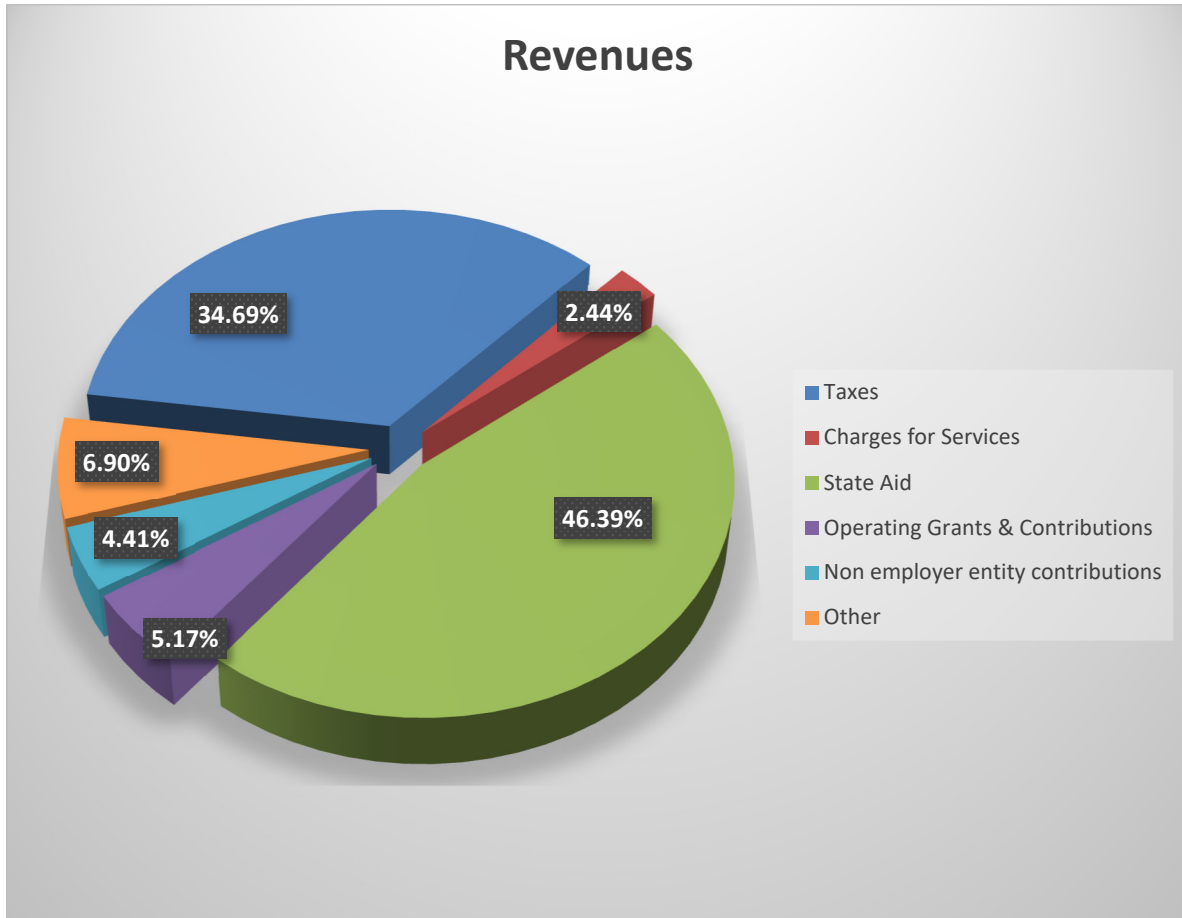
State Aid and Property Taxes were Carmel Clay's major sources of revenue supporting its activities. Other sources of revenue consisted primarily of grants and contributions not restricted to specific programs, investment income, and miscellaneous revenue.

CARMEL CLAY SCHOOL CORPORATION

Management's Discussion and Analysis

June 30, 2021

The following chart displays the Revenues by Source for Carmel Clay's governmental activities:

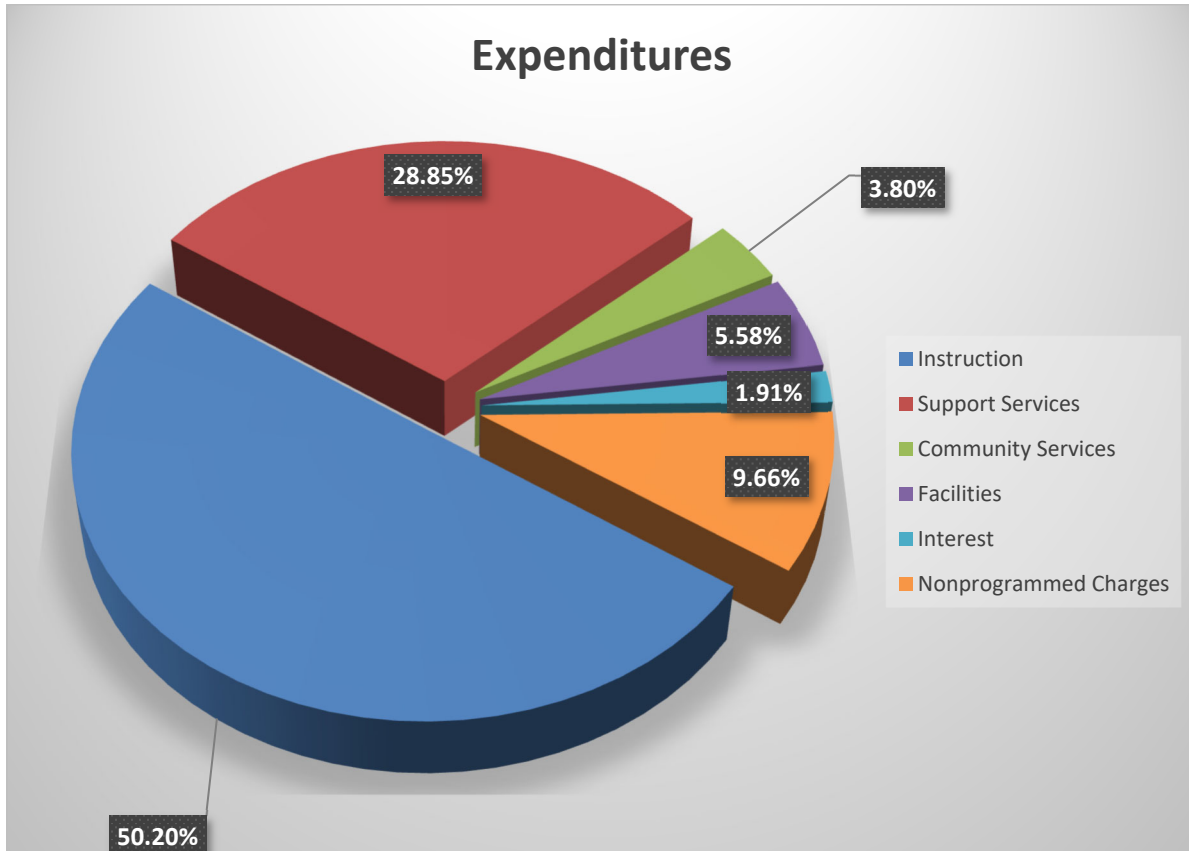


CARMEL CLAY SCHOOL CORPORATION

Management's Discussion and Analysis

June 30, 2021

Instruction was the major source of expenses for the fiscal year ended June 30, 2021. In addition to instruction, the School Corporation incurred costs for support services, community service, facility acquisition and construction, interest on debt and other nonprogrammed charges. The following chart illustrates the fiscal year spending of the governmental funds:



Financial Analysis of the Government's Funds

As noted earlier, Carmel Clay uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Carmel Clay's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Carmel Clay's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, Carmel Clay's governmental funds reported combined ending fund balances of \$93,110. Fund balances are the differences between assets and liabilities in a governmental fund. Carmel Clay allocates fund balances into five classifications:

- Nonspendable fund balance includes amounts that are not in spendable form or amounts that are required to be maintained intact.
- Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external providers, such as grant providers or bondholders, as well as amounts that are restricted constitutionally or through legislation.

CARMEL CLAY SCHOOL CORPORATION

Management's Discussion and Analysis

June 30, 2021

- Committed fund balance includes amounts that can be used only for the specific purposes that are determined by a formal action of the government's highest level of decision-making authority.
- Assigned fund balance applies to amounts that are intended for specific purposes as expressed by governing body or authorized official and applies to remaining resources in any governmental fund other than the general fund.
- Unassigned fund balances includes deficit fund balances in any other governmental fund.

As of the end of the current fiscal year, Carmel Clay's governmental funds reported combined ending fund balances of \$93,110. The fund balance has restricted fund balance of \$92,265 and committed fund balance of \$1,485. Carmel Clay had 8 funds with a negative fund balance totaling \$641. Negative fund balances arose primarily from reimbursements from reimbursable grants not being received before fiscal year end.

The Operations Fund is the chief operating fund of Carmel Clay. The fund balance of Carmel Clay's Operations Fund is \$2,436 as of June 30, 2021. Key factors are as follows:

- Revenues exceeded expenditures by \$4,998, excluding other financing sources and uses.
- Major sources of revenue include local sources of \$29,222 which includes property and excise taxes received.
- Major expenditures include support services of \$17,488 for busing, maintenance, benefit administration and community relations.
- Transfers out to other funds were \$6,274.

The Education Fund is a major fund for the current fiscal year. The fund balance for this major fund is (\$492). The major source of revenue was state sources in the amount of \$107,268. The expenditures include instruction of \$94,134, and support services of \$17,262.

The Operating Referendum Fund is considered a major fund for the current fiscal year. The fund balance for this fund is \$2,197. The source of revenue for this fund was local sources in the amount of \$23,523. The majority of expenditures from this fund were used for support services in the amount of \$18,953 and instruction in the amount of \$3,446.

The Debt Service Fund is reported as a major fund for the current fiscal year. The fund balance for this fund is \$8,625. The source of revenue was local sources, consisting primarily of property taxes, in the amount of \$26,749. The expenditures from this fund were related to payment of debt obligations in the amount of \$11,635. This fund also reported transfers out to other funds in the amount of \$16,795.

The Building Corporation Construction Fund was also reported as a major fund with a fund balance of \$15,029. Revenue in the amount of \$780 was received from local sources and bond proceeds and premium on bonds of \$21,665 and 4,046 respectively. The majority of expenditures from this fund were related to facility acquisition and construction in the amount of \$48,067. This fund transferred money to other funds in the amount of \$25,597.

The Construction Funds fund was also reported as a major fund with a fund balance of \$46,493. Revenue in the amount of \$89 was received from local sources and bond proceeds and premium on bonds of \$20,100 and \$1,908 respectively. The majority of expenditures from this fund were related to facility acquisition and construction in the amount of \$11,758. This fund received transfers from other funds in the amount of \$28,872.

CARMEL CLAY SCHOOL CORPORATION

Management's Discussion and Analysis

June 30, 2021

Budgetary Highlights

The Carmel Clay School Board submits a budget to allow for the continued operation of the School Corporation. There were several assumptions used at the time of budget development, but when the actual budget information becomes available in January from the Department of Local Government Finance, Carmel Clay adjusts the budget accordingly. The Carmel Clay budget is prepared on a calendar year basis.

Capital Asset and Debt Administration

Capital assets. Carmel Clay's investment in capital assets for its governmental activities as of June 30, 2021 are \$254,716 (net of accumulated depreciation). This investment in capital assets includes, land, construction in progress, buildings, and machinery and equipment.

Major capital asset events during the current fiscal year included the following:

- Additions of capital assets during 2021 included construction in progress of \$52,626, buildings of 4,485, and machinery and equipment of \$2,198.
- A significant amount of the additions to construction in progress relate to work being conducted at Carmel Elementary and Carmel High School.

The following table displays Carmel Clay's capital assets:

Carmel Clay Capital Assets as of June 30

Description	Governmental-Type Activities	
	2021	2020
Land	\$ 10,657	\$ 10,657
Buildings	314,185	309,699
Construction in Progress	57,606	8,189
Machinery and Equipment	23,129	22,389
Total Capital Assets	405,577	350,934
Accumulated Depreciation	(150,861)	(144,073)
Net Capital Assets	<u>\$ 254,716</u>	<u>\$ 206,861</u>

CARMEL CLAY SCHOOL CORPORATION

Management's Discussion and Analysis

June 30, 2021

Long-term obligations. As of June 30, 2021, Carmel Clay had outstanding long-term obligations of \$221,316. The detail of Carmel Clay's long-term obligations is as follows:

Carmel Clay Long-term Obligations as of June 30

Description	Governmental-Type Activities	
	2021	2020
General Obligation	\$ 174,280	\$ 154,815
Premium/(Discount) on Bonds	17,691	13,646
Compensated Absences	409	423
Other Post Employment Benefits	17,984	19,330
Net Pension Liabilities	10,952	10,567
Total	<u>\$ 221,316</u>	<u>\$ 198,781</u>

Overall, Carmel Clay's total long-term debt increased during the current fiscal year due to the issuance of general obligation bonds and first mortgage bonds issued to finance renovations at several of the school buildings.

The School Corporation maintains a long-term rating of "AA" on its outstanding general obligation bonds and building corporation first mortgage lease rental bonds (which are rated as a general obligation security) assigned by S&P Global Ratings.

Carmel Clay recognized a Net Pension Liability in 2021 of \$10,952

Carmel Clay recognized an OPEB liability in 2021 of \$17,984.

Additional information of Carmel Clay's long-term debt can be found in the Notes to the Financial Statements included elsewhere in this report.

Economic Factors and Next Year's Budget and Rates

- The School Corporation's assessed value increased by \$326,235 from \$8,061,767 in 2020 to \$8,388,002 in 2021. The School Corporation received an increase in growth quotient of 4.2% for assessed valuation. This increase will help support expenses for the operations fund.
- Property tax and the Basic Tuition Support are the School Corporation's largest sources of revenue. These funds are used for education expenses as well as operating expenses.
- State-wide property tax caps (based upon a percent of gross AV by property class) became effective in 2009. For the 2020 budget year, the loss to the School Corporation due to the caps is \$1,918,402. 2021 expected losses of revenue due to circuit breaker is \$2,368,146. Expenditure restraints and revenue diversification have been used to offset this loss.

All the above factors were considered in preparing the School Corporations budget for the 2021 calendar year.

CARMEL CLAY SCHOOL CORPORATION

Management's Discussion and Analysis

June 30, 2021

Request for Information

This financial report is designed to provide a general overview of Carmel Clay's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Carmel Clay Schools, 5201 East Main Street, Carmel, IN 46033.

BASIC FINANCIAL STATEMENTS

CARMEL CLAY SCHOOL CORPORATION

STATEMENT OF NET POSITION
June 30, 2021

	Governmental Activities
ASSETS	
Cash	\$ 38,546,054
Receivables (net)	
Taxes receivable	32,220,185
Intergovernmental receivable	161,093
Accounts	157,133
Prepaid	907,287
Restricted assets	
Cash	42,284,144
Investments	30,411,082
Capital assets	
Land and construction in progress	68,262,918
Other capital assets, net of depreciation	186,453,205
Total assets	399,403,101
DEFERRED OUTFLOWS OF RESOURCES	
Loss on refunding	812,249
OPEB related amounts	1,105,792
Pension related amounts	13,537,924
Total deferred outflows of resources	15,455,965
LIABILITIES	
Accounts payable	4,545,415
Accrued wages and payroll withholding	6,106,412
Interest payable	875,195
Claims payable	836,619
Noncurrent liabilities	
Due within one year	
Bonds payable	18,945,000
Compensated absences	409,849
Due in more than one year	
Bonds payable (net of premiums)	173,025,945
Total OPEB liability	17,983,814
Net pension liability	10,951,792
Total liabilities	233,680,041
DEFERRED INFLOWS OF RESOURCES	
OPEB related amounts	886,898
Pension related amounts	13,604,384
Total deferred inflows of resources	14,491,282
NET POSITION	
Net investment in capital assets	124,843,149
Restricted for:	
Instruction	4,759,864
Support services	8,780,257
Debt service	16,328,103
Unrestricted	11,976,370
TOTAL NET POSITION	\$ 166,687,743

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

CARMEL CLAY SCHOOL CORPORATION

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

<u>Functions/Programs</u>	<u>Program Revenues</u>			Net (Expenses) Revenues and Changes in Net Position
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:				
Instruction	\$ 108,783,835	\$ 2,820,818	\$ 9,929,582	\$ (96,033,435)
Support services	62,513,611	2,713,250	7,364,099	(52,436,262)
Community services	8,236,955	-	-	(8,236,955)
Facilities acquisition and construction	12,083,411	-	-	(12,083,411)
Interest on long term debt	4,145,518	-	-	(4,145,518)
Nonprogrammed charges	<u>20,921,702</u>	<u>-</u>	<u>-</u>	<u>(20,921,702)</u>
Total governmental activities	<u>216,685,032</u>	<u>5,534,068</u>	<u>17,293,681</u>	<u>(193,857,283)</u>
General Revenues:				
Property taxes				72,444,382
Other taxes				6,312,957
State aid				105,324,852
Grants and contributions not restricted to specific programs				14,268
Investment income				809,062
Miscellaneous				<u>14,850,682</u>
Total general revenues and transfers				<u>199,756,203</u>
Change in Net Position				5,898,920
NET POSITION - Beginning of Year, as previously reported				156,850,424
NET POSITION - Adjustment - see Note III. G.				<u>3,938,399</u>
NET POSITION - Beginning as restated				<u>160,788,823</u>
NET POSITION - END OF YEAR				<u>\$ 166,687,743</u>

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

CARMEL CLAY SCHOOL CORPORATION

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	Education Fund	Operations Fund	Operating Referendum	Debt Service	Building Corporation Construction Fund	Construction Funds	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 4,288,583	\$ 3,749,831	\$ 3,190,271	\$ -	\$ -	\$ -	\$ 19,290,209	\$ 30,518,894
Receivables								
Taxes	-	11,204,779	8,747,429	10,654,346	-	-	1,613,631	32,220,185
Intergovernmental	-	-	-	-	-	-	161,093	161,093
Accounts	-	-	-	-	-	-	157,133	157,133
Due from other funds	162,461	-	-	-	-	-	-	162,461
Restricted investments	-	-	-	-	2,500,000	27,911,082	-	30,411,082
Restricted cash	-	-	-	8,624,817	12,528,894	21,130,433	-	42,284,144
TOTAL ASSETS	4,451,044	14,954,610	11,937,700	19,279,163	15,028,894	49,041,515	21,222,066	135,914,992
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities								
Accounts payable	153,420	957,939	190,354	-	-	2,548,799	465,796	4,316,308
Accrued wages and payroll withholding	4,789,142	355,622	802,858	-	-	-	158,790	6,106,412
Due to other funds	-	-	-	-	-	-	162,461	162,461
Total liabilities	<u>4,942,562</u>	<u>1,313,561</u>	<u>993,212</u>	<u>-</u>	<u>-</u>	<u>2,548,799</u>	<u>787,047</u>	<u>10,585,181</u>
Deferred inflows of resources								
Unavailable revenues	-	11,204,779	8,747,429	10,654,346	-	-	1,613,631	32,220,185
Total deferred inflows of resources	<u>-</u>	<u>11,204,779</u>	<u>8,747,429</u>	<u>10,654,346</u>	<u>-</u>	<u>-</u>	<u>1,613,631</u>	<u>32,220,185</u>
Fund Balances								
Restricted	-	2,436,270	2,197,059	8,624,817	15,028,894	46,492,716	17,485,273	92,265,029
Committed	-	-	-	-	-	-	1,484,898	1,484,898
Unassigned (deficit)	(491,518)	-	-	-	-	-	(148,783)	(640,301)
Total fund balances (deficit)	<u>(491,518)</u>	<u>2,436,270</u>	<u>2,197,059</u>	<u>8,624,817</u>	<u>15,028,894</u>	<u>46,492,716</u>	<u>18,821,388</u>	<u>93,109,626</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 4,451,044	\$ 14,954,610	\$ 11,937,700	\$ 19,279,163	\$ 15,028,894	\$ 49,041,515	\$ 21,222,066	
Amounts reported for governmental activities in the statement of net position are different because:								
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the fund statements. See Note 2.A.								254,716,123
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position								6,961,434
Some receivables that are not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide statements.								
Unavailable revenue								32,220,185
Prepaid expenses are not reported in the current period; therefore, not reported in the fund financial statements								907,287
Deferred outflows and deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.								(66,460)
Deferred outflows and deferred inflows of resources related to OPEB do not relate to current financial resources and are not reported in the governmental funds.								218,894
Deferred outflows of resources related to deferred amounts on refunding do not relate to current financial resources and are not reported in the governmental funds.								812,249
Other liabilities, compensated absences and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the funds statements								(1,285,044)
Long-term liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the fund financial statements. See Note 2.A.								
Bonds payable							\$ (191,970,945)	
Net pension liability							(10,951,792)	
Total OPEB liability							<u>(17,983,814)</u>	
								(220,906,551)
NET POSITION OF GOVERNMENTAL ACTIVITIES								<u>\$ 166,687,743</u>

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

CARMEL CLAY SCHOOL CORPORATION

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	Education Fund	Operations Fund	Operating Referendum	Debt Service	Building Corporation Construction Fund	Construction Funds	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES								
Local sources	\$ 1,227,222	\$ 29,222,702	\$ 23,523,184	\$ 26,745,636	\$ 777,783	\$ 71,767	\$ 8,271,391	\$ 89,839,685
Intermediate sources	56	273,691	-	-	-	-	467,439	741,186
State sources	106,041,045	-	-	-	-	-	2,280,364	108,321,409
Federal sources	-	-	-	-	-	-	9,272,518	9,272,518
Other	-	103,637	-	-	2,575	16,836	11,336,339	11,459,387
Total revenues	<u>107,268,323</u>	<u>29,600,030</u>	<u>23,523,184</u>	<u>26,745,636</u>	<u>780,358</u>	<u>88,603</u>	<u>31,628,051</u>	<u>219,634,185</u>
EXPENDITURES								
Current								
Instruction	94,134,213	-	3,445,928	-	-	-	4,490,923	102,071,064
Support services	17,262,689	17,488,398	18,953,457	-	-	2,445,830	7,690,223	63,840,597
Community services	1,018,662	-	1,012,468	-	-	-	6,373,165	8,404,295
Capital outlays and facilities acquisition and construction	10,758	7,114,087	-	-	48,067,449	11,758,273	95,458	67,046,025
Nonprogrammed charges	-	-	-	-	167,356	-	10,893,158	11,060,514
Debt Service								
Principal paid on debt	-	-	-	7,730,000	-	-	14,570,000	22,300,000
Interest on debt	-	-	-	3,904,914	-	-	2,140,644	6,045,558
Debt issuance costs	-	-	-	-	113,738	6,523	-	120,261
Total expenditures	<u>112,426,322</u>	<u>24,602,485</u>	<u>23,411,853</u>	<u>11,634,914</u>	<u>48,348,543</u>	<u>14,210,626</u>	<u>46,253,571</u>	<u>280,888,314</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,157,999)</u>	<u>4,997,545</u>	<u>111,331</u>	<u>15,110,722</u>	<u>(47,568,185)</u>	<u>(14,122,023)</u>	<u>(14,625,520)</u>	<u>(61,254,129)</u>
OTHER FINANCING SOURCES (USES)								
Debt proceeds	-	-	-	-	21,665,000	20,100,000	-	41,765,000
Premium on long-term debt	-	-	-	-	4,046,429	1,907,994	-	5,954,423
Transfers in	3,000,000	-	-	-	-	28,871,963	16,794,500	48,666,463
Transfers out	-	(6,274,272)	-	(16,794,500)	(25,597,691)	-	-	(48,666,463)
Total other financing sources (uses)	<u>3,000,000</u>	<u>(6,274,272)</u>	<u>-</u>	<u>(16,794,500)</u>	<u>113,738</u>	<u>50,879,957</u>	<u>16,794,500</u>	<u>47,719,423</u>
Net change in fund balances	<u>(2,157,999)</u>	<u>(1,276,727)</u>	<u>111,331</u>	<u>(1,683,778)</u>	<u>(47,454,447)</u>	<u>36,757,934</u>	<u>2,168,980</u>	<u>(13,534,706)</u>
FUND BALANCES - Beginning as previously stated	1,666,481	3,712,997	2,085,728	10,308,595	62,483,341	9,734,782	15,032,832	105,024,756
FUND BALANCE - Adjustment - see Note III. G.	-	-	-	-	-	-	1,619,576	1,619,576
FUND BALANCE - Beginning as restated	<u>1,666,481</u>	<u>3,712,997</u>	<u>2,085,728</u>	<u>10,308,595</u>	<u>62,483,341</u>	<u>9,734,782</u>	<u>16,652,408</u>	<u>106,644,332</u>
FUND BALANCES (DEFICIT) END OF YEAR	<u>\$ (491,518)</u>	<u>\$ 2,436,270</u>	<u>\$ 2,197,059</u>	<u>\$ 8,624,817</u>	<u>\$ 15,028,894</u>	<u>\$ 46,492,716</u>	<u>\$ 18,821,388</u>	<u>\$ 93,109,626</u>

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

CARMEL CLAY SCHOOL CORPORATION

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Net change in fund balances - total governmental funds	\$ (13,534,706)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.</p>	
Capital outlays reported as an expenditure in the fund financial statements	54,824,121
Depreciation is reported in the government-wide statements	(8,244,731)
<p>Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	
Debt issued	(41,765,000)
Premium on debt issued	(5,954,423)
Principal paid	22,300,000
<p>Changes in Net Pension Liability and Total OPEB liability are reported in the government wide statement of activities.</p>	
Total OPEB liability	1,346,412
Net Pension Liability	(3,061,399)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Change in interest payable	221,878
Deferred outflows of resources related to pensions	712,608
Deferred inflow of resources related to pensions	1,273,958
Deferred outflows of resources related to OPEB	317,934
Deferred inflows of resources related to OPEB	(886,898)
Deferred amount on refunding	(231,300)
Change in prepaid expenses	60,033
Change in compensated absences	13,432
<p>Some revenues reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as revenue in the funds.</p>	
<p>Deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of net activities and are reported as interest expense.</p>	
Amortization of debt premium	1,909,462
Deferred inflows of resources related to unavailable revenue	(2,604,822)
<p>Internal Service Funds are used by management to change the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.</p>	
	(797,639)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 5,898,920

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

CARMEL CLAY SCHOOL CORPORATION

STATEMENT OF NET POSITION -
PROPRIETARY FUND
June 30, 2021

	<u>Internal Service</u>
ASSETS	
CURRENT ASSETS	
Cash	\$ 8,027,160
TOTAL ASSETS	<u>8,027,160</u>
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts payable	229,107
Claims payable	<u>836,619</u>
TOTAL CURRENT LIABILITIES	<u>1,065,726</u>
NET POSITION	
Unrestricted	<u>6,961,434</u>
TOTAL NET POSITION	<u>\$ 6,961,434</u>

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

CARMEL CLAY SCHOOL CORPORATION

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUND
For the Year Ended June 30, 2021

	Internal Service
OPERATING REVENUES	
Charges for services	\$ 15,942,643
Other	<u>5,598,860</u>
Total operating revenues	<u>21,541,503</u>
 OPERATING EXPENSES	
Health and dependent care costs	<u>22,339,142</u>
Total operating expenses	<u>22,339,142</u>
 Operating loss	<u>(797,639)</u>
 Change in Net Position	 (797,639)
 NET POSITION - Beginning of Year	 <u>7,759,073</u>
 NET POSITION - END OF YEAR	 <u>\$ 6,961,434</u>

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

CARMEL CLAY SCHOOL CORPORATION

STATEMENT OF CASH FLOWS - PROPRIETARY FUND For the Year Ended June 30, 2021

	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from customers	\$ 21,541,503
Payments for interfund services used	<u>(22,477,430)</u>
Net Cash Flows Used in Operating Activities	<u>(935,927)</u>
Net Change in Cash and Cash Equivalents	(935,927)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>8,963,087</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 8,027,160</u>
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (797,639)
Changes in assets, deferred outflows, liabilities and deferred inflows	
Claims payable	(313,166)
Accounts payable	<u>174,878</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (935,927)</u>

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

CARMEL CLAY SCHOOL CORPORATION

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

June 30, 2021

	<u>Custodial Funds</u>
ASSETS	
Cash and investments	\$ <u> -</u>
TOTAL ASSETS	<u> -</u>
NET POSITION	
Restricted	<u><u> -</u></u>

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

CARMEL CLAY SCHOOL CORPORATION

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS For the Year Ended June 30, 2021

	Custodial Funds
<u>Additions</u>	
Student receipts	\$ <u> -</u>
Total additions	<u> -</u>
<u>Deductions</u>	
Student activities	<u> -</u>
Total deductions	<u> -</u>
Changes in net position	<u> -</u>
NET POSITION - Beginning as Previously Stated	<u> 1,619,576</u>
NET POSITION - Adjustment - see Note III. G.	<u> (1,619,576)</u>
NET POSITION - Beginning as Restated	
NET POSITION - ENDING	\$ <u> -</u>

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

CARMEL CLAY SCHOOL CORPORATION

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CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Carmel Clay School Corporation (primary government) was established under the laws of the State of Indiana. The primary government operates under a Board of School Trustees form of government and provides the following education services.

The accounting policies of the Carmel Clay School Corporation, Indiana conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the school corporation. The reporting entity for the school corporation consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended, or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Blended Component Units

The Carmel 2002 School Building Corporation is a blended component unit of the School Corporation. The Carmel 2002 School Building Corporation was created for the purpose of financing School buildings and improvements. Although it is legally separate from the primary government, the Building Corporation is reported as if it were a part of the primary government because it provided services entirely or almost entirely to the primary government. To exclude the financial statements of this component unit would render the School's financial statements incomplete or misleading. The Building Corporation is induced as a debt service fund (to account for the retirement of debt) and a capital projects fund (to account for construction related costs). The Building Corporation does not issue separate financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*. This statement establishes criteria for reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. This standard was implemented June 30, 2021. There was no impact of adoption on the School Corporation's financial statements.

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Direct expenses are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the school corporation are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the school corporation or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund that met the 10% test is at least 5% of the corresponding total for all governmental funds combined.
- c. In addition, any other governmental fund that the school corporation believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The school corporation reports the following major governmental funds:

Education Fund - accounts for all financial resources of the general government related to education of students. .

Operations Fund - accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Operating Referendum Fund - accounts for financial resources accumulated due to the referendum passed and the uses of those resources.

Debt Service Fund - accounts for all financial resources related to the debt of the general government.

Building Corporation Construction Fund - accounts for the activity and investment of funds the First Mortgage Bond, Series 2020.

Construction Funds - accounts for the activity of the construction funds for the school corporation.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The school corporation reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Debt Service Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs.

Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

In addition, the school corporation reports the following fund types:

Internal Service Funds - used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the school corporation, or to other governmental units, on a cost-reimbursement basis.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the school corporation considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the school corporation is entitled the resources and the amounts are available. Amounts owed to the school corporation which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. Delinquent special assessments being held by the school corporation are reported as receivables and unavailable revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, LIABILITIES, NET POSITION, OR FUND BALANCE

1. Deposits and Investments

For purposes of the statement of cash flows, the school corporation considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, NET POSITION, OR FUND BALANCE (cont.)

1. Deposits and Investments (cont.)

The School Corporation's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the fiscal year end.

Nonparticipating certificates of deposit, demand deposits and similar nonparticipating negotiable instruments that are not reported as cash and cash equivalents are reported as investments at cost.

See Note III. A. for further information.

2. Receivables

Property taxes levied are collected by the County Treasurer and are distributed to the primary government in June and in December. State statute (IC 61.11716) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by December 31 of the year preceding the budget year or January 15 of the budget year if the school corporation is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the preceding year's January 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments that become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the primary government prior to December 31 of the year collected. Delinquent property taxes outstanding at year end for governmental proprietary funds are recorded as a receivable with an offset to deferred inflows of resources – unavailable revenue since the amounts are not considered available.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "advances to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, NET POSITION, OR FUND BALANCE (cont.)

4. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$20,000 for general capital assets and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Land	N/A	N/A
Buildings	50	Years
Machinery, vehicles and equipment	8-10	Years

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

5. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time. The School Corporation is reporting deferred outflows of resources for a loss on refunding and OPEB and pension related items.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, NET POSITION, OR FUND BALANCE (cont.)

6. *Compensated Absences*

Eligible employees will be granted vacation days according to their benefit schedule. An employee may carry over up to five vacation days annually. At the conclusion of employment, unused vacation days will be paid out to employees.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2021, are determined on the basis of current salary rates and include salary related payments.

7. *Long-Term Obligations*

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes, bonds payable, accrued compensated absences, net pension liabilities, and OPEB liabilities.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

8. *Deferred Inflows of Resources*

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time. The school corporation is reporting deferred inflows of pension and OPEB related amounts. They are also reporting a deferred inflow of unavailable revenue on the fund financial statements due to taxes receivable.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, NET POSITION, OR FUND BALANCE (cont.)

9. Net Position and Fund Balance Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the School Corporation Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the School Corporation Council that originally created the commitment.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, NET POSITION, OR FUND BALANCE (cont.)

9. Net Position and Fund Balance Classifications (cont.)

Fund Statements (cont.)

- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The School Corporation Council has, by resolution, adopted a financial policy authorizing the Director of Finance to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned - Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

The school corporation considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the school corporation would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note III. F. for further information.

10. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as they are reported by the School Corporation OPEB Plan. For this purpose, the School Corporation OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

11. Pensions

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions expense, information about the fiduciary net position of the Indiana Public Employees' Retirement Fund, the Teachers' Retirement Fund (TRF) and the Pre-96 TRF Fund (the Plans), and additions to and deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with benefit terms.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. DEFICIT FUND BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit fund balances at year end.

As of June 30, 2021, the following individual funds held a deficit fund balance:

Fund	Amount	Reason
Education Fund	\$ 491,518	Accrued payroll
Federal Part B 611 Funds	134,514	Reimbursable federal grant
Special Education	243	Reimbursable federal grant
Title I Grants	1,375	Reimbursable federal grant
Title II Grants	5,700	Reimbursable federal grant
Title III Grants	4,848	Reimbursable federal grant
Title IV Grants	304	Reimbursable federal grant
Washington DC Trip	1,799	Reimbursable amounts from students

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The school corporation's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 42,351,460	\$ 46,527,176	Custodial
Certificates of deposit	43,766,280	43,766,280	Custodial
Money markets	<u>25,123,540</u>	<u>25,123,540</u>	Custodial
 Total Deposits and Investments	 <u>\$111,241,280</u>	 <u>\$115,416,996</u>	
 Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 38,546,054		
Restricted cash and investments	<u>72,695,226</u>		
 Total Deposits and Investments	 <u>\$111,241,280</u>		

Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Indiana Public Deposit Insurance Fund, which cover all public funds held in approved depositories.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

The school corporation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investment Type	June 30, 2021			
	Level 1	Level 2	Level 3	Total
Money Markets	\$ 25,123,540	\$ -	\$ -	\$ 25,123,540
Total	\$ 25,123,540	\$ -	\$ -	\$ 25,123,540

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the school corporation's deposits may not be returned to the school corporation.

The school corporation's deposit policy for custodial credit risk is to comply with Indiana Code 5-13-8-1.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The school's investment policy for credit risk is to stay in compliance with Indiana Code.

See Note I.D.1. for further information on deposit and investment policies.

B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year.

Governmental funds report *unavailable* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 32,220,185
Total Unavailable Revenue for Governmental Funds	\$ 32,220,185

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2021

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Restatement	Additions	Deletions	Ending Balance
Governmental Activities					
Capital assets not being depreciated					
Land	\$ 10,656,624	\$ -	\$ -	\$ -	\$ 10,656,624
Construction in progress	<u>8,189,857</u>	<u>1,275,274</u>	<u>52,626,324</u>	<u>4,485,161</u>	<u>57,606,294</u>
Total Capital Assets Not Being Depreciated	<u>18,846,481</u>	<u>1,275,274</u>	<u>52,626,324</u>	<u>4,485,161</u>	<u>68,262,918</u>
Capital assets being depreciated					
Buildings	309,699,371	-	4,485,162	-	314,184,533
Machinery and equipment	<u>22,389,017</u>	<u>-</u>	<u>2,197,797</u>	<u>1,457,549</u>	<u>23,129,265</u>
Total Capital Assets Being Depreciated	<u>332,088,388</u>	<u>-</u>	<u>6,682,959</u>	<u>1,457,549</u>	<u>337,313,798</u>
Total Capital Assets	<u>350,934,869</u>	<u>1,275,274</u>	<u>59,309,283</u>	<u>5,942,710</u>	<u>405,576,716</u>
Less: Accumulated depreciation for					
Buildings	(129,788,900)	-	(6,265,395)	-	(136,054,295)
Machinery and equipment	<u>(14,284,511)</u>	<u>-</u>	<u>(1,979,336)</u>	<u>1,457,549</u>	<u>(14,806,298)</u>
Total Accumulated Depreciation	<u>(144,073,411)</u>	<u>-</u>	<u>(8,244,731)</u>	<u>1,457,549</u>	<u>(150,860,593)</u>
Net Capital Assets Being Depreciated	<u>188,014,977</u>	<u>-</u>	<u>(1,561,772)</u>	<u>-</u>	<u>186,453,205</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 206,861,458</u>	<u>\$ 1,275,274</u>	<u>\$51,064,552</u>	<u>\$ 4,485,161</u>	<u>\$ 254,716,123</u>

The restatement to capital assets was due to construction costs not reported in the prior fiscal year.

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities	
Non programmed charges	<u>\$ 8,244,731</u>
Total Governmental Activities Depreciation/Amortization Expense	<u>\$ 8,244,731</u>

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Education Fund	Nonmajor Governmental Funds	\$ 162,461
Total - Fund Financial Statements		162,461
Less: Government-wide eliminations		<u>(162,461)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ -</u>

All amounts are due within one year.

The principal purpose of these interfunds is to cover negative cash balances at year end.

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Construction Funds	Operations Fund Building Corporation	\$ 3,274,272	Reimbursements
Construction Funds	Construction Fund	25,597,691	Transfer of bond proceeds
Education Fund	Operations Fund	3,000,000	Rainy Day funds
Nonmajor governmental funds	Debt Service Funds	<u>16,794,500</u>	Debt payments
Total - Fund Financial Statements		48,666,463	
Less: Government-wide eliminations		<u>(48,666,463)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ -</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended June 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 154,815,000	\$ 41,765,000	\$ 22,300,000	\$ 174,280,000	\$ 18,945,000
Premiums	<u>13,645,984</u>	<u>5,954,423</u>	<u>1,909,462</u>	<u>17,690,945</u>	<u>-</u>
Sub-totals	<u>168,460,984</u>	<u>47,719,423</u>	<u>24,209,462</u>	<u>191,970,945</u>	<u>18,945,000</u>
Other Liabilities					
Vested compensated absences	423,281	409,849	423,281	409,849	409,849
Other postemployment benefits	19,330,226	1,609,741	2,956,153	17,983,814	-
Net pension liability	<u>10,567,280</u>	<u>7,482,446</u>	<u>7,097,934</u>	<u>10,951,792</u>	<u>-</u>
Total Other Liabilities	<u>30,320,787</u>	<u>9,502,036</u>	<u>10,477,368</u>	<u>29,345,455</u>	<u>409,849</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 198,781,771</u>	<u>\$ 57,221,459</u>	<u>\$ 34,686,830</u>	<u>\$ 221,316,400</u>	<u>\$ 19,354,849</u>

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the school corporation. Bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund.

Governmental Activities

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance June 30, 2021</u>
General Obligation Bonds of 2019	4/18/19	1/5/25	2%	\$ 22,415,000	\$ 16,950,000
General Obligation Bonds of 2021	2/24/21	1/15/27	2% to 3%	20,100,000	20,100,000
Ad Valorem Property Tax First Mortgage Bonds, Series 2014	6/24/14	1/25/24	3% to 5%	19,955,000	7,245,000
Ad Valorem Property Tax First Mortgage Bonds, Series 2016B	10/20/16	1/5/25	2.98%	47,695,000	24,500,000
Ad Valorem Property Tax First Mortgage Refunding Bonds, Series, 2016B	10/20/16	1/5/25	2.85%	47,690,000	24,485,000
First Mortgage Bonds, Series 2020	3/29/20	12/31/35	3.5% to 5%	59,335,000	59,335,000
First Mortgage Bonds, Series 2021	5/19/21	1/15/30	4%	21,665,000	<u>21,665,000</u>
Total Governmental Activities - General Obligation Debt					<u><u>\$ 174,280,000</u></u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 18,945,000	\$ 4,424,095
2023	24,510,000	6,422,699
2024	24,590,000	4,633,333
2025	23,835,000	3,852,411
2026	14,000,000	3,163,925
2027-2031	44,635,000	8,882,300
2032-2035	<u>23,765,000</u>	<u>2,127,388</u>
Totals	<u><u>\$ 174,280,000</u></u>	<u><u>\$ 33,506,151</u></u>

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at June 30, 2021, includes the following:

Governmental Activities

Net Investment in Capital Assets

Land	\$ 10,656,624
Construction in progress	57,606,294
Other capital assets, net of accumulated depreciation	186,453,205
Less: Long-term debt outstanding	(191,970,945)
Plus: Unspent capital related debt proceeds	61,521,610
Plus: Deferred loss on refunding	812,249
Less: Capital assets included in accounts payable	<u>(235,888)</u>

Total Net Investment in Capital Assets \$ 124,843,149

Governmental Funds

Governmental fund balances reported on the fund financial statements at June 30, 2021, include the following:

	Education Fund	Operating Fund	Operating Fund Referendum	Debt Service Fund	Construction Funds	Building Corp Construction Fund	Nonmajor Funds	Totals
Fund Balances								
Restricted for:								
Instruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,759,864	\$ 4,759,864
Support Services	-	2,436,270	2,197,059	-	-	-	4,146,928	8,780,257
Debt Service	-	-	-	8,624,817	-	-	8,578,481	17,203,298
Capital Projects	-	-	-	-	46,492,716	15,028,894	-	61,521,610
Sub-total	<u>-</u>	<u>2,436,270</u>	<u>2,197,059</u>	<u>8,624,817</u>	<u>46,492,716</u>	<u>15,028,894</u>	<u>17,485,273</u>	<u>92,265,029</u>
Committed to:								
Other	-	-	-	-	-	-	1,484,898	1,484,898
Sub-total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,484,898</u>	<u>1,484,898</u>
Unassigned (deficit):	<u>(491,518)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(148,783)</u>	<u>(640,301)</u>
Total Fund Balances (Deficit)	<u><u>\$ (491,518)</u></u>	<u><u>\$ 2,436,270</u></u>	<u><u>\$ 2,197,059</u></u>	<u><u>\$ 8,624,817</u></u>	<u><u>\$ 46,492,716</u></u>	<u><u>\$ 15,028,894</u></u>	<u><u>\$ 18,821,388</u></u>	<u><u>\$ 93,109,626</u></u>

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. RESTATEMENT OF FUND BALANCES/NET POSITION

Fund balance has been restated to primarily correct an error in reporting Extra Curricular activity as custodial activity.

Nonmajor Special Revenue Funds

Nonmajor Special Revenue Fund balance - June 30, 2020 (as reported)	\$ 6,533,644
Add: Funds moved from custodial fund reporting to governmental reporting	<u>1,619,576</u>
Fund Balance - June 30, 2020 (as restated)	<u>\$ 8,153,220</u>

Net position has been restated to correct an error in beginning capital assets and an unrecorded deferred amount on refunding.

Beginning Net Position - June 30, 2020 (as reported)	\$ 156,850,424
Add: Adjustment for unrecorded capital assets	1,275,274
Adjustment for unrecorded deferred amount on refunding	1,043,549
Adjustment for reclassification of funds from custodial to special revenue	<u>1,619,576</u>
Net Position - June 30, 2020 (as restated)	<u>\$ 160,788,823</u>

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Public Employees' Retirement Fund

Plan description. The school corporation participates in the Public Employees' Retirement Fund (PERF), a cost-sharing multiple-employer defined benefit plan effective July 1, 2013 based on 35 IAC 21-1-1, 35 IAC 21-1-2 and amended IC 5-10.2-2-11(b). PERF was established to provide retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan, and certain INPRS employees. Political subdivisions mean a county, city, town, township, political body corporate, public school corporation, public library, public utility of a county, city, town, township, and any department of, or associated with, a county, city, town, or township, which department receives revenue independently of, or in addition to, funds obtained from taxation. There are two (2) tiers to the PERF Plan. The first is the Public Employees' Defined Benefit Plan (PERF Hybrid Plan) and the second is the My Choice Retirement Savings Plan for Public Employees (My Choice). Details of the PERF Hybrid Plan are described below.

PERF Hybrid Plan Description. The PERF Hybrid Plan was established by the Indiana Legislature in 1945 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10.2, IC 5-10.3, and IC 5-10.5. There are two (2) aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the Public Employees' Hybrid Members Defined Contribution Account (DC Account), formerly known as the Annuity Savings Account (ASA), which that supplements the defined benefit at retirement.

Contributions. Members are required to contribute 3% of their annual covered salary to their defined contribution account. The primary government is required to contribute at an actuarially determined rate; the current rate for calendar year 2020 is 11.20% percent of annual covered payroll. The rate for 2021 is also 11.20%. The contribution requirements of plan members and the primary government are established and may be amended by the INPRS Board of Trustees. The actuarial amount, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the PERF plan from the School Corporation were \$1,878,141 for the fiscal year ended June 30, 2021.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplemental information for the plan as a whole and for its participants. the report is available online at <http://www.inprs.in.gov> or can be obtained by contacting:

Indiana Public Retirement System
1 N Capital Street
Indianapolis, IN 46204
ph. (888) 526-1687

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Retirement Benefits. The PERF Hybrid Plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's a DC Account. Pension benefits vest after 10 years of creditable service. The vesting period is eight (8) years for certain elected officials. Members are immediately vested in their annuity savings account. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's annuity savings account, receive the amount as an annuity, or leave the contributions invested with INPRS. Vested PERF members leaving a covered position, who wait 30 days after termination, may withdraw their DC account and will not forfeit creditable service or a full retirement benefit. However, if a member is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the DC Account. A non-vested member who terminates employment prior to retirement may withdraw his/her DC Account after 30 days, but by doing so, forfeits his/her creditable service. A member who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position. All 20 calendar quarters do not need to be continuous, but they must be in groups of four (4) consecutive calendar quarters. The same calendar quarter may not be included in two (2) different groups. For PERF members who serve as an elected official, the highest one (1) year (total of four (4) consecutive quarters) of annual compensation is used. Member contributions paid by the employer on behalf of the member and severance pay up to \$2,000 are included as part of the member's annual compensation.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100% of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable service is at least 85 is entitled to 100% of the benefits as described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89 percent. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84 percent) to age 50 being 44 percent.

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Disability and Survivor Benefits. The PERF Hybrid Plan also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is \$180 per month, or the actuarial equivalent.

Upon the death in service of a member with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two (2) or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

Retirement Benefits – My Choice. Members are required to participate in My Choice. The My Choice DC Account consists of the member's contributions, set by statute at three (3) percent of compensation as defined by IC 5-10.2-3-2 for PERF, plus the interest/earnings or losses credited to the member's account. The employer may elect to make the contributions on behalf of the member. The City has elected to make the contributions on behalf of the member. In addition, under certain conditions, members may elect to make additional voluntary contributions of up to 10 percent of their compensation into their DC Account. A member's contributions and interest credits belong to the member and do not belong to the State or political subdivision.

Rate of Return. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the fiscal year ended June 30, 2020, which is being utilized as the measurement date, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for Public Employee's Retirement Fund was 2.58 percent.

Net Pension Liability

At June 30, 2021, the school corporation reported a liability of \$9,459,271 for its proportionate share of the net pension liability, based on the June 30, 2020 measurement date. The school corporation's proportion of the total was measured on the ratio of the wages reported by employers relative to the collective wages of the plan. This basis of allocation measures the proportionate relationship of an employer to all employers and is consistent with the manner in which contributions to the pension plan are determined. The plan does not have a special funding situation, as there is not a non-employer contributing entity legally responsible for making contributions that are used to provide pension benefits to members of the pension plan. At the June 30, 2020 measurement date, the school corporation's proportion was 0.31318% a decrease of .00655% from .31973%.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Deferred Outflows of Resources and Deferred Inflows of Resources. At June 30, 2021, the school corporation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 167,591	\$ 127,003
Changes in assumptions	-	1,970,917
Net differences between projected and actual earnings on pension plan investments	809,561	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,877	194,977
Employer contributions subsequent to the measurement date	1,878,141	-
Totals	\$ 2,864,170	\$ 2,292,897

\$1,878,141 reported as deferred outflows related to pension resulting from the Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2022	\$ (1,023,836)
2023	(420,938)
2024	(205,975)
2025	343,881

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Pension Expense. The School Corporation recognized pension expense, for the year ended June 30, 2021, for the following proportionate share of pension expense:

Pension Expense	
Proportionate share of plan pension expense	\$ 761,799
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	<u>(67,720)</u>
Total	<u><u>\$ 694,079</u></u>

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Key Methods and Assumptions. Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

Valuation Date:	June 30, 2020
Assets:	June 30, 2019 - Member census data as of June 30, 2019 was used in the valuation and adjusted where appropriate to reflect changes between June 30, 2019 and June 30, 2020. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2019 to June 30, 2020 measurement date.
Liabilities:	
Actuarial Cost Method:	Entry Age Normal (Level percent of payroll)
Actuarial Assumptions:	
Experience Study Date	Period of 5 years ended June 30, 2019
Investment Rate of Return	6.75%, net of investment expense, including inflation
Cost of Living Increases	2020-2021 - 13th check Beginning January 1, 2022 - 0.40% Beginning January 1, 2034 - 0.50% Beginning January 1, 2039 - 0.60%
Salary increases, including inflation:	2.50% - 4.25% based on age
Inflation	2.25%
Mortality:	
Health:	Pub-2010 Public Retirement Plans Mortality Tables with a fully generational project mortality improvements using SOA Scale MP-2019
Disability:	Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Change in Assumptions. For the June 30, 2020 measurement date, the future salary increase assumption changed from an age-based table ranging from 2.50 percent to 4.25 percent to a service-based table ranging from 2.75 percent to 8.75 percent.

The mortality assumption changed from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The retirement assumption was updated based on recent experience and was updated from an age- and service-based table to an age based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30 percent are now assumed to commence benefits immediately and 70 percent are assumed to commence benefits at unreduced retirement eligibility. Previously 33 percent of actives were assumed to commence benefits with early retirement while 67 percent were assumed to wait for unreduced retirement eligibility.

The termination assumption was updated based on recent experience. For state members the tables were combined from being split by salary and sex to being one unisex service-based table. For members in political subdivisions earning more than \$20,000, the sex-distinct tables were combined to one unisex service-based table. For members in political subdivisions earning less than \$20,000, the sex-distinct age-based table was maintained and the rates were updated based on experience.

The disability assumption was updated based on recent experience. The marital assumption was updated based on recent experience. 80 percent of male members and 65 percent of female members are assumed to be married or to have a dependent beneficiary. Previously, 75 percent of male members and 60 percent of female members were assumed to be married or to have a dependent beneficiary.

The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

Plan Amendments. There were no changes in the plan provisions during the fiscal year, based on the June 30, 2020 measurement date.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Long Term Return Expectation. For the June 30, 2020 measurement date, the long-term return expectation has been determined by using a building-block approach and assumes a time horizon, as defined by INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established and the long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

	Target Asset Allocation %	Long-Term Expected Real Rate of Return % (Geometric Basis)
Public Equity	22.0%	4.4%
Private Equity	14.0	7.6
Fixed Income - Ex Inflation-Linked	20.0	1.9
Fixed Income - Inflation-Linked	7.0	.5
Commodities	8.0	1.6
Real Estate	7.0	5.8
Absolute Return	10.0	2.9
Risk Parity	12.0	5.5

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Discount Rate. The discount rate used to measure the total pension liability was 6.75%, as of the measurement date of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from units will be made at contractually required rates, actuarially determined.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the school corporation's proportionate share of the net pension liability to changes in the discount rate. For the June 30, 2020 measurement date, the following presents the school corporation's proportionate share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what the school corporation's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease to Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase to Discount Rate (7.75%)
School Corporation's proportionate share of the net pension liability	\$15,421,829	\$9,459,271	\$4,465,144

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued INPRS Comprehensive Annual Financial Report and Actuarial Valuations. These reports can be found at:

https://www.in.gov/inprs/files/2020ActuarialReport_PERF.pdf
https://www.in.gov/inprs/files/INPRSConsolidatedAR_FY20.pdf

Teacher's Retirement Fund

Plan Description. Teacher's Retirement Fund (TRF) is a cost-sharing, multiple-employer defined benefit fund providing retirement, disability, and survivor benefits. Membership in TRF is required for all legally qualified and regularly employed licensed teachers who serve in the public schools of Indiana, teachers employed by the state at state institutions, and certain INPRS personnel. Faculty members and professional employees at Ball State University and Vincennes University have the option of selecting membership in the Fund or an alternate University plan not administered by INPRS. Membership in Teacher's Retirement Fund '96 Defined Benefit (TRF '96 DB) plan is optional for teachers employed by charter schools, employees and officials of the Indiana State Board of Education who were Indiana licensed teachers before their employment with the Board, and teachers employed by special management teams as defined under IC 20-31. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.4, 35 IAC 14, and other Indiana pension law. TRF '96 DB is a component of the Teachers' Hybrid Plan.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Retirement Benefits - Defined-Benefit Pension. The TRF Plan retirement benefit consists of the sum of the defined pension benefit provided by the employer contributions plus the amount credited to the member's DC account.

Pension benefits vest after 10 years of creditable service. Members are immediately vested in their annuity savings account. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's annuity savings account, receive the amount as an annuity, or leave the contributions invested with INPRS. Vested TRF members leaving a covered position, who wait 30 days after termination, may withdraw their annuity savings account and will not forfeit creditable service or a full retirement benefit. However, if a member is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the annuity savings account. A nonvested member who terminates employment prior to retirement may withdraw his/her annuity savings account after 30 days, but by doing so, forfeits his/her creditable service. A member who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years or creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position. All 20 calendar quarters do not need to be continuous, but they must be in groups of four (4) consecutive calendar quarters. The same calendar quarter may not be included in two (2) difference groups. Member contributions paid by the employer on behalf of the member and severance pay up to \$2,000 are included as part of the member's annual compensation.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for early retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable services is at least 85 is entitled to 100 percent of the benefits described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89 percent. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84 percent) to age 50 being 44 percent.

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Retirement Benefits - Disability and Survivor Benefits. The TRF Plan also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. TRF classroom disability may be available for those who do not qualify for social security disability guidelines. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is \$180 per month, or the actuarial equivalent.

Upon the death in service of a member with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two (2) or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

Contributions. Members are required to contribute 3% of their annual covered salary. The School Corporation is required to contribute at an actuarially determined rate; the rate for fiscal year 2020, which is being utilized as the measurement date, was 5.50% of annual covered payroll. The rate for 2021 is also 5.5%. The contribution requirements of plan members and the primary government are established and may be amended by the INPRS Board of Trustees. The actuarial amount, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

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. Contributions to the TRF plan from the School Corporation were \$3,931,116 for the year ended June 30, 2021.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Pension Liability, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Indiana Public Retirement System (INPRS) and additions to/deductions from INPRS's fiduciary net position have been determined on the same basis as they are reported by INPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. At June 30, 2021, the School reported an liability of \$1,492,519 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's reported wages as a proportion of total collective reported wages for all employers. At the measurement date of June 30, 2020, the School's proportion was 1.91494%, an increase of .05158% from 1.86336% as of June 30, 2019.

For the year ended June 30, 2021, the School recognized pension expense of \$3,819,400 for the TRF Fund. A breakdown of the pension expense is shown below:

Pension Expense	
Proportionate share of plan pension expense	\$ 4,022,986
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	<u>(203,586)</u>
Total	<u>\$ 3,819,400</u>

At June 30, 2021, the School reported deferred inflows of resources and deferred outflows of resources related to pensions from the following services:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,007,724	\$ 3,342,812
Changes in assumptions	2,888,726	5,618,270
Net differences between projected and actual earnings on pension plan investments	2,376,762	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	469,426	2,350,404
Employer contributions subsequent to the measurement date	<u>3,931,116</u>	-
Totals	<u>\$ 10,673,754</u>	<u>\$ 11,311,486</u>

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

\$3,931,116 reported as deferred outflows related to pension resulting from the Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Measurement Date Year Ended	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2022	\$ (592,715)
2023	(385,077)
2024	92,296
2025	223,730
2026	(759,632)
Thereafter	(3,147,450)

Actuarial Assumptions

Inflation:	2.25%
Salary increases, including inflation:	2.50%-12.00% based on years of service
Cost of Living Increases:	2020-2021 - 13th check
	Beginning January 1, 2022 - 0.40%
	Beginning January 1, 2034 - 0.50%
	Beginning January 1, 2039 - 0.60%
Mortality:	Pub-2010 Public Retirement Plans Mortality Tables with a fully generational project of mortality improvements using SOA Scale MP-2019

Changes in Assumption

For the measurement date of June 30, 2020, the future salary increase assumption changed from a table ranging from 2.50 percent to 12.50 percent to a table ranging from 2.75 percent to 12.00 percent.

The mortality assumption changed from the RP-2014 White Collar Mortality Table with Social Security Administration generational projection scale from 2006 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The termination assumption was updated based on recent experience. The age-based table and service-based tables which were used previously were replaced by one service-based table.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The disability assumption was updated based on recent experience.

The retirement assumption was updated based on recent experience and was updated from an age-based table split by regular retirement, rule of 85 retirement, and early retirement to an age-based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30 percent are now assumed to commence benefits immediately and 70 percent are assumed to commence benefits at unreduced retirement eligibility. Previously, all active retirements were assumed to commence benefits immediately.

The marital assumption was updated based on recent experience. 80 percent of male members and 75 percent of female members are assumed to be married or to have a dependent beneficiary. Previously, 100 percent of members were assumed to be married or to have a dependent beneficiary. Additionally, for female members, the assumption for their spouse's age changed from 2 years older to 3 years older.

The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

Discount Rate. The discount rate used to measure the total pension liability was 6.75%, as of the measurement date of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from units will be made at contractually required rates, actuarially determined.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long Term Return Expectation. The long-term return expectation has been determined by using a building-block approach and assumes a time horizon, as defined by INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established and the long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

	Target Asset Allocation %	Long-Term Expected Real Rate of Return % (Geometric Basis)
Public Equity	22.0%	4.4%
Private Equity	14.0	7.6
Fixed Income - Ex Inflation-Linked	20.0	1.9
Fixed Income - Inflation-Linked	7.0	0.5

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Commodities	8.0	1.6
Real Estate	7.0	5.8
Absolute Return	10.0	2.9
Risk Parity	12.0	5.5

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. For the June 30, 2020 measurement date, the following presents the School's proportional share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease to Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase to Discount Rate (7.75%)
School Corporation's proportionate share of the net pension (asset) liability	\$22,817,785	\$1,492,519	\$(15,752,654)

INPRS issues publicly available financial information that includes financial statements and required supplementary information for the PERF and TRF plans that can be found at:

https://www.in.gov/inprs/files/INPRSConsolidatedAR_FY20.pdf

Teachers' Pre-96 Retirement Fund

Plan Description. The School Corporation participates in the Teachers' Pre-1996 Defined Benefit Account, a pay-as-you-go, cost-sharing, multiple-employer defined benefit fund providing retirement, disability, and survivor benefits for teachers, administrators and certain INPRS employees. Administration of the account is generally in accordance with IC 5-10.2, IC 5-10.4, and 35 IAC 14. TRF Pre-'96 DB is the employer-funded defined benefit component of the Teachers' Hybrid Plan, and the Teachers' Hybrid Members Defined Contribution Account (see Defined Contribution Funds section) is the other component. Membership in TRF Pre-96 is closed to new entrants in accordance with GASB Cod.P20.178(b).

The state of Indiana assumes 100% of the net pension liability for the plan. The net pension liability associated with Carmel Clay School Corporation was \$106,155,415, as of the June 30, 2020 measurement date.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Retirement Benefits – Defined Benefit Pension. Pension benefits vest after 10 years of creditable service. Members are immediately vested in their annuity savings account. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's annuity savings account, receive the amount as an annuity, or leave the contributions invested with INPRS. Vested Pre-96 TRF members leaving a covered position, who wait 30 days after termination, may withdraw their annuity savings account and will not forfeit creditable service or a full retirement benefit. However, if a member is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the annuity savings account. A nonvested member who terminates employment prior to retirement may withdraw his/her annuity savings account after 30 days, but by doing so, forfeits his/her creditable service. A member who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years or creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position. All 20 calendar quarters do not need to be continuous, but they must be in groups of four (4) consecutive calendar quarters. The same calendar quarter may not be included in two (2) difference groups. Member contributions paid by the employer on behalf of the member and severance pay up to \$2,000 are included as part of the member's annual compensation.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for early retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable services is at least 85 is entitled to 100 percent of the benefits described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89 percent. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84 percent) to age 50 being 44 percent.

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly.'

Retirement Benefits - Disability and Survivor Benefits. The Pre-96 TRF Plan also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. Pre-96 TRF classroom disability may be available for those who do not qualify for social security disability guidelines. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is \$180 per month, or the actuarial equivalent.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Upon the death in service of a member with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two (2) or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

Contributions The Pre-96 TRF Plan is funded 100% from the State of Indiana through contributions as required by statute.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Indiana Public Retirement System (INPRS) and additions to/deductions from INPRS's fiduciary net position have been determined on the same basis as they are reported by INPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Revenue was recognized for the contributions made by the State on behalf of the School Corporation in accordance with GASB Cod. P20.182(j). Investments are reported at fair value. At June 30, 2021, the net pension liability is assumed by the State of Indiana and the School does not report any liability for the pension liability.

For the year ended June 30, 2021, the School recognized pension expense of \$5,550,484 for the Pe-96 TRF Fund. No amounts were recognized for deferred outflows of resources and deferred inflows of resources.

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation, which was used as the measurement date, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

The actuarial assumptions used in the June 30, 2020 valuation of the Teachers' Pre-1996 Defined Benefit Account were adopted by the INPRS Board in June 2020. The majority of the actuarial and methods are based on plan experience from July 1, 2014 through June 30, 2019 and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018.

Changes in Assumption

The future salary increase assumption changed from a table ranging from 2.50 percent to 12.50 percent to a table ranging from 2.75 percent to 12.00 percent.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The mortality assumption changed from the RP-2014 White Collar Mortality Table with Social Security Administration generational projection scale from 2006 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The retirement assumption was updated based on recent experience and was updated from an age-based table split by regular retirement, rule of 85 retirement, and early retirement to an age-based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30 percent are now assumed to commence benefits immediately and 70 percent are assumed to commence benefits at unreduced retirement eligibility. Previously, all active retirements were assumed to commence benefits immediately.

The termination assumption was updated based on recent experience. The age-based table and service-based tables which were used previously were replaced by one service-based table.

The disability assumption was updated based on recent experience.

The marital assumption was updated based on recent experience. 80 percent of male members and 75 percent of female members are assumed to be married or to have a dependent beneficiary. Previously, 100 percent of members were assumed to be married or to have a dependent beneficiary. Additionally, for female members, the assumption for their spouse's age changed from 2 years older to 3 years older.

The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent, based on the June 30, 2020 measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from units will be made at contractually required rates, actuarially determined.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

403(b) Defined Contribution Retirement Plan

Carmel Clay Schools offers a 403(b) retirement plan for administrators hired prior to July 1, 2020, Carmel Clay Schools provides a 1% matching salary contribution. Vesting is immediate. These benefits pose a liability to Carmel Clay Schools for this year and in future years. Information regarding the benefits can be obtained by contacting Carmel Clay Schools who has the authority under which benefits and contribution requirements are established or can be amended. Carmel Clay Schools made ongoing contributions of \$129,696 to the 403(b) retirement plan July 1, 2020 through June 30, 2021.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

401(a) Defined Contribution Retirement Plan

Carmel Clay Schools also provides a 401(a) retirement plan for employees as defined by the collective bargaining agreement. Vesting varies based on the employee's hire date.

- For those hired prior to July 1, 2004 who will attain their earliest retirement date under INPRS after June 30, 2018 but before July 1, 2023, a 2% ongoing contribution is provided. Vesting occurs after 10 consecutive years of service with Carmel Clay Schools following the 2002-2003 school year. Information regarding the benefits can be obtained by contacting Carmel Clay Schools who has the authority under which benefits and contribution requirements are established or can be amended. Carmel Clay Schools made ongoing contributions of \$43,203 to the 401(a) retirement plan during July 1, 2020 through June 30, 2021.
- For those hired July 1, 2004 and after who attain their earliest retirement date with unreduced benefits under INPRS after June 30, 2023, a 1% ongoing contribution is provided. Vesting occurs after 10 consecutive years of service with Carmel Clay Schools following the 2002-2003 school year. These benefits pose a liability to Carmel Clay Schools for this year and in future years. Information regarding the benefits can be obtained by contacting Carmel Clay Schools who has the authority under which benefits and contribution requirements are established or can be amended. Carmel Clay Schools made ongoing contributions of \$633,345 to the 401(a) retirement plan July 1, 2020 through June 30, 2021.

Carmel Clay Schools also provides a 401(a) retirement account for the Associate Superintendent, Assistant Superintendent and the Carmel High School Principal. An ongoing contribution of 10% for the Associate Superintendent and 5% each for the Assistant Superintendent and Carmel High School Principal is provided. When the administrator is eligible to retire with unreduced benefits from INPRS, these contributions will convert to salary. Information regarding the benefits can be obtained by contacting Carmel Clay Schools who has the authority under which benefits, and contribution requirements are established or can be amended. Carmel Clay Schools made ongoing contributions of \$30,826 to the 401(a) retirement plan July 1, 2020 through June 30, 2021.

Carmel Clay Schools also provides a 401(a) retirement account for all other administrators hired after July 1, 2003. A 3% ongoing contribution is provided. Vesting occurs after 10 years of employment with Carmel Clay Schools. These benefits pose a liability to Carmel Clay Schools for this year and in future years. Information regarding the benefits can be obtained by contacting Carmel Clay Schools who has the authority under which benefits, and contribution requirements are established or can be amended. Carmel Clay Schools made ongoing contributions of \$355,958 to the 401(a) retirement plan July 1, 2020 through June 30, 2021.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Voluntary Employees' Beneficiary Association (VEBA) Plan

Carmel Clay Schools offers a Voluntary Employees' Beneficiary Association (VEBA) plan for administrators hired after July 1, 2003, and employees as defined by the collective bargaining agreement, all of whom are not eligible for the Early Retirement Incentive Plan. Carmel Clay Schools provides a 1% contribution. Vesting occurs after 10 consecutive years of service with Carmel Clay Schools. These benefits pose a liability to Carmel Clay Schools for this year and in future years. Information regarding the benefits can be obtained by contacting Carmel Clay Schools who has the authority under which benefits and contribution requirements are established or can be amended. Carmel Clay Schools made ongoing contributions of \$758,353 to the VEBA plan July 1, 2020 through June 30, 2021.

B. RISK MANAGEMENT

The school corporation is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Self Insurance

The primary government has chosen to establish a risk financing fund for risks associated with risk of loss related to employee health claims for School employees. The risk financing fund is accounted for in the Internal Service Fund where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$500,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. A premium is charged to each fund that accounts for employee payroll. The total charge allocated to each of the funds is based primarily upon the percentage of each fund's current year payroll as it relates to total payroll and are reported as interfund services provided and used. Provisions are also made for unexpected and unusual claims.

Claim expenditures and liabilities for the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amounts of payouts and other economic and social factors.

Claims Liability

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims - Beginning of Year	\$ 874,798	\$ 1,149,785
Current year claims and changes in estimates	16,887,049	17,145,820
Claim payments	<u>(16,612,062)</u>	<u>(17,458,986)</u>
Unpaid Claims - End of Year	<u>\$ 1,149,785</u>	<u>\$ 836,619</u>

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the school corporation is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the school corporation attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the school corporation's financial position or results of operations.

The school corporation has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

D. OTHER POSTEMPLOYMENT BENEFITS

GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan description. The school corporation's single employer defined benefit OPEB plan provides all employees OPEB retiree health benefits, including medical prescription drug, dental, and vision insurance, until Medicare eligibility once reaching age 50 with 15 years of experience. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Employees covered by benefit terms. At June 30, 2020 (actuarial valuation date) the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	84
Active plan members	<u>2,115</u>
	<u>2,199</u>

TOTAL OPEB LIABILITY

The school corporation's total OPEB liability of \$17,983,814 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020, rolled forward using standard actuarial techniques to June 30, 2021. .

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Actuarial assumptions and other inputs. The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25% per year
Salary increases	Payroll growth is based on the INPRS PERF and TRF actuarial valuations as of June 30, 2019. Percentage increases range from 2.5% to 12.5% based on job classification and years of service.
Healthcare cost trend rates	7.5% in 2020, trending down to 4.5% in 2027 and later.
Retirees' share of benefit-related costs	Retiree contributions are assumed to increase according to health care trend rates.

The discount rate of 2.19% was based on a range 20 year municipal bond indices of tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality Assumptions:

- > Support staff: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020.
- > Teacher & Administrators: SOA Pub-2010 Teachers Headcount Weighted Mortality Table fully generational using Scale MP-2020.
- > Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

CHANGES IN THE TOTAL OPEB LIABILITY

	Total OPEB Liability
Balances at June 30, 2020	\$ <u>19,330,226</u>
Changes for the year:	
Service cost	653,681
Interest	505,533
Differences between expected and actual experience	(985,442)
Changes in assumptions or other inputs	450,527
Benefit payments	<u>(1,970,711)</u>
Net changes	<u>(1,346,412)</u>
Balances at June 30, 2021	<u>\$ 17,983,814</u>

The School Corporation contributed \$1,970,711 into the plan for fiscal year 2021.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the school corporation, as well as what the school corporation's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.19 percent) or 1-percentage-point higher (3.19 percent) than the current discount rate:

	1% Decrease (1.19%)	Discount Rate (2.19%)	1% Increase (3.19%)
Total OPEB Liability	\$ 18,974,817	\$ 17,983,814	\$ 17,037,699

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the school corporation, as well as what the school corporation's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5 percent decreasing to 3.5 percent) or 1-percentage-point higher (8.5 percent decreasing to 5.5 percent) than the current healthcare rate:

	1% Decrease (6.5% Decreasing to 3.5%)	Healthcare Cost Trend Rates (7.5% Decreasing to 4.5%)	1% Increase (8.5% Decreasing to 5.5%)
Total OPEB liability	\$ 16,508,567	\$ 17,983,814	\$ 19,680,914

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2021, the school corporation recognized OPEB expense of \$1,193,263. At June 30, 2021, the school corporation reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 886,898
Changes of assumptions or other inputs	1,105,792	-
Total	\$ 1,105,792	\$ 886,898

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:

2022	\$ 34,049
2023	34,049
2024	34,049
2025	34,049
2026	34,049
Thereafter	48,649

CARMEL CLAY SCHOOL CORPORATION

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- > Statement No. 87, *Leases*
- > Statement No. 91, *Conduit Debt Obligations*
- > Statement No. 92, *Omnibus*
- > Statement No. 93, *Replacement of Interbank Offered Rates*
- > Statement No. 94, *Public Private and Public-Public Partnerships and Availability Payment Arrangements*
- > Statement No. 96, *Subscription-Based Information Technology Arrangements*
- > Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CARMEL-CLAY SCHOOL CORPORATION

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - NON-GAAP BASIS
 EDUCATION FUND
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 104,666,122	\$ 104,666,122	\$ 105,636,926	\$ 970,804
Interest	65,000	65,000	38,537	(26,463)
Miscellaneous	3,130,430	3,130,430	1,669,597	(1,460,833)
Total Revenues	<u>107,861,552</u>	<u>107,861,552</u>	<u>107,345,060</u>	<u>(516,492)</u>
Expenditures:				
General Government				
Instruction				
Personal services	81,045,744	80,856,613	83,951,596	(3,094,983)
Supplies	1,438,820	1,794,601	1,266,942	527,659
Other services and charges	1,723,086	1,798,675	1,928,355	(129,680)
Capital Outlays	198,695	115,770	-	115,770
Support Services				
Personal services	18,708,223	18,643,680	17,374,059	1,269,621
Supplies	369,681	415,921	332,061	83,860
Other services and charges	997,757	1,066,504	1,025,622	40,882
Community Services				
Personal services	1,571,340	1,571,340	1,648,490	(77,150)
Other services and charges	70,000	70,000	78,000	(8,000)
Total Expenditures	<u>106,123,346</u>	<u>106,333,104</u>	<u>107,605,125</u>	<u>(1,272,021)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,738,206</u>	<u>1,528,448</u>	<u>(260,065)</u>	<u>(1,788,513)</u>
Net Change in Fund Balances	1,738,206	1,528,448	(260,065)	(1,788,513)
Fund Balance - Beginning	<u>13,574,949</u>	<u>13,574,949</u>	<u>13,574,949</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 15,313,155</u>	<u>\$ 15,103,397</u>	<u>\$ 13,314,884</u>	<u>\$ (1,788,513)</u>

See notes to required supplementary information.

CARMEL-CLAY SCHOOL CORPORATION

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - NON-GAAP BASIS
 OPERATIONS FUND
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property tax	\$ 27,232,648	\$ 27,232,648	\$ 24,932,827	\$ (2,299,821)
Intergovernmental	2,495,529	2,560,558	2,535,559	(24,999)
Miscellaneous	868,379	868,379	2,019,155	1,150,776
Total Revenues	30,596,556	30,661,585	29,487,541	(1,174,044)
Expenditures:				
General Government				
Support Services				
Personal services	9,242,322	9,152,022	8,752,960	399,062
Supplies	5,188,479	7,541,544	5,905,318	1,636,226
Other services and charges	2,415,183	3,817,381	2,217,278	1,600,103
Capital Outlays	3,971,600	1,976,600	1,961,410	15,190
Facilities Acquisition and Construction				
Personal services	1,645,498	1,645,498	1,392,573	252,925
Supplies	818,670	1,002,248	713,276	288,972
Other services and charges	50,000	58,941	-	58,941
Capital Outlays	4,944,193	5,212,791	5,024,896	187,895
Total Expenditures	28,275,945	30,407,025	25,967,711	4,439,314
Excess (deficiency) of revenues over (under) expenditures	2,320,611	254,560	3,519,830	3,265,270
Other Financing Sources (Uses):				
Transfers out	-	-	(3,000,000)	(3,000,000)
Total Other Financing Sources (Uses)	-	-	(3,000,000)	(3,000,000)
Net Change in Fund Balances	2,320,611	254,560	519,830	265,270
Fund Balance - Beginning	5,357,694	5,357,694	5,357,694	-
Fund Balance - Ending	<u>\$ 7,678,305</u>	<u>\$ 5,612,254</u>	<u>\$ 5,877,524</u>	<u>\$ 265,270</u>

See notes to required supplementary information.

CARMEL-CLAY SCHOOL CORPORATION

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - NON-GAAP BASIS
 OPERATING REFERENDUM FUND
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property tax	\$ 19,360,174	\$ 19,360,174	\$ 19,213,703	\$ (146,471)
Intergovernmental	1,291,314	1,125,527	1,426,158	300,631
Miscellaneous	-	-	1,243,150	1,243,150
Total Revenues	20,651,488	20,485,701	21,883,011	1,397,310
Expenditures:				
General Government				
Instruction				
Personal services	5,840,090	5,840,090	6,158,407	(318,317)
Support Services				
Personal services	10,878,974	10,851,974	11,714,565	(862,591)
Supplies	2,746,020	2,772,653	1,625,906	1,146,747
Other services and charges	1,895,101	1,895,468	1,789,113	106,355
Capital Outlays	79,550	79,550	25,852	53,698
Community Services				
Personal services	224,769	224,769	58,754	166,015
Other services and charges	70,000	70,000	74,801	(4,801)
Total Expenditures	21,734,504	21,734,504	21,447,398	287,106
Excess (deficiency) of revenues over (under) expenditures	(1,083,016)	(1,248,803)	435,613	1,110,204
Other Financing Sources (Uses):				
Transfers out	(300)	(300)	-	300
Total Other Financing Sources (Uses)	(300)	(300)	-	300
Net Change in Fund Balances	(1,083,316)	(1,249,103)	435,613	1,110,504
Fund Balance - Beginning	(2,340,830)	(2,340,830)	(2,340,830)	-
Fund Balance - Ending	<u>\$ (3,424,146)</u>	<u>\$ (3,589,933)</u>	<u>\$ (1,905,217)</u>	<u>\$ 1,110,504</u>

See notes to required supplementary information.

CARMEL-CLAY SCHOOL CORPORATION

REQUIRED SUPPLEMENTARY INFORMATION
BUDGET/GAAP RECONCILIATION
EDUCATION, OPERATIONS, AND OPERATING REFERENDUM FUND
For the Year Ended June 30, 2021

The major differences between Budgetary (Non-GAAP) basis and GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to susceptible to accrual (GAAP)
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP)

Adjustments necessary to convert the results of operations at the end of the year on a budgetary basis to a GAAP basis are as follows:

	Education Fund	Operations Fund	Operating Referendum
Net changes in fund balances (budgetary basis)	\$ (260,065)	\$ 519,830	\$ 435,613
Adjustments:			
Net change in fund balance Jan-Jun 2020	1,112,649	(1,003,389)	(1,468,480)
Net change in fund balance Jan-Jun 2021	(2,675,298)	(1,144,244)	1,304,026
To adjust revenues for accruals	-	-	-
To adjust expenditures for accruals	(335,285)	351,076	(159,828)
Net Change in Fund Balance (GAAP Basis)	<u>\$ (2,157,999)</u>	<u>\$ (1,276,727)</u>	<u>\$ 111,331</u>

See notes to required supplementary information.

CARMEL CLAY SCHOOL CORPORATION

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 Public Employees' Retirement Fund
 Last 10 Fiscal Years*

<u>Fiscal Year Ended **</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Actual Covered Member Payroll</u>	<u>Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</u>
June 30, 2021	0.31318%	\$ 9,459,271	\$ 16,907,422	55.9%	81.4%
June 30, 2020	0.31973%	10,567,280	16,658,455	63.4%	80.1%
June 30, 2019	0.31985%	10,865,449	16,320,581	66.6%	78.9%
June 30, 2018	0.32114%	14,327,801	15,932,277	89.9%	72.7%
June 30, 2017	0.31517%	14,303,816	15,104,811	94.7%	71.2%

Notes:

* Information presented for the years information is available

** The data provided in the schedule is based as of the measurement date of INPRS (PERF) net pension liability, which is one year prior to the School Corporation's fiscal year end

See notes to required supplementary information.

CARMEL CLAY SCHOOL CORPORATION

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF SCHOOL CONTRIBUTIONS
 Public Employees' Retirement Fund
 Last 10 Fiscal Years*

<u>Fiscal Year Ended **</u>	<u>Statutorily Required Contribution Percentage</u>	<u>Actual Employer Contributions</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2021	11.20%	\$ 1,878,141	\$ 16,769,116	11.20%
June 30, 2020	11.20%	1,878,642	16,907,422	11.11%
June 30, 2019	11.20%	1,861,728	16,658,455	11.18%
June 30, 2018	11.20%	1,820,711	16,320,581	11.16%
June 30, 2017	11.20%	1,777,038	15,932,277	11.15%
June 30, 2016	11.20%	1,682,633	15,104,811	11.14%

Notes:

* Information presented for the years information is available

** The data provided in the schedule is based on the School Corporation's Fiscal Year End.

CARMEL CLAY SCHOOL CORPORATION

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 Teachers' Retirement Fund
 Last 10 Fiscal Years*

<u>Fiscal Year Ended **</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Payroll</u>	<u>Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</u>
June 30, 2021	1.91494%	\$ 1,492,519	\$ 66,057,076	2.3%	106.20%
June 30, 2020	1.86336%	(2,676,887)	60,748,277	-4.4%	98.80%
June 30, 2019	1.85544%	2,057,905	58,307,332	3.5%	102.40%
June 30, 2018	1.75626%	11,629,896	53,029,051	21.9%	98.00%
June 30, 2017	1.75046%	13,662,697	50,519,854	27.0%	90.40%

Notes:

* Information presented for the years information is available

** The data provided in the schedule is based as of the measurement date of INPRS (TRF) net pension liability, which is one year prior to the School Corporation's fiscal year end

See notes to required supplementary information.

CARMEL CLAY SCHOOL CORPORATION

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF SCHOOL CONTRIBUTIONS
 Teachers' Retirement Fund
 Last 10 Fiscal Years*

<u>Fiscal Year Ended **</u>	<u>Statutorily Required Contribution Percentage</u>	<u>Actual Employer Contributions</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2021	5.50%	\$ 3,931,116	\$ 71,474,836	5.50%
June 30, 2020	5.50%	3,612,972	66,057,076	5.47%
June 30, 2019	7.50%	4,555,772	60,748,277	7.50%
June 30, 2018	7.50%	4,373,052	58,307,332	7.50%
June 30, 2017	7.50%	3,977,181	53,029,051	7.50%
June 30, 2016	7.50%	3,781,152	50,519,854	7.48%

Notes:

* Information presented for the years information is available

** The data provided in the schedule is based on the School Corporation's fiscal year end

See notes to required supplementary information.

CARMEL CLAY SCHOOL CORPORATION

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET OPEB LIABILITY

Last 10 Years*

TOTAL OPEB LIABILITY	Fiscal Year Ended	
	June 30, 2021	June 30, 2020
TOTAL OPEB LIABILITY		
Interest	\$ 505,533	\$ 657,004
Service cost	653,681	535,032
Changes in assumptions	450,527	875,398
Differences between expected and actual experience	(985,442)	-
Benefit payments	(1,970,711)	(1,824,734)
Net change in total pension liability	(1,346,412)	242,700
 Total OPEB liability - beginning of year	 19,330,226	 19,087,526
Total OPEB liability - end of year (1)	\$ 17,983,814	\$ 19,330,226
 PLAN FIDUCIARY NET POSITION		
Contributions	\$ 1,970,711	\$ 1,824,734
Benefit payments	(1,970,711)	(1,824,734)
Net change in Plan Fiduciary Net Position	-	-
 Plan fiduciary net position - beginning of year	 -	 -
Plan fiduciary net position - end of year (2)	\$ -	\$ -
 Total OPEB Liability	 \$ 17,983,814	 \$ 19,330,226

Notes to Schedule:

*Information presented for the years information is available

See notes to required supplementary information.

CARMEL CLAY SCHOOL CORPORATION

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF NET OPEB LIABILITY Last 10 Years*

	Fiscal Year Ended	
	June 30, 2021	June 30, 2020
1. Total OPEB Liability	\$ 17,983,814	\$ 19,330,226
2. Plan Fiduciary Net Position	-	-
3. Net OPEB Liability	<u>\$ 17,983,814</u>	<u>\$ 19,330,226</u>
4. Plan Fiduciary Net Position as a Percentage of Total OPEB Liability = (2) / (1)	0%	0%
5. Covered Payroll	\$ 101,597,716	\$ 99,362,069
6. Total OPEB Liability as a Percentage of Covered Payroll = (3) / (5)	17.7%	19.5%

Notes to Schedule:

*Information presented for the years information is available

See notes to required supplementary information.

CARMEL CLAY SCHOOL CORPORATION

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last 10 Years*

OPEB Contributions	Fiscal Year Ended	
	June 30, 2021	June 30, 2020
Actuarially determined contribution	\$ -	\$ -
Actual employer contributions	1,970,711	1,824,734
Contribution excess	<u>\$ 1,970,711</u>	<u>\$ 1,824,734</u>
Covered payroll	\$ 101,597,716	\$ 99,362,069
Contributions as a percentage of covered - employee payroll	1.94%	1.84%

Notes to schedule:

* Information presented for the years information is available

See notes to required supplementary information.

CARMEL CLAY SCHOOL CORPORATION

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE EMPLOYERS SHARE OF NONEMPLOYER CONTRIBUTING ENTITY CONTRIBUTIONS
 Pre-96 Teacher Retirement Fund
 Last 10 Fiscal Years*

<u>Fiscal Year Ended **</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Share of Non-Employer Contributing Entity Contributions</u>	<u>Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
June 30, 2020	\$ -	\$ -	\$ 10,001,494	N/A	1.02988%
June 30, 2019	-	-	9,663,365	N/A	1.02377%
June 30, 2018	-	-	9,663,911	N/A	1.04956%

Notes:

* Information presented for the years information is available

** The data provided in the schedule is based on the School Corporation's fiscal year end

CARMEL CLAY SCHOOL CORPORATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2021

I. Budgets and Budgetary Accounting

The School follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedules:

1. The Chief Financial Officer submits to the School Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. The School advertises the budget prior to adoption and the School Board holds public hearings to obtain taxpayer comments.
3. The budget is approved in September of each year by the School Board through passage of an ordinance.
4. Copies of the budget ordinance and advertisements are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the Chief Financial Officer receives approval from the Indiana Department of Local Government Finance. The budget ordinance as approved by the Indiana Department of Local Government Finance becomes the School's expenditures budget. The School's maximum tax levy is restricted by Indiana Law, with certain adjustments and exceptions. If the advertised budget exceeds the spending and tax limits of the state control laws, an excess levy can be granted by the Indiana Department of Local Government Finance, upon appeal by the School.
5. The legal level of budgetary control (the level at which expenditures may not exceed appropriations without the governing body's approval) is by object classification for all funds except for the Education and Operations Funds, which is by object classification within each department. The School's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the School Board. Any revisions that alter the total appropriations for any fund must be approved by the School Board and in some instances, by the Indiana Department of Local Government Finance.
6. Formal budgetary integration is required by the State Statute and is employed as a management control device. An annual budget was legally adopted for the following funds:

Major funds:

- Education
- Operations
- Debt Service
- Operating Referendum

Nonmajor fund:

- Referendum Fund – Exempt School Safety Operating

CARMEL CLAY SCHOOL CORPORATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2021

II. Pension Plans

PERF Plan:

Actuarial cost method	Entry age normal (level percent of payroll)
Experience study date	Period of 5 years ended June 30, 2019
Investment rate of return	6.75%, net of investment expense, including inflation
Asset valuation method	Five-year smoothing of gains and losses on the Fair Value of Assets.
Inflation	2.25%
Salary increases	2.50% to 8.75% based on age
Mortality	Pub 2010 Public Retirement Plans Mortality Table with fully generational improvements using SOA scale MP-2019

Change in Assumptions. The future salary increase assumption changed from an age-based table ranging from 2.50 percent to 4.25 percent to a service-based table ranging from 2.75 percent to 8.75 percent.

The mortality assumption changed from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The retirement assumption was updated based on recent experience and was updated from an age- and service-based table to an age-based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30 percent are now assumed to commence benefits immediately and 70 percent are assumed to commence benefits at unreduced retirement eligibility. Previously 33 percent of actives were assumed to commence benefits with early retirement while 67 percent were assumed to wait for unreduced retirement eligibility.

The termination assumption was updated based on recent experience. For state members the tables were combined from being split by salary and sex to being one unisex service-based table. For members in political subdivisions earning more than \$20,000, the sex-distinct tables were combined to one unisex service-based table. For members in political subdivisions earning less than \$20,000, the sex-distinct age-based table was maintained and the rates were updated based on experience.

The disability assumption was updated based on recent experience study.

The marital assumption was updated based on recent experience. 80 percent of male members and 65 percent of female members are assumed to be married or to have a dependent beneficiary. Previously, 75 percent of male members and 60 percent of female members were assumed to be married or to have a dependent beneficiary.

The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

Plan Amendments. There were no changes in the plan provisions during the fiscal year.

CARMEL CLAY SCHOOL CORPORATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2021

TRF Plan:

- a) The actuarial assumptions and methods used in the June 30, 2019 valuation of the Teachers' 1996 Defined Benefit Account were adopted by the INPRS Board in May 2019. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2011, through June 30, 2014, and were first used in the June 30, 2015, valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018.

PRE 96 TRF plan:

- b) The actuarial assumptions and methods used in the June 30, 2019 valuation of the Teachers' Pre-1996 Defined Benefit Account were adopted by the INPRS Board in May 2019. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2011, through June 30, 2014, and were first used in the June 30, 2015, valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018.

III. OPEB Plan:

Cost method:	Entry Age Normal Level % of Salary method
Amortization method:	N/A
Assumptions:	
Discount rate:	2.19% as of June 30, 2021 and 2.66% as of June 30, 2020
Discount rate basis:	Range of indices, where the range is given as the spread between the lowest and highest rate.
Inflation rate:	2.25% per year
Disability:	None assumed

CARMEL CLAY SCHOOL CORPORATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2021

Mortality: Support Staff: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP – 2020

Teachers and Administrators: SOA Pub-2010 Teachers Headcount Weighted Mortality Table fully generational using Scale MP - 2020

Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020

Coverage rate: Active employees with current coverage:
With ERI: 100%
Without ERI: 30%
Active employees with no coverage: 0%

Retirement rates: Annual retirement rates are based on INPRS PERF and TRF actuarial valuations as of June 30, 2019. Sample annual retirement rates are shown below:

Support Staff						
Age	10 YOS	15 YOS	25YOS	27 YOS	29YOS	30+ YOS
50	0%	4%	4%	4%	4%	4%
55	0%	5%	5%	5%	5%	14%
60	0%	12%	12%	12%	12%	12%
62	0%	22%	22%	22%	22%	22%
65	30%	30%	30%	30%	30%	30%
67	100%	100%	100%	100%	100%	100%

Teachers/Administrators						
Age	10 YOS	15 YOS	25 YOS	27 YOS	29 YOS	30YOS
50	0%	2%	2%	2%	2%	2%
55	0%	5%	5%	5%	5%	15%
60	0%	20%	20%	20%	20%	20%
62	0%	30%	30%	30%	30%	30%
65	45%	45%	45%	45%	45%	45%
70	100%	100%	100%	100%	100%	100%

Turnover: Turnover assumptions are based on INPRS PERF and TRF actuarial valuations as of June 30, 2019. Sample rates by group are as shown below:

Support Staff - Male

Age	0 YOS	2 YOS	5 YOS	7 YOS	9 YOS	10+ YOS
20	23%	23%	17%	12%	7%	7%
30	22%	19%	13%	12%	7%	7%
40	17%	14%	10%	9%	5%	5%
50	14%	9%	9%	7%	4%	4%
60	13%	7%	7%	7%	4%	4%

CARMEL CLAY SCHOOL CORPORATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

Support Staff - Female

Age	0 YOS	2 YOS	5 YOS	7 YOS	9 YOS	10+ YOS
20	23%	23%	17%	12%	8%	8%
30	21%	21%	14%	12%	8%	8%
40	18%	16%	12%	9%	8%	6%
50	16%	15%	9%	9%	6%	6%
60	16%	11%	9%	9%	6%	6%

Teachers & Administrators - Male

Age	0 YOS	2 YOS	5 YOS	7 YOS	9 YOS	10+ YOS
All Ages	35%	11%	7%	5%	4.50%	2.25%

Teachers & Administrators - Female

Age	0 YOS	2 YOS	5 YOS	7 YOS	9 YOS	10+ YOS
20	35%	11%	7%	5.50%	4.50%	3%
30	35%	11%	7%	5.50%	4.50%	3%
40	35%	11%	7%	5.50%	4.50%	2%
50	35%	11%	7%	5.50%	4.50%	2%
60	35%	11%	7%	5.50%	4.50%	2%

Spousal Coverage: Spousal age and coverage for current retirees is based on actual data

Per capita claims cost: Employees retiring with ERI are assumed to elect the Prime plan. Employees retiring without ERI are assumed to elect at retirement the same plan as their current active plan.

Age	Prime		Standard	
	Male	Female	Male	Female
< 55	\$ 10,500	\$ 11,800	\$ 9,800	\$ 11,100
55 - 59	\$ 14,100	\$ 13,700	\$ 13,300	\$ 12,800
60 - 64	\$ 19,100	\$ 16,800	\$ 18,000	\$ 15,800

Age	High Deductible \$3,000		High Deductible \$5,000	
	Male	Female	Male	Female
< 55	\$ 8,600	\$ 9,700	\$ 7,200	\$ 8,200
55 - 59	\$ 11,500	\$ 11,200	\$ 9,700	\$ 9,400
60 - 64	\$ 15,600	\$ 13,800	\$ 13,200	\$ 11,600

SUPPLEMENTARY INFORMATION

CARMEL CLAY SCHOOL CORPORATION

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2021

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 10,711,728	\$ 8,578,481	\$ 19,290,209
Receivables			
Taxes receivable	1,613,631	-	1,613,631
Accounts	157,133	-	157,133
Intergovernmental receivable	161,093	-	161,093
TOTAL ASSETS	\$ 12,643,585	\$ 8,578,481	\$ 21,222,066
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 465,796	\$ -	\$ 465,796
Accrued wages and payroll withholding	158,790	-	158,790
Due to other funds	162,461	-	162,461
Total liabilities	787,047	-	787,047
Deferred Inflows of Resources			
Unavailable revenue	1,613,631	-	1,613,631
Total deferred inflows of resources	1,613,631	-	1,613,631
Fund Balances			
Restricted	8,906,792	8,578,481	17,485,273
Committed	1,484,898	-	1,484,898
Unassigned (deficit)	(148,783)	-	(148,783)
Total fund balances	10,242,907	8,578,481	18,821,388
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 12,643,585	\$ 8,578,481	\$ 21,222,066

CARMEL CLAY SCHOOL CORPORATION

COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended June 30, 2021

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
REVENUES			
Local sources	\$ 8,271,279	\$ 112	\$ 8,271,391
Intermediate sources	467,439	-	467,439
State sources	2,280,364	-	2,280,364
Federal sources	9,272,518	-	9,272,518
Other	11,336,339	-	11,336,339
Total revenues	31,627,939	112	31,628,051
EXPENDITURES			
Current			
Instruction	4,490,923	-	4,490,923
Support services	7,690,223	-	7,690,223
Community services	6,373,165	-	6,373,165
Capital Outlays and Facilities acquisition and construction	95,458	-	95,458
Nonprogrammed charges	10,888,483	4,675	10,893,158
Debt Service			
Principal paid on debt	-	14,570,000	14,570,000
Interest on debt	-	2,140,644	2,140,644
Total expenditures	29,538,252	16,715,319	46,253,571
Excess (deficiency) of revenues over (under) expenditures	2,089,687	(16,715,207)	(14,625,520)
OTHER FINANCING SOURCES			
Transfer in	-	16,794,500	16,794,500
Transfer out	-	-	-
Total other financing sources	-	16,794,500	16,794,500
Net change in fund balance	2,089,687	79,293	2,168,980
FUND BALANCE			
Beginning as previously stated	6,533,644	8,499,188	15,032,832
FUND BALANCE - Adjustment - see Note III. G.	1,619,576	-	1,619,576
FUND BALANCE - Beginning as restated	8,153,220	8,499,188	16,652,408
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 10,242,907	\$ 8,578,481	\$ 18,821,388

CARMEL CLAY SCHOOL CORPORATION

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE June 30, 2021

	Safety Referendum	Food Service	Textbook Rental	Athletics	Extra Curricular Accounts	Levy Excess	Eric Clark Center	Washington DC Trip	Career and Technical Performance
ASSETS									
Cash and investments	\$ 2,531,647	\$ 3,871,313	\$ 2,201,009	\$ -	\$ 1,484,898	\$ 1,205	\$ 139,963	\$ -	\$ 4,322
Receivables									
Taxes receivable	1,613,631	-	-	-	-	-	-	-	-
Accounts	-	-	157,133	-	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 4,145,278</u>	<u>\$ 3,871,313</u>	<u>\$ 2,358,142</u>	<u>\$ -</u>	<u>\$ 1,484,898</u>	<u>\$ 1,205</u>	<u>\$ 139,963</u>	<u>\$ -</u>	<u>\$ 4,322</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities									
Accounts payable	\$ 58,000	\$ 10,074	\$ 358,712	\$ -	\$ -	\$ -	\$ 2,949	\$ -	\$ -
Accrued wages and payroll withholding	7,087	16,490	2,197	-	-	-	-	431	-
Due to other funds	-	-	-	-	-	-	-	1,368	-
Total liabilities	<u>65,087</u>	<u>26,564</u>	<u>360,909</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,949</u>	<u>1,799</u>	<u>-</u>
Deferred inflows of resources									
Unavailable revenue	<u>1,613,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>1,613,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances									
Restricted	2,466,560	3,844,749	1,997,233	-	-	1,205	137,014	-	4,322
Committed	-	-	-	-	1,484,898	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	(1,799)	-
Total fund balances	<u>2,466,560</u>	<u>3,844,749</u>	<u>1,997,233</u>	<u>-</u>	<u>1,484,898</u>	<u>1,205</u>	<u>137,014</u>	<u>(1,799)</u>	<u>4,322</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 4,145,278</u>	<u>\$ 3,871,313</u>	<u>\$ 2,358,142</u>	<u>\$ -</u>	<u>\$ 1,484,898</u>	<u>\$ 1,205</u>	<u>\$ 139,963</u>	<u>\$ -</u>	<u>\$ 4,322</u>

CARMEL CLAY SCHOOL CORPORATION

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE June 30, 2021

	Performance Based Awards	Connectivity	Digital Learning Grants	Project Lead the Way FY19	Alternative Education Fund	Donations	Early Intervention	Federal Part B 611 Funds	Formative Assessment	High Ability Grants
ASSETS										
Cash and investments	\$ -	\$ 23,727	\$ -	\$ -	\$ 2,940	\$ 274,722	\$ 9,634	\$ -	\$ 9,040	\$ 32,575
Receivables										
Taxes receivable	-	-	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-	-	-	116,542	-	-
TOTAL ASSETS	\$ -	\$ 23,727	\$ -	\$ -	\$ 2,940	\$ 274,722	\$ 9,634	\$ 116,542	\$ 9,040	\$ 32,575
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
Liabilities										
Accounts payable	\$ -	\$ 5,960	\$ -	\$ -	\$ -	\$ 2,546	\$ 1,536	\$ 10,290	\$ -	\$ 11,620
Accrued wages and payroll withholding	-	-	-	-	-	-	-	124,224	-	-
Due to other funds	-	-	-	-	-	-	-	116,542	-	-
Total liabilities	-	5,960	-	-	-	2,546	1,536	251,056	-	11,620
Deferred inflows of resources										
Unavailable revenue	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-
Fund Balances										
Restricted	-	17,767	-	-	2,940	272,176	8,098	-	9,040	20,955
Committed	-	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	(134,514)	-	-
Total fund balances	-	17,767	-	-	2,940	272,176	8,098	(134,514)	9,040	20,955
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ -	\$ 23,727	\$ -	\$ -	\$ 2,940	\$ 274,722	\$ 9,634	\$ 116,542	\$ 9,040	\$ 32,575

CARMEL CLAY SCHOOL CORPORATION

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE June 30, 2021

	Non-English Speaking	Special Education	Title I Grants	Title II Grants	Title III Grants	Title IV Grants	IMAC 2020-21 IN Medicaid Adm Clm	CARES-Educ Stab Rel 18003 20-21	Total Special Revenue Nonmajor Funds
ASSETS									
Cash and investments	\$ 110,465	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,268	\$ -	\$ 10,711,728
Receivables									
Taxes receivable	-	-	-	-	-	-	-	-	1,613,631
Accounts	-	-	-	-	-	-	-	-	157,133
Intergovernmental receivable	-	11,924	4,303	20,639	2,992	114	-	4,579	161,093
TOTAL ASSETS	\$ 110,465	\$ 11,924	\$ 4,303	\$ 20,639	\$ 2,992	\$ 114	\$ 14,268	\$ 4,579	\$ 12,643,585
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ 3,805	\$ -	\$ 304	\$ -	\$ -	\$ 465,796
Accrued wages and payroll withholding	-	243	1,375	1,895	4,848	-	-	-	158,790
Due to other funds	-	11,924	4,303	20,639	2,992	114	-	4,579	162,461
Total liabilities	-	12,167	5,678	26,339	7,840	418	-	4,579	787,047
Deferred inflows of resources									
Unavailable revenue	-	-	-	-	-	-	-	-	1,613,631
Total deferred inflows of resources	-	-	-	-	-	-	-	-	1,613,631
Fund Balances									
Restricted	110,465	-	-	-	-	-	14,268	-	8,906,792
Committed	-	-	-	-	-	-	-	-	1,484,898
Unassigned (deficit)	-	(243)	(1,375)	(5,700)	(4,848)	(304)	-	-	(148,783)
Total fund balances	110,465	(243)	(1,375)	(5,700)	(4,848)	(304)	14,268	-	10,242,907
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 110,465	\$ 11,924	\$ 4,303	\$ 20,639	\$ 2,992	\$ 114	\$ 14,268	\$ 4,579	\$ 12,643,585

CARMEL CLAY SCHOOL CORPORATION

COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE For the Year Ended June 30, 2021

	Safety Referendum	Food Service	Textbook Rental	Athletics	Extra Curricular Accounts	Levy Excess	Eric Clark Center	Washington DC Trip	Career and Technical Performance
REVENUES									
Local sources	\$ 4,065,320	\$ 1,437,021	\$ 855,690	\$ -	\$ 952,552	\$ -	\$ -	\$ -	\$ 435
Intermediate sources	-	-	366,984	-	-	-	97,500	-	-
State sources	-	175,099	848,088	-	-	-	-	-	-
Federal sources	-	5,308,920	-	-	-	-	-	-	-
Other	-	10,486,002	-	-	821,737	-	-	26,600	-
Total revenues	<u>4,065,320</u>	<u>17,407,042</u>	<u>2,070,762</u>	<u>-</u>	<u>1,774,289</u>	<u>-</u>	<u>97,500</u>	<u>26,600</u>	<u>435</u>
EXPENDITURES									
Current									
Instruction	-	-	-	-	767,433	-	2,949	-	4,062
Support services	2,645,988	85,335	1,999,115	-	594,376	-	-	-	-
Community services	-	6,234,345	-	-	-	-	-	31,142	-
Capital Outlays and facilities acquisition and construction	-	-	-	-	-	-	95,458	-	-
Nonprogrammed charges	-	10,548,697	-	-	338,874	-	-	-	-
Total expenditures	<u>2,645,988</u>	<u>16,868,377</u>	<u>1,999,115</u>	<u>-</u>	<u>1,700,683</u>	<u>-</u>	<u>98,407</u>	<u>31,142</u>	<u>4,062</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,419,332</u>	<u>538,665</u>	<u>71,647</u>	<u>-</u>	<u>73,606</u>	<u>-</u>	<u>(907)</u>	<u>(4,542)</u>	<u>(3,627)</u>
OTHER FINANCING SOURCES									
Transfer in	-	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>1,419,332</u>	<u>538,665</u>	<u>71,647</u>	<u>-</u>	<u>73,606</u>	<u>-</u>	<u>(907)</u>	<u>(4,542)</u>	<u>(3,627)</u>
FUND BALANCE (DEFICIT) - Beginning as previously stated	<u>1,047,228</u>	<u>2,835,877</u>	<u>1,925,586</u>	<u>261,923</u>	<u>-</u>	<u>1,205</u>	<u>137,921</u>	<u>2,743</u>	<u>7,949</u>
FUND BALANCE - Adjustment - see Note III. G.	<u>-</u>	<u>470,207</u>	<u>-</u>	<u>(261,923)</u>	<u>1,411,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - Beginning as restated	<u>1,047,228</u>	<u>3,306,084</u>	<u>1,925,586</u>	<u>-</u>	<u>1,411,292</u>	<u>1,205</u>	<u>137,921</u>	<u>2,743</u>	<u>7,949</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 2,466,560</u>	<u>\$ 3,844,749</u>	<u>\$ 1,997,233</u>	<u>\$ -</u>	<u>\$ 1,484,898</u>	<u>\$ 1,205</u>	<u>\$ 137,014</u>	<u>\$ (1,799)</u>	<u>\$ 4,322</u>

CARMEL CLAY SCHOOL CORPORATION

COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE For the Year Ended June 30, 2021

	Performance Based Awards	Connectivity	Digital Learning Grants	Project Lead the Way FY19	Alternative Education Fund	Donations	Early Intervention	Federal Part B 611 Funds	Formative Assessment	High Ability Grants
REVENUES										
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 959,861	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	2,955	-	-	-	-
State sources	610,059	23,728	50,000	16,400	6,123	2,500	43,330	-	149,879	119,867
Federal sources	-	-	-	-	-	-	-	3,200,774	-	-
Other	-	-	-	-	-	2,000	-	-	-	-
Total revenues	<u>610,059</u>	<u>23,728</u>	<u>50,000</u>	<u>16,400</u>	<u>6,123</u>	<u>967,316</u>	<u>43,330</u>	<u>3,200,774</u>	<u>149,879</u>	<u>119,867</u>
EXPENDITURES										
Current										
Instruction	605,166	-	-	16,400	8,151	56,155	50,783	2,485,372	-	5,799
Support services	-	28,126	50,000	-	-	899,852	-	694,925	169,117	28,621
Community services	-	-	-	-	-	1,411	-	-	-	77,020
Capital Outlays and facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>605,166</u>	<u>28,126</u>	<u>50,000</u>	<u>16,400</u>	<u>8,151</u>	<u>957,418</u>	<u>50,783</u>	<u>3,180,297</u>	<u>169,117</u>	<u>111,440</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,893</u>	<u>(4,398)</u>	<u>-</u>	<u>-</u>	<u>(2,028)</u>	<u>9,898</u>	<u>(7,453)</u>	<u>20,477</u>	<u>(19,238)</u>	<u>8,427</u>
OTHER FINANCING SOURCES										
Transfer in	-	-	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>4,893</u>	<u>(4,398)</u>	<u>-</u>	<u>-</u>	<u>(2,028)</u>	<u>9,898</u>	<u>(7,453)</u>	<u>20,477</u>	<u>(19,238)</u>	<u>8,427</u>
FUND BALANCE (DEFICIT) - Beginning as previously stated	<u>(4,893)</u>	<u>22,165</u>	<u>-</u>	<u>-</u>	<u>4,968</u>	<u>262,278</u>	<u>15,551</u>	<u>(154,991)</u>	<u>28,278</u>	<u>12,528</u>
FUND BALANCE - Adjustment - see Note III. G.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - Beginning as restated	<u>(4,893)</u>	<u>22,165</u>	<u>-</u>	<u>-</u>	<u>4,968</u>	<u>262,278</u>	<u>15,551</u>	<u>(154,991)</u>	<u>28,278</u>	<u>12,528</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ 17,767</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,940</u>	<u>\$ 272,176</u>	<u>\$ 8,098</u>	<u>\$ (134,514)</u>	<u>\$ 9,040</u>	<u>\$ 20,955</u>

CARMEL CLAY SCHOOL CORPORATION

COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE For the Year Ended June 30, 2021

	Non-English Speaking	Special Education	Title I Grants	Title II Grants	Title III Grants	Title IV Grants	IMAC 2020- 21 IN Medicaid Adm Clm	CARES- Educ Stab Rel 18003 20- 21	Total Nonmajor Special Revenue Funds
REVENUES									
Local sources	\$ -	\$ -	\$ -	\$ 400	\$ -	\$ -	\$ -	\$ -	\$ 8,271,279
Intermediate sources	-	-	-	-	-	-	-	-	467,439
State sources	235,291	-	-	-	-	-	-	-	2,280,364
Federal sources	-	88,569	276,551	183,441	66,235	22,389	14,268	111,371	9,272,518
Other	-	-	-	-	-	-	-	-	11,336,339
Total revenues	<u>235,291</u>	<u>88,569</u>	<u>276,551</u>	<u>183,841</u>	<u>66,235</u>	<u>22,389</u>	<u>14,268</u>	<u>111,371</u>	<u>31,627,939</u>
EXPENDITURES									
Current									
Instruction	118,976	85,602	216,573	-	61,797	1,126	-	4,579	4,490,923
Support services	162,952	-	21,225	178,182	4,962	21,567	-	105,880	7,690,223
Community services	-	-	29,247	-	-	-	-	-	6,373,165
Capital Outlays and facilities acquisition and construction	-	-	-	-	-	-	-	-	95,458
Nonprogrammed charges	-	-	-	-	-	-	-	912	10,888,483
Total expenditures	<u>281,928</u>	<u>85,602</u>	<u>267,045</u>	<u>178,182</u>	<u>66,759</u>	<u>22,693</u>	<u>-</u>	<u>111,371</u>	<u>29,538,252</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(46,637)</u>	<u>2,967</u>	<u>9,506</u>	<u>5,659</u>	<u>(524)</u>	<u>(304)</u>	<u>14,268</u>	<u>-</u>	<u>2,089,687</u>
OTHER FINANCING SOURCES									
Transfer in	-	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(46,637)</u>	<u>2,967</u>	<u>9,506</u>	<u>5,659</u>	<u>(524)</u>	<u>(304)</u>	<u>14,268</u>	<u>-</u>	<u>2,089,687</u>
FUND BALANCE (DEFICIT) - Beginning as previously stated	<u>157,102</u>	<u>(3,210)</u>	<u>(10,881)</u>	<u>(11,359)</u>	<u>(4,324)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,533,644</u>
FUND BALANCE - Adjustment - see Note III. G.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,619,576</u>
FUND BALANCE - Beginning as restated	<u>157,102</u>	<u>(3,210)</u>	<u>(10,881)</u>	<u>(11,359)</u>	<u>(4,324)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,153,220</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 110,465</u>	<u>\$ (243)</u>	<u>\$ (1,375)</u>	<u>\$ (5,700)</u>	<u>\$ (4,848)</u>	<u>\$ (304)</u>	<u>\$ 14,268</u>	<u>\$ -</u>	<u>\$ 10,242,907</u>

CARMEL CLAY SCHOOL CORPORATION

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUND June 30, 2021

	<u>Building Corporation</u>
ASSETS	
Cash and investments	\$ 8,578,481
TOTAL ASSETS	<u>8,578,481</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Total Liabilities	<u>-</u>
Fund Balances	
Restricted	<u>8,578,481</u>
Total Fund Balances	<u>8,578,481</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 8,578,481</u>

CARMEL CLAY SCHOOL CORPORATION

COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUND

For the Year Ended June 30, 2021

	<u>Building Corporation</u>
REVENUES	
Local sources	\$ 112
Total Revenues	<u>112</u>
EXPENDITURES	
Current	
Nonprogrammed charges	4,675
Debt Service	
Principal paid on debt	14,570,000
Interest on debt	<u>2,140,644</u>
Total Expenditures	<u>16,715,319</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,715,207)</u>
OTHER FINANCING SOURCES	
Transfer in	<u>16,794,500</u>
Total Other Financing Sources	<u>16,794,500</u>
Net change in fund balance	79,293
FUND BALANCE	
Beginning of Year	<u>8,499,188</u>
FUND BALANCE	
END OF YEAR	<u><u>\$ 8,578,481</u></u>

Carmel Clay Schools

Single Audit Report

For the Year Ended June 30, 2021

Carmel Clay Schools

June 30, 2021

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Carmel Clay Schools

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Federal Grantor	Pass-Through Grantor	Pass-Through Identifying Number	Program Title	Federal Assistance Listing Number	2021 Total Federal Expenditures
U.S. Department of Agriculture					
Child Nutrition Cluster:					
	Indiana Department of Education	n/a	School Breakfast Program	10.553	\$ 562,001
	Indiana Department of Education	n/a	National School Lunch Fund	10.555	4,742,797
	Indiana Department of Education	n/a	National School Lunch Fund - Commodities	10.555	616,108
					<u>5,358,905</u>
	<i>Total Child Nutrition Cluster</i>				<u>5,920,906</u>
Total U.S. Department of Agriculture					<u>5,920,906</u>
U.S. Department of Education					
	Indiana Department of Education	S010A190014	Title I Grants to Local Education Agencies	84.010	51,820
	Indiana Department of Education	S010A200014	Title I Grants to Local Education Agencies	84.010	224,731
					<u>276,551</u>
Special Education Cluster:					
	Indiana Department of Education	20611-102-PN01	Special Education Part B	84.027	425,246
	Indiana Department of Education	19611-100-PN01	Special Education Part B	84.027	220,873
	Indiana Department of Education	18611-100-PN01	Special Education Part B	84.027	49
	Indiana Department of Education	HO27A1900-84	Special Education Part B	84.027	2,554,655
					<u>3,200,823</u>
	Indiana Department of Education	H173A180104 / 20619-102-PN01	Special Education Preschool	84.173	88,569
	<i>Total Special Education Cluster</i>				<u>3,289,392</u>
	Indiana Department of Education	S365A190014	English Language Acquisition State Grants	84.365	27,327
	Indiana Department of Education	S365A200014	English Language Acquisition State Grants	84.365	38,908
					<u>66,235</u>
	Indiana Department of Education	S367A180013	Supporting Effective Instruction State Grants	84.367	72,848
	Indiana Department of Education	S367A190013	Supporting Effective Instruction State Grants	84.367	110,993
					<u>183,841</u>
	Indiana Department of Education	S424A190015	Student Support and Academic Enrichment Program	84.424	21,055
	Indiana Department of Education	S424A200015	Student Support and Academic Enrichment Program	84.424	1,334
					<u>22,389</u>
	Indiana Department of Education	S425D200013	COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	111,371
Total U.S. Department of Education					<u>3,949,779</u>
U.S. Department of Health and Human Services					
	PCG Education	n/a	Medical Assistance Program (<i>Medicaid Cluster</i>)	93.778	14,268
Total U.S. Department of Health and Human Services					<u>14,268</u>
Total Federal Expenditures					<u>\$ 9,884,953</u>

Carmel Clay Schools
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of Carmel Clay Schools (CCS) under programs of the federal government for the year ended June 30, 2021. The accompanying notes are an integral part of this Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of CCS, it is not intended to and does not present the financial position, changes in net position or cash flows of CCS.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

CCS has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: Federal Loan Programs

CCS had no federal loans that they were administering as of June 30, 2021, and CCS did not pass-through any federal funds to subrecipients.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

School Board
Carmel Clay Schools
Carmel, Indiana

We have audited, in accordance with the 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 statements of the governmental activities, each major fund, and the aggregate remaining fund information of Carmel Clay Schools (School Corporation), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School Corporation's basic financial statements, and have issued our report thereon dated November 29, 2022, which contained an emphasis of matter for restatement of prior year balances.

Internal Control Over Financial Reporting

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

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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002, that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statements are 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

School Corporation's Response to Findings

The School Corporation's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The School Corporation's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the responses.

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 result 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.

FORVIS,LLP

Indianapolis, Indiana
November 29, 2022

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

School Board
Carmel Clay Schools
Carmel, Indiana

Report on Compliance for the Major Federal Program

We have audited Carmel Clay School's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the School Corporation's major federal program for the year ended June 30, 2021. The School Corporation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the School Corporation's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School Corporation's basic financial statements. We have issued our report thereon dated November 29, 2022, which contained unmodified opinions on those financial statements and included an emphasis of matter for a restatement of prior year balances. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, 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 basic financial statements as a whole.

FORVIS, LLP

Indianapolis, Indiana
November 29, 2022

Carmel Clay Schools
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:

Unmodified Qualified Adverse Disclaimer

2. Internal control over financial reporting:

Significant deficiency(ies)? Yes None reported

Material weakness(es)? Yes No

3. Noncompliance material to the financial statements noted?

Yes No

Federal Awards

4. Internal control over compliance for major federal awards programs:

Significant deficiency(ies)? Yes None reported

Material weakness(es)? Yes No

5. Type of auditor's report on compliance for the major federal award program:

Unmodified Qualified Adverse Disclaimer

Carmel Clay Schools
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2021

6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)? Yes No

7. Identification of major program:

Cluster/Program	Federal Assistance Listing Number	Opinion Issued
Child Nutrition Cluster	10.553 & 10.555	Unmodified

8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.

9. Auditee qualified as a low-risk auditee? Yes No

Carmel Clay Schools
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2021

Section II – Financial Statements Findings

Reference Number	Finding
2021-001	<p>Criteria or Specific Requirement: Management is responsible for establishing and maintaining effective internal controls over financial reporting.</p> <p>Condition: The School Corporation’s internal control environment over financial reporting did not timely detect certain adjustments related to the previous fiscal year that were needed to prevent the opening net position and fund balance for 2020 from being misstated. (Significant Deficiency)</p> <p>Context: The School Corporation’s internal controls over preparing full accrual financial statements in accordance with GAAP did not timely detect certain adjustments to capital assets and deferred losses on debt refunding’s as of June 30, 2020. Management controls detected these adjustments necessary for capital assets and deferred losses during the subsequent period, requiring restatement of opening balances during fiscal year ended June 30, 2021. Additionally, adoption of GASB Statement No. 84 was completed during the previous fiscal year but corrections to opening net position and fund balances totaling approximately \$1.6 million were necessary to appropriately correct the adoption of GASB Statement No. 84.</p> <p>Effect: Misstatements in the financial statements.</p> <p>Cause: The School Corporation’s internal control environment continues to be improved and adjusted but did not identify these adjustments in a timely manner.</p> <p>Recommendation: The School Corporation should continue refining an effective process to accurately and timely report capital assets as well as other transactions related to preparing GAAP financial statements.</p> <p>Views of Responsible Officials and Planned Corrective Action: The School Corporation recognizes and agrees that specific breakdowns in internal control led to certain misstatements in the annual report and that these misstatements were subsequently corrected. The School Corporation continues to refine its processes over preparing annual GAAP financial statements.</p>

Carmel Clay Schools
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2021

Reference Number	Finding
2021-002	<p>Criteria or Specific Requirement: Management is responsible for establishing and maintaining effective internal controls over financial reporting and processing of transactions.</p> <p>Condition: The School Corporation’s internal control environment over processing certain transactions related to extracurricular activities did not timely detect certain misappropriations that occurred between 2016 and 2021. (Significant Deficiency)</p> <p>Context: The School Corporation’s internal controls over reviewing and reconciling extracurricular activity revenues and expenditures were not adequate to timely detect potential misappropriation of assets at the individual schools within the School Corporation.</p> <p>Effect: One employee of the School Corporation was able to misappropriate extracurricular funds over a period of several years.</p> <p>Cause: The School Corporation’s internal controls over monitoring certain transactions was inadequate to timely detect the misappropriation.</p> <p>Recommendation: The School Corporation should continue to refine internal control procedures as it relates to extracurricular activity at their schools. The School Corporation should consider additional monitoring and/or internal audit procedures as an additional level of reviews for extracurricular activities.</p> <p>Views of Responsible Officials and Planned Corrective Action: The School Corporation recognizes and agrees that specific breakdowns in internal control led to the misappropriation. Formal training on internal controls has been conducted with all necessary staff and the School Corporation plans to schedule periodic audits for additional oversight.</p>

Carmel Clay Schools
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2021

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

Carmel Clay Schools
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2021

Reference Number	Summary of Finding	Status
2020-001	Child Nutrition Cluster - Special Tests and Provisions - Paid Lunch Equity The paid lunch equity calculation was completed by the Director of Food Service, but there was no evidence of a review in place to prevent, or detect and correct, errors in the calculation.	Resolved



CARMEL CLAY SCHOOLS
TOGETHER WE ACHIEVE

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CORRECTIVE ACTION PLAN

FINDING 2021-001

Contact Person Responsible for Corrective Action: Kara Kollros
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 finding referenced above. We continue to learn and refine our process for preparing annual GAAP financial statements.

Anticipated Completion Date: 11/11/22

Kara J. Kollros
Director of Finance
Carmel Clay Schools
November 11, 2022



CORRECTIVE ACTION PLAN

FINDING 2021-002

Contact Person Responsible for Corrective Action: Kara Kollros

Contact Phone Number: 317-844-9961

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Prior to the discrepancy discovered at Clay Middle School and reported to the State Board of Accounts (SBOA), CCS had implemented several internal control practices and procedures. Those internal control practices and procedures were created to help detect, prevent, and reduce identified risks and include the following:

- The CCS Board of School Trustees adopted a Uniform Internal Control Standards policy on August 22, 2016, Administrative Guidelines on May 30, 2017, and an Internal Controls Manual on December 17, 2018.
- CCS provides training on internal control standards to all employees who may have access to public funds.
- Beginning in 2016, CCS implemented a formal onboarding process for new Extra-Curricular Accounting (ECA) treasurers, which includes training on topics regarding ECA's, corporation accounting and internal controls.
- In 2020, all ECA Treasurers were provided an internal control manual specific to ECA accounting processes and training was conducted regarding information contained in the manual. (This manual is updated as changes occur.)

Through the audit process conducted in this matter it was determined compliance of internal controls and lack of oversight were the major deficiencies. As a response, formal training has been conducted with all necessary staff to ensure understanding of the internal controls. With the SBOA no longer performing full bi-annual audits on all ECA's, CCS finds it necessary to schedule periodic audits for additional oversight and to help confirm compliance with the established internal controls.

Completion Date: 3/30/22

Kara J. Kollros
Director of Finance
Carmel Clay Schools
November 11, 2022