

STATE BOARD OF ACCOUNTS
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INDIANAPOLIS, INDIANA 46204-2769

Paul D. Joyce, CPA
State Examiner

FINANCIAL STATEMENT AND
FEDERAL COMPLIANCE AUDIT REPORT

OF

CARMEL CLAY SCHOOLS CORPORATION
HAMILTON COUNTY, INDIANA
July 1, 2024 to June 30, 2025



FILED

04/10/2026



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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April 10, 2026

To: The Officials of the Carmel Clay Schools Corporation
Carmel Clay Schools Corporation
Hamilton County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the Carmel Clay Schools Corporation. We have reviewed the audit report opined upon by Forvis Mazars, LLP, Independent Public Accountants, for the period July 1, 2024 to June 30, 2025. 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 Schools Corporation as of June 30, 2025, 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.

In our opinion, Forvis Mazars, 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.

Beth Kelley, CPA, CFE
Deputy State Examiner

Carmel Clay Schools Corporation

Annual Financial Report

June 30, 2025

Carmel Clay School Corporation

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Carmel Clay School Corporation

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Independent Auditor's Report

School Board
Carmel Clay School Corporation
Carmel, Indiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Carmel Clay School Corporation (School Corporation), as of and for the year ended June 30, 2025, 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.

In our opinion, the accompanying 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 the School Corporation, as of June 30, 2025 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the School Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 3 to the financial statements, in 2025, the School Corporation adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Corporation's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are 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 basic 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 GAAS. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2026, 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 Mazars, LLP

**Indianapolis, Indiana
March 31, 2026**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Carmel Clay School Corporation

Management's Discussion and Analysis
June 30, 2025

As management of Carmel Clay School Corporation, (the School Corporation), we offer readers of the School Corporation's financial statements this narrative overview and analysis of the financial activities of the School Corporation for the fiscal year ended June 30, 2025.

Financial Highlights

- The assets and deferred outflows of resources, \$581,286,088 and \$36,476,834, respectively, of the School Corporation exceeded its liabilities and deferred inflows of, \$369,673,859 and \$9,616,433, respectively, at the close of the most recent fiscal year by \$238,472,630 (net position).
- The School Corporation's total net position increased by \$12,374,711 as compared to the prior year.
- At the close of the current fiscal year, the School Corporation's governmental funds reported combined ending fund balances of \$94,354,695, a decrease of \$61,101,968 in comparison to the prior year.
- At the end of the current fiscal year, the fund balance for the operations fund was \$8,635,673 which represented 16.48% of total operations fund expenditures \$52,412,881, excluding transfers out.
- The School Corporation's total amount of bonds decreased by \$25,949,633 during the current fiscal year. The net change was a result of \$5,940,000 in new debt, a net decrease of \$5,124,633 in unamortized bond premiums and a total of \$26,765,000 in principal payments on existing bonds.
- Nondebt Long-Term Obligations increased \$11,716,805.

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 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 the School Corporation's finances, in a manner similar to private-sector business.

The statement of net position presents information on all the School Corporation's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between the assets plus deferred outflows and liabilities plus deferred inflows reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School Corporation 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 the School Corporation 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 1-3 of this report.

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. The School Corporation, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the School Corporation 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.

The School Corporation maintains several 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, and Building Corporation Fund, which are considered to be a major funds. Data for the remaining School Corporation governmental funds are combined into a single, aggregated presentation. Individual fund data for nonmajor governmental funds is provided in the form of combining statements elsewhere in the report. The School Corporation adopts an annual appropriated budget for its education fund, operations fund, certain special revenue funds and debt service funds. Budgetary comparison schedules have been provided for the major special revenue funds in the required supplementary information.

The governmental fund financial statements can be found on page 4-6 of this report.

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

The basic proprietary fund financial statements can be found on pages 7-9 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 10-47 of this report.

Carmel Clay School Corporation

Management's Discussion and Analysis

June 30, 2025

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School Corporation's budgets for its major funds as well as a reconciliation between the budget schedules and fund financial statements. Since the School Corporation budgets on a calendar year basis and reports on fiscal year ending June 30th basis, there is a timing exception. In addition, the School Corporation's funding progress for its obligation to provide pension and other postemployment benefits to certain employees is included as supplementary information. Required supplementary information can be found on pages 48-64 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on budgets. Combining and individual fund statements and schedules can be found pages on 63-73 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. In the case of the School Corporation, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$238,472,630 at the close of the most recent fiscal year.

The largest portion, \$173,082,356 (72.58%), of the School Corporation'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. The School Corporation uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the School Corporation'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. An additional \$88,638,105 (37.17%), represents resources that are subject to external restrictions on how they may be used.

The following table reflects the condensed statement of net position:

	Governmental Activities	
	2025	2024
Current and other assets	\$ 168,818,234	\$ 227,681,508
Capital assets	<u>412,467,854</u>	<u>358,776,268</u>
Total assets	<u>\$ 581,286,088</u>	<u>\$ 586,457,776</u>
Deferred outflow of resources	<u>\$ 36,476,834</u>	<u>\$ 37,941,549</u>
Long-term liabilities	\$ 338,909,215	\$ 349,739,296
Other liabilities	<u>30,764,644</u>	<u>33,801,701</u>
Total liabilities	<u>\$ 369,673,859</u>	<u>\$ 383,540,997</u>
Deferred inflow of resources	<u>\$ 9,616,433</u>	<u>\$ 11,359,571</u>
Net investment in capital assets	\$ 173,082,356	\$ 155,278,223
Restricted net position	88,638,105	90,137,132
Unrestricted net position (deficit)*	<u>(23,247,831)</u>	<u>(15,916,598)</u>
Total net position	<u>\$ 238,472,630</u>	<u>\$ 229,498,757</u>

Carmel Clay School Corporation

Management's Discussion and Analysis

June 30, 2025

*The unrestricted net position was modified during the current year to reflect the change in unavailable revenue between the fund financial statements and government wide.

The remaining balance of unrestricted net position, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the School Corporation can report a positive balance in net position. The same situation held true for the prior fiscal year.

Governmental Activities

The following table provides a comparative summary of changes in net position.

	Governmental Activities	
	2025	2024
Revenues:		
Program revenues		
Charges for services	\$ 6,208,367	\$ 6,261,528
Operating grants and contributions	11,736,658	13,276,860
General revenues:		
Property taxes	103,592,474	97,097,154
Other taxes	6,909,005	6,999,191
State aid	127,118,058	123,921,469
Other	<u>34,570,527</u>	<u>34,331,683</u>
Total revenues	<u>290,135,089</u>	<u>281,887,885</u>
Expenses:		
Instruction	136,430,685	122,034,363
Support services	78,799,615	76,103,356
Community services	12,552,293	11,801,513
Facilities acquisition	13,826,977	13,421,001
Nonprogrammed charges	29,631,205	28,331,095
Interest expense	<u>6,519,603</u>	<u>5,629,249</u>
Total expenses	<u>277,760,378</u>	<u>257,320,577</u>
Change in net position	<u>12,374,711</u>	<u>24,567,308</u>
Net Position, Beginning as Previously Stated	229,498,757	204,931,449
Accounting change - implementation of GASB 101	<u>(3,400,838)</u>	-
Net Position, Beginning as Restated	<u>226,097,919</u>	-
Net Position, Ending	<u>\$ 238,472,630</u>	<u>\$ 229,498,757</u>

The School Corporation's net position from governmental activities increased by \$12,374,711 or 3.91% in 2025, over the net position of 2024. Notable changes in governmental activities revenues and expenses in 2025 compared to 2024 include the following:

- Program revenues (operating grants and contributions) decreased by \$1,540,202, due to a decrease in grant funding received.
- Property tax revenues increased by \$6,495,320 in comparison to prior year due to the an increase in the tax rate.

Carmel Clay School Corporation

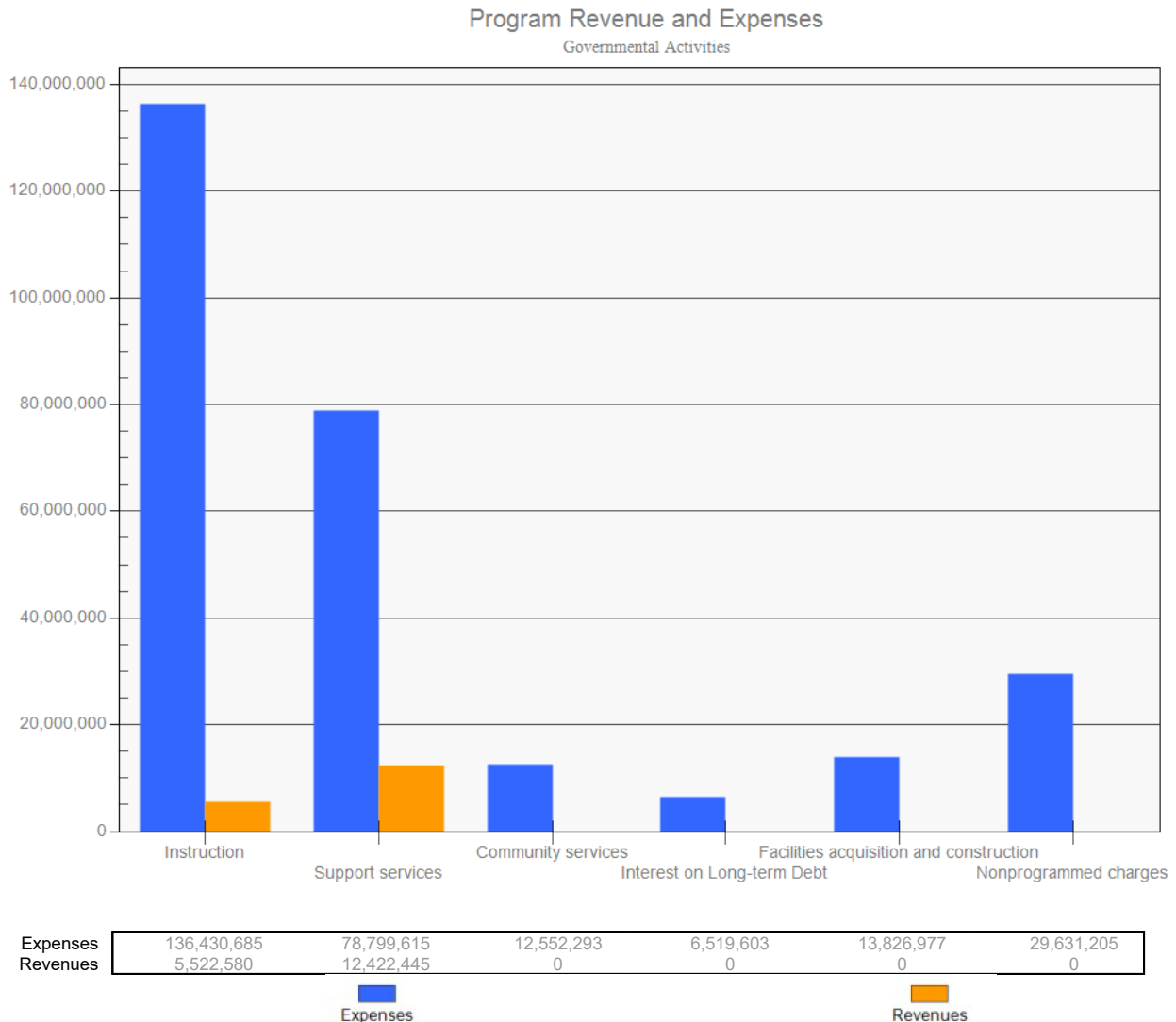
Management's Discussion and Analysis
June 30, 2025

- Other revenues increased by \$238,844 in comparison to prior year.
- Nonprogrammed charges expenses increased by \$1,300,110 in comparison with the prior year.
- The School Corporation's overall cash and cash equivalents plus investments of \$88,311,417 and \$32,148,947, respectively, remained very strong in the current economic environment. The School Corporation's property tax rate for 2025 increased slightly to \$.8341 from \$.8603 for 2024, per \$100 of assessed value.

Program Revenue and Expenses - Governmental Activities

State aid, as in prior years, was the School Corporation's major source of revenue supporting its activities. Other sources of revenue consisted primarily of property taxes. The following table displays program revenues as compared to program expenses. Deficits in programs are made up by general revenues.

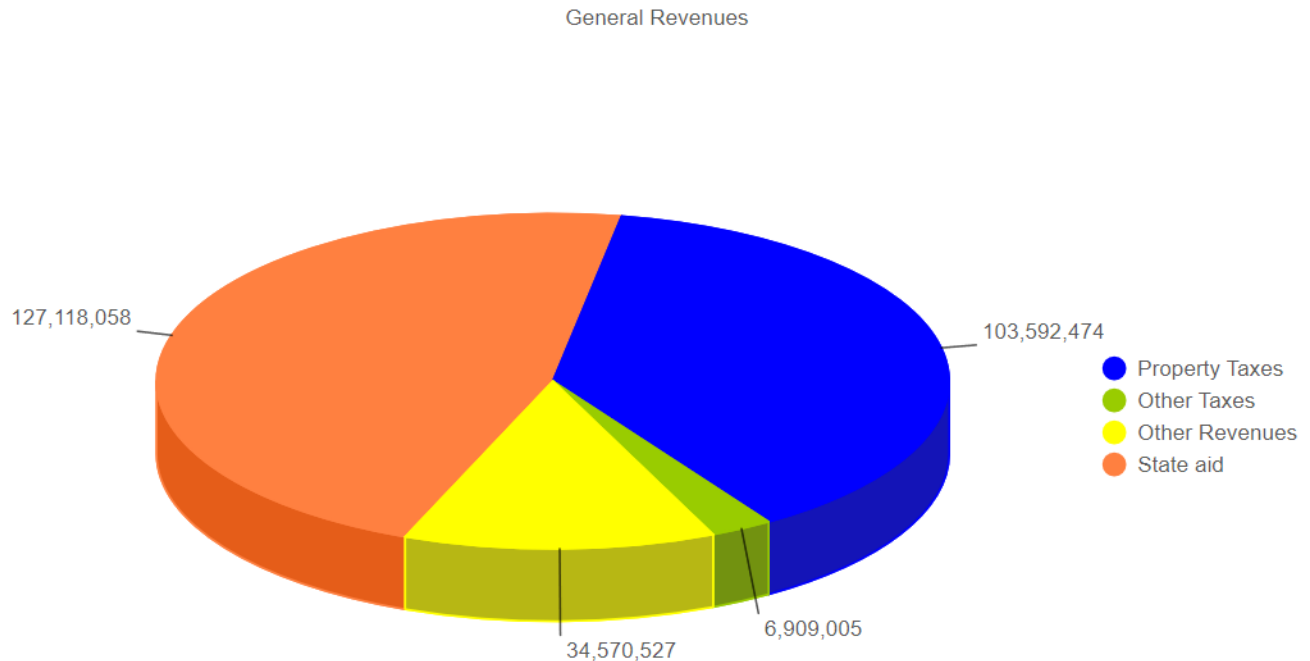
The following displays the Expenses and Program Revenues of the School Corporation's governmental activities, excluding interest expense.



Carmel Clay School Corporation

Management's Discussion and Analysis
June 30, 2025

The following displays the General Revenues by source for the School Corporation's governmental activities. General revenues are used to help offset funding shortfalls related to governmental functions detailed in the preceding graph:



Financial Analysis of the Government's Funds

As noted earlier, the School Corporation uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the School Corporation's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful to assess the School Corporation's financial requirements. 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.

Fund balances are the differences between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in a governmental fund. The 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. 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 include all amounts not contained in other classifications for the education fund and deficit fund balances in any other governmental fund.

Carmel Clay School Corporation

Management's Discussion and Analysis

June 30, 2025

As of the end of the current fiscal year, the School Corporation's governmental funds reported combined ending fund balances of \$94,354,695, a decrease of \$61,101,968 in comparison with the prior year. The fund balance has restricted fund balance of \$83,425,823, committed fund balance of \$6,894,901 and unassigned fund balance of \$4,033,971 (See page 4).

The Operations Fund is the chief operating fund of the School Corporation. At the end of the current fiscal year the total fund balance totaled \$8,635,673. As a measure of the operations fund's liquidity, it may be useful to compare total fund balance to total expenditures of \$52,412,881 excluding transfers. Total fund balance represents 16.48% of total operations fund expenditures.

The fund balance of the School Corporation's operations fund had an increase of \$825,724 during the current fiscal year. Key factors in this increase are as follows:

- Expenses exceeded revenues by \$14,177,241 excluding other financing sources and uses.
- Other financing sources increased by \$6,932,028 during the current fiscal year.
- Revenues increased by \$3,085,743 and expenditures increased by \$13,910,596 from 2024 to 2025.
- Major expenditure changes include an increase in support services expenses of \$15,875,347.

The Education Fund is a major fund for the current fiscal year. The fund balance for this major fund is \$8,955,630. The major source of revenue was state aid received from the state. Significant expenditures include instruction of \$89,252,416 and support services of \$20,919,220.

The Operating Referendum Fund is a major fund for the current fiscal year. The fund balance for this major fund is \$191,078. The major source of revenues are property taxes. Significant expenditures include instruction of \$27,662,677 and support services expenses of \$1,616,513.

The Debt Service Fund is a major fund for the current fiscal year. The fund balance for this major fund is \$7,674,033. The major source of revenue is property taxes. Significant expenditures include transfers out of \$37,782,301, respectively.

The Building Corporation Construction Fund is a major fund for the current fiscal year. The fund balance for this major fund is \$35,467,604. The major source of revenues is interest income during the current fiscal year. The expenditures are mainly for stadium building renovation and natatorium construction at Carmel High School.

Budgetary Highlights

The School Corporation Board submits a budget to allow for the continues operation of daily activities. 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, the School Corporation adjusts the budget accordingly. The budget is prepared on a calendar year basis.

Capital Asset and Debt Administration

Capital assets. The School Corporation's investment in capital assets for its governmental activities as of June 30, 2025 amounts to \$412,467,854 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress.

Carmel Clay School Corporation

Management's Discussion and Analysis

June 30, 2025

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

- The School had construction in progress expenditures totaling \$61,705,458 during fiscal year 2025. Some of the larger categories of expenses related to the construction in progress were \$35,807,872 for various projects at Carmel High School.

The following table displays the School's capital assets.

	Governmental Funds	
	2025	2024
Land	\$ 10,656,624	\$ 10,656,624
Construction in progress	104,269,557	82,505,532
Buildings	459,018,694	419,077,261
Machinery and equipment	24,294,097	22,350,418
Subscription Asset	<u>967,879</u>	<u>967,879</u>
Total capital assets	599,206,851	535,557,714
Accumulated depreciation	<u>(186,738,997)</u>	<u>(176,781,446)</u>
Net capital assets	<u><u>\$ 412,467,854</u></u>	<u><u>\$ 358,776,268</u></u>

Additional information can be found in the notes to the financial statements pages 10 to 47.

Long-Term Obligations

At the end of the current fiscal year, the School Corporation had outstanding total long-term debt related liabilities (net of unamortized premiums and discounts and current portion) of \$308,348,156. Of this amount \$248,252,722 comprises general obligation debt payable in more than one year.

The remainder of the School Corporation's long-term obligations consist of \$4,094,284 of compensated absences, \$168,185 of subscription liabilities, \$41,844,672 of net pension liability and \$18,139,352 of OPEB liability. The following table reflects the School Corporation's long-term obligations:

	Governmental Activities	
	2025	2024
General obligation bonds	<u>\$ 274,662,722</u>	<u>\$ 300,612,355</u>
Subtotal	<u>274,662,722</u>	<u>300,612,355</u>
Subscription Liability	168,185	220,270
Compensated absences	4,094,284	268,797
Net pension liability	41,844,672	30,337,551
OPEB Liability	<u>18,139,352</u>	<u>18,300,323</u>
Subtotal	<u>64,246,493</u>	<u>49,126,941</u>
Less current portion	<u>(30,561,059)</u>	<u>(27,085,882)</u>
Total long-term obligations	<u><u>\$ 308,348,156</u></u>	<u><u>\$ 322,653,414</u></u>

Carmel Clay School Corporation

Management's Discussion and Analysis

June 30, 2025

Additional information on long-term obligations can be found in the notes to the financial statement on pages 23 to 24.

The School Corporation's total long-term obligations decreased by \$10,830,081 during the current fiscal year. Debt decreased during the year due to normal payments towards debt, with only \$5,940,000 of bond issues for the fiscal year. There was a decrease in the OPEB liability of \$(160,971) and an increase in net pension liability of \$11,507,121 as a result of updated actuarial studies.

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.

Additional information of the School Corporation's long-term debt can be found on pages 23-25 in the Notes to the Financial Statements of this report.

Economic Factors and Next Year's Budget and Rates:

- The 2025 tax rates for the School Corporation decreased from the 2024 value of \$.8603 to \$.8341 per \$100 in assessed value. Overall, the School Corporation's assessed value increased by about 7.88% from 2024 to 2025.
- Property tax and the Basic Tuition Support is the School Corporation's largest source of revenue. These funds are used for education expenses as well as operating expenses. The School Corporation received \$127,118,058 for the Basic Grant.
- State-wide property tax caps (based upon a percent of gross AV by property class) became effective in 2009, yet they had a minimal impact on the School's revenues received. For the 2025 budget year, the expected loss to the School due to the caps is \$1,896,463. For the 2024 budget year, the loss to the School was \$1,030,986. Expenditure restraints have been used to offset this loss.

Request for Information

This financial report is designed to provide a general overview of the School Corporation'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 Carmel Clay Schools, 5201 East Main Street, Carmel, IN 46033.

BASIC FINANCIAL STATEMENTS

Carmel Clay School Corporation

Statement of Net Position

June 30, 2025

	Governmental Activities
Assets and Deferred Outflows of Resources	
Assets	
Cash	\$ 36,019,682
Investments	10,086,884
Receivables (net):	
Taxes	46,037,478
Intergovernmental	457,903
Accounts	87,898
Interest	60,125
Prepays	1,714,466
Restricted assets:	
Cash	52,291,735
Investments	22,062,063
Capital assets:	
Land and construction in progress	114,926,181
Other capital assets, net of depreciation	297,541,673
Total assets	581,286,088
Deferred Outflows of Resources	
OPEB related amounts	4,885,853
Pension related amounts	31,590,981
Total deferred outflows of resources	36,476,834

See notes to financial statements

Carmel Clay School Corporation

Statement of Net Position

June 30, 2025

	Governmental Activities
Liabilities, Deferred Inflows of Resources and Net Position	
Liabilities	
Accounts payable	\$ 13,330,073
Retainage payable	3,523,358
Accrued wages and payroll withholding	7,478,935
Interest payable	5,357,592
Claims payable	1,074,686
Noncurrent liabilities:	
Due within one year:	
Bonds payable	26,410,000
Subscription liability	56,775
Compensated absences	4,094,284
Due in more than one year:	
Bonds payable (net of premiums)	248,252,722
Subscription liability	111,410
Total OPEB liability	18,139,352
Net pension liability	41,844,672
	<u>369,673,859</u>
Total liabilities	
	<u>369,673,859</u>
Deferred Inflows of Resources	
OPEB related amounts	3,001,182
Pension related amounts	6,615,251
	<u>9,616,433</u>
Total deferred inflows of resources	
	<u>9,616,433</u>
Net Position	
Net investment in capital assets	173,082,356
Restricted for:	
Instruction	4,760,500
Support services	45,368,581
Community services	3,750
Capital projects	-
Debt service	38,505,274
Unrestricted (deficit)	(23,247,831)
	<u>(23,247,831)</u>
Total net position	
	<u><u>\$ 238,472,630</u></u>

See notes to financial statements

Carmel Clay School Corporation

Statement of Activities

Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction	\$ 136,430,685	\$ 690,233	\$ 4,832,347	\$ (130,908,105)
Support services	78,799,615	5,518,134	6,904,311	(66,377,170)
Community services	12,552,293	-	-	(12,552,293)
Facilities acquisition and construction	13,826,977	-	-	(13,826,977)
Interest on long term debt	6,519,603	-	-	(6,519,603)
Nonprogrammed charges	29,631,205	-	-	(29,631,205)
Total governmental activities	<u>277,760,378</u>	<u>6,208,367</u>	<u>11,736,658</u>	<u>(259,815,353)</u>
General Revenues				
Property taxes				103,592,474
Other taxes				6,909,005
State aid				127,118,058
Grants and contributions not restricted to specific programs				4,214,935
Interest income				4,282,468
Miscellaneous				<u>26,073,124</u>
Total general revenues				<u>272,190,064</u>
Change in net position				12,374,711
Net Position, Beginning, as Previously Reported				229,498,757
Adoption of accounting principle - See Note 3				(3,400,838)
Net Position, Beginning, as Adjusted				<u>226,097,919</u>
Net Position, Ending				<u>\$ 238,472,630</u>

See notes to financial statements

Carmel Clay School Corporation

Balance Sheet -
Governmental Funds
Year Ended June 30, 2025

	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	\$ 9,221,501	\$ 8,027,908	\$ 1,017,324	\$ -	\$ -	\$ -	\$ 14,066,499	\$ 32,333,232
Investments	5,327,948	4,198,959	559,977	-	-	-	-	10,086,884
Receivables:								
Taxes	-	13,995,468	12,658,910	16,048,546	-	-	3,334,554	46,037,478
Intergovernmental	-	-	-	-	-	-	457,903	457,903
Accounts	-	-	-	-	-	-	87,898	87,898
Interest	-	-	-	-	22,195	-	37,930	60,125
Due from other funds	457,903	-	-	-	-	-	-	457,903
Restricted investments	-	-	-	-	22,062,063	-	-	22,062,063
Restricted cash	-	-	-	7,674,033	24,515,345	-	20,102,357	52,291,735
Total assets	\$ 15,007,352	\$ 26,222,335	\$ 14,236,211	\$ 23,722,579	\$ 46,599,603	\$ -	\$ 38,087,141	163,875,221
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	\$ 1,499,516	\$ 2,410,779	\$ -	\$ -	\$ 7,608,641	\$ -	\$ 503,916	12,022,852
Retainage payable	-	-	-	-	3,523,358	-	-	3,523,358
Accrued wages and payroll withholding	4,552,206	1,180,415	1,386,223	-	-	-	360,091	7,478,935
Due to other funds	-	-	-	-	-	-	457,903	457,903
Total liabilities	6,051,722	3,591,194	1,386,223	-	11,131,999	-	1,321,910	23,483,048
Deferred Inflows of Resources								
Unavailable revenues	-	13,995,468	12,658,910	16,048,546	-	-	3,334,554	46,037,478
Total deferred inflows of resources	-	13,995,468	12,658,910	16,048,546	-	-	3,334,554	46,037,478
Fund Balances								
Restricted	-	8,635,673	191,078	7,674,033	35,467,604	-	31,457,435	83,425,823
Committed	4,598,080	-	-	-	-	-	2,296,821	6,894,901
Unassigned (deficit)	4,357,550	-	-	-	-	-	(323,579)	4,033,971
Total fund balances	8,955,630	8,635,673	191,078	7,674,033	35,467,604	-	33,430,677	94,354,695
Total liabilities, deferred inflows of resources and fund balances	\$ 15,007,352	\$ 26,222,335	\$ 14,236,211	\$ 23,722,579	\$ 46,599,603	\$ -	\$ 38,087,141	
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 3.								412,467,854
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.								1,304,543
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.								46,037,478
Prepaid expenses are not reported in the current period; therefore, not reported in the fund financial statements.								1,714,466
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.								24,975,730
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.								1,884,671
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								(9,451,876)
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 3.								
Bonds payable							\$ (274,662,722)	
Subscription payable							(168,185)	
Net pension liability							(41,844,672)	
Total OPEB liability							(18,139,352)	
								(334,814,931)
Net Position of Governmental Activities								<u>\$ 238,472,630</u>

See notes to financial statements

Carmel Clay School Corporation

Statement of Revenues, Expenditures and Changes in Fund Balances -

Governmental Funds

Year Ended June 30, 2025

	Education Fund	Operations Fund	Operating Referendum	Debt Service	Building Corporation Construction Fund	Construction Funds	Nonmajor Governmental Funds	Total Governmental Funds
Revenues								
Property taxes	\$ -	\$ 31,714,395	\$ 27,109,119	\$ 34,919,683	\$ -	\$ -	\$ 7,006,417	\$ 100,749,614
Other taxes	-	2,407,881	1,580,510	2,513,476	-	-	407,138	6,909,005
Intergovernmental	542,650	-	-	-	-	-	11,372,717	11,915,367
State aid	127,118,058	-	-	-	-	-	-	127,118,058
Charges for services	679,138	1,809,230	-	-	-	-	3,819,999	6,308,367
On-behalf contributions	11,559,124	-	-	-	-	-	-	11,559,124
Other:								
Interest Income	54,865	449,488	(912)	-	3,590,526	-	181,193	4,275,160
Miscellaneous	405,398	1,854,646	31	-	628,496	-	21,949,157	24,837,728
Total revenues	140,359,233	38,235,640	28,688,748	37,433,159	4,219,022	-	44,736,621	293,672,423
Expenditures								
Current:								
Instruction	89,252,416	-	27,662,677	-	-	-	5,421,044	122,336,137
Support services	20,919,220	48,259,677	1,616,513	-	-	-	10,428,050	81,223,460
Community services	2,130,268	458,519	-	-	-	-	9,715,338	12,304,125
Capital outlays and facilities acquisition and construction	-	3,629,040	-	-	73,507,717	-	-	77,136,757
Nonprogrammed charges	-	-	-	1,749	87,591	-	16,683,425	16,772,765
Pre-96 pension expense	11,559,124	-	-	-	-	-	-	11,559,124
Debt service:								
Principal paid on debt	-	-	-	-	-	-	26,765,000	26,765,000
Principal paid on subscriptions	-	52,085	-	-	-	-	-	52,085
Interest on debt	-	13,560	-	-	-	-	12,636,921	12,650,481
Debt issuance costs	-	-	-	-	112,574	-	-	112,574
Total expenditures	123,861,028	52,412,881	29,279,190	1,749	73,707,882	-	81,649,778	360,912,508
Excess (deficiency) of revenues over (under) expenditures	16,498,205	(14,177,241)	(590,442)	37,431,410	(69,488,860)	-	(36,913,157)	(67,240,085)
Other Financing Sources (Uses)								
Debt proceeds	-	-	-	-	5,940,000	-	-	5,940,000
Premium on long-term debt	-	-	-	-	198,117	-	-	198,117
Transfers in	3,002,258	32,016,702	-	-	609,201	-	53,268,477	88,896,638
Transfers out	(19,377,947)	(17,013,737)	-	(37,782,301)	(823,022)	-	(13,899,631)	(88,896,638)
Total other financing sources (uses)	(16,375,689)	15,002,965	-	(37,782,301)	5,924,296	-	39,368,846	6,138,117
Net change in fund balances	122,516	825,724	(590,442)	(350,891)	(63,564,564)	-	2,455,689	(61,101,968)
Fund Balances, Beginning, as Previously Reported	8,833,114	7,809,949	781,520	8,024,924	104,301,216	(5,269,048)	30,974,988	155,456,663
Accounting change - See Note 3	-	-	-	-	(5,269,048)	5,269,048	-	-
Fund Balance, Beginning, as Adjusted	8,833,114	7,809,949	781,520	8,024,924	99,032,168	-	30,974,988	155,456,663
Fund Balances, Ending	<u>\$ 8,955,630</u>	<u>\$ 8,635,673</u>	<u>\$ 191,078</u>	<u>\$ 7,674,033</u>	<u>\$ 35,467,604</u>	<u>\$ -</u>	<u>\$ 33,430,677</u>	<u>\$ 94,354,695</u>

See notes to financial statements

Carmel Clay School Corporation

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2025

Net Change in Fund Balances, Total Governmental Funds **\$ (61,101,968)**

Amounts reported for governmental activities in the Statement of Activities
are different because:

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.

Capital outlays reported as an expenditure in the fund financial statements	64,716,462
Depreciation is reported in the government-wide statements	(11,024,876)

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.

Debt issued, bonds	(5,940,000)
Premium on debt issued	(198,117)
Principal paid, bonds	26,765,000
Principal paid, subscriptions	52,085
Amortization of debt premium	5,322,750

Changes in Net Pension Liability/Asset and Total OPEB liability are reported in the government-wide Statement of Activities.

Total OPEB Liability	160,971
Net Pension Liability	(11,507,121)

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.

Change in interest payable	926,476
Deferred outflows of resources related to pensions	(864,375)
Deferred inflow of resources related to pensions	1,226,517
Deferred outflows of resources related to OPEB	(481,992)
Deferred inflows of resources related to OPEB	516,621
Deferred amount on refunding	(118,348)
Change in retainage payable	1,720,761
Change in prepaid expenses	364,807
Change in compensated absences	(424,649)

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.

Deferred inflows of resources related to unavailable revenue	2,842,860
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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.

(579,153)

Change in Net Position of Governmental Activities **\$ 12,374,711**

Carmel Clay School Corporation

Statement of Net Position -
Proprietary Fund
June 30, 2025

	Internal Service
Assets	
Cash	\$ 3,686,450
Total assets	3,686,450
Liabilities and Net Position	
Current Liabilities	
Accounts payable	1,307,221
Claims payable	1,074,686
Total current liabilities	2,381,907
Net Position	
Unrestricted	1,304,543
Total net position	\$ 1,304,543

See notes to financial statements

Carmel Clay School Corporation

Statement of Revenues, Expenses and Changes in Net Position -

Proprietary Fund

Year Ended June 30, 2025

	Internal Service
Operating Revenues	
Charges for services	\$ 19,887,251
Interest Income	7,308
Other	<u>8,189,532</u>
Total operating revenues	<u>28,084,091</u>
Operating Expenses	
Health and dependent care costs	<u>28,663,244</u>
Total operating expenses	<u>28,663,244</u>
Operating loss	<u>(579,153)</u>
Net Position, Beginning	<u>1,883,696</u>
Net Position, Ending	<u>\$ 1,304,543</u>

See notes to financial statements

Carmel Clay School Corporation

Statement of Cash Flows -

Proprietary Fund

Year Ended June 30, 2025

	<u>Internal Service</u>
Cash Flows From Operating Activities	
Received from employees	\$ 28,084,091
Payments for interfund services used	<u>(27,638,678)</u>
Net cash flows provided by operating activities	<u>445,413</u>
Net change in cash and cash equivalents	445,413
Cash, Beginning	<u>3,241,037</u>
Cash, Ending	<u><u>\$ 3,686,450</u></u>
Reconciliation of Operating Loss to Net Cash Flows From Operating Activities	
Operating loss	\$ (579,153)
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Claims payable	28,203
Accounts payable	<u>996,363</u>
Net cash flows provided by operating activities	<u><u>\$ 445,413</u></u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Position	
Cash and investments	<u>\$ 3,686,450</u>
Total cash and cash equivalents	<u><u>\$ 3,686,450</u></u>

See notes to financial statements

Carmel Clay School Corporation

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June 30, 2025

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Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

1. Summary of Significant Accounting Policies

The Carmel Clay School Corporation (Primary Government or School Corporation) was established under the laws of the State of Indiana. The Primary Government operates under a council-commissioner form of government and provides 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).

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.

Blended Component Units

The Carmel 2002 School Building Corporation is a blended component unit of the School Corporation. The 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 provides services entirely or almost entirely to the Primary Government. To exclude the financial statements of this component unit would render the School Corporation's financial statements incomplete or misleading. The Building Corporation is included 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.

Government-Wide and Fund Financial Statements

GASB Statement No. 101, *Compensated Absences*. This Statement updates the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This standard was implemented effective July 1, 2024, and resulted in a reduction of net position of \$3,400,838.

GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This standard was implemented effective July 1, 2024, and had no impact on the current year.

Government-Wide 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. The statements distinguish between governmental and business-type activities. 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. 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. The government does not allocate indirect expenses to functions in the statement of activities.

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.

Funds are organized as major funds or nonmajor funds within the governmental statements. An emphasis is placed on major funds within the governmental category. 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. 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. Major individual governmental funds are reported as separate columns in the fund financial statements.

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

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 of the First Mortgage Bonds, Series 2020, First Mortgage Bonds, Series 2021, First Mortgage Bonds, Series 2022, First Mortgage Bonds, Series 2023, and the First Mortgage Bonds, Series 2024.

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.

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.

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.

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.

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.

Assets, Liabilities and Net Position or Fund Balance**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.

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 date of acquisition.

State statute (IC 5-13-9) authorizes the Primary Government invest in securities including, but not limited to, federal government securities, repurchase agreements and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

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.

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

Investment income, including changes in the fair value of investments, is reported as revenue in the operating statement.

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.

See Note 3 for further information.

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 *due 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.

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.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

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 one 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
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.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets 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 OPEB and pension related items.

Compensated Absences

Eligible employees, consisting of support staff, 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.

Personal illness leave is earned in accordance with the School Corporation policy. Unused personal illness leave will accumulate and may be used in subsequent years. Unused personal illness leave is not paid upon termination of employment.

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, 2025, are determined on the basis of current salary rates and include salary related payments. A liability is reported for the portion of vacation days and personal illness leave that is more likely than not to be used, including any vacation amounts that are eligible for payout.

Long-Term Obligations

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

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

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.

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.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets 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.

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 including restricted 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.

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

- 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.
- 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 3 for further information.

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, information has been determined on the same basis as they are reported by the School Corporation's OPEB Plan. For this purpose, the School Corporation's OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

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

June 30, 2025

2. Stewardship, Compliance and Accountability

Deficit Balances

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

As of June 30, 2025, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Early Childhood Grants	8,290	Reimbursable federal grant
Federal Part B 611 Funds	246,535	Reimbursable federal grant
Title I Grants	13,711	Reimbursable federal grant
Title II Grants	8,278	Reimbursable federal grant
Title III Grants	9,926	Reimbursable federal grant
Title IV Grant	12,695	Reimbursable federal grant
3E Grant	1,875	Reimbursable federal grant
Carl Perkins Title V	22,269	Reimbursable federal grant

3. Detailed Notes on All Funds

Deposits and Investments

The School Corporation's deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 86,093,964	\$ 85,906,080	Custodial
U.S. treasuries	32,148,947	32,148,947	Custodial, interest rate
Money markets	<u>2,217,453</u>	<u>2,217,453</u>	Custodial
Total deposits and investments	<u>\$ 120,460,364</u>	<u>\$ 120,272,480</u>	

Reconciliation to financial statements

Per statement of net position:

Unrestricted cash and investments	\$ 46,106,566
Restricted cash and investments	<u>74,353,798</u>

Total deposits and investments \$ 120,460,364

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.

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.

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

The valuation methods for recurring fair value measurements are as follows:

Investment Type	June 30, 2025			
	Level 1	Level 2	Level 3	Total
Money markets	\$ 2,217,453	\$ -	\$ -	\$ 2,217,453
U.S. treasuries	32,148,947	-	-	32,148,947
Total	<u>\$ 34,366,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,366,400</u>

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.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of June 30, 2025, the School Corporation's investments were as follows:

Investment Type	Fair Value	Maturity (in Years)	
		Less Than 1 Year	1-5 Years
U.S. treasuries	\$ 32,148,947	\$ 10,086,885	\$ 22,062,062

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

Receivables

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

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

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	\$ 46,037,478
Total unavailable revenue for governmental funds	<u>\$ 46,037,478</u>

Capital Assets

Capital asset activity for the year ended June 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 10,656,624	\$ -	\$ -	\$ 10,656,624
Construction in progress	<u>82,505,532</u>	<u>61,705,458</u>	<u>39,941,433</u>	<u>104,269,557</u>
Total capital assets not being depreciated	<u>93,162,156</u>	<u>61,705,458</u>	<u>39,941,433</u>	<u>114,926,181</u>
Capital assets being depreciated/amortized:				
Subscription Asset	967,879	-	-	967,879
Buildings	419,077,261	39,941,433	-	459,018,694
Machinery, equipment and vehicles	<u>22,350,418</u>	<u>3,011,004</u>	<u>1,067,325</u>	<u>24,294,097</u>
Total capital assets being depreciated/amortized	<u>442,395,558</u>	<u>42,952,437</u>	<u>1,067,325</u>	<u>484,280,670</u>
Total capital assets	<u>535,557,714</u>	<u>104,657,895</u>	<u>41,008,758</u>	<u>599,206,851</u>
Less accumulated depreciation/amortization for:				
Subscription asset	(431,074)	(208,317)	-	(639,391)
Buildings	(158,826,427)	(8,780,964)	-	(167,607,391)
Machinery, equipment and vehicles	<u>(17,523,945)</u>	<u>(2,035,595)</u>	<u>1,067,325</u>	<u>(18,492,215)</u>
Total accumulated depreciation/amortization	<u>(176,781,446)</u>	<u>(11,024,876)</u>	<u>1,067,325</u>	<u>(186,738,997)</u>
Net capital assets being Depreciated/Amortized	<u>265,614,112</u>	<u>31,927,561</u>	<u>-</u>	<u>297,541,673</u>
Total governmental activities capital assets, net of accumulated depreciation/amortization	<u>\$ 358,776,268</u>	<u>\$ 93,633,019</u>	<u>\$ 39,941,433</u>	<u>\$ 412,467,854</u>

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities	
Nonprogrammed charges	<u>\$ 11,024,876</u>
Total governmental activities depreciation/amortization expense	<u>\$ 11,024,876</u>

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

Interfund Receivables/Payables 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	\$ 457,903
Total, fund financial statements		457,903
Less government-wide eliminations		(457,903)
Total internal balances, government-wide statement of net position		\$ -

All amounts are due within one year.

The principal purpose of these interfund loans is cover overdrafts of pooled cash. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

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>
Operations Fund	Building Corporation		
Building Corporation	Construction Fund	\$ 273,197	Reimbursement
Construction Funds	Operations Fund	513,737	Transfer to pay construction expenses
Operations Fund	Nonmajor Governmental	13,801,605	Reimbursement
Operations Fund	Education fund	17,941,900	Reimbursement
Education Fund	Operations Fund	3,000,000	Reimbursement
Nonmajor Governmental	Operations Fund	13,500,000	Reimbursement
Nonmajor Governmental	Education Fund	1,436,047	Reimbursement
Nonmajor Governmental	Nonmajor Governmental	304	Reimbursement
Nonmajor Governmental	Debt Service	37,782,301	Reimbursement
Nonmajor Governmental	Building Corporation		
	Construction Fund	547,825	Reimbursement
Nonmajor Governmental	Building Corporation		
Building Corporation	Construction Fund	2,000	Reimbursement
Construction Fund	Nonmajor Governmental	95,464	Reimbursement
Education Fund	Nonmajor Governmental	2,258	Debt service payments
Total, fund financial statements		88,896,638	
Less government-wide eliminations		(88,896,638)	
Total transfers, government-wide statement of activities		\$ -	

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

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.

Long-Term Obligations

Long-term obligations activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 271,395,000	\$ 5,940,000	\$ 26,765,000	\$ 250,570,000	\$ 26,410,000
(Discounts)/Premiums	<u>29,217,355</u>	<u>198,117</u>	<u>5,322,750</u>	<u>24,092,722</u>	<u>-</u>
Subtotal	<u>300,612,355</u>	<u>6,138,117</u>	<u>32,087,750</u>	<u>274,662,722</u>	<u>26,410,000</u>
Other liabilities:					
Compensated absences	3,669,635	424,649	-	4,094,284	4,094,284
Other postemployment benefits	18,300,323	1,690,594	1,851,565	18,139,352	-
Net pension obligation	30,337,551	23,290,505	11,783,382	41,844,672	-
Subscription liability	<u>220,270</u>	<u>-</u>	<u>52,085</u>	<u>168,185</u>	<u>56,775</u>
Total other liabilities	<u>52,527,779</u>	<u>25,405,748</u>	<u>13,687,032</u>	<u>64,246,493</u>	<u>4,151,059</u>
Total governmental activities long-term liabilities	<u>\$ 353,140,134</u>	<u>\$ 31,543,865</u>	<u>\$ 45,774,782</u>	<u>\$ 338,909,215</u>	<u>\$ 30,561,059</u>

General Obligation Debt

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

Governmental Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance June 30, 2025
First Mortgage Bonds, Series 2020	03/19/2020	01/15/2036	3.5 to 5%	\$ 59,335,000	\$ 50,790,000
First Mortgage Bonds, Series 2021	06/03/2021	01/15/2030	4	21,665,000	19,975,000
First Mortgage Bonds, Series 2022	03/17/2022	01/15/2031	5	42,395,000	42,080,000
First Mortgage Bonds, Series 2023	06/08/2023	01/15/2032	5	33,500,000	30,880,000
First Mortgage Bonds, Series 2024	02/22/2024	01/15/2035	4 to 5	64,760,000	64,760,000
General Obligation Bonds, Series 2021	03/11/2021	01/15/2027	2 to 3	20,100,000	13,420,000
General Obligation Bonds, Series 2022	12/15/2022	01/15/2031	5	22,840,000	22,725,000
General Obligation Bonds, Series 2024	02/22/2025	01/15/2035	5	5,940,000	<u>5,940,000</u>
Total governmental activities, general obligation debt					<u>\$ 250,570,000</u>

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities General Obligation Debt	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 26,410,000	\$ 10,981,075
2027	28,775,000	10,127,300
2028	30,030,000	8,786,125
2029	26,510,000	7,368,300
2030	27,800,000	6,068,950
2031-2035	105,440,000	12,919,825
2036	<u>5,605,000</u>	<u>147,525</u>
Total	<u>\$ 250,570,000</u>	<u>\$ 56,399,100</u>

Subscription Liabilities

Governmental Activities

<u>Subscription Liabilities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Finalsite	\$ 220,270	\$ -	\$ 52,085	\$ 168,185	\$ 56,775
Total	<u>\$ 220,270</u>	<u>\$ -</u>	<u>\$ 52,085</u>	<u>\$ 168,185</u>	<u>\$ 56,775</u>

Future minimum subscription payments are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 56,775	\$ 10,278
2027	61,579	6,925
2028	<u>49,831</u>	<u>3,393</u>
Total	<u>\$ 168,185</u>	<u>\$ 20,596</u>

Net Position/Fund Balances

Net position reported on the government wide statement of net position at June 30, 2025, includes the following:

Governmental Activities

Net investment in capital assets:

Land	\$ 10,656,624
Construction in progress	104,269,557
Other capital assets, net of accumulated depreciation	297,541,673
Less long-term debt outstanding	(274,830,907)
Plus unspent capital related debt proceeds	46,577,408
Less capital assets included in accounts payable	(7,608,641)
Less capital assets included in retainage payable	<u>(3,523,358)</u>
Total net investment in capital assets	<u>\$ 173,082,356</u>

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

Governmental Funds

Governmental fund balances reported on the fund financial statements at June 30, 2025, include the following:

	Education Fund	Operating Fund	Operating Fund Referendum	Debt Service Fund	Building Corp Construction Fund	Nonmajor Funds	Total
Fund Balances							
Restricted for:							
Instruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,425,946	\$ 1,425,946
Support services	-	8,635,673	191,078	-	-	9,887,452	18,714,203
Community Services	-	-	-	-	-	3,750	3,750
Debt service	-	-	-	7,674,033	-	20,140,287	27,814,320
Capital projects	-	-	-	-	35,467,604	-	35,467,604
Subtotal	-	8,635,673	191,078	7,674,033	35,467,604	31,457,435	83,425,823
Committed to:							
Other	4,598,080	-	-	-	-	2,296,821	6,894,901
Subtotal	-	-	-	-	-	-	6,894,901
Unassigned (Deficit)	4,357,550	-	-	-	-	(323,579)	4,033,971
Total fund balances (deficit)	<u>\$ 8,955,630</u>	<u>\$ 8,635,673</u>	<u>\$ 191,078</u>	<u>\$ 7,674,033</u>	<u>\$ 35,467,604</u>	<u>\$ 33,430,677</u>	<u>\$ 94,354,695</u>

Accounting Changes

Changes to or Within the Financial Reporting Entity (See Adjustments Below)

Changes were made to the financial reporting entity due to combining building corporation funds for financial reporting purposes.

Adjustments to Beginning Balances

	June 30, 2024 as Previously Reported	Change to or Within the Financial Reporting Entity	June 30, 2024 as Adjusted
Building Corporation Construction Fund	\$ 104,301,216	\$ (5,269,048)	\$ 99,032,168
Construction Funds	(5,269,048)	5,269,048	-
Total building corporation construction fund	<u>\$ 99,032,168</u>	<u>\$ -</u>	<u>\$ 99,032,168</u>

Comparative total columns of the previous year have not been restated to reflect these changes.

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

Adoption of Accounting Standard

Net position has been restated to adjust for the implementation of GASB 101. The prior year compensated absences liability increased by \$3,400,838 from \$268,797 to \$3,669,635.

Net Position, June 30, 2024 (as reported)	\$ 229,498,757
Less adjustment for implementation of GASB 101	<u>(3,400,838)</u>
Net Position, June 30, 2024 (as restated)	<u>\$ 226,097,919</u>

Comparative total columns of the previous year have not been restated to reflect these changes.

4. Other Information

Employees' Retirement System

Public Employees' Retirement Fund

The School Corporation participates in the Public Employees' Retirement Fund (PERF) and Teacher's Retirement Fund (TRF). The information for these funds are summarized below:

	<u>Net Pension Liability/(Asset)</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
PERF	\$ 10,818,760	\$ 4,674,870	\$ 422,617	\$ 3,347,036
TRF	<u>31,025,912</u>	<u>26,916,111</u>	<u>6,192,634</u>	<u>15,227,221</u>
Total	<u>\$ 41,844,672</u>	<u>\$ 31,590,981</u>	<u>\$ 6,615,251</u>	<u>\$ 18,574,257</u>

Plan Description

The School Corporation participates in the Public Employees' Retirement Fund, 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. Employees 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 2024 is 11.2% of annual covered payroll. 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 \$2,036,455 for the fiscal year ended June 30, 2025, with a June 30, 2024 measurement date.

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

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 nonvested 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% of the pension benefit component. This annual pension benefit is equal to 1.1% 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%. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84%) to age 50 being 44%.

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.

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)% 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% 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, 2024, 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 7.4%.

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

Net Pension Liability

At June 30, 2025, the School Corporation reported a Liability of \$10,818,760 for its proportionate share of the net pension liability, based on the June 30, 2024 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 nonemployer contributing entity legally responsible for making contributions that are used to provide pension benefits to members of the pension plan. At the June 30, 2024 measurement date, the School Corporation's proportion was 0.26839%, which is a decrease of 0.01445% from the prior year proportion of 0.28284%.

Deferred Outflows of Resources and Deferred Inflows of Resource

At June 30, 2025, the School Corporation reported deferred outflows of resources and deferred inflows of resources related to pensions, based on the measurement date of June 30, 2024, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,108,791	\$ -
Net differences between projected and actual earnings on pension plan investments	1,432,441	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	97,183	422,617
Employer contributions subsequent to the measurement date	<u>2,036,455</u>	<u>-</u>
Total	<u>\$ 4,674,870</u>	<u>\$ 422,617</u>

\$2,036,455 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 ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Years Ending June 30:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2026	\$ 312,374
2027	1,575,174
2028	416,744
2029	(88,494)

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

Pension Expense

The School Corporation recognized pension expense for the following proportionate share of pension expense:

<u>Pension Expense (Credit)</u>	
Proportionate share of plan pension expense (credit)	\$ 3,616,907
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	<u>(269,871)</u>
Total	<u>\$ 3,347,036</u>

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

Assets

June 30, 2024

Liabilities

June 30, 2023 - Member census data as of June 30, 2023 was used in the valuation and adjusted where appropriate to reflect changes between June 30, 2023 and June 30, 2024. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2023 to June 30, 2024 measurement date.

Actuarial Cost Method

Entry Age Normal (Level percent of payroll)

Experience Study Date

Period of five years ended June 30, 2019

Investment Rate of Return

6.25%, net of investment expense, including inflation
A one-time 13th check was granted and payable by October 1, 2024. Thereafter, the following annual cost of living adjustments are assumed:

Cost of Living Increases

For members retired before 7/1/2025 - indexed 13th checks, increasing 2% per year
For members retired on or after 7/1/2025 - 1.0% COLAs, compounded annually

Salary increases, including inflation

2.65%-8.65%

Inflation

2.00%

Mortality:

Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019

Healthy

General Employee table with a 3 year set forward for males and a 1 year set forward for females

Retirees

General Retiree with a 3 year set forward for males and a 1 year set forward for females

Beneficiaries

Contingent Survivor table with no set forward for males and a 2 year set forward for females

Disabled

General Disabled table with a 140% load

Funding policy location

<https://www.in.gov/inprs/publications/>

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

Change in Assumptions

The COLA assumption was revised following the passage of HEA 1004-2024.

Changes in Actuarial Methods

Pursuant to Section 5 of HEA 1004-2024, the 1% cap on the surcharge rates was removed. The surcharge rates may not decrease, but may increase by no more than 0.1% of payroll per year. This section expires 12/31/2029. The surcharge rate method was significantly revised following the passage of HEA 1004-2024..

Change in Plan Provisions

A 13th check to be paid in fiscal year 2025 was granted. For the actuarial valuation as of June 30, 2024, the postretirement benefit increase assumption was changed due to the passage of House Enrolled Act No. 1004. In lieu of a select and ultimate COLA assumption of 0.4% until 2034, 0.5% until 2039, and 0.6% in 2039 and thereafter, the act requires supplemental benefit funding for an inflation-indexed 13th check for participants who commence prior to July 1, 2025 and a 1% COLA for commencements thereafter. No additional benefits have yet been granted beyond this fiscal year 2025 13th check.

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.

Global Asset Class	Long-Term Expected Rate of Return (Geometric Basis)	Target Asset Allocation
Public Equity	4.6%	20.0%
Private Markets	7.1	15.0
Fixed Income, Ex Inflation-Linked	3.6	20.0
Fixed Income, Inflation-Linked	2.1	15.0
Commodities	2.8	10.0
Real Assets	5.4	10.0
Absolute Return	2.5	5.0
Risk Parity	6.3	20.0
Cash and Cash Overlay	1.7	N/A

Discount Rate

The discount rate used to measure the total pension liability was 6.25% as of the measurement date of June 30, 2024 and is equal to the long-term expected return on plan investments.

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

Sensitivity of the School Corporation's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

For the June 30, 2024 measurement date, the following presents the School Corporation's proportionate share of the net pension liability calculated using the discount rate of 6.25%, 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 (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	<u>1% Decrease to Discount Rate (5.25%)</u>	<u>Current Discount Rate (6.25%)</u>	<u>1% Increase to Discount Rate (7.25%)</u>
School Corporation's proportionate share of the net pension liability (asset)	\$ 17,235,838	\$ 10,818,760	\$ 5,483,086

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

https://www.in.gov/inprs/files/INPRSAnnualReportBook_FY24.pdf

Teacher's Retirement Plan

Plan Description

Teacher's Retirement (TRF) Plan was established by the Indiana General Assembly in 1921 and is governed by the INPRS Board of Trustees in accordance with IC 5-10.2. There are two (2) aspects to the TRF Plan defined-benefit structure. The first portion is the monthly defined-benefit pension that is funded by the employer. The second portion of the TRF Plan is the annuity savings account (ASA) that supplements the defined-benefit at retirement.

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 annuity savings 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% of the pension benefit component. This annual pension benefit is equal to 1.1% 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) different 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% 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% 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%. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84%) to age 50 being 44%.

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 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.

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

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 2024 was 6.00% and the same for fiscal year 2025, 6.00% of annual covered payroll. As of January 1, 2025, the rate increased to 6.50%. 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 \$5,509,435 for the year ended June 30, 2025.

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. Investments are reported at fair value. At June 30, 2025, the School reported a liability of \$31,025,912 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 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, 2024, the School's proportion was 1.88583%, an increase of 0.01211% from 1.87372% as of June 30, 2023.

For the measurement date, year ended June 30, 2024, the School recognized pension expense of \$15,227,221 for the TRF Fund. A breakdown of the pension expense is shown below:

Pension Expense	
Proportionate share of plan pension expense	\$ 15,404,312
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	<u>(177,091)</u>
Total	<u><u>\$ 15,227,221</u></u>

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

At June 30, 2025, 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	\$ 8,154,341	\$ 1,765,382
Changes in assumptions	7,656,069	3,032,469
Net differences between projected and actual earnings on pension plan investments	5,064,293	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	531,973	1,394,783
Employer contributions subsequent to the measurement date	<u>5,509,435</u>	<u>-</u>
Total	<u>\$ 26,916,111</u>	<u>\$ 6,192,634</u>

\$5,509,435 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 ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Date Years Ending	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2026	\$ 1,332,468
2027	5,813,028
2028	1,907,546
2029	854,940
2030	1,269,581
Thereafter	4,036,479

Carmel Clay School Corporation

Notes to Financial Statements
June 30, 2025

Actuarial Assumptions

Inflation:	2.00%
Salary increases, including inflation:	2.65%-11.90%, based on years of service
Cost of living increases:	A one-time 13th check was granted and payable by October 1, 2024. Thereafter, the following annual cost of living adjustments are assumed: For members retired before 7/1/2025, indexed 13th checks, increasing 2% per year For members retired on or after 7/1/2025, 1.0% COLAs, compounded annually
Mortality:	Pub-2010 Public Retirement Plans Mortality Tables with a fully generational project of mortality improvements using SOA Scale MP-2019.

The actuarial assumptions used in the June 30, 2024 valuation of the Teachers' 1996 Defined Benefit Account were adopted by the INPRS Board in April 2024. The majority of the actuarial assumptions 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 2024.

Changes in Assumption

The COLA assumption was revised following the passage of HEA 1004-2024.

Changes in Actuarial Methods

Pursuant to Section 5 of HEA 1004-2024, the 1% cap on the surcharge rates was removed. The surcharge rates may not decrease, but may increase by no more than 0.1% of payroll per year. This section expires 12/31/2029. The surcharge rate method was significantly revised following the passage of HEA 1004-2024.

Changes in Plan Provisions

A 13th check to be paid in fiscal year 2025 was granted. For the actuarial valuation as of June 30, 2024, the postretirement benefit increase assumption was changed due to the passage of House Enrolled Act No. 1004. In lieu of a select and ultimate COLA assumption of 0.4% until 2034, 0.5% until 2039, and 0.6% in 2039 and thereafter, the act requires supplemental benefit funding for an inflation-indexed 13th check for participants who commence prior to July 1, 2025 and a 1% COLA for commencements thereafter. No additional benefits have yet been granted beyond this fiscal year 2025 13th check

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

Long-Term Return Expectation

For the measurement date of June 30, 2024, 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.

Global Asset Class	Long-Term Expected Rate of Return (Geometric Basis)	Target Asset Allocation
Public Equity	4.6%	20.0%
Private Markets	7.1	15.0
Fixed Income, Ex Inflation-Linked	3.6	20.0
Fixed Income, Inflation-Linked	2.1	15.0
Commodities	2.8	10.0
Real Assets	5.4	10.0
Absolute Return	2.5	5.0
Risk Parity	6.3	20.0
Cash and Cash Overlay	1.7	N/A

Discount Rate

The discount rate used to measure the total pension liability was 6.25% as of the measurement date of June 30, 2024 and is equal to the long-term expected return on plan investments.

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.

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

Sensitivity of the School's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

For the June 30, 2024 measurement date, the following presents the School's proportional share of the net pension liability (asset) calculated using the discount rate of 6.25%, as well as what the School's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	1% Decrease to Discount Rate (5.25%)	Current Discount Rate (6.25%)	1% Increase to Discount Rate (7.25%)
School Corporation's proportionate share of the net pension (asset) liability	\$64,393,355	\$31,025,912	\$4,117,565

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/INPRSAnnualReportBook_FY24.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 with the other component.

The state of Indiana assumes 100% of the net pension liability for the plan. The net pension liability associated with Carmel Clay School Corporation is \$47,816,541, as of the June 30, 2024 measurement date.

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.

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

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% of the pension benefit component. This annual pension benefit is equal to 1.1% 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) different 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% 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% 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%. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84%) to age 50 being 44%.

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.

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 reimbursement of grants.

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. Investments are reported at fair value. At June 30, 2025, the net pension liability is assumed by the State of Indiana and the School does not report any liability for the pension liability.

For year ended June 30, 2025, the School recognized pension expense of \$4,036,226 for the Pre-96 TRF Fund. No amounts were recognized for deferred outflows of resources and deferred inflows of resources. The school also recognized \$11,559,124 of on-behalf contributions as revenue and a corresponding pre-96 pension expense for the same amount.

Inflation:	2.00%
Salary increases, including inflation:	2.65%-11.90%, based on years of service
	A one-time 13th check was granted and payable by October 1, 2024. Thereafter, the
	following annual cost of living adjustments are assumed:
Cost of Living Increases:	For members retired before 7/1/2025, indexed 13th checks, increasing 2% per year
	For members retired on or after 7/1/2025, 1.0% COLAs, compounded annually
Mortality:	Pub-2010 Public Retirement Plans Mortality Tables with a fully generational project of mortality improvements using SOA Scale MP-2019.

The actuarial assumptions used in the June 30, 2024 valuation of the Teachers' Pre-1996 Defined Benefit Account were adopted by the INPRS Board in April 2024. The majority of the actuarial assumptions 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 2024.

Changes in Assumption

The COLA assumption was revised following the passage of HEA 1004-2024.

Changes in Actuarial Methods

Pursuant to Section 5 of HEA 1004-2024, the 1% cap on the surcharge rates was removed. The surcharge rates may not decrease, but may increase by no more than 0.1% of payroll per year. This section expires 12/31/2029. The surcharge rate method was significantly revised following the passage of HEA 1004-2024.

Changes in Plan Provisions

A 13th check to be paid in fiscal year 2025 was granted. For the actuarial valuation as of June 30, 2024, the postretirement benefit increase assumption was changed due to the passage of House Enrolled Act No. 1004. In lieu of a select and ultimate COLA assumption of 0.4% until 2034, 0.5% until 2039, and 0.6% in 2039 and thereafter, the act requires supplemental benefit funding for an inflation-indexed 13th check for participants who commence prior to July 1, 2025 and a 1% COLA for commencements thereafter. No additional benefits have yet been granted beyond this fiscal year 2025 13th check.

Discount Rate

The discount rate used to measure the total pension liability was 6.25%, based on the June 30, 2024 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 \$115,087 to the 403(b) retirement plan July 1, 2024 through June 30, 2025.

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 \$30,218 to the 401(a) retirement plan during July 1, 2024 through June 30, 2025.

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 \$785,977 to the 401(a) retirement plan July 1, 2024 through June 30, 2025.

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

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 \$78,658 to the 401(a) retirement plan July 1, 2024 through June 30, 2025.

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 \$443,901 to the 401(a) retirement plan July 1, 2024 through June 30, 2025.

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 \$972,300 to the VEBA plan July 1, 2024 through June 30, 2025.

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.

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

Claims Liability

	Prior Year	Current Year
Unpaid claims, beginning	\$ 1,026,415	\$ 1,046,483
Current year claims and changes in estimates	12,919,221	12,605,505
Claim payments	<u>(12,899,153)</u>	<u>(12,577,302)</u>
Unpaid claims, ending	<u>\$ 1,046,483</u>	<u>\$ 1,074,686</u>

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.

The School Corporation has active construction projects as of June 30, 2025. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

Project	Total Project Authorized	Expended to June 30, 2025	Remaining Commitments
Governmental activities:			
CHS PAC A/R - general trades contracting	\$ 1,678,338	\$ 1,678,338	\$ -
CHS Natatorium, general trades/pool	21,083,500	20,888,381	195,119
CHS Natatorium, masonry	3,351,619	3,327,773	23,846
CHS Natatorium, structural steel	5,217,094	5,176,896	40,198
CHS Natatorium, roofing	1,998,900	1,682,555	316,345
CHS Natatorium, metal studs, drywall & acoustical	4,117,988	4,028,487	89,501
CHS Natatorium, frontage	1,810,895	1,789,558	21,337
CHS Natatorium, painting	646,693	645,778	915
CHS Natatorium, flooring	411,176	360,016	51,160
CHS Natatorium, fire protection	370,968	345,968	25,000
CHS Natatorium, plumbing & HVAC	7,105,775	6,956,618	149,157
CHS Natatorium, electrical & technology	3,379,241	3,233,008	146,233
GAC, general trades	5,215,283	5,206,968	8,315
Cherry Tree Elementary, Engineering	1,812,500	1,667,500	145,000
CHS General, Engineer	1,200,000	1,055,592	144,408
CHS Polytech, Engineer	875,000	847,788	27,212
CM: CTE Renovation	1,859,156	1,001,084	858,072
CM: CTE Softball Complex	76,200	60,960	15,240
General Trades	4,887,966	2,597,762	2,290,204
General Trades Softball Complex	602,348	534,518	67,830
Masonry	1,666,926	1,089,967	576,959

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

Project	Total Project Authorized	Expended to June 30, 2025	Remaining Commitments
Structural Steel	\$ 704,291	\$ 644,591	\$ 59,700
Metal Stud & Drywall	1,582,840	1,081,842	500,998
Roofing	463,518	222,288	241,230
CTE Glass & Glazing	401,130	226,174	174,956
Flooring	1,208,889	644,252	564,637
Painting & Wallcovering	493,760	115,073	378,687
Kitchen Equip	718,358	334,778	383,580
CTE - Casework	955,949	413,388	542,561
Fire Protection	367,360	226,478	140,882
Plumbing & Mechanical	3,971,865	2,502,789	1,469,076
Electrical & Technology	4,219,820	2,272,381	1,947,439
CAM Misc - CWE: Fire Alarm	27,654	13,827	13,827
CM: WCE & Playground	169,631	150,782	18,849
WCE - Roofing	239,000	215,910	23,090
CM:- CAM IBSP	151,518	101,011	50,507
CM: CLM Computer Lab & Media Center Reno	9,525	7,620	1,905
WBE EC Playground - General Trades	295,000	130,746	164,254
CM:CHS Misc Proj 2024	151,518	101,011	50,507
CM: CHS Misc Proj 024 - AMEND 16	79,375	63,500	15,875
CHS Classroom Reno - Gen Trades	627,000	222,790	404,210
General Trades - Custodial Improvements	179,054	167,244	11,810
Campus Signage	34,946	31,750	3,196
Mech, Elect & Plumbing Custodial Improvements	217,000	207,700	9,300
FC Cooling Tower	1,365,000	1,298,200	66,800
Natatorium - ReRoofing Existing	1,061,000	1,001,807	59,193
CM: Polytech Additions	339,262	320,413	18,849
CM: Polytech Overages	131,943	75,396	56,547
PolyTech Gen Trades	4,579,704	3,819,081	760,623
Poly Tech Masonry	1,378,000	1,307,238	70,762
PolyTech Structural Steel	1,081,582	1,061,582	20,000
PolyTech Roofing	612,000	470,487	141,513
PolyTech Walls/Ceilings	744,001	603,152	140,849
Polytech Glass/Glazing	106,800	84,375	22,425
PolyTech Food SVC Equip	523,418	513,418	10,000
PolyTech Casework	129,800	64,535	65,265
PolyTech Fire Suppression	212,000	171,056	40,944
PolyTech Plumbing	3,874,828	2,952,354	922,474
PolyTech Electrical	2,035,503	1,806,368	229,135
Radio TV Equip	789,415	785,215	4,200
CM: South Support Building	395,805	351,826	43,979
CM: HS Stadium Renovation phase 2	1,644,610	635,414	1,009,196
CM: CHS Tennis Courts	142,875	100,013	42,862
CHS Stadium Reno General Trades	7,738,056	3,016,363	4,721,693
CHS Witsken Ctr - Gen Trades	3,751,970	3,713,390	38,580
CHS Stadium Reno - Masonry	1,490,000	215,875	1,274,125
CHS Stadium Reno - Steel	2,132,000	460,961	1,671,039
Wall Panels	1,066,000	35,000	1,031,000
CHS Glass & Glazing	502,130	197,098	305,032
CHS Stadium Reno Fire Protection	417,800	118,390	299,410
CHS Stadium Reno Plumbing/Mech	3,908,668	1,582,232	2,326,436
CHS Stadium Reno - Electric	3,382,253	1,722,540	1,659,713
CHS Witsken Ctr - Electric	507,500	401,178	106,322
CM: Freshman Center Mid-Life Cycle	226,174	201,043	25,131
CM: CLLC/ESC/T1 Office Additions	9,525	7,620	1,905
CM: Multiple Site Improvements Amendment 16	146,700	97,800	48,900
District Landscape	1,480,000	804,697	675,303
Total governmental activities	<u>\$ 134,542,889</u>	<u>\$ 104,269,557</u>	<u>\$ 30,273,332</u>

Carmel Clay School Corporation

Notes to Financial Statements
June 30, 2025

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, 2025, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	42
Active plan members	<u>1,622</u>
	<u><u>1,664</u></u>

Total OPEB Liability

The School Corporation's total OPEB liability of \$18,139,352 was measured as of June 30, 2025, and was determined by an actuarial valuation as of that date.

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	2.65% per year
Salary increases	Payroll growth is based on the INPRS PERF and TRF actuarial valuations as of June 30, 2023. Percentage increases range from 0% to 9.25% based on job classification and years of service
Healthcare cost trend rates	8.0% in 2025, trending down to 4.5% in 2040 and later.
Retirees' share of benefit-related costs	Retiree contributions are assumed to increase according to health care trend rates.

The discount rate of 5.20% 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-2021.
- Teacher & Administrators: SOA Pub-2010 Teachers Headcount Weighted Mortality Table fully generational using Scale MP-2021.
- Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021.

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at June 30, 2024	\$ 18,300,323
Changes for the year:	
Service cost	605,669
Interest	757,369
Differences between expected and actual experience	61,105
Changes in assumptions or other inputs	266,451
Benefit payments	<u>(1,851,565)</u>
Net changes	<u>(160,971)</u>
Balances at June 30, 2025	<u>\$ 18,139,352</u>

The School Corporation contributed \$1,851,565 into the plan for fiscal year 2025.

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 (4.20%) or 1-percentage-point higher (6.20%) than the current discount rate:

	<u>1% Decrease (4.20%)</u>	<u>Discount Rate (5.20%)</u>	<u>1% Increase (6.20%)</u>
Total OPEB liability	\$ 19,314,075	\$ 18,139,352	\$ 17,048,177

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net 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 (7.0% decreasing to 3.5%) or 1-percentage-point higher (9.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	<u>1% Decrease (7.0% Decreasing to 3.5%)</u>	<u>Healthcare Cost Trend Rates (8.0% Decreasing to 4.5%)</u>	<u>1% Increase (9.0% Decreasing to 5.5%)</u>
Total OPEB liability	\$ 16,601,063	\$ 18,139,352	\$ 19,911,495

Carmel Clay School Corporation

Notes to Financial Statements

June 30, 2025

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the School Corporation recognized OPEB expense of \$1,655,965. At June 30, 2025, 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	\$ 3,319,719	\$ 1,418,290
Changes of assumptions or other inputs	<u>1,566,134</u>	<u>1,582,892</u>
Total	<u>\$ 4,885,853</u>	<u>\$ 3,001,182</u>

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

Years Ending June 30:

2026	\$ 292,927
2027	292,927
2028	292,927
2029	292,925
2030	205,382
Thereafter	507,583

Effect of New Accounting Standards on Future Period Financial Statements

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

- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*
- Statement No. 105, *Subsequent Events*

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

REQUIRED SUPPLEMENTARY INFORMATION

Carmel Clay School Corporation

Budgetary Comparison Schedule - Non-GAAP Basis -

Education Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 124,169,824	\$ 124,169,824	\$ 125,852,171	\$ 1,682,347
Interest	50,000	50,000	50,520	520
Miscellaneous	1,200,000	1,200,000	1,217,758	17,758
Total revenues	125,419,824	125,419,824	127,120,449	1,700,625
Expenditures				
General government				
Instruction				
Personal services	81,014,233	81,978,129	82,395,855	(417,726)
Supplies	1,519,722	1,774,634	1,607,109	167,525
Other services and charges	1,550,739	1,765,996	1,348,668	417,328
Support services				
Personal services	19,998,845	19,944,113	19,663,528	280,585
Supplies	383,059	480,881	426,330	54,551
Other services and charges	1,566,417	1,617,592	1,190,842	426,750
Community services				
Personal services	1,855,331	1,855,331	1,979,107	(123,776)
Other services and charges	70,000	70,000	64,167	5,833
Total expenditures	107,958,346	109,486,676	108,675,606	811,070
Excess (deficiency) of revenues				
Other Financing Sources (Uses)				
Transfers out	-	-	(19,136,735)	(19,136,735)
Total other financing sources (uses)	-	-	(19,136,735)	(19,136,735)
Net change in fund balances	17,461,478	15,933,148	(691,892)	(16,625,040)
Fund Balance, Beginning	8,833,114	8,833,114	8,833,114	-
Fund Balance, Ending	<u>\$ 26,294,592</u>	<u>\$ 24,766,262</u>	<u>\$ 8,141,222</u>	<u>\$ (16,625,040)</u>

See notes to required supplementary information

Carmel Clay School Corporation

Budgetary Comparison Schedule - Non-GAAP Basis -

Operations Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property tax	\$ 32,314,804	\$ 32,314,804	\$ 31,413,764	\$ (901,040)
Intergovernmental	19,947,354	19,969,688	2,448,348	(17,521,340)
Interest	-	-	418,257	418,257
Miscellaneous	2,920,000	2,920,000	4,006,420	1,086,420
Total revenues	55,182,158	55,204,492	38,286,789	(16,917,703)
Expenditures				
General government				
Support services				
Personal services	23,895,756	22,138,887	23,803,073	(1,664,186)
Supplies	10,778,901	13,095,574	11,210,797	1,884,777
Other services and charges	7,901,488	9,547,761	8,887,569	660,192
Capital outlays	2,572,972	5,174,241	2,525,635	2,648,606
Community services				
Personal services	266,750	266,750	301,471	(34,721)
Other services and charges	120,000	140,870	141,015	(145)
Facilities acquisition and construction				
Personal services	1,962,653	1,962,653	2,087,812	(125,159)
Supplies	818,670	1,101,971	769,967	332,004
Other services and charges	50,000	50,000	35,882	14,118
Capital outlays	2,660,728	765,443	619,412	146,031
Total expenditures	51,027,918	54,244,150	50,382,633	3,861,517
Excess (deficiency) of revenues over (under) expenditures	4,154,240	960,342	(12,095,844)	(13,056,186)
Other Financing Sources (Uses)				
Transfers in	-	-	34,068,919	34,068,919
Transfers out	-	-	(17,889,702)	(17,889,702)
Total other financing sources (uses)	-	-	16,179,217	16,179,217
Net change in fund balances	4,154,240	960,342	4,083,373	3,123,031
Fund Balance, Beginning	7,809,949	7,809,949	7,809,949	-
Fund Balance, Ending	\$ 11,964,189	\$ 8,770,291	\$ 11,893,322	\$ 3,123,031

See notes to required supplementary information

Carmel Clay School Corporation

Budgetary Comparison Schedule - Non-GAAP Basis -

Operating Referendum Fund

Year Ended June 30, 2025

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property tax	\$ 25,702,125	\$ 25,702,125	\$ 25,896,114	\$ 193,989
Intergovernmental	1,643,439	1,308,330	1,551,395	243,065
Miscellaneous	-	-	31	31
Total revenues	27,345,564	27,010,455	27,447,540	437,085
Expenditures				
General government				
Instruction				
Personal services	26,929,673	27,108,872	27,076,099	32,773
Personal services	-	361	361	-
Supplies	-	7,681	7,681	-
Other services and charges	-	800	800	-
Total expenditures	26,929,673	27,117,714	27,084,941	32,773
Excess (deficiency) of revenues				
Net change in fund balances	415,891	(107,259)	362,599	469,858
Fund Balance, Beginning	781,520	781,520	781,520	-
Fund Balance, Ending	\$ 1,197,411	\$ 674,261	\$ 1,144,119	\$ 469,858

See notes to required supplementary information

Carmel Clay School Corporation

Budget/GAAP Reconciliation Education, Operations and Operating Referendum Fund
Year Ended June 30, 2025

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

- a. Revenues are recorded when received in cash (budgetary) as apposed 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)	\$ (691,892)	\$ 4,083,373	\$ 362,599
Adjustments:			
Net change in fund balance Jan-Jun 2024	163,966	(6,450,662)	(1,333,776)
Net change in fund balance Jan-Jun 2025	(1,089,701)	4,177,847	563,962
To adjust revenues for accruals	(5,348)	(40,063)	(912)
To adjust expenditures for accruals	1,745,492	(944,771)	(182,315)
Net change in fund balance (GAAP basis)	<u>\$ 122,516</u>	<u>\$ 825,724</u>	<u>\$ (590,442)</u>

See notes to required supplementary information

Carmel Clay School Corporation

Schedule of the School's Proportionate Share of the Net Pension Liability -
Public Employees' Retirement Fund
Last 10 Fiscal Years*

Fiscal Year Ended **	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Actual Covered Member Payroll	Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
June 30, 2025	0.26839 %	\$ 10,818,760	\$ 18,027,136	60.0 %	79.5 %
June 30, 2024	0.28284 %	9,982,369	17,781,953	56.1 %	80.8 %
June 30, 2023	0.29780 %	9,392,116	17,138,675	54.8 %	82.5 %
June 30, 2022	0.29419 %	3,871,095	16,219,746	23.9 %	92.5 %
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.

Carmel Clay School Corporation

Schedule of School Contributions
Public Employees' Retirement Fund
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contributions	\$ 2,036,455	\$ 1,987,202	\$ 1,973,040	\$ 1,991,452	\$ 1,878,141	\$ 1,878,642	\$ 1,861,728	\$ 1,820,711	\$ 1,777,038	\$ 1,682,633
Contributions in relation to the contractually required contribution	(2,036,455)	(1,987,202)	(1,973,040)	(1,991,452)	(1,878,141)	(1,878,642)	(1,861,728)	(1,820,711)	(1,777,038)	(1,682,633)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 18,182,636	\$ 17,742,875	\$ 17,616,429	\$ 17,780,823	\$ 16,219,746	\$ 16,907,422	\$ 16,658,455	\$ 16,320,581	\$ 15,932,277	\$ 15,104,811
Contributions as a percentage of covered payroll	11.20%	11.20%	11.20%	11.20%	11.58%	11.11%	11.18%	11.16%	11.15%	11.14%

Notes:

** 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

Schedule of the School's Proportionate Share of the Net Pension Liability -
 Teachers' Retirement Fund
 Last 10 Fiscal Years*

Fiscal Year Ended **	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
June 30, 2025	1.88583 %	\$ 31,025,912	\$ 83,882,737	37.0 %	83.60%
June 30, 2024	1.87372 %	20,355,182	78,904,217	25.8 %	87.70 %
June 30, 2023	1.93627 %	12,749,405	75,979,291	16.8 %	91.90 %
June 30, 2022	1.98024 %	(9,303,009)	72,171,820	-12.9 %	106.20 %
June 30, 2021	1.91494 %	1,492,519	66,057,076	2.3 %	98.80 %
June 30, 2020	1.86336 %	(2,676,887)	60,748,277	-4.4 %	102.40 %
June 30, 2019	1.85544 %	2,057,905	58,307,332	3.5 %	98.00 %
June 30, 2018	1.75626 %	11,629,896	53,029,051	21.9 %	88.00 %
June 30, 2017	1.75046 %	13,662,697	50,519,854	27.0 %	84.90 %

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

Carmel Clay School Corporation

Schedule of School Contributions
Teachers' Retirement Fund
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contributions	\$ 5,509,435	\$ 5,031,571	\$ 4,607,064	\$ 4,081,598	\$ 3,931,116	\$ 3,612,972	\$ 4,555,772	\$ 4,373,052	\$ 3,977,181	\$ 3,781,152
Contributions in relation to the contractually required contribution	<u>(5,509,435)</u>	<u>(5,031,571)</u>	<u>(4,607,064)</u>	<u>(4,081,598)</u>	<u>(3,931,116)</u>	<u>(3,612,972)</u>	<u>(4,555,772)</u>	<u>(4,373,052)</u>	<u>(3,977,181)</u>	<u>(3,781,152)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 84,760,545	\$ 83,859,516	\$ 76,784,400	\$ 74,210,872	\$ 72,171,820	\$ 66,057,076	\$ 60,748,277	\$ 58,307,332	\$ 53,029,051	\$ 50,519,854
Contributions as a percentage of covered payroll	6.50%	6.00%	6.00%	5.50%	5.45%	5.47%	7.50%	7.50%	7.50%	7.48%

Notes:

** 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

Schedule of Changes in Total OPEB Liability and Related Ratios

Last 10 Years*

	Fiscal Year Ended					
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Total OPEB Liability						
Interest	\$ 757,369	\$ 699,728	\$ 773,772	\$ 388,935	\$ 505,533	\$ 657,004
Service cost	605,669	592,653	622,868	681,097	653,681	535,032
Changes in assumptions	266,451	969,259	(38,654)	(2,595,203)	450,527	875,398
Differences between expected and actual experience	61,105	613,930	(1,388,354)	4,646,505	(985,442)	-
Benefit payments	(1,851,565)	(1,831,780)	(1,997,716)	(1,820,531)	(1,970,711)	(1,824,734)
Net change in total OPEB liability	(160,971)	1,043,790	(2,028,084)	1,300,803	(1,346,412)	242,700
Total OPEB liability, beginning	18,300,323	17,256,533	19,284,617	17,983,814	19,330,226	19,087,526
Total OPEB liability, ending	<u>\$ 18,139,352</u>	<u>\$ 18,300,323</u>	<u>\$ 17,256,533</u>	<u>\$ 19,284,617</u>	<u>\$ 17,983,814</u>	<u>\$ 19,330,226</u>
Covered Payroll	\$ 94,297,463	\$ 91,863,091	\$ 84,173,684	\$ 87,789,154	\$ 101,597,716	\$ 99,362,069
Total OPEB Liability as a Percentage of Covered Payroll	19 %	20 %	21 %	22 %	18 %	19 %

Notes to Schedule:

*Information presented for the years information is available

See notes to required supplementary information

Carmel Clay School Corporation

Schedule of the Employers Share of Nonemployer Contributing Entity Contributions -

Pre-96 Teacher Retirement Fund

Last 10 Fiscal Years*

Fiscal Year Ended **	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Employer's Share of Non-Employer Contributing Entity Contributions	Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2024	\$ -	\$ -	\$ 11,559,124	N/A	1.08516 %
June 30, 2023	-	-	46,352,499	N/A	1.09451 %
June 30, 2022	-	-	16,792,494	N/A	1.08310 %
June 30, 2021	-	-	16,848,631	N/A	1.05411 %
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 %

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

Notes:

Information presented for the years information is available

Carmel Clay School Corporation

Notes to Required Supplementary Information

Year Ended June 30, 2025

1. Budgets and Budgetary Accounting

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

- A. 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.
- B. The School advertises the budget prior to adoption and the School Board holds public hearings to obtain taxpayer comments.
- C. The budget is approved in September of each year by the School Board through passage of an ordinance.
- D. 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.
- E. 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.
- F. 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 (including Rainy Day)

Operations

Debt Service

Operating Referendum

Nonmajor fund:

Referendum Fund - Exempt School Safety Operating

Carmel Clay School Corporation

Notes to Required Supplementary Information
Year Ended June 30, 2025

2. Pension Plans

PERF Plan:

Actuarial cost method	Entry age normal (level percent of payroll)
Experience study date	Period of five years ended June 30, 2020
Investment rate of return	6.25%, includes inflation, and net of administrative and investment expenses
Asset valuation method	Five-year smoothing of gains and losses on the Fair Value of Assets subject to a 20% corridor.
Inflation	2.00%
Salary increases	2.65% to 11.90% based on age
Mortality	Pub 2010 Public Retirement Plans Mortality Table with fully generational improvements using SOA scale MP-2019

Change in Assumptions: The COLA assumption was revised following the passage of HEA 1004-2024.

Changes in Actuarial Methods: Pursuant to Section 5 of HEA 1004-2024, the 1% cap on the surcharge rates was removed. The surcharge rates may not decrease, but may increase by no more than 0.1% of payroll per year. This section expires 12/31/2029. The surcharge rate method was significantly revised following the passage of HEA 1004-2024.

Plan Amendments: A 13th check to be paid in fiscal year 2025 was granted. For the actuarial valuation as of June 30, 2024, the postretirement benefit increase assumption was changed due to the passage of House Enrolled Act No. 1004. In lieu of a select and ultimate COLA assumption of 0.4% until 2034, 0.5% until 2039, and 0.6% in 2039 and thereafter, the act requires supplemental benefit funding for an inflation-indexed 13th check for participants who commence prior to July 1, 2025 and a 1% COLA for commencements thereafter. No additional benefits have yet been granted beyond this fiscal year 2025 13th check.

TRF Plan:

The actuarial assumptions used in the June 30, 2024 valuation of the Teachers' 1996 Defined Benefit Account were adopted by the INPRS Board in April 2024. The majority of the actuarial assumptions 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 2024.

Change in Assumptions: The COLA assumption was revised following the passage of HEA 1004-2024.

Changes in Plan Provisions: A 13th check to be paid in fiscal year 2025 was granted. For the actuarial valuation as of June 30, 2024, the postretirement benefit increase assumption was changed due to the passage of House Enrolled Act No. 1004. In lieu of a select and ultimate COLA assumption of 0.4% until 2034, 0.5% until 2039, and 0.6% in 2039 and thereafter, the act requires supplemental benefit funding for an inflation-indexed 13th check for participants who commence prior to July 1, 2025 and a 1% COLA for commencements thereafter. No additional benefits have yet been granted beyond this fiscal year 2025 13th check.

Carmel Clay School Corporation

Notes to Required Supplementary Information
Year Ended June 30, 2025

PRE 96 TRF plan:

The actuarial assumptions used in the June 30, 2024 valuation of the Teachers' Pre-1996 Defined Benefit Account were adopted by the INPRS Board in April 2024. The majority of the actuarial assumptions 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 2024.

Change in Assumptions: The COLA assumption was revised following the passage of HEA 1004-2024.

Changes in Plan Provisions: A 13th check to be paid in fiscal year 2025 was granted. For the actuarial valuation as of June 30, 2024, the postretirement benefit increase assumption was changed due to the passage of House Enrolled Act No. 1004. In lieu of a select and ultimate COLA assumption of 0.4% until 2034, 0.5% until 2039, and 0.6% in 2039 and thereafter, the act requires supplemental benefit funding for an inflation-indexed 13th check for participants who commence prior to July 1, 2025 and a 1% COLA for commencements thereafter. No additional benefits have yet been granted beyond this fiscal year 2025 13th check.

3. OPEB Plan

No assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Cost method:	Entry Age Normal Level % of Salary method
Amortization method:	N/A
Assumptions:	
Discount rate:	5.20% as of June 30, 2025 and 4.21% as of June 30, 2024
Discount rate basis:	Range of indices, where the range is given as the spread between the lowest and highest rate.
Inflation rate:	2.65% per year
Disability	Non assumed
Mortality:	Support Staff: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021
	Teachers and Administrators: SOA Pub-2010 Teachers Headcount Weighted Mortality Table fully generational using Scale MP-2021
	Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021
	Active employees with current coverage:
	With ERI: 100%
	Without ERI: 30%
	Active employees with no coverage: 0%

Carmel Clay School Corporation

Notes to Required Supplementary Information

Year Ended June 30, 2025

Retirement rates: Annual retirement rates are based on INPRS PERF and TRF actuarial valuations as of June 30, 2021. Sample annual retirement rates are shown below:

General Employees				
Age	<10 YOS	10 YOS	20 YOS	30 YOS
55	0.0%	0.0%	5.0%	14.0%
60	0.0%	0.0%	12.0%	12.0%
65	0.0%	30.0%	30.0%	30.0%
67+	0.0%	100.0%	100.0%	100.0%

Teachers/Administrators				
Age	<10 YOS	10 YOS	20 YOS	30 YOS
55	0.0%	0.0%	5.0%	15.0%
60	0.0%	0.0%	15.0%	15.0%
65	0.0%	40.0%	40.0%	40.0%
70	0.0%	40.0%	40.0%	40.0%
75+	0.0%	100.0%	100.0%	100.0%

Turnover: Turnover assumptions are based on INPRS PERF and TRF actuarial valuations as of June 30, 2023. Sample rates by group are as shown below:

General		
YOS	Unisex	
0	18.00%	
5	8.00%	
10	6.50%	
15	5.25%	
20	4.00%	
25+	3.00%	

Teachers/Administrators		
YOS	Male	Female
0	15.00%	12.50%
2	11.00%	10.50%
4	8.00%	8.50%
6	6.00%	6.50%
8	4.50%	5.00%
10	3.75%	4.00%
12	3.25%	3.25%
14	2.75%	2.75%
16+	2.25%	2.25%

Carmel Clay School Corporation

Notes to Required Supplementary Information
Year Ended June 30, 2025

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	\$ 9,500	\$ 11,000	\$ 13,000	\$ 14,900
55 - 59	\$ 12,900	\$ 12,500	\$ 17,500	\$ 17,000
60 - 64	\$ 16,900	\$ 15,300	\$ 23,000	\$ 20,900

Age	High Deductible \$3,000		High Deductible \$5,000	
	Male	Female	Male	Female
<55	\$ 11,300	\$ 13,000	\$ 10,400	\$ 12,000
55 - 59	\$ 15,300	\$ 14,800	\$ 14,000	\$ 13,600
60 - 64	\$ 20,000	\$ 18,200	\$ 18,400	\$ 16,700

SUPPLEMENTARY INFORMATION

Carmel Clay School Corporation

Combining Balance Sheet -
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
Assets			
Cash and investments	\$ 14,066,499	\$ -	\$ 14,066,499
Receivables:			
Taxes	3,334,554	-	3,334,554
Accounts	87,898	-	87,898
Intergovernmental	457,903	-	457,903
Interest	-	37,930	37,930
Restricted cash	-	20,102,357	20,102,357
Total assets	<u>\$ 17,946,854</u>	<u>\$ 20,140,287</u>	<u>\$ 38,087,141</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 503,916	\$ -	\$ 503,916
Accrued wages and payroll withholding	360,091	-	360,091
Due to other funds	457,903	-	457,903
Total liabilities	<u>1,321,910</u>	<u>-</u>	<u>1,321,910</u>
Deferred Inflows of Resources			
Unavailable revenue	<u>3,334,554</u>	<u>-</u>	<u>3,334,554</u>
Total deferred inflows of resources	<u>3,334,554</u>	<u>-</u>	<u>3,334,554</u>
Fund Balances			
Restricted	11,317,148	20,140,287	31,457,435
Committed	2,296,821	-	2,296,821
Unassigned (deficit)	(323,579)	-	(323,579)
Total fund balances	<u>13,290,390</u>	<u>20,140,287</u>	<u>33,430,677</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,946,854</u>	<u>\$ 20,140,287</u>	<u>\$ 38,087,141</u>

Carmel Clay School Corporation

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -

Nonmajor Governmental Funds

Year Ended June 30, 2025

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
Revenues			
Property taxes	\$ 7,006,417	\$ -	\$ 7,006,417
Other taxes	407,138	-	407,138
Intergovernmental	11,372,717	-	11,372,717
Charges for services	3,819,999	-	3,819,999
Other:			
Interest Income	24,419	156,774	181,193
Miscellaneous	<u>21,949,157</u>	<u>-</u>	<u>21,949,157</u>
Total revenues	<u>44,579,847</u>	<u>156,774</u>	<u>44,736,621</u>
Expenditures			
Current:			
Instruction	5,421,044	-	5,421,044
Support services	10,428,050	-	10,428,050
Community services	9,715,338	-	9,715,338
Nonprogrammed charges	16,668,624	14,801	16,683,425
Debt service:			
Principal paid on debt	-	26,765,000	26,765,000
Interest on debt	<u>-</u>	<u>12,636,921</u>	<u>12,636,921</u>
Total expenditures	<u>42,233,056</u>	<u>39,416,722</u>	<u>81,649,778</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,346,791</u>	<u>(39,259,948)</u>	<u>(36,913,157)</u>
Other Financing Sources (Uses)			
Transfer in	14,936,352	38,332,125	53,268,477
Transfer out	<u>(13,619,067)</u>	<u>(280,564)</u>	<u>(13,899,631)</u>
Total other financing sources	<u>1,317,285</u>	<u>38,051,561</u>	<u>39,368,846</u>
Net change in fund balance	3,664,076	(1,208,387)	2,455,689
Fund Balance, Beginning	<u>9,626,314</u>	<u>21,348,674</u>	<u>30,974,988</u>
Fund Balance, Ending	<u>\$ 13,290,390</u>	<u>\$ 20,140,287</u>	<u>\$ 33,430,677</u>

Carmel Clay School Corporation

Combining Balance Sheet -

Nonmajor Governmental Funds - Special Revenue Funds

June 30, 2025

	Safety Referendum	Food Service	Textbook Rental	Extra Curricular Accounts	Levy Excess	Eric Clark Center	Washington DC Trip	Career and Technical Performance	Connectivity
Assets									
Cash and investments	\$ 978,423	\$ 9,813,042	\$ -	\$ 2,296,821	\$ 1,205	\$ 64,290	\$ 1,245	\$ 32,639	\$ 43,084
Receivables:									
Taxes receivable	3,334,554	-	-	-	-	-	-	-	-
Accounts	-	-	87,898	-	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 4,312,977</u>	<u>\$ 9,813,042</u>	<u>\$ 87,898</u>	<u>\$ 2,296,821</u>	<u>\$ 1,205</u>	<u>\$ 64,290</u>	<u>\$ 1,245</u>	<u>\$ 32,639</u>	<u>\$ 43,084</u>
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable	\$ 17,152	\$ 152,027	\$ -	\$ -	\$ -	\$ 16,105	\$ -	\$ 368	\$ 1,314
Accrued wages and payroll withholding	141,926	29,677	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Total liabilities	<u>159,078</u>	<u>181,704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,105</u>	<u>-</u>	<u>368</u>	<u>1,314</u>
Deferred Inflows of Resources									
Unavailable revenue	<u>3,334,554</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>3,334,554</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances									
Restricted	819,345	9,631,338	87,898	-	1,205	48,185	1,245	32,271	41,770
Committed	-	-	-	2,296,821	-	-	-	-	-
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>819,345</u>	<u>9,631,338</u>	<u>87,898</u>	<u>2,296,821</u>	<u>1,205</u>	<u>48,185</u>	<u>1,245</u>	<u>32,271</u>	<u>41,770</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,312,977</u>	<u>\$ 9,813,042</u>	<u>\$ 87,898</u>	<u>\$ 2,296,821</u>	<u>\$ 1,205</u>	<u>\$ 64,290</u>	<u>\$ 1,245</u>	<u>\$ 32,639</u>	<u>\$ 43,084</u>

Carmel Clay School Corporation

Combining Balance Sheet -

Nonmajor Governmental Funds - Special Revenue I

June 30, 2025

	Project Lead the Way FY19	Alternative Education Fund	Donations	Early Childhood Grants	Federal Part B 611 Funds	Formative Assessment	High Ability Grants	Secured School Safety Grants	Title I Grants	Title II Grants
Assets										
Cash and investments	\$ 32,201	\$ 19,563	\$ 403,623	\$ -	\$ -	\$ 160,380	\$ 63,155	\$ -	\$ -	\$ -
Receivables:										
Taxes receivable	-	-	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-	-	-
Intergovernmental receivable	-	-	-	8,516	273,117	-	-	76,993	27,011	13,873
Total assets	<u>\$ 32,201</u>	<u>\$ 19,563</u>	<u>\$ 403,623</u>	<u>\$ 8,516</u>	<u>\$ 273,117</u>	<u>\$ 160,380</u>	<u>\$ 63,155</u>	<u>\$ 76,993</u>	<u>\$ 27,011</u>	<u>\$ 13,873</u>
Liabilities, Deferred Inflows of Resources and Fund Balances										
Liabilities										
Accounts payable	\$ -	\$ -	\$ 17,905	\$ 3,712	\$ 91,960	\$ 135,513	\$ 4,220	\$ -	\$ 2,015	\$ 191
Accrued wages and payroll withholding	-	-	-	4,578	154,575	-	3,826	-	11,696	8,087
Due to other funds	-	-	-	8,516	273,117	-	-	76,993	27,011	13,873
Total liabilities	<u>-</u>	<u>-</u>	<u>17,905</u>	<u>16,806</u>	<u>519,652</u>	<u>135,513</u>	<u>8,046</u>	<u>76,993</u>	<u>40,722</u>	<u>22,151</u>
Deferred Inflows of Resources										
Unavailable revenue	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances										
Restricted	32,201	19,563	385,718	-	-	24,867	55,109	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	(8,290)	(246,535)	-	-	-	(13,711)	(8,278)
Total fund balances	<u>32,201</u>	<u>19,563</u>	<u>385,718</u>	<u>(8,290)</u>	<u>(246,535)</u>	<u>24,867</u>	<u>55,109</u>	<u>-</u>	<u>(13,711)</u>	<u>(8,278)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 32,201</u>	<u>\$ 19,563</u>	<u>\$ 403,623</u>	<u>\$ 8,516</u>	<u>\$ 273,117</u>	<u>\$ 160,380</u>	<u>\$ 63,155</u>	<u>\$ 76,993</u>	<u>\$ 27,011</u>	<u>\$ 13,873</u>

Carmel Clay School Corporation

Combining Balance Sheet -

Nonmajor Governmental Funds - Special Revenue I

June 30, 2025

	IMAC 2020-21 IN Medicaid					Carl Perkins	Medicaid -	CHE Career	Total Special
	Title III Grants	Title IV Grants	Adm Clm	Scholarships	3E Grant	Title V FY 24	Federal	Counseling Grant	Revenue Nonmajor Funds
Assets									
Cash and investments	\$ -	\$ -	\$ 148,951	\$ 3,750	\$ -	\$ -	\$ 4,127	\$ -	\$ 14,066,499
Receivables:									
Taxes receivable	-	-	-	-	-	-	-	-	3,334,554
Accounts	-	-	-	-	-	-	-	-	87,898
Intergovernmental receivable	5,933	118	-	-	-	52,192	-	150	457,903
Total assets	<u>\$ 5,933</u>	<u>\$ 118</u>	<u>\$ 148,951</u>	<u>\$ 3,750</u>	<u>\$ -</u>	<u>\$ 52,192</u>	<u>\$ 4,127</u>	<u>\$ 150</u>	<u>\$ 17,946,854</u>
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable	\$ 9,926	\$ 12,695	\$ 20,320	\$ -	\$ -	\$ 18,418	\$ 75	\$ -	\$ 503,916
Accrued wages and payroll withholding	-	-	-	-	1,875	3,851	-	-	360,091
Due to other funds	5,933	118	-	-	-	52,192	-	150	457,903
Total liabilities	<u>15,859</u>	<u>12,813</u>	<u>20,320</u>	<u>-</u>	<u>1,875</u>	<u>74,461</u>	<u>75</u>	<u>150</u>	<u>1,321,910</u>
Deferred Inflows of Resources									
Unavailable revenue	-	-	-	-	-	-	-	-	3,334,554
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,334,554</u>
Fund Balances									
Restricted	-	-	128,631	3,750	-	-	4,052	-	11,317,148
Committed	-	-	-	-	-	-	-	-	2,296,821
Unassigned (deficit)	(9,926)	(12,695)	-	-	(1,875)	(22,269)	-	-	(323,579)
Total fund balances	<u>(9,926)</u>	<u>(12,695)</u>	<u>128,631</u>	<u>3,750</u>	<u>(1,875)</u>	<u>(22,269)</u>	<u>4,052</u>	<u>-</u>	<u>13,290,390</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,933</u>	<u>\$ 118</u>	<u>\$ 148,951</u>	<u>\$ 3,750</u>	<u>\$ -</u>	<u>\$ 52,192</u>	<u>\$ 4,127</u>	<u>\$ 150</u>	<u>\$ 17,946,854</u>

Carmel Clay School Corporation

Combining Statement of Revenues Expenditures and Changes in Fund Balances -

Nonmajor Governmental Funds - Special Revenue Funds

Year Ended June 30, 2025

	Safety Referendum	Food Service	Textbook Rental	Extra Curricular Accounts	Levy Excess	Eric Clark Center	Washington DC Trip	Career and Technical Performance
Revenues								
Property taxes	\$ 7,006,417	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	407,138	-	-	-	-	-	-	-
Intergovernmental	-	5,919,767	-	-	-	-	-	42,174
Charges for services	-	3,805,893	14,106	-	-	-	-	-
Other:								
Interest income	-	24,419	-	-	-	-	-	-
Miscellaneous	-	15,010,355	2,529,030	4,051,200	-	31,000	-	-
Total revenues	7,413,555	24,760,434	2,543,136	4,051,200	-	31,000	-	42,174
Expenditures								
Current:								
Instruction	37,538	-	-	1,583,129	-	-	-	12,771
Support services	7,005,720	338,687	520,223	418,604	-	78,493	-	-
Community services	-	9,712,796	-	-	-	-	-	-
Nonprogrammed charges	-	14,750,818	-	1,917,806	-	-	-	-
Total expenditures	7,043,258	24,802,301	520,223	3,919,539	-	78,493	-	12,771
Excess (deficiency) of revenues over (under) expenditures	370,297	(41,867)	2,022,913	131,661	-	(47,493)	-	29,403
Other Financing Sources (Uses)								
Transfer in	-	13,500,000	1,436,352	-	-	-	-	-
Transfer out	-	(13,500,304)	(116,505)	-	-	-	-	-
Total other financing sources (uses)	-	(304)	1,319,847	-	-	-	-	-
Net change in fund balance	370,297	(42,171)	3,342,760	131,661	-	(47,493)	-	29,403
Fund Balance (Deficit), Beginning	449,048	9,673,509	(3,254,862)	2,165,160	1,205	95,678	1,245	2,868
Fund Balance (Deficit), Ending	\$ 819,345	\$ 9,631,338	\$ 87,898	\$ 2,296,821	\$ 1,205	\$ 48,185	\$ 1,245	\$ 32,271

Carmel Clay School Corporation

Combining Statement of Revenues Expenditures and Changes in Fund Balance

Nonmajor Governmental Funds - Special Revenue Funds

Year Ended June 30, 2025

	Performance Based Awards	Connectivity	Project Lead the Way FY19	Alternative Education Fund	Donations	Early Childhood Grants	Early Intervention	Federal Part B 611 Funds	Formative Assessment
Revenues									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	598,922	48,342	-	7,213	27,389	87,161	52,867	3,356,373	228,608
Charges for services	-	-	-	-	-	-	-	-	-
Other:									
Interest income	-	-	-	-	-	-	-	-	-
Miscellaneous	-	3,471	70,000	-	189,101	-	-	-	-
Total revenues	<u>598,922</u>	<u>51,813</u>	<u>70,000</u>	<u>7,213</u>	<u>216,490</u>	<u>87,161</u>	<u>52,867</u>	<u>3,356,373</u>	<u>228,608</u>
Expenditures									
Current:									
Instruction	542,594	-	38,249	13,821	56,090	91,382	48,905	2,404,576	-
Support services	56,328	91,993	-	-	140,394	-	3,962	1,032,673	263,096
Community services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total expenditures	<u>598,922</u>	<u>91,993</u>	<u>38,249</u>	<u>13,821</u>	<u>196,484</u>	<u>91,382</u>	<u>52,867</u>	<u>3,437,249</u>	<u>263,096</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(40,180)</u>	<u>31,751</u>	<u>(6,608)</u>	<u>20,006</u>	<u>(4,221)</u>	<u>-</u>	<u>(80,876)</u>	<u>(34,488)</u>
Other Financing Sources (Uses)									
Transfer in	-	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(40,180)	31,751	(6,608)	20,006	(4,221)	-	(80,876)	(34,488)
Fund Balance (Deficit), Beginning	<u>-</u>	<u>81,950</u>	<u>450</u>	<u>26,171</u>	<u>365,712</u>	<u>(4,069)</u>	<u>-</u>	<u>(165,659)</u>	<u>59,355</u>
Fund Balance (Deficit), Ending	<u>\$ -</u>	<u>\$ 41,770</u>	<u>\$ 32,201</u>	<u>\$ 19,563</u>	<u>\$ 385,718</u>	<u>\$ (8,290)</u>	<u>\$ -</u>	<u>\$ (246,535)</u>	<u>\$ 24,867</u>

Carmel Clay School Corporation

Combining Statement of Revenues Expenditures and Changes in Fund Balance

Nonmajor Governmental Funds - Special Revenue Funds

Year Ended June 30, 2025

	High Ability Grants	Secured School Safety Grants	Title I Grants	Title II Grants	Title III Grants	Title IV Grants	IMAC 2020-21 IN Medicaid Adm Clm	Scholarships	3E Grant
Revenues									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	132,981	93,101	281,544	190,216	44,265	22,312	99,871	-	44,083
Charges for services	-	-	-	-	-	-	-	-	-
Other:									
Interest income	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total revenues	132,981	93,101	281,544	190,216	44,265	22,312	99,871	-	44,083
Expenditures									
Current:									
Instruction	64,814	-	270,343	-	10,439	17,430	91,733	-	39,523
Support services	80,552	93,101	1,464	189,748	40,557	-	7,455	-	-
Community services	-	-	2,542	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total expenditures	145,366	93,101	274,349	189,748	50,996	17,430	99,188	-	39,523
Excess (deficiency) of revenues over (under) expenditures	(12,385)	-	7,195	468	(6,731)	4,882	683	-	4,560
Other Financing Sources (Uses)									
Transfer in	-	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Net change in fund balance	(12,385)	-	7,195	468	(6,731)	4,882	683	-	4,560
Fund Balance (Deficit), Beginning	67,494	-	(20,906)	(8,746)	(3,195)	(17,577)	127,948	3,750	(6,435)
Fund Balance (Deficit), Ending	\$ 55,109	\$ -	\$ (13,711)	\$ (8,278)	\$ (9,926)	\$ (12,695)	\$ 128,631	\$ 3,750	\$ (1,875)

Carmel Clay School Corporation

Combining Statement of Revenues Expenditures and Changes in Fund Balance

Nonmajor Governmental Funds - Special Revenue Funds

Year Ended June 30, 2025

	ARP HCY Grant	Comp Science Catalyst Grant	K-12 Robotics Comp Grant	Carl Perkins Title V FY 24	Medicaid - State	Medicaid - Federal	CHE Career Counseling Grant	Total Nonmajor Special Revenue Funds
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,006,417
Other taxes	-	-	-	-	-	-	-	407,138
Intergovernmental	9,725	-	6,418	72,953	2,258	4,174	-	11,372,717
Charges for services	-	-	-	-	-	-	-	3,819,999
Other:								
Interest income	-	-	-	-	-	-	-	24,419
Miscellaneous	-	-	-	-	-	-	65,000	21,949,157
Total revenues	9,725	-	6,418	72,953	2,258	4,174	65,000	44,579,847
Expenditures								
Current:								
Instruction	-	(640)	3,003	95,222	-	122	-	5,421,044
Support services	-	-	-	-	-	-	65,000	10,428,050
Community services	-	-	-	-	-	-	-	9,715,338
Nonprogrammed charges	-	-	-	-	-	-	-	16,668,624
Total expenditures	-	(640)	3,003	95,222	-	122	65,000	42,233,056
Excess (deficiency) of revenues over (under) expenditures	9,725	640	3,415	(22,269)	2,258	4,052	-	2,346,791
Other Financing Sources (Uses)								
Transfer in	-	-	-	-	-	-	-	14,936,352
Transfer out	-	-	-	-	(2,258)	-	-	(13,619,067)
Total other financing sources (uses)	-	-	-	-	(2,258)	-	-	1,317,285
Net change in fund balance	9,725	640	3,415	(22,269)	-	4,052	-	3,664,076
Fund Balance (Deficit), Beginning	(9,725)	(640)	(3,415)	-	-	-	-	9,626,314
Fund Balance (Deficit), Ending	\$ -	\$ -	\$ -	\$ (22,269)	\$ -	\$ 4,052	\$ -	\$ 13,290,390

Carmel Clay School Corporation

Combining Balance Sheet -

Nonmajor Governmental Funds - Debt Service Funds

June 30, 2025

	<u>Building Corporation</u>	<u>GO Bonds - Debt Service</u>	<u>Total Debt Service Funds</u>
Assets			
Restricted cash	\$ 14,346,382	\$ 5,755,975	\$ 20,102,357
Receivables:			
Interest receivable	<u>37,930</u>	<u>-</u>	<u>37,930</u>
Total assets	<u>\$ 14,384,312</u>	<u>\$ 5,755,975</u>	<u>\$ 20,140,287</u>
Fund Balances			
Fund Balances			
Restricted	<u>\$ 14,384,312</u>	<u>\$ 5,755,975</u>	<u>\$ 20,140,287</u>
Total fund balances	<u>\$ 14,384,312</u>	<u>\$ 5,755,975</u>	<u>\$ 20,140,287</u>

Carmel Clay School Corporation

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -

Nonmajor Governmental Funds - Debt Service Funds

Year Ended June 30, 2025

	<u>Building Corporation</u>	<u>GO Bonds - Debt Service</u>	<u>Total Debt Service Funds</u>
Revenues			
Other:			
Interest income	\$ 156,774	\$ -	\$ 156,774
Total revenues	<u>156,774</u>	<u>-</u>	<u>156,774</u>
Expenditures			
Current:			
Nonprogrammed charges	13,301	1,500	14,801
Debt service:			
Principal paid on debt	19,240,000	7,525,000	26,765,000
Interest on debt	<u>10,963,971</u>	<u>1,672,950</u>	<u>12,636,921</u>
Total expenditures	<u>30,217,272</u>	<u>9,199,450</u>	<u>39,416,722</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30,060,498)</u>	<u>(9,199,450)</u>	<u>(39,259,948)</u>
Other Financing Sources (Uses)			
Transfer in	27,975,325	10,356,800	38,332,125
Transfer out	<u>(280,564)</u>	<u>-</u>	<u>(280,564)</u>
Total other financing sources	<u>27,694,761</u>	<u>10,356,800</u>	<u>38,051,561</u>
Net change in fund balance	(2,365,737)	1,157,350	(1,208,387)
Fund Balance, Beginning	<u>16,750,049</u>	<u>4,598,625</u>	<u>21,348,674</u>
Fund Balance, Ending	<u>\$ 14,384,312</u>	<u>\$ 5,755,975</u>	<u>\$ 20,140,287</u>



Carmel Clay School Corporation

Single Audit Report

June 30, 2025



Carmel Clay School Corporation
Contents
June 30, 2025

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Carmel Clay School Corporation
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor	Pass-Through Grantor	Pass-Through Identifying Number	Program Title	Federal Assistance Listing Number	2025 Total Federal Expenditures
U.S. Department of Agriculture					
	Child Nutrition Cluster:				
	Indiana Department of Education	FY 2025	School Breakfast Program	10.553	\$ 253,160
	Indiana Department of Education	FY 2025	National School Lunch Program (NSLP)	10.555	1,910,920
	Indiana Department of Education	FY 2025	National School Lunch Program (NSLP) - Commodities	10.555	797,915
					<u>2,708,835</u>
	Total Child Nutrition Cluster				<u>2,961,995</u>
				Total U.S. Department of Agriculture	<u>2,961,995</u>
U.S. Department of Education					
	Indiana Department of Education	S010A200014	Title I Grants to Local Education Agencies	84.010	85,320
	Indiana Department of Education	S010A200014	Title I Grants to Local Education Agencies	84.010	192,392
					<u>277,712</u>
	Special Education Cluster:				
	Indiana Department of Education	H027A230084	Special Education-Grants to States	84.027	1,232,040
	Indiana Department of Education	H027A240084	Special Education-Grants to States	84.027	1,978,483
					<u>3,210,523</u>
	Indiana Department of Education	H173A220104	Special Education Preschool Grants	84.173	4,700
	Indiana Department of Education	H173A230104	Special Education Preschool Grants	84.173	15,442
	Indiana Department of Education	H173A240104	Special Education Preschool Grants	84.173	61,386
					<u>81,528</u>
	Total Special Education Cluster				<u>3,292,051</u>
	Indiana Department of Education	230719S052	Career and Technical Education - Basic Grants to States	84.048	129,902
	Indiana Department of Education	240719S052	Career and Technical Education - Basic Grants to States	84.048	20,761
					<u>150,663</u>
	Indiana Department of Education	S365A220014	English Language Acquisition State Grants	84.365	7,215
	Indiana Department of Education	S365A230014	English Language Acquisition State Grants	84.365	39,904
					<u>47,119</u>
	Indiana Department of Education	SY 2024 25	Supporting Effective Instruction State Grants	84.367	3,694
	Indiana Department of Education	S367A220013	Supporting Effective Instruction State Grants	84.367	16,130
	Indiana Department of Education	S367A230013	Supporting Effective Instruction State Grants	84.367	163,202
	Indiana Department of Education	S367A240013	Supporting Effective Instruction State Grants	84.367	6,322
					<u>189,348</u>
	Indiana Department of Education	S424A220015	Student Support and Academic Enrichment Program	84.424	22,010
	Indiana Department of Education	S424A230015	Student Support and Academic Enrichment Program	84.424	184
					<u>22,194</u>
	Hamilton County Economic Development Corp	7000S425U210013	Explore Engage Experience 3E Grant	84.425	44,083
	Indiana Department of Education	7000S425W210015	CRRSA ARP HCY	84.425	9,724
					<u>53,807</u>
				Total U.S. Department of Education	<u>4,032,894</u>
U.S. Department of Health and Human Services					
	Gainwell Technologies	SY 2024 25	Medicaid Services by Schools	93.771	47
	PCG Education	SY 2024 25	Medicaid Administrative Claiming for Schools	93.771	79,605
					<u>79,652</u>
				Total U.S. Department of Homeland Security	<u>79,652</u>
				Total Federal Expenditures	<u>\$ 7,074,541</u>

See Notes to Schedule of Expenditures of Federal Awards

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, 2025. 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, 2025, 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 School Corporation
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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Carmel Clay School Corporation (School Corporation), as of and for the year ended June 30, 2025, 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 March 31, 2026, which contained an emphasis of matter paragraph for adoption of a new accounting standard.

Report on 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 opinion 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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on 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*.

Purpose of This Report

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

Forvis Mazars, LLP

Indianapolis, Indiana
March 31, 2026

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

Independent Auditor's Report

School Board
Carmel Clay School Corporation
Carmel, Indiana

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Carmel Clay School Corporation's (School Corporation) compliance with the types of compliance requirements identified as subject to audit 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, 2025. 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.

In our opinion, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of School Corporation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School Corporation's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School Corporation's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the School Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2025, and the related notes to the financial statements, which collectively comprise School Corporation's basic financial statements. We have issued our report thereon dated March 31, 2026, which contained unmodified opinions on those financial statements and contained an emphasis of matter paragraph for adoption of a new accounting standard. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 Mazars, LLP

**Indianapolis, Indiana
March 31, 2026**

**Carmel Clay School Corporation
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025**

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:
- Material weakness(es)? ☐ Yes ☒ No
- Significant deficiency(ies)? ☐ Yes ☒ None reported
3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

4. Internal control over major federal awards programs:
- Material weakness(es)? ☐ Yes ☒ No
- Significant deficiency(ies)? ☐ Yes ☒ None reported
5. Type of auditor's report on compliance for the major federal award programs:
- ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer
6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)? ☐ Yes ☒ No

**Carmel Clay School Corporation
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025**

(Continued)

7. Identification of major programs:

Cluster/Program	Assistance Listing Numbers	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

Section II – Financial Statements Findings

**Reference
Number**

Finding

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

**Reference
Number**

Finding

No matters are reportable.

Carmel Clay School Corporation
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2025

Reference Number	Summary of Finding	Status
2024-001	The School Corporation's internal control environment over financial reporting did not timely detect certain adjustments related to preparing financial statements in accordance with GAAP.	Resolved