

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

SHELBYVILLE CENTRAL SCHOOLS
SHELBY COUNTY, INDIANA

July 1, 2009 to June 30, 2011



FILED

03/23/2012

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on the Financial Statement and Supplementary Schedule of Expenditures of Federal Awards	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance With Government Auditing Standards	5-6
Financial Statement: Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis	8-9
Notes to Financial Statement	10-14
Supplementary Information: Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis	16-40
Schedule of Capital Assets	41
Schedule of Long-Term Debt	43
Audit Results and Comments: Bank Account Reconciliations	44
Errors on Claims	44
Prescribed Forms	45
Internal Controls Over Textbook Rental Receipts	45
Internal Controls Over Financial Transactions and Reporting	46-47
Transportation Fund - Record of Hours Worked	47
Supplemental Audit of Federal Awards: Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	50-51
Schedule of Expenditures of Federal Awards	54
Notes to Schedule of Expenditures of Federal Awards	55
Schedule of Findings and Questioned Costs	56-59
Auditee Prepared Schedules: Summary Prior Audit Findings	60
Corrective Action Plan	61-62
Exit Conference	63

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Michael Shreves	07-01-09 to 06-30-12
Superintendent of Schools	David A. Adams	07-01-09 to 06-30-12
President of the School Board	Michael Vaught Dennis A. Hearne	07-01-09 to 06-30-11 07-01-11 to 06-30-12



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

TO: THE OFFICIALS OF THE SHELBYVILLE CENTRAL SCHOOLS, SHELBY COUNTY, INDIANA

We have audited the accompanying financial statement of the Shelbyville Central Schools (School Corporation), for the years ended June 30, 2010 and 2011. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

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

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

In accordance with Government Auditing Standards, we have also issued a report dated February 9, 2012, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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

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

STATE BOARD OF ACCOUNTS

February 9, 2012



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

TO: THE OFFICIALS OF THE SHELBYVILLE CENTRAL SCHOOLS, SHELBY COUNTY, INDIANA

We have audited the financial statement of the Shelbyville Central Schools (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated February 9, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2011-1 to be material weaknesses.

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

Compliance and Other Matters

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

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

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

STATE BOARD OF ACCOUNTS

February 9, 2012

FINANCIAL STATEMENT

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

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

	Cash and Investments 07-01-09		Other Financing Sources (Uses)		Cash and Investments 06-30-10		Other Financing Sources (Uses)		Cash and Investments 06-30-11	
	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements
General	\$ 69,379	\$ 24,057,376	\$ 24,216,983	\$ 161,121	\$ 70,893	\$ 23,643,376	\$ 22,674,777	\$ -	\$ 1,039,492	
Debt Service	7,234	8,288,440	5,843,487	(91,875)	2,360,312	5,284,549	5,297,752	24,617	2,371,726	
Retirement/Severance Bond Debt Service	890	1,578,894	1,604,423	-	(24,639)	873,859	423,924	4,405	429,701	
Capital Projects	9,544	5,318,579	4,611,327	-	716,796	3,558,788	3,202,295	14,879	1,088,168	
School Transportation	30,142	2,717,956	1,750,385	-	997,713	1,934,625	1,858,876	(491,331)	582,131	
School Bus Replacement	1,371	2,100,122	565,428	-	1,536,065	751,203	226,007	(1,198,946)	862,315	
Special Education Preschool	127,434	117,556	176,198	(68,792)	-	-	-	-	-	
Rainy Day	3,026,975	-	-	-	3,026,975	-	420,404	1,700,000	4,306,571	
Retirement/Severance Bond	476,537	6,488	18,240	-	464,785	6,591	42,378	-	428,998	
Construction	850,643	-	234,455	-	616,188	12,499	465,818	-	162,869	
School Lunch	360,675	2,019,033	1,949,391	-	430,317	1,993,017	1,747,547	-	675,787	
Textbook Rental	791	275,456	395,961	-	(119,714)	270,205	118,047	-	32,444	
Levy Excess	-	53,623	-	-	53,623	-	-	(53,623)	-	
BRSEC General	-	-	-	-	-	592,319	125,905	-	466,414	
BRSEC Transportation	-	-	-	-	-	55,490	55,490	-	-	
BRSEC Capital Projects	-	-	-	-	-	44,547	254,325	212,320	2,542	
BRSEC Miller Road	-	-	-	-	-	3,062	3,062	-	-	
Educational License Plates	19,675	469	-	-	20,144	375	-	-	20,519	
Alternative Education	8,028	7,819	-	-	15,847	8,735	-	-	24,582	
SAFE School Haven	4,604	-	-	-	4,604	-	-	-	4,604	
Reading Recovery	7,000	-	-	-	7,000	-	-	-	7,000	
National City Donation	6,483	2,584	5,992	-	3,075	-	50	-	3,025	
Instruction Support	(56,291)	86,344	19,360	-	10,693	4,705	4,622	-	10,776	
SCTA Reading Control Donation	500	-	-	-	500	-	-	-	500	
Blue River Foundation Middle School Science Lab	339	-	289	-	50	-	-	-	50	
Shelby County Drug Free Coalition Grant	252	-	-	-	252	-	-	-	252	
RSVP Grant	418	-	-	-	418	-	-	-	418	
Project Lead the Way Biomed Science Grant	(16,631)	16,631	-	-	-	-	-	-	-	
Walmart Foundation Grant	836	-	-	-	836	-	-	-	836	
Cultural Arts	332	-	-	-	332	-	-	-	332	
Indiana Humanities Council	-	1,800	1,979	-	(179)	179	-	-	-	
After School Tutoring	92	-	-	-	92	-	-	-	92	
Scholarships and Awards	1,000	-	-	-	1,000	-	-	-	1,000	
Challenge in Education	5,871	-	-	-	5,871	-	-	-	5,871	
Prevention Services Grant	-	-	-	-	-	3,192	8,189	-	(4,997)	
Walmart Teacher of the Year Grant	1,000	-	-	-	1,000	-	-	-	1,000	
Rush/Shelby Electric Grant	30	-	-	-	30	-	-	-	30	
REMC Grant Loper	540	-	-	-	540	-	-	-	540	
Blue River Foundation PE Equipment Grant	179	-	-	-	179	-	-	-	179	
Shelby County Health Department Tobacco Prevention	500	-	-	-	500	-	-	-	500	
BRF Loper Musical Grant	-	-	-	-	-	1,500	1,400	-	100	
Drug Free Coalition	759	-	-	-	759	-	-	-	759	
Coulston Outdoor Lab	361	-	-	-	361	-	-	-	361	
Blue River Foundation Art Grant	293	-	-	-	293	-	-	-	293	
Blue River Foundation Art Grant Loper	356	-	341	-	15	-	-	-	15	
Shelby Co. Art Grant SMS Library	-	250	207	-	43	-	-	-	43	
Blue River Foundation MS Jazz Grant	-	-	-	-	-	1,696	1,396	-	300	
Rush/Shelby Reading Back Pack Grant	750	-	-	-	750	-	-	-	750	
Gifted and Talented	13,923	42,132	33,505	-	22,550	-	22,457	-	93	
Gifted and Talented 2010-2011	-	-	-	-	-	41,501	17,346	-	24,155	
Tech Prep	1,911	-	-	-	1,911	-	-	-	1,911	
Cultural Arts	5,787	1,930	7,717	-	-	-	-	-	-	
Non-English Speaking Programs 2008-2009	2,874	-	2,874	-	-	-	-	-	-	
Non-English Speaking Programs 2009-2010	-	35,718	35,368	-	350	-	350	-	-	

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

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

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
Non-English Speaking Programs 2010-2011	-	-	-	-	-	26,367	26,105	-	262
Non-English Speaking Programs P.L. 273-1999	17,183	-	17,183	-	-	-	-	-	-
School Technology	44,090	29,776	-	-	73,866	33,808	9,312	-	98,362
Math Innovation Grant	-	-	2,554	-	(2,554)	81,501	73,051	-	5,896
Technology Plan Buddy	200	-	-	-	200	-	-	-	200
Performance Based Awards	11,667	-	-	-	11,667	-	-	-	11,667
Indiana School Academic Improvement Program (ISAIP)	1,028	-	-	-	1,028	-	-	-	1,028
Access Indiana	38,644	-	-	-	38,644	-	34,400	-	4,244
Miscellaneous Programs	101	-	-	-	101	-	-	-	101
Target Grant Make a Book	24	-	-	-	24	-	-	-	24
Target Make a Book Hendricks	-	2,000	1,990	-	10	-	-	-	10
Target Make a Book Loper	-	1,500	1,392	-	108	-	-	-	108
County Council Racino Grant	-	-	-	-	-	51,959	61,055	-	(9,096)
Purdue Math/Science Summer Program	-	37,351	39,074	-	(1,723)	7,563	5,840	-	-
Harcourt ESL Award	760	-	-	-	760	-	-	-	760
ILPA Grant	716	-	-	-	716	-	-	-	716
Target Field Trip Grant Hendricks	-	-	-	-	-	700	99	-	601
Technology Leadership Grant	200	-	-	-	200	-	-	-	200
Excess PTRC Distributions	-	61,442	-	-	61,442	-	-	-	61,442
Regional Library Meeting Grant	80	-	56	-	24	-	-	-	24
Electronic Assessment	267	-	-	-	267	-	-	-	267
CP Morgan Promotions Grant	878	-	-	-	878	-	-	-	878
Title I 2009-2010	-	528,473	480,187	22,490	70,776	51,089	36,866	(84,999)	-
Title I 2010-2011	-	-	-	-	-	535,234	608,940	84,999	11,293
Title I 2008-2009	35,663	50,801	63,520	(22,944)	-	-	-	-	-
Title I N/D 2009-2010	5,275	27,544	19,042	-	13,777	4,499	9,491	(3,510)	5,275
Title I N/D 2010-2011	-	-	-	-	-	25,949	31,333	8,728	3,344
Title I N/D 2008-2009	15,628	4,072	10,777	-	8,923	-	-	(5,218)	3,705
Title I Distinguished School	-	50,002	34,265	-	15,737	-	15,737	-	-
Title V Part A 2007-2009	8,744	-	6,439	-	2,305	-	-	-	2,305
IDEA Special Ed 2010-2011	-	-	-	-	-	674,961	741,416	-	(66,455)
Preschool 2010-2011	-	-	-	-	-	29,719	32,702	-	(2,983)
Drug Free Schools	1,834	-	1,834	-	-	-	-	-	-
Title IV Part A 2007-2009	7,043	-	7,443	-	(400)	-	(400)	-	-
Title IV Part A 2008-2009	3,437	7,600	27,406	25,000	8,631	-	8,631	-	-
Title IV Drug Free 2009-2010	-	10,586	-	31,700	42,286	850	31,768	-	11,368
Team Nutrition Training Grants	-	-	-	-	-	6,075	5,058	-	1,017
Class Size Reduction	(24,548)	225,094	130,028	(56,700)	13,818	28,216	40,619	-	1,415
Title II Part A 2010-2011	-	-	-	-	-	49,863	98,273	-	(48,410)
Title II Part D Cadre 2	-	162,185	159,353	-	2,832	17,400	20,232	-	-
Title II Part D Cadre 1	-	97,951	90,064	-	7,887	-	7,887	-	-
Title III, Language Instruction	-	30,159	30,159	-	-	-	-	-	-
Title III 2010-2011	-	-	-	-	-	17,432	24,493	-	(7,061)
Fiscal Stabilization - Education	2,961	2,259,278	2,262,239	-	-	321	321	-	-
Title I - Grants to LEAs	-	314,732	347,007	-	(32,275)	34,959	1,559	-	1,125
Special Education - Part B	-	449,013	395,472	-	53,541	20,324	72,293	-	1,572
Special Education - Part B - Preschool	-	11,593	16,280	-	(4,687)	23,169	18,482	-	-
Title I - Part D, Subpart 2	-	-	-	-	-	-	10,953	-	(10,953)
Payroll Withholding	3,772	5,722,671	5,716,526	-	9,917	7,085,290	7,090,132	-	5,075
Totals	\$ 5,149,033	\$ 56,813,023	\$ 51,334,200	\$ -	\$ 10,627,856	\$ 47,893,261	\$ 46,089,065	\$ 212,321	\$ 12,644,373

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

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

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

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

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

E. Disbursements

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

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

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

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

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

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

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

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

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Other financing sources and uses

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

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

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

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

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 69,379	\$ 7,234	\$ 890	\$ 9,544	\$ 30,142	\$ 1,371	\$ 127,434	\$ 3,026,975	\$ 476,537
Receipts:									
Local sources	1,144,078	7,473,440	1,238,894	4,632,579	2,717,791	744,122	(694)	-	6,488
Intermediate sources	110	-	-	-	-	-	-	-	-
State sources	22,912,610	-	-	-	-	-	118,250	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	815,000	340,000	686,000	-	1,356,000	-	-	-
Other	578	-	-	-	165	-	-	-	-
Total receipts	<u>24,057,376</u>	<u>8,288,440</u>	<u>1,578,894</u>	<u>5,318,579</u>	<u>2,717,956</u>	<u>2,100,122</u>	<u>117,556</u>	<u>-</u>	<u>6,488</u>
Disbursements:									
Current:									
Instruction	13,614,852	-	-	-	-	-	55,368	-	18,240
Support services	5,332,742	-	-	1,883,408	1,750,385	225,428	-	-	-
Noninstructional services	494,303	-	-	-	-	-	-	-	-
Facilities acquisition and construction	1,384	-	-	2,087,919	-	-	-	-	-
Debt services	-	5,203,487	841,423	-	-	-	-	-	-
Nonprogrammed charges	2,562,702	-	-	-	-	-	120,830	-	-
Interfund loans	2,211,000	640,000	763,000	640,000	-	340,000	-	-	-
Total disbursements	<u>24,216,983</u>	<u>5,843,487</u>	<u>1,604,423</u>	<u>4,611,327</u>	<u>1,750,385</u>	<u>565,428</u>	<u>176,198</u>	<u>-</u>	<u>18,240</u>
Excess (deficiency) of receipts over disbursements	<u>(159,607)</u>	<u>2,444,953</u>	<u>(25,529)</u>	<u>707,252</u>	<u>967,571</u>	<u>1,534,694</u>	<u>(58,642)</u>	<u>-</u>	<u>(11,752)</u>
Other financing sources (uses):									
Transfers in	211,121	-	-	-	-	-	-	-	-
Transfers out	(50,000)	(91,875)	-	-	-	-	(68,792)	-	-
Total other financing sources (uses)	<u>161,121</u>	<u>(91,875)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(68,792)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,514</u>	<u>2,353,078</u>	<u>(25,529)</u>	<u>707,252</u>	<u>967,571</u>	<u>1,534,694</u>	<u>(127,434)</u>	<u>-</u>	<u>(11,752)</u>
Cash and investments - ending	<u>\$ 70,893</u>	<u>\$ 2,360,312</u>	<u>\$ (24,639)</u>	<u>\$ 716,796</u>	<u>\$ 997,713</u>	<u>\$ 1,536,065</u>	<u>\$ -</u>	<u>\$ 3,026,975</u>	<u>\$ 464,785</u>

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

	Construction	School Lunch	Textbook Rental	Levy Excess	BRSEC General	BRSEC Transportation	BRSEC Capital Projects	BRSEC Miller Road	Educational License Plates
Cash and investments - beginning	\$ 850,643	\$ 360,675	\$ 791	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,675
Receipts:									
Local sources	-	931,906	147,892	53,623	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	469
State sources	-	17,319	125,964	-	-	-	-	-	-
Federal sources	-	1,069,323	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	485	1,600	-	-	-	-	-	-
Total receipts	-	2,019,033	275,456	53,623	-	-	-	-	469
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	1,629	332,961	-	-	-	-	-	-
Noninstructional services	-	1,890,071	-	-	-	-	-	-	-
Facilities acquisition and construction	234,455	57,691	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	63,000	-	-	-	-	-	-
Total disbursements	234,455	1,949,391	395,961	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	(234,455)	69,642	(120,505)	53,623	-	-	-	-	469
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(234,455)	69,642	(120,505)	53,623	-	-	-	-	469
Cash and investments - ending	\$ 616,188	\$ 430,317	\$ (119,714)	\$ 53,623	\$ -	\$ -	\$ -	\$ -	\$ 20,144

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

	Alternative Education	SAFE School Haven	Reading Recovery	National City Donation	Instruction Support	SCTA Reading Control Donation	Blue River Foundation Middle School Science Lab	Shelby County Drug Free Coalition Grant	RSVP Grant
Cash and investments - beginning	\$ 8,028	\$ 4,604	\$ 7,000	\$ 6,483	\$ (56,291)	\$ 500	\$ 339	\$ 252	\$ 418
Receipts:									
Local sources	-	-	-	2,584	5,257	-	-	-	-
Intermediate sources	-	-	-	-	81,087	-	-	-	-
State sources	7,819	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>7,819</u>	<u>-</u>	<u>-</u>	<u>2,584</u>	<u>86,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	-	-	-	992	4,712	-	289	-	-
Support services	-	-	-	-	14,648	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	5,000	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,992</u>	<u>19,360</u>	<u>-</u>	<u>289</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>7,819</u>	<u>-</u>	<u>-</u>	<u>(3,408)</u>	<u>66,984</u>	<u>-</u>	<u>(289)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>7,819</u>	<u>-</u>	<u>-</u>	<u>(3,408)</u>	<u>66,984</u>	<u>-</u>	<u>(289)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 15,847</u>	<u>\$ 4,604</u>	<u>\$ 7,000</u>	<u>\$ 3,075</u>	<u>\$ 10,693</u>	<u>\$ 500</u>	<u>\$ 50</u>	<u>\$ 252</u>	<u>\$ 418</u>

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

	Project Lead the Way Biomed Science Grant	Walmart Foundation Grant	Cultural Arts	Indiana Humanities Council	After School Tutoring	Scholarships and Awards	Challenge in Education	Prevention Services Grant	Walmart Teacher of the Year Grant
Cash and investments - beginning	\$ (16,631)	\$ 836	\$ 332	\$ -	\$ 92	\$ 1,000	\$ 5,871	\$ -	\$ 1,000
Receipts:									
Local sources	-	-	-	1,800	-	-	-	-	-
Intermediate sources	16,631	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>16,631</u>	<u>-</u>	<u>-</u>	<u>1,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	-	-	-	1,979	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,979</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>16,631</u>	<u>-</u>	<u>-</u>	<u>(179)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>16,631</u>	<u>-</u>	<u>-</u>	<u>(179)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 836</u>	<u>\$ 332</u>	<u>\$ (179)</u>	<u>\$ 92</u>	<u>\$ 1,000</u>	<u>\$ 5,871</u>	<u>\$ -</u>	<u>\$ 1,000</u>

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

	Rush/Shelby Electric Grant	REMC Grant Loper	Blue River Foundation PE Equipment Grant	Shelby County Health Department Tobacco Prevention	BRF Loper Musical Grant	Drug Free Coalition	Coulston Outdoor Lab	Blue River Foundation Art Grant	Blue River Foundation Art Grant Loper
Cash and investments - beginning	\$ 30	\$ 540	\$ 179	\$ 500	\$ -	\$ 759	\$ 361	\$ 293	\$ 356
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	341
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-	-	-	341
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	-	(341)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	-	-	(341)
Cash and investments - ending	\$ 30	\$ 540	\$ 179	\$ 500	\$ -	\$ 759	\$ 361	\$ 293	\$ 15

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

	Shelby Co. Art Grant SMS Library	Blue River Foundation MS Jazz Grant	Rush/Shelby Reading Back Pack Grant	Gifted and Talented	Gifted and Talented 2010-2011	Tech Prep	Cultural Arts	Non-English Speaking Programs 2008-2009	Non-English Speaking Programs 2009-2010
Cash and investments - beginning	\$ -	\$ -	\$ 750	\$ 13,923	\$ -	\$ 1,911	\$ 5,787	\$ 2,874	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	250	-	-	-	-	-	-	-	-
State sources	-	-	-	42,132	-	-	1,930	-	35,718
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>250</u>	<u>-</u>	<u>-</u>	<u>42,132</u>	<u>-</u>	<u>-</u>	<u>1,930</u>	<u>-</u>	<u>35,718</u>
Disbursements:									
Current:									
Instruction	207	-	-	33,505	-	-	7,717	2,874	35,368
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>207</u>	<u>-</u>	<u>-</u>	<u>33,505</u>	<u>-</u>	<u>-</u>	<u>7,717</u>	<u>2,874</u>	<u>35,368</u>
Excess (deficiency) of receipts over disbursements	<u>43</u>	<u>-</u>	<u>-</u>	<u>8,627</u>	<u>-</u>	<u>-</u>	<u>(5,787)</u>	<u>(2,874)</u>	<u>350</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>43</u>	<u>-</u>	<u>-</u>	<u>8,627</u>	<u>-</u>	<u>-</u>	<u>(5,787)</u>	<u>(2,874)</u>	<u>350</u>
Cash and investments - ending	<u>\$ 43</u>	<u>\$ -</u>	<u>\$ 750</u>	<u>\$ 22,550</u>	<u>\$ -</u>	<u>\$ 1,911</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 350</u>

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

	Non-English Speaking Programs 2010-2011	Non-English Speaking Programs P.L. 273-1999	School Technology	Math Innovation Grant	Technology Plan Buddy	Performance Based Awards	Indiana School Academic Improvement Program (ISAIP)	Access Indiana
Cash and investments - beginning	\$ -	\$ 17,183	\$ 44,090	\$ -	\$ 200	\$ 11,667	\$ 1,028	\$ 38,644
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	29,776	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	29,776	-	-	-	-	-
Disbursements:								
Current:								
Instruction	-	17,183	-	2,554	-	-	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	17,183	-	2,554	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	(17,183)	29,776	(2,554)	-	-	-	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(17,183)	29,776	(2,554)	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ 73,866	\$ (2,554)	\$ 200	\$ 11,667	\$ 1,028	\$ 38,644

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

	Miscellaneous Programs	Target Grant Make a Book	Target Make a Book Hendricks	Target Make a Book Loper	County Council Racino Grant	Purdue Math/Science Summer Program	Harcourt ESL Award	ILPA Grant	Target Field Trip Grant Hendricks
Cash and investments - beginning	\$ 101	\$ 24	\$ -	\$ -	\$ -	\$ -	\$ 760	\$ 716	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	2,000	1,500	-	-	-	-	-
State sources	-	-	-	-	-	37,351	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	2,000	1,500	-	37,351	-	-	-
Disbursements:									
Current:									
Instruction	-	-	1,990	1,392	-	39,074	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	1,990	1,392	-	39,074	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	10	108	-	(1,723)	-	-	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	10	108	-	(1,723)	-	-	-
Cash and investments - ending	\$ 101	\$ 24	\$ 10	\$ 108	\$ -	\$ (1,723)	\$ 760	\$ 716	\$ -

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

	Technology Leadership Grant	Excess PTRC Distributions	Regional Library Meeting Grant	Electronic Assessment	CP Morgan Promotions Grant	Title I 2009-2010	Title I 2010-2011	Title I 2008-2009	Title I N/D 2009-2010
Cash and investments - beginning	\$ 200	\$ -	\$ 80	\$ 267	\$ 878	\$ -	\$ -	\$ 35,663	\$ 5,275
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	61,442	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	528,473	-	50,801	27,544
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	61,442	-	-	-	528,473	-	50,801	27,544
Disbursements:									
Current:									
Instruction	-	-	56	-	-	421,037	-	46,045	19,042
Support services	-	-	-	-	-	55,941	-	17,377	-
Noninstructional services	-	-	-	-	-	3,209	-	98	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	56	-	-	480,187	-	63,520	19,042
Excess (deficiency) of receipts over disbursements	-	61,442	(56)	-	-	48,286	-	(12,719)	8,502
Other financing sources (uses):									
Transfers in	-	-	-	-	-	22,490	-	-	-
Transfers out	-	-	-	-	-	-	-	(22,944)	-
Total other financing sources (uses)	-	-	-	-	-	22,490	-	(22,944)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	61,442	(56)	-	-	70,776	-	(35,663)	8,502
Cash and investments - ending	\$ 200	\$ 61,442	\$ 24	\$ 267	\$ 878	\$ 70,776	\$ -	\$ -	\$ 13,777

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

	Title I N/D 2010-2011	Title I N/D 2008-2009	Title I Distinguished School	Title V Part A 2007-2009	IDEA Special Ed 2010-2011	Preschool 2010-2011	Drug Free Schools	Title IV Part A 2007-2009
Cash and investments - beginning	\$ -	\$ 15,628	\$ -	\$ 8,744	\$ -	\$ -	\$ 1,834	\$ 7,043
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	4,072	50,002	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	4,072	50,002	-	-	-	-	-
Disbursements:								
Current:								
Instruction	-	10,777	23,128	6,439	-	-	1,834	7,443
Support services	-	-	11,137	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	10,777	34,265	6,439	-	-	1,834	7,443
Excess (deficiency) of receipts over disbursements	-	(6,705)	15,737	(6,439)	-	-	(1,834)	(7,443)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(6,705)	15,737	(6,439)	-	-	(1,834)	(7,443)
Cash and investments - ending	\$ -	\$ 8,923	\$ 15,737	\$ 2,305	\$ -	\$ -	\$ -	\$ (400)

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

	Title IV Part A 2008-2009	Title IV Drug Free 2009-2010	Team Nutrition Traning Grants	Class Size Reduction	Title II Part A 2010-2011	Title II Part D Cadre 2	Title II Part D Cadre 1	Title III Language Instruction
Cash and investments - beginning	\$ 3,437	\$ -	\$ -	\$ (24,548)	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	225	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	7,600	10,586	-	224,869	-	162,185	97,951	30,159
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>7,600</u>	<u>10,586</u>	<u>-</u>	<u>225,094</u>	<u>-</u>	<u>162,185</u>	<u>97,951</u>	<u>30,159</u>
Disbursements:								
Current:								
Instruction	27,406	-	-	130,028	-	113,483	34,390	30,159
Support services	-	-	-	-	-	41,846	55,674	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	4,024	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>27,406</u>	<u>-</u>	<u>-</u>	<u>130,028</u>	<u>-</u>	<u>159,353</u>	<u>90,064</u>	<u>30,159</u>
Excess (deficiency) of receipts over disbursements	<u>(19,806)</u>	<u>10,586</u>	<u>-</u>	<u>95,066</u>	<u>-</u>	<u>2,832</u>	<u>7,887</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	25,000	31,700	-	-	-	-	-	-
Transfers out	-	-	-	(56,700)	-	-	-	-
Total other financing sources (uses)	<u>25,000</u>	<u>31,700</u>	<u>-</u>	<u>(56,700)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>5,194</u>	<u>42,286</u>	<u>-</u>	<u>38,366</u>	<u>-</u>	<u>2,832</u>	<u>7,887</u>	<u>-</u>
Cash and investments - ending	<u>\$ 8,631</u>	<u>\$ 42,286</u>	<u>\$ -</u>	<u>\$ 13,818</u>	<u>\$ -</u>	<u>\$ 2,832</u>	<u>\$ 7,887</u>	<u>\$ -</u>

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

	Title III 2010-2011	Fiscal Stabilization Education	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Title I Part D Subpart 2	Payroll Withholding	Totals
Cash and investments - beginning	\$ -	\$ 2,961	\$ -	\$ -	\$ -	\$ -	\$ 3,772	\$ 5,149,033
Receipts:								
Local sources	-	-	105	197	4	-	-	19,100,291
Intermediate sources	-	-	-	-	-	-	-	102,047
State sources	-	-	-	-	-	-	-	23,390,311
Federal sources	-	799,278	314,627	448,816	11,589	-	-	3,837,875
Interfund loans	-	1,460,000	-	-	-	-	-	4,657,000
Other	-	-	-	-	-	-	5,722,671	5,725,499
Total receipts	<u>-</u>	<u>2,259,278</u>	<u>314,732</u>	<u>449,013</u>	<u>11,593</u>	<u>-</u>	<u>5,722,671</u>	<u>56,813,023</u>
Disbursements:								
Current:								
Instruction	-	1,471,493	346,994	395,375	16,280	-	-	16,940,046
Support services	-	452,016	13	97	-	-	-	10,175,302
Noninstructional services	-	14,181	-	-	-	-	-	2,401,862
Facilities acquisition and construction	-	-	-	-	-	-	-	2,390,473
Debt services	-	-	-	-	-	-	-	6,044,910
Nonprogrammed charges	-	324,549	-	-	-	-	5,716,526	8,724,607
Interfund loans	-	-	-	-	-	-	-	4,657,000
Total disbursements	<u>-</u>	<u>2,262,239</u>	<u>347,007</u>	<u>395,472</u>	<u>16,280</u>	<u>-</u>	<u>5,716,526</u>	<u>51,334,200</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(2,961)</u>	<u>(32,275)</u>	<u>53,541</u>	<u>(4,687)</u>	<u>-</u>	<u>6,145</u>	<u>5,478,823</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	260,319
Transfers out	-	-	-	-	-	-	-	(260,319)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>(2,961)</u>	<u>(32,275)</u>	<u>53,541</u>	<u>(4,687)</u>	<u>-</u>	<u>6,145</u>	<u>5,478,823</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (32,275)</u>	<u>\$ 53,541</u>	<u>\$ (4,687)</u>	<u>\$ -</u>	<u>\$ 9,917</u>	<u>\$ 10,627,856</u>

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 70,893	\$ 2,360,312	\$ (24,639)	\$ 716,796	\$ 997,713	\$ 1,536,065	\$ -	\$ 3,026,975	\$ 464,785
Receipts:									
Local sources	299,647	5,284,549	873,859	3,452,532	1,934,625	751,203	-	-	6,591
Intermediate sources	871	-	-	-	-	-	-	-	-
State sources	23,342,764	-	-	106,256	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	94	-	-	-	-	-	-	-	-
Total receipts	<u>23,643,376</u>	<u>5,284,549</u>	<u>873,859</u>	<u>3,558,788</u>	<u>1,934,625</u>	<u>751,203</u>	<u>-</u>	<u>-</u>	<u>6,591</u>
Disbursements:									
Current:									
Instruction	16,387,271	-	-	-	-	-	-	-	42,378
Support services	5,285,442	-	-	1,984,275	1,858,876	226,007	-	-	-
Noninstructional services	390,887	-	-	-	-	-	-	-	-
Facilities acquisition and construction	898	-	-	1,218,020	-	-	-	-	-
Debt services	-	5,297,752	423,924	-	-	-	-	420,404	-
Nonprogrammed charges	610,279	-	-	-	-	-	-	-	-
Total disbursements	<u>22,674,777</u>	<u>5,297,752</u>	<u>423,924</u>	<u>3,202,295</u>	<u>1,858,876</u>	<u>226,007</u>	<u>-</u>	<u>420,404</u>	<u>42,378</u>
Excess (deficiency) of receipts over disbursements	<u>968,599</u>	<u>(13,203)</u>	<u>449,935</u>	<u>356,493</u>	<u>75,749</u>	<u>525,196</u>	<u>-</u>	<u>(420,404)</u>	<u>(35,787)</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	24,617	4,405	14,879	8,669	1,054	-	2,700,000	-
Transfers out	-	-	-	-	(500,000)	(1,200,000)	-	(1,000,000)	-
Total other financing sources (uses)	<u>-</u>	<u>24,617</u>	<u>4,405</u>	<u>14,879</u>	<u>(491,331)</u>	<u>(1,198,946)</u>	<u>-</u>	<u>1,700,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>968,599</u>	<u>11,414</u>	<u>454,340</u>	<u>371,372</u>	<u>(415,582)</u>	<u>(673,750)</u>	<u>-</u>	<u>1,279,596</u>	<u>(35,787)</u>
Cash and investments - ending	<u>\$ 1,039,492</u>	<u>\$ 2,371,726</u>	<u>\$ 429,701</u>	<u>\$ 1,088,168</u>	<u>\$ 582,131</u>	<u>\$ 862,315</u>	<u>\$ -</u>	<u>\$ 4,306,571</u>	<u>\$ 428,998</u>

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

	Construction	School Lunch	Textbook Rental	Levy Excess	BRSEC General	BRSEC Transportation	BRSEC Capital Projects	BRSEC Miller Road
Cash and investments - beginning	\$ 616,188	\$ 430,317	\$ (119,714)	\$ 53,623	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	12,499	892,058	142,696	-	592,319	55,490	44,547	3,062
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	17,217	125,109	-	-	-	-	-
Federal sources	-	1,083,073	-	-	-	-	-	-
Other	-	669	2,400	-	-	-	-	-
Total receipts	<u>12,499</u>	<u>1,993,017</u>	<u>270,205</u>	<u>-</u>	<u>592,319</u>	<u>55,490</u>	<u>44,547</u>	<u>3,062</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	1,689	118,047	-	125,905	55,490	238,246	3,062
Noninstructional services	-	1,703,775	-	-	-	-	-	-
Facilities acquisition and construction	465,818	42,083	-	-	-	-	16,079	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>465,818</u>	<u>1,747,547</u>	<u>118,047</u>	<u>-</u>	<u>125,905</u>	<u>55,490</u>	<u>254,325</u>	<u>3,062</u>
Excess (deficiency) of receipts over disbursements	<u>(453,319)</u>	<u>245,470</u>	<u>152,158</u>	<u>-</u>	<u>466,414</u>	<u>-</u>	<u>(209,778)</u>	<u>-</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	212,320	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(53,623)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,623)</u>	<u>-</u>	<u>-</u>	<u>212,320</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(453,319)</u>	<u>245,470</u>	<u>152,158</u>	<u>(53,623)</u>	<u>466,414</u>	<u>-</u>	<u>2,542</u>	<u>-</u>
Cash and investments - ending	<u>\$ 162,869</u>	<u>\$ 675,787</u>	<u>\$ 32,444</u>	<u>\$ -</u>	<u>\$ 466,414</u>	<u>\$ -</u>	<u>\$ 2,542</u>	<u>\$ -</u>

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

	Educational License Plates	Alternative Education	SAFE School Haven	Reading Recovery	National City Donation	Instruction Support	SCTA Reading Control Donation	Blue River Foundation Middle School Science Lab
Cash and investments - beginning	\$ 20,144	\$ 15,847	\$ 4,604	\$ 7,000	\$ 3,075	\$ 10,693	\$ 500	\$ 50
Receipts:								
Local sources	-	-	-	-	-	4,705	-	-
Intermediate sources	375	-	-	-	-	-	-	-
State sources	-	8,735	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>375</u>	<u>8,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,705</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	50	1,595	-	-
Support services	-	-	-	-	-	3,027	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>4,622</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>375</u>	<u>8,735</u>	<u>-</u>	<u>-</u>	<u>(50)</u>	<u>83</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>375</u>	<u>8,735</u>	<u>-</u>	<u>-</u>	<u>(50)</u>	<u>83</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 20,519</u>	<u>\$ 24,582</u>	<u>\$ 4,604</u>	<u>\$ 7,000</u>	<u>\$ 3,025</u>	<u>\$ 10,776</u>	<u>\$ 500</u>	<u>\$ 50</u>

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

	Shelby County Drug Free Coalition Grant	RSVP Grant	Project Lead the Way Biomed Science Grant	Walmart Foundation Grant	Cultural Arts	Indiana Humanities Council	After School Tutoring	Scholarships and Awards
Cash and investments - beginning	\$ 252	\$ 418	\$ -	\$ 836	\$ 332	\$ (179)	\$ 92	\$ 1,000
Receipts:								
Local sources	-	-	-	-	-	179	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	179	-	-
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	179	-	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	179	-	-
Cash and investments - ending	<u>\$ 252</u>	<u>\$ 418</u>	<u>\$ -</u>	<u>\$ 836</u>	<u>\$ 332</u>	<u>\$ -</u>	<u>\$ 92</u>	<u>\$ 1,000</u>

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

	Challenge in Education	Prevention Services Grant	Walmart Teacher of the Year Grant	Rush/Shelby Electric Grant	REMC Grant Loper	Blue River Foundation PE Equipment Grant	Shelby County Health Department Tobacco Prevention	BRF Loper Musical Grant
Cash and investments - beginning	\$ 5,871	\$ -	\$ 1,000	\$ 30	\$ 540	\$ 179	\$ 500	\$ -
Receipts:								
Local sources	-	3,192	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	1,500
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	3,192	-	-	-	-	-	1,500
Disbursements:								
Current:								
Instruction	-	8,189	-	-	-	-	-	1,400
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	8,189	-	-	-	-	-	1,400
Excess (deficiency) of receipts over disbursements	-	(4,997)	-	-	-	-	-	100
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(4,997)	-	-	-	-	-	100
Cash and investments - ending	<u>\$ 5,871</u>	<u>\$ (4,997)</u>	<u>\$ 1,000</u>	<u>\$ 30</u>	<u>\$ 540</u>	<u>\$ 179</u>	<u>\$ 500</u>	<u>\$ 100</u>

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

	Drug Free Coalition	Coulston Outdoor Lab	Blue River Foundation Art Grant	Blue River Foundation Art Grant Loper	Shelby Co. Art Grant SMS Library	Blue River Foundation MS Jazz Grant	Rush/Shelby Reading Back Pack Grant	Gifted and Talented
Cash and investments - beginning	\$ 759	\$ 361	\$ 293	\$ 15	\$ 43	\$ -	\$ 750	\$ 22,550
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	1,696	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	1,696	-	-
Disbursements:								
Current:								
Instruction	-	-	-	-	-	1,396	-	22,457
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	1,396	-	22,457
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	300	-	(22,457)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	300	-	(22,457)
Cash and investments - ending	<u>\$ 759</u>	<u>\$ 361</u>	<u>\$ 293</u>	<u>\$ 15</u>	<u>\$ 43</u>	<u>\$ 300</u>	<u>\$ 750</u>	<u>\$ 93</u>

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

	Gifted and Talented 2010-2011	Tech Prep	Cultural Arts	Non-English Speaking Programs 2008-2009	Non-English Speaking Programs 2009-2010	Non-English Speaking Programs 2010-2011	Non-English Speaking Programs P.L. 273-1999
Cash and investments - beginning	\$ -	\$ 1,911	\$ -	\$ -	\$ 350	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	41,501	-	-	-	-	26,367	-
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>41,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,367</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	17,346	-	-	-	350	26,105	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>17,346</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350</u>	<u>26,105</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>24,155</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(350)</u>	<u>262</u>	<u>-</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>24,155</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(350)</u>	<u>262</u>	<u>-</u>
Cash and investments - ending	<u>\$ 24,155</u>	<u>\$ 1,911</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 262</u>	<u>\$ -</u>

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

	School Technology	Math Innovation Grant	Technology Plan Buddy	Performance Based Awards	Indiana School Academic Improvement Program (ISAIP)	Access Indiana	Miscellaneous Programs	Target Grant Make a Book
Cash and investments - beginning	\$ 73,866	\$ (2,554)	\$ 200	\$ 11,667	\$ 1,028	\$ 38,644	\$ 101	\$ 24
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	33,808	77,946	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	3,555	-	-	-	-	-	-
Total receipts	<u>33,808</u>	<u>81,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	-	73,051	-	-	-	-	-	-
Support services	9,312	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	34,400	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>9,312</u>	<u>73,051</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,400</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>24,496</u>	<u>8,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,400)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>24,496</u>	<u>8,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,400)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 98,362</u>	<u>\$ 5,896</u>	<u>\$ 200</u>	<u>\$ 11,667</u>	<u>\$ 1,028</u>	<u>\$ 4,244</u>	<u>\$ 101</u>	<u>\$ 24</u>

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

	Target Make a Book Hendricks	Target Make a Book Loper	County Council Racino Grant	Purdue Math/Science Summer Program	Harcourt ESL Award	ILPA Grant	Target Field Trip Grant Hendricks	Technology Leadership Grant
Cash and investments - beginning	\$ 10	\$ 108	\$ -	\$ (1,723)	\$ 760	\$ 716	\$ -	\$ 200
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	51,959	-	-	-	700	-
State sources	-	-	-	7,563	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	51,959	7,563	-	-	700	-
Disbursements:								
Current:								
Instruction	-	-	61,055	5,840	-	-	99	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	61,055	5,840	-	-	99	-
Excess (deficiency) of receipts over disbursements	-	-	(9,096)	1,723	-	-	601	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(9,096)	1,723	-	-	601	-
Cash and investments - ending	\$ 10	\$ 108	\$ (9,096)	\$ -	\$ 760	\$ 716	\$ 601	\$ 200

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

	Excess PTRC Distributions	Regional Library Meeting Grant	Electronic Assessment	CP Morgan Promotions Grant	Title I 2009-2010	Title I 2010-2011	Title I 2008-2009	Title I N/D 2009-2010
Cash and investments - beginning	\$ 61,442	\$ 24	\$ 267	\$ 878	\$ 70,776	\$ -	\$ -	\$ 13,777
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	51,089	535,234	-	4,499
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	51,089	535,234	-	4,499
Disbursements:								
Current:								
Instruction	-	-	-	-	24,208	579,975	-	9,491
Support services	-	-	-	-	9,806	22,641	-	-
Noninstructional services	-	-	-	-	2,852	6,324	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	36,866	608,940	-	9,491
Excess (deficiency) of receipts over disbursements	-	-	-	-	14,223	(73,706)	-	(4,992)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	84,999	-	5,218
Transfers out	-	-	-	-	(84,999)	-	-	(8,728)
Total other financing sources (uses)	-	-	-	-	(84,999)	84,999	-	(3,510)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	(70,776)	11,293	-	(8,502)
Cash and investments - ending	\$ 61,442	\$ 24	\$ 267	\$ 878	\$ -	\$ 11,293	\$ -	\$ 5,275

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

	Title I N/D 2010-2011	Title I N/D 2008-2009	Title I Distinguished School	Titte V Part A 2007-2009	IDEA Special Ed 2010-2011	Preschool 2010-2011	Drug Free Schools	Title IV Part A 2007-2009
Cash and investments - beginning	\$ -	\$ 8,923	\$ 15,737	\$ 2,305	\$ -	\$ -	\$ -	\$ (400)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	25,949	-	-	-	674,961	29,719	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	25,949	-	-	-	674,961	29,719	-	-
Disbursements:								
Current:								
Instruction	26,365	-	15,581	-	741,416	32,702	-	(400)
Support services	4,968	-	156	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	31,333	-	15,737	-	741,416	32,702	-	(400)
Excess (deficiency) of receipts over disbursements	(5,384)	-	(15,737)	-	(66,455)	(2,983)	-	400
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	8,728	-	-	-	-	-	-	-
Transfers out	-	(5,218)	-	-	-	-	-	-
Total other financing sources (uses)	8,728	(5,218)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,344	(5,218)	(15,737)	-	(66,455)	(2,983)	-	400
Cash and investments - ending	\$ 3,344	\$ 3,705	\$ -	\$ 2,305	\$ (66,455)	\$ (2,983)	\$ -	\$ -

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

	Title IV Part A 2008-2009	Title IV Drug Free 2009-2010	Team Nutrition Training Grants	Class Size Reduction	Title II Part A 2010-2011	Title II Part D Cadre 2	Title II Part D Cadre 1	Title III Language Instruction
Cash and investments - beginning	\$ 8,631	\$ 42,286	\$ -	\$ 13,818	\$ -	\$ 2,832	\$ 7,887	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	850	6,075	28,216	49,863	17,400	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	850	6,075	28,216	49,863	17,400	-	-
Disbursements:								
Current:								
Instruction	8,631	31,768	5,058	40,619	98,273	1,090	4,993	-
Support services	-	-	-	-	-	19,142	2,894	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	8,631	31,768	5,058	40,619	98,273	20,232	7,887	-
Excess (deficiency) of receipts over disbursements	(8,631)	(30,918)	1,017	(12,403)	(48,410)	(2,832)	(7,887)	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(8,631)	(30,918)	1,017	(12,403)	(48,410)	(2,832)	(7,887)	-
Cash and investments - ending	\$ -	\$ 11,368	\$ 1,017	\$ 1,415	\$ (48,410)	\$ -	\$ -	\$ -

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

	Title III 2010-2011	Fiscal Stabilization Education	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Title I Part D Subpart 2	Payroll Withholding	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (32,275)	\$ 53,541	\$ (4,687)	\$ -	\$ 9,917	\$ 10,627,856
Receipts:								
Local sources	-	321	-	(46)	(4)	-	-	14,354,024
Intermediate sources	-	-	-	-	-	-	-	57,101
State sources	-	-	-	-	-	-	-	23,787,266
Federal sources	17,432	-	34,959	20,370	23,173	-	-	2,602,862
Other	-	-	-	-	-	-	7,085,290	7,092,008
Total receipts	<u>17,432</u>	<u>321</u>	<u>34,959</u>	<u>20,324</u>	<u>23,169</u>	<u>-</u>	<u>7,085,290</u>	<u>47,893,261</u>
Disbursements:								
Current:								
Instruction	24,493	-	1,548	72,239	18,482	10,953	-	18,396,067
Support services	-	321	11	54	-	-	-	9,969,371
Noninstructional services	-	-	-	-	-	-	-	2,103,838
Facilities acquisition and construction	-	-	-	-	-	-	-	1,777,298
Debt services	-	-	-	-	-	-	7,090,132	13,232,212
Nonprogrammed charges	-	-	-	-	-	-	-	610,279
Total disbursements	<u>24,493</u>	<u>321</u>	<u>1,559</u>	<u>72,293</u>	<u>18,482</u>	<u>10,953</u>	<u>7,090,132</u>	<u>46,089,065</u>
Excess (deficiency) of receipts over disbursements	<u>(7,061)</u>	<u>-</u>	<u>33,400</u>	<u>(51,969)</u>	<u>4,687</u>	<u>(10,953)</u>	<u>(4,842)</u>	<u>1,804,196</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	212,320
Transfers in	-	-	-	-	-	-	-	2,852,569
Transfers out	-	-	-	-	-	-	-	(2,852,568)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>212,321</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(7,061)</u>	<u>-</u>	<u>33,400</u>	<u>(51,969)</u>	<u>4,687</u>	<u>(10,953)</u>	<u>(4,842)</u>	<u>2,016,517</u>
Cash and investments - ending	<u><u>\$ (7,061)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,125</u></u>	<u><u>\$ 1,572</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (10,953)</u></u>	<u><u>\$ 5,075</u></u>	<u><u>\$ 12,644,373</u></u>

SHELBYVILLE CENTRAL SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2011

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

	Ending Balance
Capital assets, not being depreciated:	
Land	\$ 750,000
Buildings	83,532,499
Improvements other than buildings	3,395,112
Machinery and equipment	14,029,013
Total governmental activities, capital assets not being depreciated	\$ 101,706,624

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SHELBYVILLE CENTRAL SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2011

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Capital leases:		
Elementary School	\$ 22,180,000	\$ 2,265,465
High School	27,470,000	2,527,381
Bonds payable:		
General obligation bonds:		
Pension Bond	<u>1,955,000</u>	<u>844,046</u>
Total debt	<u>\$ 51,605,000</u>	<u>\$ 5,636,892</u>

SHELBYVILLE CENTRAL SCHOOLS
AUDIT RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances presented for audit indicated cash necessary to balance of \$2,908.07 as of June 30, 2011. Five separate entries described as "unknown differences" on the Treasurer's outstanding checklist at June 30, 2011, make up that total. These unknown differences date as far back as March 31, 2009.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

ERRORS ON CLAIMS

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

1. All claims did not have approval by fiscal officer.
2. The School Board did not approve the amount paid for traffic control at the high school.
3. Claims or invoices did not have evidence to support receipt of goods or services for the traffic control detail at the high school.

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

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

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

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

SHELBYVILLE CENTRAL SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

PRESCRIBED FORMS

The following prescribed or approved form was not in use:

Payroll Schedule and Voucher (General Form 99)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

The Payroll Schedule and Voucher (General Form 99) should be used to prepare all payrolls from the attendance records of the employees listed thereon. The attendance information should be supplied to the business office by the school principal or by the department head for all employees under his jurisdiction or supervision. Upon completion of the payroll claim by the business office, the certificate must be executed by the superintendent of schools or the business manager of the school corporation (provided the business manager is not also the treasurer) and the attest or approval signed by the treasurer of the school corporation. The payroll claim should then be processed, numbered, allowed by the school board and filed in numerical sequence with other claims. The applicable amounts will be posted from the form to the proper expenditure account, program and fund, as well as to the Employee's Earnings Record (Form 99B). (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 2)

INTERNAL CONTROLS OVER TEXTBOOK RENTAL RECEIPTS (Applies to All Schools)

The controls over the receipting of textbook rental receipts were insufficient. Textbook rental receipts were preprinted at the beginning of each school year on prenumbered receipts. When payment was received, the students' preprinted receipt was pulled and noted on the receipt. This resulted in textbook rental receipts not being issued in numerical order. When full payment was collected, the amount received, payment type, date, and issuing officer's initials were noted on the preprinted receipt. The top copy of the triplicate form was then provided to the payee. When partial payments were collected, the amount received, payment type, date, issuing officer's initials, and remaining balance were noted on the preprinted receipt without a new textbook rental receipt being issued for each collection. A photo copy was then made of the preprinted receipt and given to the payee. Upon the final payment, the payee would receive the top copy of the triplicate form.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

The original copy of Form TBR-2 (Official Receipt - Individual Textbook Rental List) shall be given to the student if the student pays the fee, which copy serves as a receipt for the rental fees collected from the student. When book lists are used in lieu of itemization on the form, a copy of the appropriate list shall be attached to the student's copy and one copy shall be retained for audit. A TBR-2 should be issued each time a payment is received. TBR-2 forms should not be issued prior to payments being made by parents or students. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 4)

SHELBYVILLE CENTRAL SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

1. Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the School Corporation to reduce risks to achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to be undetected.
2. Payroll Certification: The School Board was not certifying payroll during the audit period.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objections, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Indiana Code 20-26-4-1(d) states in part:

"The treasurer is the official custodian of all funds of the school corporation and is responsible for the proper safeguarding and accounting for the funds. The treasurer shall: (1) issue a receipt for money received by the treasurer; (2) deposit money described in subdivision (1) in accordance with the laws governing the deposit of public funds; and (3) issue all warrants in payment of expenses lawfully incurred on behalf of the school corporation. However, except as otherwise provided by law, warrants described in this subdivision must be issued only after proper allowance or approval by the governing body. . . ."

The Payroll Schedule and Voucher (General Form 99) should be used to prepare all payrolls from the attendance records of the employees listed thereon. The attendance information should be supplied to the business office by the school principal or by the department head for all employees under his jurisdiction or supervision. Upon completion of the payroll claim by the business office, the certificate must be executed by the superintendent of schools or the business manager of the school corporation (provided the business manager is not also the treasurer) and the attest or approval signed by the treasurer of the school corporation. The payroll claim should then be processed, numbered, allowed by the school board and filed in numerical sequence with other claims. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 2)

The Accounts Payable Voucher Register (General Form 364) is designed so that the form may be prepared in a standard typewriter or handwritten and contained in a standard post binder. All mileage claims, accounts payable vouchers, payroll vouchers, publisher's claims and schedules of payments to school bus contractors shall be listed on the record in claim number sequence and the action of the school board on each claim shall be noted. Space is provided for the board members and treasurer to sign the register if they do not wish to sign each claim. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 2)

SHELBYVILLE CENTRAL SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

TRANSPORTATION FUND - RECORD OF HOURS WORKED

A portion of the Superintendent's salary was paid from the Transportation Fund. A record of hours worked was not presented for audit.

Indiana Code 5-11-9-4 states in part: ". . . records be maintained showing which hours were worked each day by officers and employees . . . employed . . . in more than one (1) position by the same public agency . . ."

Some positions have been formally established by boards of school trustees, through job description, duties assigned, title, salary schedules, etc., as transportation related (for example, Assistant Superintendent-Transportation Director). We will not take audit exception, in these situations (other than positions excluded by statute), to direct transportation related employees having direct transportation related expenses being paid from the transportation fund if a cost allocation system based upon auditable statistics is established tracking costs attributable to the transportation program and therefore payable from the transportation fund. The use of time cards, time logs, or other means of accumulating auditable statistics upon which to base costs would have to be maintained. The time spent on such programs by persons serving in more than one program area must be specific if costs are to be separated. These costs cannot be accurately maintained on a percentage basis and requires the use of one of the methods mentioned above to provide auditable statistics and should cover all program areas in which a person serves or for which the service, materials, supplies, etc., are provided. (The School Administrator and Uniform Compliance Guidelines, Volume 157)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE SHELBYVILLE CENTRAL SCHOOLS, SHELBY COUNTY, INDIANA

Compliance

We have audited the compliance of the Shelbyville Central Schools (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2011-2 and 2011-3.

Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on

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

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there is no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2011-2 and 2011-3 to be material weaknesses.

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

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

STATE BOARD OF ACCOUNTS

February 9, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

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

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 225,892	\$ 228,042
National School Lunch Program	10.555		933,973	952,780
Summer Food Service Program for Children	10.559		37,493	37,470
Total for cluster			<u>1,197,358</u>	<u>1,218,292</u>
Pass-Through Indiana Department of Education Team Nutrition Grants	10.574		-	5,058
Total for federal grantor agency			<u>1,197,358</u>	<u>1,223,350</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
Title I Grants to Local Educational Agencies			566,649	730,806
Title I Distinguished Schools			34,263	15,737
Total for Program			<u>600,912</u>	<u>746,543</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389		347,008	1,558
Total for cluster			<u>947,920</u>	<u>748,101</u>
Special Education Cluster				
Special Education - Grants to States	84.027		-	741,416
Special Education - Preschool Grants	84.173		-	32,703
Pass-Through Blue River Special Education Cooperative				
ARRA - Special Education - Grants to States, Recovery Act	84.391		395,473	72,293
ARRA - Special Education - Preschool Grants, Recovery Act	84.392		16,280	18,482
Total for cluster			<u>411,753</u>	<u>864,894</u>
Pass-Through Indiana Department of Education State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394		2,262,242	321
Total for cluster			<u>2,262,242</u>	<u>321</u>
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013		29,819	54,770
ARRA - Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013		-	10,953
Safe and Drug-Free Schools and Communities - State Grants	84.186			
Project 7365-08			1,399	-
Project 7365-09			35,284	8,231
Project 7365-10			-	31,768
Total for program			<u>36,683</u>	<u>39,999</u>
State Grants for Innovative Programs	84.298			
Title VI, Part A 2007-09 Innovative Education Program Strategies			6,439	-
Total for program			<u>6,439</u>	<u>-</u>
Educational Technology State Grants Cluster				
Educational Technology State Grants	84.318			
Title II Part D, Cadre 1			90,064	7,887
Title II Part D, Cadre 2			159,353	20,232
Total for cluster			<u>249,417</u>	<u>28,119</u>
English Language Acquisition Grants	84.365			
Title III, Language Instruction 09-10			30,160	-
Title III, Language Instruction 10-11			-	24,493
Total for program			<u>30,160</u>	<u>24,493</u>
Improving Teacher Quality State Grants	84.367			
Title II Part A Class Size Reduction 07-08			20,061	12
Title II Part A Class Size Reduction 08-09			65,474	2,129
Title II Part A Class Size Reduction 09-10			101,191	38,477
Title II Part A Class Size Reduction 10-11			-	98,273
Total for program			<u>186,726</u>	<u>138,891</u>
Total for federal grantor agency			<u>4,161,159</u>	<u>1,910,541</u>
Total federal awards expended			<u>\$ 5,358,517</u>	<u>\$ 3,133,891</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

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

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

Note 2. Noncash Assistance

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

Program Title	Federal CFDA Number	2009-2010	2010-2011
School Breakfast Program	10.553	\$ 17,634	\$ 18,877
National School Lunch Program	10.555	72,909	78,871

SHELBYVILLE CENTRAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.367	Child Nutrition Cluster Special Education Cluster State Fiscal Stabilization Fund Cluster Improving Teacher Quality State Grants

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2011-1 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

1. Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the School Corporation to reduce risks to achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to undetected.

SHELBYVILLE CENTRAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2. Payroll Certification: The School Board was not certifying payroll during the audit period.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objections, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Indiana Code 20-26-4-1(d) states in part:

"The treasurer is the official custodian of all funds of the school corporation and is responsible for the proper safeguarding and accounting for the funds. The treasurer shall: (1) issue a receipt for money received by the treasurer; (2) deposit money described in subdivision (1) in accordance with the laws governing the deposit of public funds; and (3) issue all warrants in payment of expenses lawfully incurred on behalf of the school corporation. However, except as otherwise provided by law, warrants described in this subdivision must be issued only after proper allowance or approval by the governing body. . . ."

The Payroll Schedule and Voucher (General Form 99) should be used to prepare all payrolls from the attendance records of the employees listed thereon. The attendance information should be supplied to the business office by the school principal or by the department head for all employees under his jurisdiction or supervision. Upon completion of the payroll claim by the business office, the certificate must be executed by the superintendent of schools or the business manager of the school corporation (provided the business manager is not also the treasurer) and the attest or approval signed by the treasurer of the school corporation. The payroll claim should then be processed, numbered, allowed by the school board and filed in numerical sequence with other claims. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 2)

The Accounts Payable Voucher Register (General Form 364) is designed so that the form may be prepared in a standard typewriter or handwritten and contained in a standard post binder. All mileage claims, accounts payable vouchers, payroll vouchers, publisher's claims and schedules of payments to school bus contractors shall be listed on the record in claim number sequence and the action of the school board on each claim shall be noted. Space is provided for the board members and treasurer to sign the register if they do not wish to sign each claim. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 2)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

SHELBYVILLE CENTRAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2011-2 - INTERNAL CONTROL - CASH MANAGEMENT

Federal Agency: U.S. Department of Education
Federal Program: Improving Teacher Quality State Grants
CFDA Number: 84.367
Pass-Through Entity: Indiana Department of Education

Federal Agency: U.S. Department of Education
Federal Program: Special Education - Grants to States, Recovery Act
CFDA Number: 84.391
Federal Award Number and Year (or Other Identifying Number): 33310-005-SN01
Pass-Through Entity: Blue River Special Education Cooperative

Amounts received by the School Corporation for the Improving Teacher Quality State Grant were drawn down in advance. School Corporation Officials are required to review needs and draw funds as needed in accordance with federal guidelines. The drawdown requests are included in the applications for grant funds. The cash balance of the grant exceeded the allowable cash balance based on estimated future requirements for 4 of the 12 months for grant 09/10, 4 of the 12 months for grant 08/09, and 1 of the 12 months for grant 07/08 during the audit period.

Amounts received by the School Corporation for the Special Education - Grants to States, Recovery Act, were drawn down in advance. School Corporation Officials are required to review needs and draw funds as needed in accordance with federal guidelines. The drawdown requests are included in the applications for grant funds. The cash balance of the grant exceeded the allowable cash balance based on estimated future requirements for five of the twenty-four months during the audit period.

Starting with the 2010-2011 school year, the Improving Teacher Quality State Grants moved to a reimbursement type basis.

34 CFR 80.20 (b)(7) states in part:

"Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

Surplus cash indicates noncompliance with the cash management requirement as set forth by the grant agreement. Additionally, failure to minimize the cash on hand may cause future funding to be reduced by the pass-through agency.

We recommended that School Corporation Officials develop and implement procedures and controls to ensure that the time between the receipt and disbursement of federal funds is minimized according to the grant requirements.

SHELBYVILLE CENTRAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FEDERAL FINDING 2011-3 - INTERNAL CONTROLS OVER ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: U.S. Department of Education
Federal Program: Special Education Grants to States
CFDA Number: 84.027
Pass-Through Entity: Indiana Department of Education

Federal Agency: U.S. Department of Education
Federal Program: Improving Teacher Quality State Grants
CFDA Number: 84.367
Pass-Through Entity: Indiana Department of Education

Federal Agency: U.S. Department of Education
Federal Program: ARRA – State Fiscal Stabilization Fund (SFSF) – Education State Grants
CFDA Number: 84.394
Pass-Through Entity: Indiana Department of Education

As stated in the Section II – Financial Statement Finding 2011-1, payroll claims were not prepared by the school corporation staff and subsequently approved by the governing board. Controls should be in place to allow the governing board to review and approve all payroll disbursements.

34 CFR 80.20 states in part:

"(b) The financial management systems of other grantees and subgrantees must meet the following standards: . . . (3) Internal control. Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes."

Lack of controls over approval of payroll could result in federal grants being charged incorrectly for payroll disbursements.

We recommended the School Corporation establish controls to ensure that payroll disbursements were correctly charged to federal grants.

SHELBYVILLE CENTRAL SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

Shelbyville Central Schools

803 St. Joseph St. • Shelbyville, IN 46176
317-392-2505 • 317-392-5737 fax • www.shelbycs.org

February 9, 2011

CORRECTIVE ACTION PLAN: July 1, 2009 to June 30, 2011

Finding 2011-1 – INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Lack of Segregation of Duties: Shelbyville Central Schools will review their office procedures and attempt to institute duties that would, at least on a sample basis, provide further segregation of duties of the receipting, disbursing, recording, and accounting for the financial activities. However, considering the reduced level of State funding, management has determined that the cost associated with employing additional staff necessary to properly segregate the duties would outweigh the benefits of additional internal control. Management acknowledges and assumes the risk inherent with the current design of their administrative office.

Payroll Certification: Effective January, 2012, the Board of School Trustees of Shelbyville Central Schools began certifying all payroll claims during their regularly scheduled Board meetings.

Finding 2011-2. INTERNAL CONTROLS – CASH MANAGEMENT

Federal Agency: U. S. Department of Education
Federal Program: Improving Teacher Quality State Grants
CFDA Number: 84.367
Federal Award Number and Year (or Other Identifying Number): N/A
Pass-through Entity: Indiana Department of Education

Federal Agency: U. S. Department of Education
Federal Program: Special Education Grants to States, Recovery Act
CFDA Number: 84.391
Federal Award Number and Year (or Other Identifying Number): N/A
Pass-through Entity: Indiana Department of Education

Auditee Contact Person(s): Michael D. Shreves

Phone/E-mail: 317-421-3939, mdshreves@shelbycs.k12.in.us

Expected completion date: 2010-2011 School Year

Corrective action: During the years covered by the audit period, when completing the application for Federal Grants, we were required to estimate our cash needs at the time of the application. By doing this, you ran the risk of items not being expended according to the original estimated time schedule which results in cash in excess of the allowed amount being on hand at any point in time. Starting with the 2010-2011 school year, all Federal Grants were moved to a reimbursement basis, therefore eliminating the issue that is noted here.

Finding 2011-3. INTERNAL CONTROLS OVER MAJOR PROGRAMS

Federal Agency: U.S. Department of Education
Federal Program: Special Education Grants to States
CFDA Number: 84.027
Pass-through Entity: Indiana Department of Education

Federal Agency: U.S. Department of Education
Federal Program: Improving Teacher Quality State Grants
CFDA Number: 84.367
Pass-through Entity: Indiana Department of Education

Federal Agency: U.S. Department of Education
Federal Program: ARRA – State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act (Education State Grants)
CFDA Number: 84.394
Pass-through Entity: Indiana Department of Education

Auditee Contact Person(s): Michael D. Shreves, Business Manager

Phone/E-mail: 317-421-3939, mdshreves@shelbycs.k12.in.us

Expected completion date: January, 2012

Corrective action: Effective January, 2012, every payroll claim is being certified by the Board of School Trustees.



David A. Adams
Superintendent



Michael D. Shreves
Business Manager/Treasurer

SHELBYVILLE CENTRAL SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on February 9, 2012, with David A. Adams, Superintendent of Schools; Michael Shreves, Treasurer; Salli S. Rooks, Payroll Clerk; David M. Finkel, School Board member, and Dennis A. Hearne, President of the School Board.