

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

**Paul D. Joyce, CPA
State Examiner**

FINANCIAL STATEMENT AND
FEDERAL COMPLIANCE AUDIT REPORT
OF
SHELBY EASTERN SCHOOLS
SHELBY COUNTY, INDIANA
July 1, 2022 to June 30, 2024



FILED

03/25/2025



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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March 25, 2025

To: The Officials of the Shelby Eastern Schools
Shelby Eastern Schools
Shelby County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Shelby Eastern Schools. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2022 to June 30, 2024. Per the *Independent Auditor's Report*, the financial statements referred to above present fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2024, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2022 to June 30, 2024 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

We call your attention to the findings included in the report on pages 39 and 46. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 47 through 49.

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

In addition to the report presented herein, a supplemental report of Shelby Eastern Schools was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

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

Tammy R. White, CPA
Deputy State Examiner

SHELBY EASTERN SCHOOLS
Shelby County, Indiana

FINANCIAL STATEMENT
As of June 30, 2024, and for the
period of July 1, 2022 through June 30, 2024

SHELBY EASTERN SCHOOLS
Shelby County, Indiana

FINANCIAL STATEMENT
As of June 30, 2024, and for the
period of July 1, 2022 through June 30, 2024

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SHELBY EASTERN SCHOOLS
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2022 through June 30, 2024

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Chris Scott	07-01-22 to 06-30-24
Superintendent of Schools	Todd Hitchcock	07-01-22 to 06-30-24
President of the School Board	Ben Kuhn	01-01-22 to 12-31-24

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Shelby Eastern Schools
Shelby County, Indiana

Report on the Audit of the Financial Statement***Opinions***

We have audited the accompanying statement of receipts, disbursements, other financing sources (uses) and cash and investment balances of the Shelby Eastern Schools (the School Corporation) as of June 30, 2024 and for the period of July 1, 2022 through June 30, 2024, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement presents fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2024, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2022 through June 30, 2024 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the School Corporation as of June 30, 2024, or changes in net position for the period of July 1, 2022 through June 30, 2024.

Basis for Opinion

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

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

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

(Continued)

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

Responsibilities of Management for the Financial Statement

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprise the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statement.

(Continued)

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.

Other Information

Management is responsible for the other information included with the financial statement. The other information comprises the Schedule of Officials, Other Information Schedules, and State Reporting Information, marked as unaudited on the table of contents, but does not include the financial statement and our auditor's report thereon. Our opinion on the financial statement does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2025, our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Crowe LLP

Indianapolis, Indiana
February 21, 2025

SHELBY EASTERN SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2024, and for the period of July 1, 2022 through June 30, 2024

<u>Fund</u>	<u>Cash and Investments 07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2024</u>
Education	\$ 3,391,542	\$ 9,207,163	\$ 10,246,693	\$ (1,140,000)	\$ 1,212,012	\$ 9,884,820	\$ 8,827,133	\$ (1,170,000)	\$ 1,099,699
Debt Service	1,528,901	3,135,831	3,075,413	-	1,589,319	3,563,371	3,644,210	-	1,508,480
Operations	(267,013)	3,777,280	3,131,013	1,151,360	1,530,614	3,828,038	5,281,694	1,173,991	1,250,949
Local Rainy Day	2,000,000	-	-	-	2,000,000	-	110,938	-	1,889,062
Bond Refinance 2021	(458)	-	11,262	-	(11,720)	11,720	-	-	-
Construction Bond 2023A	-	-	367,930	4,000,000	3,632,070	-	1,362,261	335,725	2,605,534
School Lunch	317,805	851,291	1,085,585	-	83,511	819,048	615,129	-	287,430
Curricular Materials Rental	233,708	104,998	293,063	-	45,643	295,324	137,602	-	203,365
Preschool	149,680	299,405	161,917	-	287,168	371,511	378,363	-	280,316
Educational License Plates	(321)	38	197	-	(480)	38	-	-	(442)
Community Grant Brcf And Mhp Mes 2023	-	6,500	-	-	6,500	500	6,500	-	500
Blue River Community Stem Grant Whs	-	-	-	-	-	4,800	-	-	4,800
Rush Shelby Pickleball Grant Wes	-	1,200	1,200	-	-	-	-	-	-
2019 Ffa Grants For Growing	2,523	-	192	-	2,331	-	956	-	1,375
Mhp Sports Facility Grant	5,017	5,000	2,956	-	7,061	5,000	2,500	-	9,561
Aleks Program Blue River Grant	5,281	4,820	6,886	-	3,215	-	-	-	3,215
2022 Wortman Grant- Science Lab Support	5,970	-	5,458	-	512	-	-	-	512
2022 Wortman Grant-Guitars&Ukuleles For	4,991	-	4,991	-	-	-	-	-	-
Blue River Foundation Hometown Grant Dra	-	3,992	1,039	-	2,953	-	-	-	2,953
Rush Shelby Round Up Grant (Niewman)	-	1,870	-	-	1,870	-	1,837	-	33
2023 Hometown Community Grant Gaga Pit W	-	1,000	-	-	1,000	1,275	2,275	-	-
Mhs Poet Jh Resource Grant	-	-	-	-	-	1,000	943	-	57
Coca Cola Grant	(5,046)	-	-	-	(5,046)	-	-	-	(5,046)
Paul O Goble Memorial Donation	1,720	-	-	-	1,720	-	-	-	1,720
Robotics Team Wes/Mes Blue River Foundat	3,809	12,618	852	-	15,575	10	-	-	15,585
E-Sports Program	159	-	175	-	(16)	100	-	-	84
Formative Assessment	21,273	12,570	22,545	-	11,298	17,670	18,438	-	10,530
Hb 1008 Student Learning Recovery Grant	(10,374)	24,245	13,871	-	-	-	-	-	-
Early Literacy Achievement Grant 2023	-	-	-	-	-	29,286	29,312	-	(26)

(Continued)

SHELBY EASTERN SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2024, and for the period of July 1, 2022 through June 30, 2024

<u>Fund</u>	<u>Cash and Investments 07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2024</u>
Drug Free Coalition Grant	\$ 300	\$ -	\$ -	\$ -	\$ 300	\$ -	\$ -	\$ -	\$ 300
Medicaid Reimbursement	-	3,493	-	-	3,493	2,490	-	-	5,983
Secured Schools Safety Grant	9,887	54,658	70,785	-	(6,240)	75,565	91,279	-	(21,954)
Alternative Education Grant	2,818	-	-	-	2,818	-	-	-	2,818
Early Intervention Grant	(2,762)	-	3,690	-	(6,452)	-	-	-	(6,452)
Career And Technical Performance Grant	15,625	1,118	-	-	16,743	1,016	-	-	17,759
Teacher Appreciation Grant	(65)	44,084	43,927	-	92	44,678	44,536	-	234
Competitive Science Of Reading Grant 23- High Ability Students	-	-	-	-	-	-	89,278	-	(89,278)
State Connectivity Grant	(375)	23,975	23,600	-	-	30,202	29,783	-	419
Project Lead The Way	695	2,895	-	-	3,590	4,320	-	-	7,910
Project Lead The Way	2,448	-	-	-	2,448	-	1,900	-	548
Title I Grant 2019/2020	3,575	-	-	-	3,575	-	-	-	3,575
Title I Grant 2021/2022 Sy	(22,308)	53,596	31,288	-	-	-	100	-	(100)
Title I Grant 2022-2023 Sy Fy2023	-	-	95,829	-	(95,829)	117,457	21,628	-	-
Title I Grant 2023-2024 Sy Fy2024	-	-	-	-	-	80,028	103,005	-	(22,977)
Special Ed Part B Idea Fy 2021	(7,881)	30,703	22,822	-	-	-	-	-	-
Special Ed Preschool Idea 619 2022	-	-	16,677	-	(16,677)	16,677	-	-	-
Special Ed Part B Idea 611 Fy 2022	(36,591)	-	239,033	-	(275,624)	312,805	37,181	-	-
Special Ed Preschool Idea 619 2023	-	-	-	-	-	16,928	16,928	-	-
Special Ed Part B Idea 611 Fy 2023	-	-	-	-	-	-	285,445	-	(285,445)
Student Support Title Iv Ffy 2021	(505)	-	9,280	-	(9,785)	10,000	215	-	-
Student Support Title Iv Ffy 2022	-	-	-	-	-	-	2,257	-	(2,257)
Medicaid Reimbursement Federal	-	9,448	-	-	9,448	6,813	-	-	16,261
Title II Part A 2019/2020	-	-	-	-	-	-	-	-	-
Title II Part A Ffy2020	(22,263)	27,039	4,776	-	-	-	-	-	-
Title II Part A Ffy 2021	(1,802)	-	26,131	-	(27,933)	-	-	-	(27,933)
Title II Part A Fy22 Teacher Leaders Boo	(3,633)	3,633	-	-	-	-	-	-	-
Title II Part A Ffy22	-	-	15,495	-	(15,495)	-	1,519	-	(17,014)
Title II Part A Ffy23	-	-	-	-	-	-	15,495	-	(15,495)

(Continued)

SHELBY EASTERN SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2024, and for the period of July 1, 2022 through June 30, 2024

Fund	Cash and Investments 07-01-2022	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2023	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2024
Employability Skills Esser Ii Grant	\$ -	\$ -	\$ 21,000	\$ -	\$ (21,000)	\$ 130,000	\$ 109,000	\$ -	\$ -
Arpa 611 84.027X	-	-	49,069	-	(49,069)	63,290	14,221	-	-
Arpa 619 84.173X	-	-	4,724	-	(4,724)	4,724	-	-	-
ESSER III	(42,989)	385,360	370,059	-	(27,688)	25,993	122,806	-	(124,501)
Child Care Development Block Grant Progr	189,882	-	54,973	-	134,909	-	134,909	-	-
ESSER II	-	53,844	41,505	-	12,339	42,155	54,494	-	-
ESSER I	-	11,077	11,077	-	-	-	-	-	-
Prepaid School Lunch Accounts	12,133	267,355	300,502	-	(21,014)	261,969	285,124	-	(44,169)
Federal Tax	1,327	508,027	508,027	-	1,327	557,849	557,959	-	1,217
Social Security	5,635	458,591	459,572	-	4,654	505,912	505,912	-	4,654
State Tax	50,516	228,847	228,653	-	50,710	248,575	247,201	-	52,084
County Tax	(28,628)	122,768	122,325	-	(28,185)	137,014	135,984	-	(27,155)
Ind State Teachers Retire	(2,768)	-	-	-	(2,768)	-	155	-	(2,923)
Public Empl Retirement (Perf)	5,055	26,138	26,138	-	5,055	26,408	26,408	-	5,055
Health Life Ltd Insurance	70,821	445,811	436,444	-	80,188	478,899	446,326	-	112,761
Annuities	1,007	186,617	186,617	-	1,007	184,504	184,504	-	1,007
Social Security - Medicare	(6,478)	107,251	107,480	-	(6,707)	118,318	118,318	-	(6,707)
Secta	21	-	-	-	21	-	-	-	21
Unreimbursed Medical-Sec 125	7,944	22,933	21,334	-	9,543	23,760	23,760	-	9,543
Garnishments	(23)	9,399	9,399	-	(23)	6,668	6,668	-	(23)
Perf - Voluntary Deduction	143	-	-	-	143	-	-	-	143
Istr - Voluntary Deduction	2,429	-	-	-	2,429	2,565	2,169	-	2,825
Istr Voluntary Deductions	(234)	-	-	-	(234)	-	241	-	(475)
Payroll Other Deductions	187	-	4	-	183	-	-	-	183
Life Fringe Benefits	12	-	-	-	12	-	-	-	12
Totals	\$ 7,592,322	\$ 20,538,481	\$ 21,995,473	\$ 4,011,360	\$ 10,146,690	\$ 22,371,093	\$ 24,136,799	\$ 339,716	\$ 8,720,700

See notes to financial statement.

SHELBY EASTERN SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP), 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. The regulatory basis also allows for all investments to be stated at cost, while GAAP requires fair value for qualifying investments.

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.

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

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

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

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

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

Temporary loans. Amounts 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.

(Continued)

SHELBY EASTERN SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

SHELBY EASTERN SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 2 - BUDGETS

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

NOTE 3 - PROPERTY TAXES

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by December 31 of the year preceding the budget year or January 15 of the budget year if the School Corporation is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

The School Corporation held cash deposits with financial institutions that maintained FDIC and PDIF coverages, as applicable. At June 30, 2024, the School Corporation held certificate of deposits with financial institutions totaling \$3,488,000.

(Continued)

SHELBY EASTERN SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

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.

The School Corporation has purchased insurance to address the risks described above.

NOTE 6 - CASH BALANCE DEFICITS

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2023, and 2024. The deficits in the Bond Refinance 2021, Educational License Plates, Prepaid School Lunch Accounts, County Tax, Ind State Teachers Retire, Social Security – Medicare, Garnishments, and Istr Voluntary Deductions funds are the result of disbursements exceeding receipts due to under-estimating current requirements for those funds. These deficits will be repaid from future receipts.

NOTE 7 - HOLDING CORPORATIONS

The School Corporation has entered into a series of capital leases with the Shelby Eastern Schools Building Corporation and the Shelby Eastern Multi-School Building Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related parties of the School Corporation. Lease payments for the period July 1, 2022 through June 30, 2023 totaled \$2,918,000. Lease payments for the period July 1, 2023 through June 30, 2024 totaled \$3,391,500.

NOTE 8 - PENSION PLANS

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund Defined Benefit Plan (PERF DB) is a cost sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF DB is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the School Corporation authority to contribute to the plan.

The Public Employees' Hybrid Plan (PERF Hybrid) consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

(Continued)

SHELBY EASTERN SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

NOTE 8 - PENSION PLANS (Continued)

The Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the INPRS Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the School Corporation authority to contribute to the plan.

New employees hired have a one-time election to join either the PERF Hybrid or the My Choice.

Financial Report

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

Contributions

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

Teachers' Retirement Fund

Plan Descriptions

The Indiana Teachers' Hybrid Plan (TRF Hybrid) consists of two components: Indiana Teachers' Pre-1996 Defined Benefit Account (Teachers' Pre-1996 DB) or Indiana Teachers' 1996 Defined Benefit Account (Teachers' 1996 DB) the monthly employer-funded defined benefit components, along with the Indiana Teachers' Defined Contribution Account (TRF DC), the defined contribution component. Generally, members hired before 1996 participate in the Teachers' Pre-1996 DB and members hired after 1995 participate in the Teachers' 1996 DB.

The Teachers' 1996 DB is a cost-sharing multiple-employer defined benefit pension plan and provides retirement, disability, and survivor benefits to plan members. All legally qualified and regularly employed licensed teachers serving in State of Indiana public schools are eligible to participate in the Teachers' 1996 DB.

The Teachers' Pre-1996 DB is a pay-as-you-go, cost-sharing multiple-employer defined benefit pension plan and provides retirement, disability, and survivor benefits to plan members. Membership in the Teachers' Pre-1996 DB is closed to new entrants.

The TRF DC is a multiple-employer defined contribution plan providing supplemental retirement benefits to Teachers' 1996 DB and Teachers' Pre-1996 DB members.

(Continued)

SHELBY EASTERN SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2024, and for the period of
July 1, 2022 through June 30, 2024

NOTE 8 - PENSION PLANS (Continued)

The Retirement Savings Plan for Public Teachers (My Choice) is a multiple-employer defined contribution plan. New employees hired after June 30, 2019, have a one-time election to join either the TRF Hybrid plan that is not closed to new entrants or the My Choice plan.

All these plans are administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2, IC 5-10.3, and IC 5-10.4) and administrative code (35 IAC 14), which govern most requirements of the system and give the School Corporation authority to contribute to the plan when applicable.

Financial Report

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

Contributions

The School Corporation contributes the employer's share to Teachers' 1996 DB 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. These contributions are determined by the INPRS Board based on actuarial valuation. 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 (Teachers' Pre-1996 DB) is an obligation of, and is paid by, the State of Indiana.

Contributions for the defined contribution component of TRF Hybrid are determined by statute and the INPRS Board at 3 percent of covered payroll. The employer may choose to make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

My Choice plan is funded with employer contributions and member contributions. The employer contributions must equal the contribution rate for monthly employer-funded defined benefit components of TRF Hybrid. The amount deposited into the employer contribution subaccount for the member is the normal cost of participation. The variable rate contribution can be no less than 3 percent. Member contributions are determined by statute and the Board at 3 percent of covered payroll. The employer must make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

NOTE 9 - SUBSEQUENT EVENTS

In December 2024, the School Corporation issued general obligation bonds in the amount of \$1,000,000 for renovations and improvements to facilities.

OTHER INFORMATION (Unaudited)

SHELBY EASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Education	Debt Service	Operations	Local Rainy Day	Bond Refinance 2021	Construction Bond 2023A	School Lunch	Curricular Materials Rental	Preschool	Educational License Plates	Community Grant Brf And Mhp Mes 2023	Rush Shelby Pickleball Grant Wes	2019 Ffa Grants For Growing
Cash and investments - beginning	\$ 3,391,542	\$ 1,528,901	\$ (267,013)	\$ 2,000,000	\$ (458)	\$ -	\$ 317,805	\$ 233,708	\$ 149,680	\$ (321)	\$ -	\$ -	\$ 2,523
Receipts:													
Local sources	105,369	3,135,831	3,539,770	-	-	-	328,070	63,591	298,405	-	6,500	-	-
Intermediate sources	69	-	-	-	-	-	-	-	-	38	-	1,200	-
State sources	9,101,725	-	234,488	-	-	-	5,702	41,007	1,000	-	-	-	-
Federal sources	-	-	-	-	-	-	517,519	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	3,022	-	-	-	-	400	-	-	-	-	-
Total receipts	9,207,163	3,135,831	3,777,280	-	-	-	851,291	104,998	299,405	38	6,500	1,200	-
Disbursements:													
Instruction	7,916,816	-	139,171	-	-	-	-	-	161,334	197	-	1,200	-
Support services	2,075,846	-	2,172,910	-	-	-	53,725	293,063	583	-	-	-	-
Noninstructional services	254,031	-	3,671	-	-	-	1,031,860	-	-	-	-	-	-
Facilities acquisition and construction	-	-	775,297	-	11,262	367,930	-	-	-	-	-	-	192
Debt services	-	3,075,413	39,964	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,246,693	3,075,413	3,131,013	-	11,262	367,930	1,085,585	293,063	161,917	197	-	1,200	192
Excess (deficiency) of receipts over disbursements	(1,039,530)	60,418	646,267	-	(11,262)	(367,930)	(234,294)	(188,065)	137,488	(159)	6,500	-	(192)
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	4,000,000	-	-	-	-	-	-	-
Sale of capital assets	-	-	11,360	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	1,140,000	-	-	-	-	-	-	-	-	-	-
Transfers out	(1,140,000)	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,140,000)	-	1,151,360	-	-	4,000,000	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,179,530)	60,418	1,797,627	-	(11,262)	3,632,070	(234,294)	(188,065)	137,488	(159)	6,500	-	(192)
Cash and investments - ending	\$ 1,212,012	\$ 1,589,319	\$ 1,530,614	\$ 2,000,000	\$ (11,720)	\$ 3,632,070	\$ 83,511	\$ 45,643	\$ 287,168	\$ (480)	\$ 6,500	\$ -	\$ 2,331

(Continued)

SHELBY EASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Mhp Sports Facility Grant	Aleks Program Blue River Grant	2022 Wortman Grant- Science Lab Support	2022 Wortman Grant- Guitars&Ukuleles For	Blue River Foundation Hometown Grant Dra	Rush Shelby Round Up Grant (Niewman)	2023 Hometown Community Grant Gaga Pit W	Coca Cola Grant	Paul O Goble Memorial Donation	Robotics Team Wes/Mes Blue River Foundat	E-Sports Program	Formative Assessment	Hb 1008 Student Learning Recovery Grant
Cash and investments - beginning	\$ 5,017	\$ 5,281	\$ 5,970	\$ 4,991	\$ -	\$ -	\$ -	\$ (5,046)	\$ 1,720	\$ 3,809	\$ 159	\$ 21,273	\$ (10,374)
Receipts:													
Local sources	5,000	4,820	-	-	3,992	1,870	1,000	-	-	12,618	-	-	24,245
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	12,570	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	5,000	4,820	-	-	3,992	1,870	1,000	-	-	12,618	-	12,570	24,245
Disbursements:													
Instruction	-	-	5,458	4,991	1,039	-	-	-	-	852	175	-	13,871
Support services	2,956	6,886	-	-	-	-	-	-	-	-	-	22,545	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	2,956	6,886	5,458	4,991	1,039	-	-	-	-	852	175	22,545	13,871
Excess (deficiency) of receipts over disbursements	2,044	(2,066)	(5,458)	(4,991)	2,953	1,870	1,000	-	-	11,766	(175)	(9,975)	10,374
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,044	(2,066)	(5,458)	(4,991)	2,953	1,870	1,000	-	-	11,766	(175)	(9,975)	10,374
Cash and investments - ending	\$ 7,061	\$ 3,215	\$ 512	\$ -	\$ 2,953	\$ 1,870	\$ 1,000	\$ (5,046)	\$ 1,720	\$ 15,575	\$ (16)	\$ 11,298	\$ -

(Continued)

SHELBY EASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Drug Free Coalition Grant	Medicaid Reimbursement	Secured Schools Safety Grant	Alternative Education Grant	Early Intervention Grant	Career And Technical Performance Grant	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Project Lead The Way	Title I Grant 2019/2020	Title I Grant 2021/2022 Sy	Title I Grant 2022-2023 Sy Fy2023
Cash and investments - beginning	\$ 300	\$ -	\$ 9,887	\$ 2,818	\$ (2,762)	\$ 15,625	\$ (65)	\$ (375)	\$ 695	\$ 2,448	\$ 3,575	\$ (22,308)	\$ -
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	54,658	-	-	1,118	44,084	23,975	2,895	-	-	-	-
Federal sources	-	3,493	-	-	-	-	-	-	-	-	-	53,596	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	3,493	54,658	-	-	1,118	44,084	23,975	2,895	-	-	53,596	-
Disbursements:													
Instruction	-	-	-	-	3,690	-	43,927	23,600	-	-	-	31,237	95,452
Support services	-	-	70,785	-	-	-	-	-	-	-	-	51	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	377
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	70,785	-	3,690	-	43,927	23,600	-	-	-	31,288	95,829
Excess (deficiency) of receipts over disbursements	-	3,493	(16,127)	-	(3,690)	1,118	157	375	2,895	-	-	22,308	(95,829)
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	3,493	(16,127)	-	(3,690)	1,118	157	375	2,895	-	-	22,308	(95,829)
Cash and investments - ending	\$ 300	\$ 3,493	\$ (6,240)	\$ 2,818	\$ (6,452)	\$ 16,743	\$ 92	\$ -	\$ 3,590	\$ 2,448	\$ 3,575	\$ -	\$ (95,829)

(Continued)

SHELBY EASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Special Ed Special Ed Part B Idea Fy 2021	Special Ed Preschool Idea 619 2022	Special Ed Part B Idea 611 Fy 2022	Student Support Title Iv Ffy 2021	Medicaid Reimbursement Federal	Title II Part A Ffy2020	Title II Part A Ffy 2021	Title II Part A Fy22 Teacher Leaders Boo	Title II Part A Ffy22	Employability Skills Esser li Grant	Arpa 611 84.027X	Arpa 619 84.173X
Cash and investments - beginning	\$ (7,881)	\$ -	\$ (36,591)	\$ (505)	\$ -	\$ (22,263)	\$ (1,802)	\$ (3,633)	\$ -	\$ -	\$ -	\$ -
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	30,703	-	-	-	9,448	27,039	-	3,633	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	30,703	-	-	-	9,448	27,039	-	3,633	-	-	-	-
Disbursements:												
Instruction	22,822	16,677	239,033	9,280	-	4,776	15,422	-	-	-	-	4,724
Support services	-	-	-	-	-	-	10,709	-	15,495	21,000	49,069	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	22,822	16,677	239,033	9,280	-	4,776	26,131	-	15,495	21,000	49,069	4,724
Excess (deficiency) of receipts over disbursements	7,881	(16,677)	(239,033)	(9,280)	9,448	22,263	(26,131)	3,633	(15,495)	(21,000)	(49,069)	(4,724)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,881	(16,677)	(239,033)	(9,280)	9,448	22,263	(26,131)	3,633	(15,495)	(21,000)	(49,069)	(4,724)
Cash and investments - ending	\$ -	\$ (16,677)	\$ (275,624)	\$ (9,785)	\$ 9,448	\$ -	\$ (27,933)	\$ -	\$ (15,495)	\$ (21,000)	\$ (49,069)	\$ (4,724)

(Continued)

SHELBY EASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	ESSER III	Child Care Development Block Grant Progr	ESSER II	ESSER I	Prepaid School Lunch Accounts	Federal Tax	Social Security	State Tax	County Tax	Ind State Teachers Retire	Public Empl Retirement (Perf)	Health Life Ltd Insurance
Cash and investments - beginning	\$ (42,989)	\$ 189,882	\$ -	\$ -	\$ 12,133	\$ 1,327	\$ 5,635	\$ 50,516	\$ (28,628)	\$ (2,768)	\$ 5,055	\$ 70,821
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	385,360	-	53,844	11,077	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	267,355	508,027	458,591	228,847	122,768	-	26,138	445,811
Total receipts	385,360	-	53,844	11,077	267,355	508,027	458,591	228,847	122,768	-	26,138	445,811
Disbursements:												
Instruction	172,746	54,973	-	-	-	-	-	-	-	-	-	-
Support services	197,313	-	41,505	10,109	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	968	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	300,502	508,027	459,572	228,653	122,325	-	26,138	436,444
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	370,059	54,973	41,505	11,077	300,502	508,027	459,572	228,653	122,325	-	26,138	436,444
Excess (deficiency) of receipts over disbursements	15,301	(54,973)	12,339	-	(33,147)	-	(981)	194	443	-	-	9,367
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	15,301	(54,973)	12,339	-	(33,147)	-	(981)	194	443	-	-	9,367
Cash and investments - ending	\$ (27,688)	\$ 134,909	\$ 12,339	\$ -	\$ (21,014)	\$ 1,327	\$ 4,654	\$ 50,710	\$ (28,185)	\$ (2,768)	\$ 5,055	\$ 80,188

(Continued)

SHELBY EASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Annuities	Social Security - Medicare	Secta	Unreimbursed Medical-Sec 125	Garnishments	Perf - Voluntary Deduction	Istr - Voluntary Deduction	Istr Voluntary Deductions	Payroll Other Deductions	Life Fringe Benefits	Totals
Cash and investments - beginning	\$ 1,007	\$ (6,478)	\$ 21	\$ 7,944	\$ (23)	\$ 143	\$ 2,429	\$ (234)	\$ 187	\$ 12	\$ 7,592,322
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	7,531,081
Intermediate sources	-	-	-	-	-	-	-	-	-	-	1,307
State sources	-	-	-	-	-	-	-	-	-	-	9,523,222
Federal sources	-	-	-	-	-	-	-	-	-	-	1,095,712
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	186,617	107,251	-	22,933	9,399	-	-	-	-	-	2,387,159
Total receipts	186,617	107,251	-	22,933	9,399	-	-	-	-	-	20,538,481
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	8,983,463
Support services	-	-	-	-	-	-	-	-	-	-	5,044,550
Noninstructional services	-	-	-	-	-	-	-	-	-	-	1,290,907
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	1,154,681
Debt services	-	-	-	-	-	-	-	-	-	-	3,115,377
Nonprogrammed charges	186,617	107,480	-	21,334	9,399	-	-	-	4	-	2,406,495
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	186,617	107,480	-	21,334	9,399	-	-	-	4	-	21,995,473
Excess (deficiency) of receipts over disbursements	-	(229)	-	1,599	-	-	-	-	(4)	-	(1,456,992)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	4,000,000
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	11,360
Transfers in	-	-	-	-	-	-	-	-	-	-	1,140,000
Transfers out	-	-	-	-	-	-	-	-	-	-	(1,140,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	4,011,360
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(229)	-	1,599	-	-	-	-	(4)	-	2,554,368
Cash and investments - ending	\$ 1,007	\$ (6,707)	\$ 21	\$ 9,543	\$ (23)	\$ 143	\$ 2,429	\$ (234)	\$ 183	\$ 12	\$ 10,146,690

SHELBY EASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	Education	Debt Service	Operations	Local Rainy Day	Bond Refinance 2021	Construction Bond 2023A	School Lunch	Curricular Materials Rental	Preschool	Educational License Plates	Community Grant Brf And Mhp Mes 2023	Blue River Community Stem Grant Whs	2019 Ffa Grants For Growing
Cash and investments - beginning	\$ 1,212,012	\$ 1,589,319	\$ 1,530,614	\$ 2,000,000	\$ (11,720)	\$ 3,632,070	\$ 83,511	\$ 45,643	\$ 287,168	\$ (480)	\$ 6,500	\$ -	\$ 2,331
Receipts:													
Local sources	127,341	3,563,371	3,808,791	-	11,720	-	325,241	12,381	371,511	-	500	4,800	-
Intermediate sources	69	-	-	-	-	-	-	-	-	38	-	-	-
State sources	9,757,410	-	-	-	-	-	6,896	282,943	-	-	-	-	-
Federal sources	-	-	-	-	-	-	486,911	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	19,247	-	-	-	-	-	-	-	-	-	-
Total receipts	9,884,820	3,563,371	3,828,038	-	11,720	-	819,048	295,324	371,511	38	500	4,800	-
Disbursements:													
Instruction	6,352,274	-	146,814	-	-	-	-	-	378,363	-	6,500	-	-
Support services	2,223,250	-	4,157,131	-	-	-	13,628	137,602	-	-	-	-	-
Noninstructional services	251,609	-	4,084	-	-	-	601,501	-	-	-	-	-	-
Facilities acquisition and construction	-	-	939,742	110,938	-	1,362,261	-	-	-	-	-	-	956
Debt services	-	3,644,210	33,923	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	8,827,133	3,644,210	5,281,694	110,938	-	1,362,261	615,129	137,602	378,363	-	6,500	-	956
Excess (deficiency) of receipts over disbursements	1,057,687	(80,839)	(1,453,656)	(110,938)	11,720	(1,362,261)	203,919	157,722	(6,852)	38	(6,000)	4,800	(956)
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	335,725	-	-	-	-	-	-	-
Sale of capital assets	-	-	3,991	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	1,170,000	-	-	-	-	-	-	-	-	-	-
Transfers out	(1,170,000)	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,170,000)	-	1,173,991	-	-	335,725	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(112,313)	(80,839)	(279,665)	(110,938)	11,720	(1,026,536)	203,919	157,722	(6,852)	38	(6,000)	4,800	(956)
Cash and investments - ending	\$ 1,099,699	\$ 1,508,480	\$ 1,250,949	\$ 1,889,062	\$ -	\$ 2,605,534	\$ 287,430	\$ 203,365	\$ 280,316	\$ (442)	\$ 500	\$ 4,800	\$ 1,375

(Continued)

SHELBY EASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

					2023								
	Mhp Sports Facility Grant	Aleks Program Blue River Grant	2022 Wortman Grant- Science Lab Support	Blue River Foundation Hometown Grant Dra	Rush Shelby Round Up Grant (Niewman)	Hometown Community Grant Gaga Pit W	Mhs Poet Jh Resource Grant	Coca Cola Grant	Paul O Goble Memorial Donation	Robotics Team Wes/Mes Blue River Foundat	E-Sports Program	Formative Assessment	Early Literacy Achievement Grant 2023
Cash and investments - beginning	\$ 7,061	\$ 3,215	\$ 512	\$ 2,953	\$ 1,870	\$ 1,000	\$ -	\$ (5,046)	\$ 1,720	\$ 15,575	\$ (16)	\$ 11,298	\$ -
Receipts:													
Local sources	5,000	-	-	-	-	1,275	1,000	-	-	10	100	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	17,670	29,286
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	5,000	-	-	-	-	1,275	1,000	-	-	10	100	17,670	29,286
Disbursements:													
Instruction	-	-	-	-	-	2,275	943	-	-	-	-	-	29,312
Support services	2,500	-	-	-	1,837	-	-	-	-	-	-	18,438	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	2,500	-	-	-	1,837	2,275	943	-	-	-	-	18,438	29,312
Excess (deficiency) of receipts over disbursements	2,500	-	-	-	(1,837)	(1,000)	57	-	-	10	100	(768)	(26)
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,500	-	-	-	(1,837)	(1,000)	57	-	-	10	100	(768)	(26)
Cash and investments - ending	\$ 9,561	\$ 3,215	\$ 512	\$ 2,953	\$ 33	\$ -	\$ 57	\$ (5,046)	\$ 1,720	\$ 15,585	\$ 84	\$ 10,530	\$ (26)

(Continued)

SHELBY EASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	Drug Free Coalition Grant	Medicaid Reimbursement	Secured Schools Safety Grant	Alternative Education Grant	Early Intervention Grant	Career And Technical Performance Grant	Teacher Appreciation Grant	Competitive Science Of Reading Grant 23-	High Ability Students	State Connectivity Grant	Project Lead The Way	Title I Grant 2019/2020	Title I Grant 2021/2022 Sy
Cash and investments - beginning	\$ 300	\$ 3,493	\$ (6,240)	\$ 2,818	\$ (6,452)	\$ 16,743	\$ 92	\$ -	\$ -	\$ 3,590	\$ 2,448	\$ 3,575	\$ -
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	75,565	-	-	1,016	44,678	-	30,202	4,320	-	-	-
Federal sources	-	2,490	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	2,490	75,565	-	-	1,016	44,678	-	30,202	4,320	-	-	-
Disbursements:													
Instruction	-	-	-	-	-	-	44,536	-	29,783	-	-	-	-
Support services	-	-	91,279	-	-	-	-	89,278	-	-	1,900	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	100
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	91,279	-	-	-	44,536	89,278	29,783	-	1,900	-	100
Excess (deficiency) of receipts over disbursements	-	2,490	(15,714)	-	-	1,016	142	(89,278)	419	4,320	(1,900)	-	(100)
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	2,490	(15,714)	-	-	1,016	142	(89,278)	419	4,320	(1,900)	-	(100)
Cash and investments - ending	\$ 300	\$ 5,983	\$ (21,954)	\$ 2,818	\$ (6,452)	\$ 17,759	\$ 234	\$ (89,278)	\$ 419	\$ 7,910	\$ 548	\$ 3,575	\$ (100)

(Continued)

SHELBY EASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	Title I Grant 2022-2023 Sy Fy2023	Title I Grant 2023-2024 Sy Fy2024	Special Ed Preschool Idea 619 2022	Special Ed Part B Idea 611 Fy 2022	Special Ed Preschool Idea 619 2023	Special Ed Part B Idea 611 Fy 2023	Student Support Title Iv Ffy 2021	Medicaid Reimbursement Federal	Student Support Title Iv Ffy 2022	Title II Part A Ffy 2021	Title II Part A Ffy22	Title II Part A Ffy23
Cash and investments - beginning	\$ (95,829)	\$ -	\$ (16,677)	\$ (275,624)	\$ -	\$ -	\$ (9,785)	\$ 9,448	\$ -	\$ (27,933)	\$ (15,495)	\$ -
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	117,457	80,028	16,677	312,805	16,928	-	10,000	6,813	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	117,457	80,028	16,677	312,805	16,928	-	10,000	6,813	-	-	-	-
Disbursements:												
Instruction	21,628	102,573	-	37,181	16,928	285,445	-	-	1,157	-	-	-
Support services	-	-	-	-	-	-	215	-	1,100	-	1,519	15,495
Noninstructional services	-	432	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	21,628	103,005	-	37,181	16,928	285,445	215	-	2,257	-	1,519	15,495
Excess (deficiency) of receipts over disbursements	95,829	(22,977)	16,677	275,624	-	(285,445)	9,785	6,813	(2,257)	-	(1,519)	(15,495)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	95,829	(22,977)	16,677	275,624	-	(285,445)	9,785	6,813	(2,257)	-	(1,519)	(15,495)
Cash and investments - ending	\$ -	\$ (22,977)	\$ -	\$ -	\$ -	\$ (285,445)	\$ -	\$ 16,261	\$ (2,257)	\$ (27,933)	\$ (17,014)	\$ (15,495)

(Continued)

SHELBY EASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	Employability Skills Esser li Grant	Arpa 611 84.027X	Arpa 619 84.173X	ESSER III	Child Care Development Block Grant Progr	ESSER II	Prepaid School Lunch Accounts	Federal Tax	Social Security	State Tax	County Tax	Ind State Teachers Retire	Public Empl Retirement (Perf)
Cash and investments - beginning	\$ (21,000)	\$ (49,069)	\$ (4,724)	\$ (27,688)	\$ 134,909	\$ 12,339	\$ (21,014)	\$ 1,327	\$ 4,654	\$ 50,710	\$ (28,185)	\$ (2,768)	\$ 5,055
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	130,000	63,290	4,724	25,993	-	42,155	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	261,969	557,849	505,912	248,575	137,014	-	26,408
Total receipts	130,000	63,290	4,724	25,993	-	42,155	261,969	557,849	505,912	248,575	137,014	-	26,408
Disbursements:													
Instruction	-	-	-	92,898	134,909	19,015	-	-	-	-	-	-	-
Support services	109,000	14,221	-	29,908	-	35,479	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	285,124	557,959	505,912	247,201	135,984	155	26,408
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	109,000	14,221	-	122,806	134,909	54,494	285,124	557,959	505,912	247,201	135,984	155	26,408
Excess (deficiency) of receipts over disbursements	21,000	49,069	4,724	(96,813)	(134,909)	(12,339)	(23,155)	(110)	-	1,374	1,030	(155)	-
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	21,000	49,069	4,724	(96,813)	(134,909)	(12,339)	(23,155)	(110)	-	1,374	1,030	(155)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (124,501)	\$ -	\$ -	\$ (44,169)	\$ 1,217	\$ 4,654	\$ 52,084	\$ (27,155)	\$ (2,923)	\$ 5,055

(Continued)

SHELBY EASTERN SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2024

	Health Life Ltd Insurance	Life Annuities	Social Security - Medicare	Secta	Unreimbursed Medical-Sec 125	Garnishments	Perf - Voluntary Deduction	Istr - Voluntary Deduction	Istr Voluntary Deductions	Payroll Other Deductions	Life Fringe Benefits	Totals
Cash and investments - beginning	\$ 80,188	\$ 1,007	\$ (6,707)	\$ 21	\$ 9,543	\$ (23)	\$ 143	\$ 2,429	\$ (234)	\$ 183	\$ 12	\$ 10,146,690
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	8,233,041
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	107
State sources	-	-	-	-	-	-	-	-	-	-	-	10,249,986
Federal sources	-	-	-	-	-	-	-	-	-	-	-	1,316,271
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	478,899	184,504	118,318	-	23,760	6,668	-	2,565	-	-	-	2,571,688
Total receipts	478,899	184,504	118,318	-	23,760	6,668	-	2,565	-	-	-	22,371,093
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	7,702,534
Support services	-	-	-	-	-	-	-	-	-	-	-	6,943,780
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	857,726
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	2,413,897
Debt services	-	-	-	-	-	-	-	-	-	-	-	3,678,133
Nonprogrammed charges	446,326	184,504	118,318	-	23,760	6,668	-	2,169	241	-	-	2,540,729
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	446,326	184,504	118,318	-	23,760	6,668	-	2,169	241	-	-	24,136,799
Excess (deficiency) of receipts over disbursements	32,573	-	-	-	-	-	-	396	(241)	-	-	(1,765,706)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	335,725
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	3,991
Transfers in	-	-	-	-	-	-	-	-	-	-	-	1,170,000
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(1,170,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	339,716
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	32,573	-	-	-	-	-	-	396	(241)	-	-	(1,425,990)
Cash and investments - ending	\$ 112,761	\$ 1,007	\$ (6,707)	\$ 21	\$ 9,543	\$ (23)	\$ 143	\$ 2,825	\$ (475)	\$ 183	\$ 12	\$ 8,720,700

SHELBY EASTERN SCHOOLS
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2024

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 419,494	\$ 618,394

SHELBY EASTERN SCHOOLS
SCHEDULE OF LEASES AND DEBT
June 30, 2024

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
INDIANA BUSINESS SOLUTIONS	COPY MACHINES/SUPPLIES	\$ 33,836	10/1/2021	9/30/2026
Shelby Eastern Schools Building Corporation	2019 lease	689,000	1/15/2020	12/31/2028
Shelby Eastern Schools Building Corporation	2021 lease	2,733,000	7/15/2021	1/15/2025
Shelby Eastern Multi-School Building Corporation	2023A lease	326,000	6/30/2024	1/15/2036
Shelby Eastern Multi-School Building Corporation	2023B lease	<u>1,161,000</u>	7/15/2024	1/15/2043
Total of annual lease payments		<u>\$ 4,942,836</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
General Obligation Bonds	2015 School Bonds	<u>\$ 995,000</u>	<u>\$ 130,000</u>
Totals		<u>\$ 995,000</u>	<u>\$ 130,000</u>

SHELBY EASTERN SCHOOLS
SCHEDULE OF CAPITAL ASSETS
June 30, 2024

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.

	<u>Ending Balance</u>
Governmental activities:	
Infrastructure	\$ 513,981
Buildings	80,380,650
Improvements other than buildings	1,536,905
Machinery, equipment, and vehicles	<u>2,647,921</u>
Total governmental activities	<u>85,079,457</u>
Total capital assets	<u>\$ 85,079,457</u>

SHELBY EASTERN SCHOOLS
STATE REPORTING INFORMATION
July 1, 2022 - June 30, 2024

Financial Statement and Accompanying Notes:

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

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

Indiana Department of Education Reporting:

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

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

The other information on the IDOE website and on the Indiana Gateway for Government Units presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

SHELBY EASTERN SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2022 through June 30, 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
Department of Agriculture						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY 2023, FY 2024	\$ 81,252	\$ 119,361	\$ 200,613
National School Lunch Program		10.555	FY 2023, FY 2024	435,027	367,407	802,434
Supply Chain Assistance		10.555	FY 2023, FY 2024	42,209	38,186	80,395
Commodities		10.555	FY 2023, FY 2024	<u>47,704</u>	<u>51,680</u>	<u>99,384</u>
Total - Child Nutrition Cluster				<u>606,192</u>	<u>576,634</u>	<u>1,182,826</u>
Total - Department of Agriculture				<u>606,192</u>	<u>576,634</u>	<u>1,182,826</u>
Department of Education						
Special Education Cluster (IDEA)						
Special Education Grants to States	Indiana Department of Education					
IDEA, Part B		84.027	21611-135-PN01	30,704	-	30,704
IDEA, Part B		84.027	22611-135-PN01	-	312,804	312,804
Special Ed Part B - COVID-19		84.027X	22611-135-ARP	<u>-</u>	<u>63,290</u>	<u>63,290</u>
Total - Special Education Grants to States				<u>30,704</u>	<u>376,094</u>	<u>406,798</u>
Special Education Preschool Grants	Indiana Department of Education					
COVID-19 - Supplemental Funding - IDEA, Preschool		84.173X	22619-135-ARP	-	4,724	4,724
IDEA, Preschool		84.173	22619-135-PN01	-	16,677	16,677
IDEA, Preschool		84.173	23619-135-PN01	<u>-</u>	<u>16,928</u>	<u>16,928</u>
Total - Special Education Preschool Grants				<u>-</u>	<u>38,329</u>	<u>38,329</u>
Total - Special Education Cluster (IDEA)				<u>30,704</u>	<u>414,423</u>	<u>445,127</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010A	S010A210014	53,597	-	53,597
Title I, Part A		84.010A	S010A220014	-	117,457	117,457
Title I, Part A		84.010A	S010A230014	<u>-</u>	<u>80,028</u>	<u>80,028</u>
Total - Title I Grants to Local Educational Agencies				<u>53,597</u>	<u>197,485</u>	<u>251,082</u>

(Continued)

SHELBY EASTERN SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2022 through June 30, 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
Supporting Effective Instruction State Grants Title II, Part A	Indiana Department of Education	84.367A	S367A2000013	\$ 30,673	\$ -	\$ 30,673
Total - Supporting Effective Instruction State Grants				<u>30,673</u>	<u>-</u>	<u>30,673</u>
Student Support and Academic Enrichment Program Title IV, Part A	Indiana Department of Education	84.424	S424A210015	-	10,000	10,000
Total - Student Support and Academic Enrichment Program				<u>-</u>	<u>10,000</u>	<u>10,000</u>
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	11,077	-	11,077
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	53,844	42,155	95,999
Employability Skills Innovation & Implementation Grant		84.425D	S425D210013	-	130,000	130,000
American Rescue Plan Elementary and Secondary School Elementary and Secondary School Emergency Relief (ESSER III) Fund		84.425U	S425U210013	385,361	25,993	411,354
Total - COVID-19 - Education Stabilization Fund				<u>450,282</u>	<u>198,148</u>	<u>648,430</u>
Total - Department of Education				<u>565,256</u>	<u>820,056</u>	<u>1,385,312</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster						
Medical Assistance Program Medicaid	Family and Social Services Administration	93.778	FY2023, FY2024	9,448	6,813	16,261
CCDF Cluster						
Child Care and Development Block Grant Child Care and Development Block Grant	Family and Social Services Administration	93.575	2101INCSC6	\$ 54,973	\$ 134,909	\$ 189,882
Total - Department of Health and Human Services				<u>64,421</u>	<u>141,722</u>	<u>206,143</u>
Total federal awards expended				<u>\$ 1,235,869</u>	<u>\$ 1,538,412</u>	<u>\$ 2,774,281</u>

See accompanying notes to the schedule of expenditure of federal awards.

SHELBY EASTERN SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2022 through June 30, 2024

NOTE 1 - BASIS OF PRESENTATION

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the period of July 1, 2022 through June 30, 2024. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

B. Other Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

NOTE 2 - INDIRECT COST RATE

The School Corporation has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - OTHER INFORMATION

The School Corporation did not have any subrecipient activity for the period of July 1, 2022 through June 30, 2024.

NOTE 4 - NON-CASH PROGRAMS (COMMODITIES)

Commodities donated to the School Corporation by the U.S. Department of Agriculture (USDA) of \$99,384 are valued based on the USDA's donated commodity price list. These are shown as part of the National School Lunch Program (10.555).

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

Those Charged with Governance
Shelby Eastern Schools
Shelby County, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the Shelby Eastern Schools ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2024 and for the period July 1, 2022 through June 30, 2024 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated February 21, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* as items 2024-001 and 2024-002, that we consider to be material weaknesses.

(Continued)

Report on Compliance and Other Matters

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

School Corporation's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The School Corporation's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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


Crowe LLP

Indianapolis, Indiana
February 21, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
MAJOR FEDERAL PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE

Those Charged with Governance
Shelby Eastern Schools
Shelby County, Indiana

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited the Shelby Eastern Schools' (School Corporation) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the School Corporation's major federal program for the period of July 1, 2022 through June 30, 2024. The School Corporation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the period of July 1, 2022 through June 30, 2024.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

(Continued)

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the School Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-003 to be a material weakness.

(Continued)

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-004 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The School Corporation's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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


Crowe LLP

Indianapolis, Indiana
February 21, 2025

SHELBY EASTERN SCHOOLS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 July 1, 2022 through June 30, 2024

Section I – Summary of Auditor’s Results

Financial Statement

Type of auditor’s report issued: Adverse as to GAAP, Unmodified
as to regulatory basis

Internal control over financial reporting:

Material weakness(es) identified?	<u> X </u>	Yes	_____	No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	<u> X </u>	None Reported

Noncompliance material to financial statement noted?	_____	Yes	<u> X </u>	No
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Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> X </u>	Yes	_____	No
Significant deficiencies identified not considered to be material weaknesses?	<u> X </u>	Yes	_____	None Reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	<u> X </u>	Yes	_____	No
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Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster

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

Auditee qualified as low-risk auditee?	_____	Yes	<u> X </u>	No
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(Continued)

SHELBY EASTERN SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section II – Financial Statement Findings

FINDING 2024-001

Subject: Preparation of the Annual Financial Report
Audit Findings: Material Weakness

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

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

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

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduce here for reference purposes:

- . . .
- Accurate and timely recording of transactions. . . ."

2 CFR 200.508 states in part:

"The auditee must: . . .

(b) Prepare appropriate financial statements, ..."

Condition: The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Annual Financial Report (AFR).

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

(Continued)

SHELBY EASTERN SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section II – Financial Statement Findings (Continued)

FINDING 2024-001 (Continued)

Context: The AFR entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and investment Balances – Regulatory Basis (the financial statement). The AFR was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors in the financial statement:

1) For the period of July 1, 2022 to June 30, 2023, receipt amounts were understated by \$9,448, the disbursement amounts were understated by \$668,433, and the other financing source amounts were understated by \$4,300,502, resulting in an understatement of the June 30, 2023 cash of \$3,641,517.

2) For the period of July 1, 2023 to June 30, 2024, receipt amounts were understated by \$288,502, the disbursement amounts were understated by \$1,741,420 and the other financing source amounts were understated by \$429,760 resulting in an overstatement of cash of \$1,023,158. Additionally, the beginning July 1, 2023 balance was understated by \$3,641,517 resulting in a net impact on the ending June 30, 2024 cash balance of an understatement of \$2,618,359.

Audit adjustments were proposed, accepted by the School Corporation, and made to the financial statement to correct the errors noted above.

The errors noted primarily related to improperly excluding the activity from the 2023 construction bond fund, Medicaid reimbursement federal fund, and the prepaid school lunch accounts fund on the AFR.

Effect: Without a proper system of internal control in place that operated effectively, material misstatements of the financial statement remained undetected. The financial statement contained the errors identified in the Context section.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation's management establish a formal review over the AFR financial statement submission to ensure amounts reported are accurate and agree to underlying fund ledgers. The School Corporation should establish a documented, secondary review to ensure the amounts reported on the financial statement agree to the supporting fund ledger detail.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and has prepared a corrective action plan.

(Continued)

SHELBY EASTERN SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section II – Financial Statement Findings (Continued)

FINDING 2024-002

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

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

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

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

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduce here for reference purposes:

- Accurate and timely recording of transactions. . . ."

2 CFR 200.508 states in part:

"The auditee must: . . .

(b) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

(1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within a cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.

(2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.

(Continued)

SHELBY EASTERN SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section II – Financial Statement Findings (Continued)

FINDING 2024-002 (Continued)

(3) Provide total Federal awards expended for each individual Federal program and the assistance listing number (ALN) or other identifying number when the ALN information is not available. For a cluster of programs also provide the total for the cluster.

(4) Include the total amount provided to subrecipients from each Federal program.

(5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.

(6) Include notes that describe that significant accounting policies used in preparing the schedule and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs."

Condition: The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

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

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. We noted the following errors that resulted in the understatement on the SEFA of \$42,321 for the period July 1, 2022, through June 30, 2024:

- The Child Nutrition Cluster (10.553, 10.555) expenditures were overstated by \$487,515
- The Special Education Cluster (84.027, 84.027X, 84.173, 84.173X) expenditures were understated by \$178,983
- The Title II Supporting Effective Instruction State Grants (84.367A) expenditures were understated by \$3,633
- The Education Stabilization Fund (84.425D, 84.425U) expenditures were understated by \$141,077
- The Medicaid Cluster (93.778) expenditures were understated by \$16,261
- The Child Care and Development Block Grant (93.575) expenditures were understated by \$189,882

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA to correct the issues noted above.

We also noted there was no documented, secondary review of the information in the SEFA by someone other than the preparer.

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

Identification as a repeat finding, if applicable: This is a repeat finding from the immediately prior audit. The prior finding number was 2022-001.

(Continued)

SHELBY EASTERN SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section II – Financial Statement Findings (Continued)

FINDING 2024-002 (Continued)

Recommendation: We recommended that the School Corporation's management establish a formal review over the SEFA to ensure amounts reported are accurate. The School Corporation should establish a documented, secondary review to ensure the amounts reported on the SEFA agree to the supporting federal receipt fund ledger detail.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and has prepared a corrective action plan.

Section III – Federal Award Findings and Questioned Costs

FINDING 2024-003

Information on the federal program:

Subject: Child Nutrition Cluster - Internal Controls
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program
Assistance Listing Number: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY2023, FY2024
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Finding: Material Weakness

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

7 CFR 245.3(c) states in part:

Each School Food Authority shall serve free and reduced price meals or free milk in the respective programs to children eligible under its eligibility criteria.

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the eligibility compliance requirement.

Cause: The School Corporation's management had not developed a system of internal controls to ensure compliance with eligibility requirements.

(Continued)

SHELBY EASTERN SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section III – Federal Award Findings and Questioned Costs (Continued)

FINDING 2024-003 (Continued)

Effect: The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs: There were no questioned costs identified.

Context: During testing over controls for eligibility, we noted there was no formal, secondary review for the applications entered in the food service software determining eligibility. Additionally, there was no documented annual review by School Corporation personnel of the income eligibility guidelines used by the food service software.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation's management establish a system of internal controls related to the grant agreement and eligibility compliance requirements.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and has prepared a corrective action plan.

FINDING 2024-004

Information on the federal program:

Subject: Child Nutrition Cluster - Internal Controls
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program
Assistance Listing Number: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY2023, FY2024
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs/Cost Principles
Audit Finding: Significant Deficiency

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.430 states in part:

(1) Charges to Federal awards for salaries and wages must be based on records that

(Continued)

SHELBY EASTERN SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section III – Federal Award Findings and Questioned Costs (Continued)

FINDING 2024-004 (Continued)

accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity,
- (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
- (v) Comply with the established accounting policies and practices of the non-Federal entity (See paragraph (h)(1)(ii) above for treatment of incidental work for IHEs.); and
- vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the activities allowed or unallowed and allowable costs/cost principle compliance requirements.

Cause: The School Corporation's management had not developed a system of internal controls to ensure compliance with the compliance requirements listed above.

Effect: The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs: \$2,130 (Known questioned costs)

Context: For 5 selections, in a sample of 5 payroll transactions, the School Corporation did not have time and effort logs to support the portion of the employees' time charged to the grant. The employees' time was split with a non-federal fund; however, the School Corporation did not have support for the allocation of the time charged to the School Lunch fund.

Identification as a repeat finding: No.

(Continued)

SHELBY EASTERN SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2022 through June 30, 2024

Section III – Federal Award Findings and Questioned Costs (Continued)

FINDING 2024-004 (Continued)

Recommendation: We recommend management ensure semi-annual certifications are completed for all employees charged to the grant awards at 100% and time and effort logs are maintained for all employees not charged at 100% to support work performed and charged to the grant awards. We recommend management establish a documented review by management of semi-annual certifications and time and effort logs to ensure time charged to grant awards is allowable and allocable based on work performed in accordance with grant requirements.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and has prepared a corrective action plan.



SHELBY EASTERN SCHOOLS

Superintendent: Dr. Todd Hitchcock ■ Business Manager: Chris Scott

Mission Statement:

Shape, Empower, and Support the minds of tomorrow

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2024

Finding 2024-001 – Preparation of the Annual Financial Report

Context: The AFR entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and investment Balances – Regulatory Basis (the financial statement). The AFR was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors in the financial statement:

- 1) For the period of July 1, 2022 to June 30, 2023, receipt amounts were understated by \$9,448, the disbursement amounts were understated by \$668,433, and the other financing source amounts were understated by \$4,300,502, resulting in an understatement of the June 30, 2023 cash of \$3,641,517.
- 2) For the period of July 1, 2023 to June 30, 2024, receipt amounts were understated by \$288,502, the disbursement amounts were understated by \$1,741,420 and the other financing source amounts were understated by \$429,760 resulting in an overstatement of cash of \$1,023,158. Additionally, the beginning July 1, 2023 balance was understated by \$3,641,517 resulting in a net impact on the ending June 30, 2024 cash balance of an understatement of \$2,618,359.

Audit adjustments were proposed, accepted by the School Corporation, and made to the financial statement to correct the errors noted above.

The errors noted primarily related to improperly excluding the activity from the 2023 construction bond fund, Medicaid reimbursement federal fund, and the prepaid school lunch accounts fund on the AFR.

Contact Person Responsible for Corrective Action: Chris Scott
Contact Phone Number: 765-544-2246

Views of Responsible Official: Management agrees with the finding. Management will ensure proper internal controls are implemented over the AFR report information entered into Indiana Gateway for Government Units financial reporting system.

Description of Corrective Action Plan: The Business Manager will enter the necessary information into Gateway and have the Superintendent or other official review the information and said person will sign and date. Once reviewed, the Business Manager will do the submission and keep a copy for audit purposes. We will provide training for other staff involved in the AFR review. We have hired additional staff to assist with the workload and will strengthen the AFR and SEFA preparation and review process.

Anticipated Completion Date: The district will implement this process when the AFR is due which will be end of August 2025

FINDING 2024-002 - Preparation of the Schedule of Expenditures of Federal Awards

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. We noted the following errors that resulted in the understatement on the SEFA of \$42,321 for the period July 1, 2022, through June 30, 2024:

- The Child Nutrition Cluster (10.553, 10.555) expenditures were overstated by \$487,515
- The Special Education Cluster (84.027, 84.027X, 84.173, 84.173X) expenditures were understated by \$178,983
- The Title II Supporting Effective Instruction State Grants (84.367A) expenditures were understated by \$3,633
- The Education Stabilization Fund (84.425D, 84.425U) expenditures were understated by \$141,077
- The Medicaid Cluster (93.778) expenditures were understated by \$16,261
- The Child Care and Development Block Grant (93.575) expenditures were understated by \$189,882

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA to correct the issues noted above.

We also noted there was no documented, secondary review of the information in the SEFA by someone other than the preparer.

Contact Person Responsible for Corrective Action: Chris Scott
Contact Phone Number: 765-544-2246

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: We will have an additional person in the business office beside the Business Manager double checking the revenue and expenditure for the federal award to ensure none are missed or inadvertently put in the incorrect fund when reporting on the SEFA report. We will provide training for other staff involved in the AFR review.

Anticipated Completion Date: July 2025

FINDING 2024-003 – Child Nutrition Cluster – Eligibility

Context: During testing over controls for eligibility, we noted there was no formal, secondary review for the applications entered in the food service software determining eligibility. Additionally, there was no documented annual review by School Corporation personnel of the income eligibility guidelines used by the food service software.

Contact Person Responsible for Corrective Action: Chris Scott
Contact Phone Number: 765-544-2246

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: A new Food Service Director has been hired and will take responsibility for ensuring compliance with eligibility requirements. Additionally, the Business Manager will oversee the corrective actions and implement a formal secondary review process.

The Business Manager will conduct and document secondary reviews for all applications entered into the food service software to verify eligibility determinations. This ensures compliance with regulatory standards and addresses the deficiencies noted in the audit findings.

Anticipated Completion Date: June 2025

FINDING 2024-003 – Child Nutrition Cluster – Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Context: For 5 selections, in a sample of 5 payroll transactions, the School Corporation did not have time and effort logs to support the portion of the employees' time charged to the grant. The employees' time was split with a non-federal fund; however, the School Corporation did not have support for the allocation of the time charged to the School Lunch fund.

Contact Person Responsible for Corrective Action: Chris Scott
Contact Phone Number: 765-544-2246

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The School Corporation will implement a formal time and effort reporting system for all employees whose salaries are partially funded by federal grants. Our Café department has since revised our process and no longer charge any SES employee payroll to the Café Account for cleaning. As a result, this issue has been fully addressed and should not recure in future reporting periods

Anticipated Completion Date: July 2024

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-001

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

Context: The School Corporation had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's Schedule of Expenditures of Federal Awards (SEFA). The School Corporation failed to properly review the federal grant information prepared and submitted in Gateway. Although one employee prepared and entered the federal award information into Gateway, and another employee reviewed and approved the information entered, the internal control was not effective and did not detect and allow correction of errors prior to submission. Due to the lack of effective internal controls, the SEFA presented for audit incorrect program names, pass-through entities, and identifying numbers. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

Status: Not resolved, see finding 2024-002. The finding was not resolved due to the lack of detailed review of the SEFA.