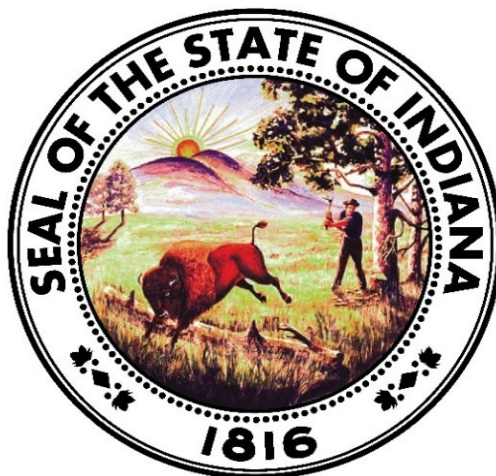


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT AND
FEDERAL COMPLIANCE AUDIT REPORT
OF

SHELBYVILLE CENTRAL SCHOOLS
SHELBY COUNTY, INDIANA

July 1, 2021 to June 30, 2023



FILED

03/25/2024



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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March 25, 2024

To: The Officials of Shelbyville Central Schools
Shelbyville Central Schools
Shelby County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Shelbyville Central Schools. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2021 to June 30, 2023. Per the *Independent Auditor's Report*, the financial statement referred to above presents fairly, in all material respects, the cash and investment balances of Shelbyville Central Schools as of June 30, 2023, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2021 to June 30, 2023, 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 37-43. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 44 and 45.

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 for Shelbyville Central 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.

A handwritten signature in black ink that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

SHELBYVILLE CENTRAL SCHOOLS
Shelby County, Indiana

FINANCIAL STATEMENT
As of June 30, 2023, and for the
period of July 1, 2021 through June 30, 2023

SHELBYVILLE CENTRAL SCHOOLS
Shelby County, Indiana

FINANCIAL STATEMENT
As of June 30, 2023, and for the
period of July 1, 2021 through June 30, 2023

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SHELBYVILLE CENTRAL SCHOOLS
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2021 through June 30, 2023

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Michelle Babcock	07-01-21 to 06-30-23
Superintendent of Schools	Mary Harper Dr. Matthew Vance	07-01-21 to 06-30-22 07-01-22 to 06-30-23
President of the School Board	Gayle Wiley Curt Johnson	07-01-21 to 12-31-21 01-01-22 to 06-30-23

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Shelbyville Central 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 Shelbyville Central Schools (the School Corporation) as of June 30, 2023 and for the period of July 1, 2021 through June 30, 2023, 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, 2023, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2021 through June 30, 2023 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 paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the School Corporation as of June 30, 2023, or changes in net position for the period of July 1, 2021 through June 30, 2023.

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 described in Note 1 to the financial statement, the financial statement is prepared by the School Corporation 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial 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, 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 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 Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2024 on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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
Crowe LLP

Indianapolis, Indiana
March 7, 2024

SHELBYVILLE CENTRAL SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2023 and for the period of July 1, 2021 through June 30, 2023

<u>Fund</u>	<u>Cash and Investments 07-01-2021</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>
Education	\$ 9,023,344	\$ 28,932,624	\$ 25,487,836	\$ (4,100,000)	\$ 8,368,132	\$ 29,858,984	\$ 27,176,525	\$ (4,100,000)	\$ 6,950,591
Debt Service	2,876,315	7,028,451	6,694,280	(615,194)	2,595,292	7,446,446	7,999,491	(364,332)	1,677,915
Operations	4,861,405	6,364,248	10,400,378	4,515,414	5,340,689	6,799,122	11,647,671	3,631,125	4,123,265
Local Rainy Day	4,779,651	274,978	1,669,718	-	3,384,911	975,000	350,000	775,000	4,784,911
Construction	4,573,442	1,295,815	5,034,636	-	834,621	1,400,002	5,968,084	10,000,000	6,266,539
School Lunch	2,162,801	3,010,132	2,707,203	-	2,465,730	3,091,110	3,491,161	-	2,065,679
Curricular Materials Rental	(261,290)	700,374	323,032	210,253	326,305	726,669	754,590	199,857	498,241
Educational License Plates	23,406	244	-	-	23,650	225	-	-	23,875
Donation: For Students In Need	1,479	-	-	-	1,479	603	801	-	1,281
Staff Appreciation	129	-	129	-	-	-	-	-	-
Sms Golden Bear Court	3,710	-	3,710	-	-	-	-	-	-
Reading Goal	3,359	-	2,202	-	1,157	7,037	1,332	-	6,862
Shs Gordman Donation	1,000	-	-	-	1,000	-	941	-	59
Prevention Services Program	(2,870)	14,371	11,358	-	143	9,182	12,492	-	(3,167)
Resource Officer Programs	1,256	-	-	-	1,256	-	-	-	1,256
Bridges Program	4,740	-	2,766	-	1,974	-	1,974	-	-
Pilot Co. Stem/Robotics Grant	-	10,000	-	-	10,000	-	10,000	-	-
Sms Robotics Donations	-	-	-	-	-	2,000	-	-	2,000
Alternative Education	183,160	-	-	-	183,160	12,375	22,698	-	172,837
Capacity - Building Grant	-	-	-	-	-	5,000	3,674	-	1,326
Cpr Account	965	1,000	450	-	1,515	1,520	685	-	2,350
Formative Assessment	6	49,734	25,640	-	24,100	34,148	25,464	-	32,784
Special Education Excess Costs	21,921	-	47,543	-	(25,622)	75,541	135,158	-	(85,239)
School Safe Haven	4,604	-	-	-	4,604	-	-	-	4,604
Early Education Matching Grant	-	25,731	25,731	-	-	-	-	-	-
Build Learn Grow Grant	-	1,240,273	128,492	-	1,111,781	-	1,048,801	-	62,980
Medicaid Reimbursement	301,797	314,844	167,524	-	449,117	409,412	327,549	-	530,980
Secured Schools Safety Grant	(22,392)	61,903	96,851	-	(57,340)	162,511	105,171	-	-
Early Intervention Grant 2020-2021	8,392	-	8,392	-	-	-	-	-	-

(Continued)

SHELBYVILLE CENTRAL SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2023 and for the period of July 1, 2021 through June 30, 2023

<u>Fund</u>	<u>Cash and Investments 07-01-2021</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>
Eig 2021-2022	\$ -	\$ 26,139	\$ 4,224	\$ -	\$ 21,915	\$ -	\$ 21,915	\$ -	\$ -
Early Intervention Grant 22-23	-	-	-	-	-	10,752	5,946	-	4,806
Nesp 2020-2021	46,794	-	46,794	-	-	-	-	-	-
Nesp 2021-2022	-	116,314	44,548	-	71,766	-	71,766	-	-
Nesp 2022-2023	-	-	-	-	-	101,120	52,740	-	48,380
Career And Technical Performance Grant	82,234	-	-	-	82,234	-	-	-	82,234
Teacher Appreciation Grant	-	140,162	140,162	-	-	138,978	138,978	-	-
High Ability Students	3,037	44,217	33,645	-	13,609	37,777	45,359	-	6,027
State Connectivity Grant	15,613	8,619	-	-	24,232	3,142	-	-	27,374
Come Back Stronger Grant	523	-	523	-	-	-	-	-	-
No Kid Hungry Grant	-	-	-	-	-	42,000	-	-	42,000
Cash For College Grant	512	-	-	-	512	-	-	-	512
Title I 20-21	(12,644)	126,300	113,656	-	-	-	-	-	-
Title I 21-22	-	411,946	416,695	-	(4,749)	238,379	233,630	-	-
Title I 22-23	-	-	-	-	-	436,981	544,122	-	(107,141)
Special Education Part B 611 FY2021	(108,753)	160,979	52,226	-	-	-	-	-	-
Special Education Part B 611 FY2022	-	966,237	984,697	-	(18,460)	18,460	-	-	-
Special Education Part B 611 FY2023	-	-	-	-	-	1,001,111	1,025,654	-	(24,543)
Special Ed Part B 619 FY2021	(4,292)	19,921	15,629	-	-	-	-	-	-
Special Ed Part B 619 FY2022	-	24,084	25,672	-	(1,588)	13,321	11,733	-	-
Special Ed Part B 619 FY2023	-	-	-	-	-	29,998	31,665	-	(1,667)
Title IV 19	(13,657)	19,830	6,173	-	-	-	-	-	-
Title IV 2020-2022	(8,653)	20,067	21,166	-	(9,752)	15,402	6,047	-	(397)
Title IV 2021-2023	-	5,000	8,087	-	(3,087)	40,610	45,465	-	(7,942)
Title IV 2022-2024	-	-	-	-	-	-	2,135	-	(2,135)
Federal Medicaid Reimbursement	-	-	-	-	-	16,722	-	-	16,722
FY2020 Title II	(42,297)	92,905	50,608	-	-	-	-	-	-
Title II 2021-2022	-	53,331	55,535	-	(2,204)	79,847	77,643	-	-
Title II 2022-2024	-	-	-	-	-	26,010	30,636	-	(4,626)

(Continued)

SHELBYVILLE CENTRAL SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2023 and for the period of July 1, 2021 through June 30, 2023

Fund	Cash and Investments 07-01-2021	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2022	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2023
Title II - Improving Teacher Quality Sta	\$ (3,677)	\$ 3,677	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Title III 2020-2022	(571)	21,513	20,942	-	-	-	-	-	-
Title III 2021-2023	-	20,137	20,137	-	-	15,839	15,839	-	-
Title III 2022-2024	-	-	-	-	-	14,492	16,100	-	(1,608)
ARP HCY	-	-	-	-	-	27,017	29,561	-	(2,544)
Special Ed Arp 611	-	-	-	-	-	120,317	120,317	-	-
ESSER III	-	358,846	366,126	-	(7,280)	1,997,409	2,010,672	-	(20,543)
ESSER II	(72,662)	790,528	989,820	-	(271,954)	804,300	534,416	-	(2,070)
GEER I	-	6,768	6,768	-	-	23,217	23,217	-	-
ESSER I	(14,937)	148,249	133,312	-	-	1,580	1,580	-	-
Prepaid School Lunch Accounts	(86,918)	210,133	180,649	-	(57,434)	576,998	604,499	-	(84,935)
Foundation Pass Through	(10,019)	26,888	16,869	-	-	19,708	19,708	-	-
Contract Pass Thru To Schools	9,509	13,293	9,469	-	13,333	10,514	8,674	-	15,173
Clearing Accounts	317,035	6,605,611	6,591,844	-	330,802	7,034,408	7,030,621	-	334,589
Electronic Payments	(22,876)	233,331	210,455	-	-	255,789	255,789	-	-
Totals	\$ 28,623,631	\$ 59,999,747	\$ 63,404,302	\$ 10,473	\$ 25,229,549	\$ 64,169,085	\$ 72,100,689	\$ 10,141,650	\$ 27,439,595

See notes to financial statement.

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

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)

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

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)

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

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. The School Corporation did not hold investments for the period under audit.

(Continued)

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

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, 2022, and 2023. The deficit in the Prepaid Lunch fund is the result of disbursements exceeding receipts due to underestimating current requirements for the fund. This deficit will be repaid from future receipts.

NOTE 7 - HOLDING CORPORATION

The School Corporation has entered into a series of capital leases with the Shelbyville Elementary School Building Corporation, Shelbyville Central Renovation School Building Corporation, and Shelbyville Middle School Building Corporation (the lessors). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments for the period July 1, 2021, through June 30, 2022, totaled \$6,016,000. Lease payments for the period July 1, 2022, through June 30, 2023, totaled \$7,335,000.

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)

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

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.

(Continued)

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

NOTE 8 - PENSION PLANS (Continued)

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

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.

OTHER INFORMATION (Unaudited)

SHELBYVILLE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	Education	Debt Service	Operations	Local Rainy Day	Construction	School Lunch	Curricular Materials Rental	Educational License Plates	Donation: For Students In Need	Staff Appreciation	Sms Golden Bear Court	Reading Goal
Cash and investments - beginning	\$ 9,023,344	\$ 2,876,315	\$ 4,861,405	\$ 4,779,651	\$ 4,573,442	\$ 2,162,801	\$ (261,290)	\$ 23,406	\$ 1,479	\$ 129	\$ 3,710	\$ 3,359
Receipts:												
Local sources	594,118	7,028,451	6,364,082	-	45,837	271,936	534,580	-	-	-	-	-
Intermediate sources	-	-	166	-	-	-	-	244	-	-	-	-
State sources	28,338,506	-	-	-	-	20,219	163,794	-	-	-	-	-
Federal sources	-	-	-	-	-	2,717,367	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	274,978	1,249,978	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	610	2,000	-	-	-	-	-
Total receipts	28,932,624	7,028,451	6,364,248	274,978	1,295,815	3,010,132	700,374	244	-	-	-	-
Disbursements:												
Instruction	19,910,261	-	309,562	-	-	-	-	-	-	-	-	1,602
Support services	4,945,657	-	9,118,819	-	8,591	121,422	323,032	-	-	129	-	600
Noninstructional services	631,918	-	50,000	-	-	2,440,216	-	-	-	-	-	-
Facilities acquisition and construction	-	-	921,997	419,740	4,751,067	145,565	-	-	-	-	3,710	-
Debt services	-	6,694,280	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	1,249,978	274,978	-	-	-	-	-	-	-
Total disbursements	25,487,836	6,694,280	10,400,378	1,669,718	5,034,636	2,707,203	323,032	-	-	129	3,710	2,202
Excess (deficiency) of receipts over disbursements	3,444,788	334,171	(4,036,130)	(1,394,740)	(3,738,821)	302,929	377,342	244	-	(129)	(3,710)	(2,202)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	10,473	-	-	-	-	-	-	-	-	-
Transfers in	-	-	4,504,941	-	-	-	210,253	-	-	-	-	-
Transfers out	(4,100,000)	(615,194)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(4,100,000)	(615,194)	4,515,414	-	-	-	210,253	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(655,212)	(281,023)	479,284	(1,394,740)	(3,738,821)	302,929	587,595	244	-	(129)	(3,710)	(2,202)
Cash and investments - ending	\$ 8,368,132	\$ 2,595,292	\$ 5,340,689	\$ 3,384,911	\$ 834,621	\$ 2,465,730	\$ 326,305	\$ 23,650	\$ 1,479	\$ -	\$ -	\$ 1,157

(Continued)

SHELBYVILLE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	Shs Gordon Donation	Prevention Services Program	Resource Officer Programs	Bridges Program	Pilot Co. Stem/Robotics Grant	Alternative Education	Cpr Account	Formative Assessment	Special Education Excess Costs	School Safe Haven	Early Education Matching Grant
Cash and investments - beginning	\$ 1,000	\$ (2,870)	\$ 1,256	\$ 4,740	\$ -	\$ 183,160	\$ 965	\$ 6	\$ 21,921	\$ 4,604	\$ -
Receipts:											
Local sources	-	14,371	-	-	10,000	-	1,000	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	49,734	-	-	25,731
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	14,371	-	-	10,000	-	1,000	49,734	-	-	25,731
Disbursements:											
Instruction	-	11,358	-	2,766	-	-	-	25,640	47,543	-	25,731
Support services	-	-	-	-	-	-	450	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	11,358	-	2,766	-	-	450	25,640	47,543	-	25,731
Excess (deficiency) of receipts over disbursements	-	3,013	-	(2,766)	10,000	-	550	24,094	(47,543)	-	-
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	-	3,013	-	(2,766)	10,000	-	550	24,094	(47,543)	-	-
Cash and investments - ending	\$ 1,000	\$ 143	\$ 1,256	\$ 1,974	\$ 10,000	\$ 183,160	\$ 1,515	\$ 24,100	\$ (25,622)	\$ 4,604	\$ -

(Continued)

SHELBYVILLE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	Build Learn Grow Grant	Medicaid Reimbursement	Secured Schools Safety Grant	Early Intervention Grant 2020-2021	Eig 2021-2022	Nesp 2020-2021	Nesp 2021-2022	Career And Technical Performance Grant	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Come Back Stronger Grant
Cash and investments - beginning	\$ -	\$ 301,797	\$ (22,392)	\$ 8,392	\$ -	\$ 46,794	\$ -	\$ 82,234	\$ -	\$ 3,037	\$ 15,613	\$ 523
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	1,240,273	314,844	61,903	-	26,139	-	116,314	-	140,162	44,217	8,619	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	1,240,273	314,844	61,903	-	26,139	-	116,314	-	140,162	44,217	8,619	-
Disbursements:												
Instruction	70,027	135,559	-	7,911	4,224	46,794	44,548	-	140,162	33,645	-	523
Support services	58,465	31,965	96,851	481	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	128,492	167,524	96,851	8,392	4,224	46,794	44,548	-	140,162	33,645	-	523
Excess (deficiency) of receipts over disbursements	1,111,781	147,320	(34,948)	(8,392)	21,915	(46,794)	71,766	-	-	10,572	8,619	(523)
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	1,111,781	147,320	(34,948)	(8,392)	21,915	(46,794)	71,766	-	-	10,572	8,619	(523)
Cash and investments - ending	\$ 1,111,781	\$ 449,117	\$ (57,340)	\$ -	\$ 21,915	\$ -	\$ 71,766	\$ 82,234	\$ -	\$ 13,609	\$ 24,232	\$ -

(Continued)

SHELBYVILLE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	Cash For College Grant	Title I 20-21	Title I 21-22	Special Education Part B 611 FY2021	Special Education Part B 611 FY2022	Special Ed Part B 619 FY2021	Special Ed Part B 619 FY2022	Title IV 19	Title IV 2020-2022	Title IV 2021-2023	FY2020 Title II	Title II 2021-2022
Cash and investments - beginning	\$ 512	\$ (12,644)	\$ -	\$ (108,753)	\$ -	\$ (4,292)	\$ -	\$ (13,657)	\$ (8,653)	\$ -	\$ (42,297)	\$ -
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	126,300	411,946	160,979	966,237	19,921	24,084	19,830	20,067	5,000	92,905	53,331
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	126,300	411,946	160,979	966,237	19,921	24,084	19,830	20,067	5,000	92,905	53,331
Disbursements:												
Instruction	-	100,555	354,503	52,226	984,697	15,629	25,672	-	12,531	2,633	48,248	-
Support services	-	-	60,547	-	-	-	-	6,173	8,635	5,454	2,360	55,535
Noninstructional services	-	13,101	1,645	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	113,656	416,695	52,226	984,697	15,629	25,672	6,173	21,166	8,087	50,608	55,535
Excess (deficiency) of receipts over disbursements	-	12,644	(4,749)	108,753	(18,460)	4,292	(1,588)	13,657	(1,099)	(3,087)	42,297	(2,204)
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	-	12,644	(4,749)	108,753	(18,460)	4,292	(1,588)	13,657	(1,099)	(3,087)	42,297	(2,204)
Cash and investments - ending	\$ 512	\$ -	\$ (4,749)	\$ -	\$ (18,460)	\$ -	\$ (1,588)	\$ -	\$ (9,752)	\$ (3,087)	\$ -	\$ (2,204)

(Continued)

SHELBYVILLE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	Title II - Improving Teacher Quality Sta	Title III 2020-2022	Title III 2021-2023	ESSER III	ESSER II	GEER I	ESSER I	Prepaid School Lunch Accounts	Foundation Pass Through	Contract Pass Thru To Schools	Clearing Accounts	Electronic Payments	Totals
Cash and investments - beginning	\$ (3,677)	\$ (571)	\$ -	\$ -	\$ (72,662)	\$ -	\$ (14,937)	\$ (86,918)	\$ (10,019)	\$ 9,509	\$ 317,035	\$ (22,876)	\$ 28,623,631
Receipts:													
Local sources	-	-	-	-	-	-	-	210,133	26,888	13,293	350	233,331	15,348,370
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	410
State sources	-	-	-	-	-	-	-	-	-	-	-	-	30,550,455
Federal sources	3,677	21,513	20,137	358,846	790,528	6,768	148,249	-	-	-	-	-	5,967,685
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	1,524,956
Other receipts	-	-	-	-	-	-	-	-	-	-	6,605,261	-	6,607,871
Total receipts	3,677	21,513	20,137	358,846	790,528	6,768	148,249	210,133	26,888	13,293	6,605,611	233,331	59,999,747
Disbursements:													
Instruction	-	18,204	20,137	337,367	236,493	6,768	268	-	-	-	-	-	23,033,787
Support services	-	2,646	-	28,759	412,032	-	133,044	2,247	16,869	9,469	-	210,455	15,660,687
Noninstructional services	-	92	-	-	-	-	-	178,402	-	-	-	-	3,315,374
Facilities acquisition and construction	-	-	-	-	341,295	-	-	-	-	-	-	-	6,583,374
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	6,694,280
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	6,591,844	-	6,591,844
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	1,524,956
Total disbursements	-	20,942	20,137	366,126	989,820	6,768	133,312	180,649	16,869	9,469	6,591,844	210,455	63,404,302
Excess (deficiency) of receipts over disbursements	3,677	571	-	(7,280)	(199,292)	-	14,937	29,484	10,019	3,824	13,767	22,876	(3,404,555)
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	10,473
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	4,715,194
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	(4,715,194)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	10,473
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,677	571	-	(7,280)	(199,292)	-	14,937	29,484	10,019	3,824	13,767	22,876	(3,394,082)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (7,280)	\$ (271,954)	\$ -	\$ -	\$ (57,434)	\$ -	\$ 13,333	\$ 330,802	\$ -	\$ 25,229,549

SHELBYVILLE CENTRAL SCHOOL CORPORATION
 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	Construction	School Lunch	Curricular Materials Rental	Educational License Plates	Donation: For Students In Need	Reading Goal	Shs Gordman Donation
Cash and investments - beginning	\$ 8,368,132	\$ 2,595,292	\$ 5,340,689	\$ 3,384,911	\$ 834,621	\$ 2,465,730	\$ 326,305	\$ 23,650	\$ 1,479	\$ 1,157	\$ 1,000
Receipts:											
Local sources	627,116	7,446,446	6,798,957	-	1,400,002	661,842	546,006	-	603	7,037	-
Intermediate sources	-	-	165	-	-	-	-	225	-	-	-
State sources	29,231,868	-	-	-	-	18,545	178,663	-	-	-	-
Federal sources	-	-	-	-	-	2,410,723	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	975,000	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	2,000	-	-	-	-
Total receipts	29,858,984	7,446,446	6,799,122	975,000	1,400,002	3,091,110	726,669	225	603	7,037	-
Disbursements:											
Instruction	20,818,975	-	355,542	-	-	-	-	-	801	837	941
Support services	5,665,545	-	10,432,907	-	2,233	107,390	754,590	-	-	495	-
Noninstructional services	691,959	-	-	-	-	2,991,110	-	-	-	-	-
Facilities acquisition and construction	-	-	859,222	350,000	4,990,851	392,661	-	-	-	-	-
Debt services	-	7,999,491	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	46	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	975,000	-	-	-	-	-	-
Total disbursements	27,176,525	7,999,491	11,647,671	350,000	5,968,084	3,491,161	754,590	-	801	1,332	941
Excess (deficiency) of receipts over disbursements	2,682,459	(553,045)	(4,848,549)	625,000	(4,568,082)	(400,051)	(27,921)	225	(198)	5,705	(941)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	10,000,000	-	-	-	-	-	-
Sale of capital assets	-	-	141,650	-	-	-	-	-	-	-	-
Transfers in	-	-	4,264,475	775,000	-	500,000	199,857	-	-	-	-
Transfers out	(4,100,000)	(364,332)	(775,000)	-	-	(500,000)	-	-	-	-	-
Total other financing sources (uses)	(4,100,000)	(364,332)	3,631,125	775,000	10,000,000	-	199,857	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,417,541)	(917,377)	(1,217,424)	1,400,000	5,431,918	(400,051)	171,936	225	(198)	5,705	(941)
Cash and investments - ending	\$ 6,950,591	\$ 1,677,915	\$ 4,123,265	\$ 4,784,911	\$ 6,266,539	\$ 2,065,679	\$ 498,241	\$ 23,875	\$ 1,281	\$ 6,862	\$ 59

(Continued)

SHELBYVILLE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Prevention Services Program	Resource Officer Programs	Bridges Program	Pilot Co. Stem/Robotics Grant	Sms Robotics Donations	Alternative Education	Capacity - Building Grant	Cpr Account	Formative Assessment	Special Education Excess Costs	School Safe Haven	Build Learn Grow Grant
Cash and investments - beginning	\$ 143	\$ 1,256	\$ 1,974	\$ 10,000	\$ -	\$ 183,160	\$ -	\$ 1,515	\$ 24,100	\$ (25,622)	\$ 4,604	\$ 1,111,781
Receipts:												
Local sources	9,182	-	-	-	2,000	-	5,000	1,520	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	12,375	-	-	34,148	75,541	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	9,182	-	-	-	2,000	12,375	5,000	1,520	34,148	75,541	-	-
Disbursements:												
Instruction	12,492	-	1,974	10,000	-	22,698	3,674	-	25,464	135,158	-	686,418
Support services	-	-	-	-	-	-	-	685	-	-	-	342,620
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	19,763
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	12,492	-	1,974	10,000	-	22,698	3,674	685	25,464	135,158	-	1,048,801
Excess (deficiency) of receipts over disbursements	(3,310)	-	(1,974)	(10,000)	2,000	(10,323)	1,326	835	8,684	(59,617)	-	(1,048,801)
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	(3,310)	-	(1,974)	(10,000)	2,000	(10,323)	1,326	835	8,684	(59,617)	-	(1,048,801)
Cash and investments - ending	\$ (3,167)	\$ 1,256	\$ -	\$ -	\$ 2,000	\$ 172,837	\$ 1,326	\$ 2,350	\$ 32,784	\$ (85,239)	\$ 4,604	\$ 62,980

(Continued)

SHELBYVILLE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Medicaid Reimbursement	Secured Schools Safety Grant	Eig 2021-2022	Early Intervention Grant 22-23	Nesp 2021-2022	Nesp 2022- 2023	Career And Technical Performance Grant	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	No Kid Hungry Grant	Cash For College Grant
Cash and investments - beginning	\$ 449,117	\$ (57,340)	\$ 21,915	\$ -	\$ 71,766	\$ -	\$ 82,234	\$ -	\$ 13,609	\$ 24,232	\$ -	\$ 512
Receipts:												
Local sources	4,423	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	404,989	162,511	-	10,752	-	101,120	-	138,978	37,777	3,142	42,000	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	409,412	162,511	-	10,752	-	101,120	-	138,978	37,777	3,142	42,000	-
Disbursements:												
Instruction	267,639	-	21,915	5,946	71,391	52,740	-	138,978	45,359	-	-	-
Support services	59,910	105,171	-	-	375	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	327,549	105,171	21,915	5,946	71,766	52,740	-	138,978	45,359	-	-	-
Excess (deficiency) of receipts over disbursements	81,863	57,340	(21,915)	4,806	(71,766)	48,380	-	-	(7,582)	3,142	42,000	-
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	81,863	57,340	(21,915)	4,806	(71,766)	48,380	-	-	(7,582)	3,142	42,000	-
Cash and investments - ending	\$ 530,980	\$ -	\$ -	\$ 4,806	\$ -	\$ 48,380	\$ 82,234	\$ -	\$ 6,027	\$ 27,374	\$ 42,000	\$ 512

(Continued)

SHELBYVILLE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Title I 21-22	Title I 22-23	Special Education Part B 611 FY2022	Special Education Part B 611 FY2023	Special Ed Part B 619 FY2022	Special Ed Part B 619 FY2023	Title IV 2020-2022	Title IV 2021-2023	Title IV 2022-2024	Federal Medicaid Reimbursement	Title II 2021-2022	Title II 2022-2024	Title III 2021-2023
Cash and investments - beginning	\$ (4,749)	\$ -	\$ (18,460)	\$ -	\$ (1,588)	\$ -	\$ (9,752)	\$ (3,087)	\$ -	\$ -	\$ (2,204)	\$ -	\$ -
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	2,500	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	238,379	436,981	18,460	1,001,111	13,321	29,998	15,402	40,610	-	16,722	77,347	26,010	15,839
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	238,379	436,981	18,460	1,001,111	13,321	29,998	15,402	40,610	-	16,722	79,847	26,010	15,839
Disbursements:													
Instruction	211,189	477,365	-	1,025,654	11,733	31,665	5,356	38,348	2,135	-	-	-	15,693
Support services	15,552	59,253	-	-	-	-	691	7,117	-	-	77,643	30,636	-
Noninstructional services	6,889	7,504	-	-	-	-	-	-	-	-	-	-	146
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	233,630	544,122	-	1,025,654	11,733	31,665	6,047	45,465	2,135	-	77,643	30,636	15,839
Excess (deficiency) of receipts over disbursements	4,749	(107,141)	18,460	(24,543)	1,588	(1,667)	9,355	(4,855)	(2,135)	16,722	2,204	(4,626)	-
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,749	(107,141)	18,460	(24,543)	1,588	(1,667)	9,355	(4,855)	(2,135)	16,722	2,204	(4,626)	-
Cash and investments - ending	\$ -	\$ (107,141)	\$ -	\$ (24,543)	\$ -	\$ (1,667)	\$ (397)	\$ (7,942)	\$ (2,135)	\$ 16,722	\$ -	\$ (4,626)	\$ -

(Continued)

SHELBYVILLE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2023

	Title III 2022-2024	ARP HCY	Special Ed Arp 611	ESSER III	ESSER II	GEER I	ESSER I	Prepaid School Lunch Accounts	Foundation Pass Through	Contract Pass Thru To Schools	Clearing Accounts	Electronic Payments	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (7,280)	\$ (271,954)	\$ -	\$ -	\$ (57,434)	\$ -	\$ 13,333	\$ 330,802	\$ -	\$ 25,229,549
Receipts:													
Local sources	-	-	-	-	-	-	-	576,998	19,708	10,514	1,803	255,789	18,377,446
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	390
State sources	-	-	-	-	-	-	-	-	-	-	-	-	30,452,409
Federal sources	14,492	27,017	120,317	1,997,409	804,300	23,217	1,580	-	-	-	-	-	7,329,235
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	975,000
Other receipts	-	-	-	-	-	-	-	-	-	-	7,032,605	-	7,034,605
Total receipts	14,492	27,017	120,317	1,997,409	804,300	23,217	1,580	576,998	19,708	10,514	7,034,408	255,789	64,169,085
Disbursements:													
Instruction	16,028	27,017	-	280,388	6,183	23,217	1,580	-	-	-	-	-	24,852,493
Support services	-	2,544	120,317	30,284	160,262	-	-	2,497	19,708	8,674	-	255,789	18,262,888
Noninstructional services	72	-	-	-	-	-	-	602,002	-	-	-	-	4,299,682
Facilities acquisition and construction	-	-	-	1,700,000	367,971	-	-	-	-	-	-	-	8,680,468
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	7,999,491
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	7,030,621	-	7,030,667
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	975,000
Total disbursements	16,100	29,561	120,317	2,010,672	534,416	23,217	1,580	604,499	19,708	8,674	7,030,621	255,789	72,100,689
Excess (deficiency) of receipts over disbursements	(1,608)	(2,544)	-	(13,263)	269,884	-	-	(27,501)	-	1,840	3,787	-	(7,931,604)
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	10,000,000
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	141,650
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	5,739,332
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	(5,739,332)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	10,141,650
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,608)	(2,544)	-	(13,263)	269,884	-	-	(27,501)	-	1,840	3,787	-	2,210,046
Cash and investments - ending	\$ (1,608)	\$ (2,544)	\$ -	\$ (20,543)	\$ (2,070)	\$ -	\$ -	\$ (84,935)	\$ -	\$ 15,173	\$ 334,589	\$ -	\$ 27,439,595

SHELBYVILLE CENTRAL SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2023

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ <u>3,077,072</u>	\$ <u>-</u>

SHELBYVILLE CENTRAL SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2023

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Apple Financial Lease	iPads 2022 Lease	\$ 62,842	5/15/2022	5/15/2025
Apple Financial Lease	iPads 2021 Lease	64,620	5/22/2021	5/22/2024
De Lage Laden Public Finance LLC	Printers and Copiers	18,516	7/6/2021	6/30/2026
Putnam Industries	Printers and Copiers	34,308	4/30/2019	3/31/2024
Shelbyville Building Corporation	Renovations to Shelbyville Middle School Loper Elementary and Coulston Elementary	1,331,500	6/30/2023	12/31/2041
Shelbyville Central Renovation School Building Corporation	Renovations to High School Loper Elementary and Coulston Elementary	2,529,000	1/15/2006	1/15/2027
Shelbyville Central Renovation School Building Corporation	Purchase and renovate preschool and administrative facilities	1,438,500	1/15/2019	1/15/2031
Shelbyville Elementary School Building Corporation	Refinance: Renovations to Hendricks Elementary	<u>1,437,500</u>	6/30/2021	12/31/2023
Total governmental activities		<u>6,916,786</u>		
Total of annual lease payments		<u>\$ 6,916,786</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	2014 GO Renovation projects	\$ 330,000	\$ 226,820
General Obligation Bonds	2020 GO projects	<u>2,920,000</u>	<u>437,800</u>
Total governmental activities		<u>3,250,000</u>	<u>664,620</u>
Totals		<u>\$ 3,250,000</u>	<u>\$ 664,620</u>

SHELBYVILLE CENTRAL SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2023

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:	
Land	\$ 825,243
Buildings	89,636,890
Improvements other than buildings	7,900,225
Machinery, equipment, and vehicles	18,481,781
Construction in progress	<u>4,301,780</u>
Total governmental activities	<u>121,145,919</u>
Total capital assets	<u>\$ 121,145,919</u>

SHELBYVILLE CENTRAL SCHOOLS
STATE REPORTING INFORMATION
July 1, 2021 - June 30, 2023

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.

SHELBYVILLE CENTRAL SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period July 1, 2021 through June 30, 2023

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 06-30-22	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 7-01-2021 to 06-30-23
<u>Department of Agriculture</u>						
Child Nutrition Cluster						
Child Nutrition Cluster						
Indiana Department of Education						
School Breakfast Program		10.553	FY2022, FY2023	\$ 631,359	\$ 488,073	\$ 1,119,432
National School Lunch Program		10.555	FY2022, FY2023	1,817,615	1,652,027	3,469,642
Commodities		10.559	FY2022, FY2023	232,920	178,508	411,428
Summer Food Services		10.559	FY2022, FY2023	44,554	53,625	98,179
Total - Child Nutrition Cluster				<u>2,726,448</u>	<u>2,372,233</u>	<u>5,098,681</u>
Child and Adult Care Food Program						
Supper Program						
Indiana Department of Education						
		10.558	FY2022, FY2023	215,824	213,863	429,687
Child Nutrition Cluster						
National School Lunch Program						
Indiana Department of Education						
		10.649	FY2022, FY2023	3,063	3,135	6,198
Total - Department of Agriculture				<u>2,945,335</u>	<u>2,589,231</u>	<u>5,534,566</u>
<u>Department of Education</u>						
Special Education Cluster(IDEA)						
Special Education IDEA Part B611						
Indiana Department of Education						
Special Education Grants to States		84.027	21611-085-PN01	160,979	-	160,979
Special Education Grants to States		84.027	22611-085-PN01	966,237	18,459	984,696
Special Education Grants to States		84.027	23611-085-PN01	-	1,001,111	1,001,111
COVID-19 - Supplemental Funding - IDEA, Part B		84.027X	H027X210084	-	120,317	120,317
Total - Special Education IDEA Part B 611				<u>1,127,216</u>	<u>1,139,887</u>	<u>2,267,103</u>
Special Education IDEA Part B 619						
Indiana Department of Education						
Special Education Grants to States		84.173	21619-085-PN01	19,921	-	19,921
Special Education Grants to States		84.173	22619-085-PN01	24,084	13,321	37,405
Special Education Grants to States		84.173	23619-085-PN01	-	29,998	29,998
Total - Special Education IDEA Part B 619				<u>44,005</u>	<u>43,319</u>	<u>87,324</u>
Total - Special Education Cluster(IDEA)				<u>1,171,221</u>	<u>1,183,206</u>	<u>2,354,427</u>
Title I Grants to Local Educational Agencies						
Indiana Department of Education						
Title I 2020 Basic Grant		84.010A	S010A200014	126,300	-	126,300
Title I 2021 Basic Grant		84.010A	S010A210014	411,946	238,379	650,325
Title I 2022 Basic Grant		84.010A	S010A220014	-	436,981	436,981
Total - Title I Grants to Local Educational Agencies				<u>538,246</u>	<u>675,360</u>	<u>1,213,606</u>

(Continued)

SHELBYVILLE CENTRAL SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period July 1, 2021 through June 30, 2023

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 06-30-22	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 7-01-2021 to 06-30-23
Title III Part A; English Language Acquisition State Grants	Indiana Department of Education					
Title III, Part A		84.365A	S365A200014	\$ 21,513	\$ -	\$ 21,513
Title III, Part A		84.365A	S365A210014	20,137	15,839	35,976
Title III, Part A		84.365A	S365A220014	-	14,492	14,492
Total - Title III English Language Acquisition State Grants				<u>41,650</u>	<u>30,331</u>	<u>71,981</u>
Title II Part A; Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II Supporting Effective Instruction		84.367A	S367A200013	96,582	-	96,582
Title II Supporting Effective Instruction		84.367A	S367A210013	53,331	77,347	130,678
Title II Supporting Effective Instruction		84.367A	S367A220013	-	26,010	26,010
Total - Title II Part A; Supporting Effective Instruction State Grants				<u>149,913</u>	<u>103,357</u>	<u>253,270</u>
Title IV Part A; Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV Part A		84.424	S424A190015	19,830	-	19,830
Title IV Part A		84.424	S424A200015	20,067	15,402	35,469
Title IV Part A		84.424	S424A210015	5,000	40,610	45,610
Total - Title IV Part A-Student Support and Academic Enrichment Grant				<u>44,897</u>	<u>56,012</u>	<u>100,909</u>
COVID-19 Education Stabilization Fund	Indiana Department of Education					
Governor's Emergency Education Relief (GEER) Fund		84.425C	S425C200018	6,768	23,217	29,985
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	148,250	1,580	149,830
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D200013	790,528	804,300	1,594,828
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund		84.425U	S365A220014	358,846	1,997,409	2,356,255
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP HCY II) Homeless Children and Youth Grant		84.425W	S425W210015	-	27,017	27,017
Total - COVID-19 Education Stabilization Fund				<u>1,304,392</u>	<u>2,853,523</u>	<u>4,157,915</u>
Total - Department of Education				<u>3,250,319</u>	<u>4,901,789</u>	<u>8,152,108</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster						
Medical Assistance Program (Medicaid; Title XIX)	Indiana Department of Education					
Medicaid		93.778	FY2022, FY2023	233,292	314,878	548,170
Total - Department of Health and Human Services				<u>233,292</u>	<u>314,878</u>	<u>548,170</u>
Total federal awards expended				<u>\$ 6,428,946</u>	<u>\$ 7,805,898</u>	<u>\$ 14,234,844</u>

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

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2021 through June 30, 2023

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, 2021 through June 30, 2023. 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, 2021 through June 30, 2023.

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
Shelbyville Central 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 Shelbyville Central 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, 2023 and for the period July 1, 2021 through June 30, 2023 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated March 7, 2024.

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 a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 that we consider to be a material weakness.

(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 Responses to Findings

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

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
Crowe LLP

Indianapolis, Indiana
March 7, 2024

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

Those Charged with Governance
Shelbyville Central Schools
Shelby County, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Shelbyville Central 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 each of the School Corporation's major federal programs for the period of July 1, 2021 through June 30, 2023. The School Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on the Education Stabilization Fund

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on *the Education Stabilization Fund* for the period of July 1, 2021 through June 30, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the period of July 1, 2021 through June 30, 2023.

Basis for Qualified and Unmodified Opinions

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 each major federal program. Our audit does not provide a legal determination of the School Corporation's compliance with the compliance requirements referred to above.

(Continued)

Matter Giving Rise to Qualified Opinion on the Education Stabilization Fund

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding ALN 84.425D, 84.425U Education Stabilization Fund as described in finding number 2023-004 for Special Tests and Provisions. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to the noncompliance finding 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.

(Continued)

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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 2023-004, to be a material weakness.

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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-002 and 2023-003 to be significant deficiencies.

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 responses 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 responses were 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
March 7, 2024

SHELBYVILLE CENTRAL SCHOOLS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 July 1, 2021 through June 30, 2023

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

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	Education Stabilization Fund Qualified, All others unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	<u> X </u>	Yes	_____ No

Identification of major programs

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	Child Nutrition Cluster
84.010A	Title I Grants to Local Educational Agencies
84.027, 84.027X, 84.173	Special Education Cluster
84.425C, 84.425D, 84.425U, 84.425W	COVID-19 - Education Stabilization Fund

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)

SHELBYVILLE CENTRAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

Section II – Financial Statement Findings

FINDING 2023-001

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.

(Continued)

SHELBYVILLE CENTRAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

Section II – Financial Statement Findings (Continued)

- (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.
- (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. The SEFA was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors that resulted in the gross overstatement on the SEFA of \$2,500, the gross understatement of \$517,993, and the net understatement of the total federal awards expended on the SEFA by \$515,493 for the period July 1, 2021, through June 30, 2023:

1. Title II Supporting Effective Instruction (84.367A) expenditures were overstated by \$2,500
2. Medicaid Cluster (93.778) expenditures were understated by \$517,993

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

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: No.

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.

(Continued)

SHELBYVILLE CENTRAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

Section III – Federal Award Findings and Questioned Costs

FINDING 2023-002

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, Summer Food Program
Assistance Listing Number: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY2022, FY2023
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). . . ."

Condition: An effective internal control system was not in place at the School Corporation 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: There were no questioned costs identified.

Context: We noted that there was no primary, documented review for two of the sixteen sample vendor child nutrition cluster accounts payable vouchers.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommend that the School Corporation establish a documented, primary review of all Child Nutrition Cluster account payable claims before they are paid.

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

(Continued)

SHELBYVILLE CENTRAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

FINDING 2023-003

Information on the federal program:

Subject: Child Nutrition Cluster – Procurement and Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program, Summer Food Services
Assistance Listing Number: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY2022, FY2023
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
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 200.318(a) states: "The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part."

2 CFR 200.320 states in part:

"The non-Federal Entity must use one of the following methods of procurement. . . ."

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. . . ."

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified.

You do this by:

- (a) Checking the SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

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 Suspension and Debarment compliance requirements.

(Continued)

SHELBYVILLE CENTRAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

FINDING 2023-003 (Continued)

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 enabled noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system 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: For one selection in a sample of two, the school corporation did not perform the required suspension and debarment check on the vendor for FY22. For FY23, the school updated their procedures and properly performed the suspension/debarment check.

Identification as a repeat finding, if applicable: This is a repeat finding from the immediately prior audit. The prior finding number was 2021-002.

Recommendation: We recommended that the School Corporation's management establish a system of internal controls related to ensure that quotes are obtained as required for procurements.

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

Finding 2023-004

Information on the federal program:

Subject: Education Stabilization Fund – Special Tests and Provisions - Wage Rate Requirements

Federal Agency: Department of Education

Federal Program: COVID-19 - Education Stabilization Fund

Assistance Listing Number: 84.425D, 84.425U

Federal Award Numbers and Years (or Other Identifying Numbers): S425C200018, S425D200013, S365A220014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements

Audit Findings: Material Weakness, Material Noncompliance, Modified Opinion

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

(Continued)

SHELBYVILLE CENTRAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

FINDING 2023-004 (Continued)

Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

29 CFR 5.5 states in part:

a. The Agency head shall cause or require the contracting officer to insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a public building or public work, or building or work financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in §5.1, the following clauses...

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the

Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics...

(3)(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the (write in name of appropriate federal agency) if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to the (write in name of agency).

2 CFR 200 Appendix II states in part:

In addition to other provisions required by the Federal agency or non-Federal entity; all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable. . . .

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. . . ."

(Continued)

SHELBYVILLE CENTRAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

FINDING 2023-004 (Continued)

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 Special Tests and Provisions – Wage Rate Requirements 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 design and implement an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Special Tests and Provisions – Wage Rate Requirements compliance requirement could result in the loss of future federal funds to the School Corporation.

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation did not obtain the weekly payroll reports certifications from a construction company that was improving the building. Therefore, no review was performed to ensure that pay rates complied with the federal wage rate requirements. Additionally, the School Corporation did not have a contract with the company that included clauses for the federal wage rate requirements. The sample item cost \$433,318 to install a HVAC system and elevator.

Identification as a repeat finding: No.

Recommendation: We recommend the School Corporation implement a formal process to ensure the required weekly payroll reports certifications are collected and reviewed to ensure compliance with the wage rate requirements.

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

Shelbyville Central Schools

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CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2023

Finding 2023-001 – Preparation of the Schedule of Expenditures of Federal Awards

Contact Person Responsible for Corrective Action: Michelle Babcock
Contact Phone Number: 317-392-2505

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: We will have an additional person in the business department beside the Business Manager and Superintendent double check the revenue and expenditures for the federal awards to ensure none are missed or inadvertently put in the incorrect fund when reporting on the SEFA.

Anticipated Completion Date: July 2024

Finding 2023-002 – Child Nutrition Cluster - Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Contact Person Responsible for Corrective Action: Michelle Babcock
Contact Phone Number: 317-392-2505

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: We have established an improved internal controls procedures with internal purchases. The items requested will be submitted in writing and when the items are delivered to the perspective department or building, a signature will be obtained to confirm the items were delivered internally before the funds will be transferred to/from the respective accounts.

Anticipated Completion Date: January 2024

Finding 2023-003 – Procurement and Suspension and Debarment

Contact Person Responsible for Corrective Action: Michelle Babcock
Contact Phone Number: 317-392-2505

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: We have already established an improved internal controls procedures for procurement. We have established a checklist process to ensure the Suspension and Debarment Check has been completed for all federal purchases over the threshold.

Anticipated Completion Date: October 2022


Finding 2023-004 – Special Tests and Provisions – Wage Rate Requirement

Contact Person Responsible for Corrective Action: Michelle Babcock
Contact Phone Number: 317-392-2505

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: We now require all federal contracts to provide the proper language for Davis Bacon wages. In addition, we require the payroll reports to ensure that the pay rates comply with the federal wage rate requirements.

Anticipated Completion Date: July 2023


(Signature)

Business Manager
(Title)

3/6/2024
(Date)

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2021-001

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, Summer Food Services
Assistance Listing Number: 10.553, 10.555, 10.559
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Finding: Significant Deficiency

Context: During testing of 40 students for eligibility, we noted 1 instance where there the School Corporation was unable to provide the selected application.

Status: Resolved.

Finding 2021-002

Information on the federal program:

Subject: Child Nutrition Cluster – Procurement and Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program, Summer Food Services
Assistance Listing Number: 10.553, 10.555, 10.559
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Finding: Material Weakness

Context: There were two small purchase method procurements for the audit period. For the one small purchase method procurement selected, we noted that for the small purchase method procurement performed by the School Corporation, they did not obtain three quotes from separate vendors. The procurement was a small purchase method procurement for \$57,034 worth of cafeteria tables and seating.

Additionally, the School Corporation did not perform a suspension and debarment check on the vendor selected.

Status: Partially Resolved, see current year finding 2023-003. Controls were implemented for FY23.

Finding 2021-003

Information on the federal program:

Subject: Education Stabilization Fund (ESSER and GEER) – Internal Controls
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425C and 84.425D
Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting
Audit Finding: Significant Deficiency

Context: The School Corporation is required to submit an Annual Data Report to the Indiana Department of Education (IDOE) to meet federal reporting requirements for ESSER and GEER grant awards for the period of March 13, 2020 to September 30, 2020. There was one annual report due during the audit period. There was no documented review by someone other than the preparer of the report to ensure the information submitted was complete and accurate.

Status: Resolved