

STATE BOARD OF ACCOUNTS
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INDIANAPOLIS, INDIANA 46204-2769

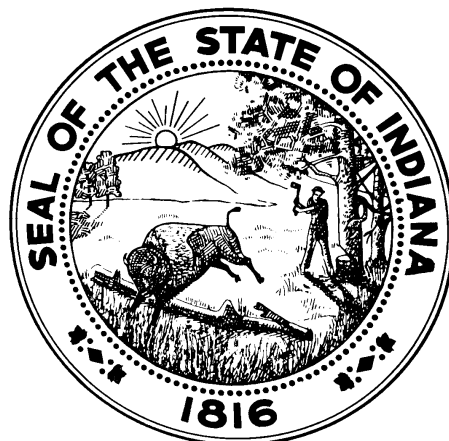
AUDIT REPORT

OF

SHELBYVILLE CENTRAL SCHOOLS

SHELBY COUNTY, INDIANA

July 1, 2005 to June 30, 2007



FILED

05/30/2008

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Michael D. Shreves	07-01-05 to 06-30-08
Superintendent of Schools	David Adams	07-01-05 to 06-30-08
President of the School Board	John C. DePrez, IV	07-01-05 to 06-30-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Shelbyville Central Schools (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2006 and 2007, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated April 17, 2008, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

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

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

The Schedule of Funding Progress is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Corporation has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

April 17, 2008



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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Shelbyville Central Schools (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated April 17, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

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

Compliance and Other Matters

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

We noted certain matters that we reported to management in a separate letter dated April 17, 2008.

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

STATE BOARD OF ACCOUNTS

April 17, 2008

SHELBYVILLE CENTRAL SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2006

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		
Governmental activities:					
Instruction	\$ 11,882,496	\$ -	\$ 120,494	\$ (11,762,002)	
Support services	16,100,696	991,630	652,787	(14,456,279)	
Community services	371,533	-	-	(371,533)	
Nonprogrammed charges	2,686,771	-	-	(2,686,771)	
Debt service	<u>7,357,347</u>	<u>-</u>	<u>-</u>	<u>(7,357,347)</u>	
Total governmental activities	<u>\$ 38,398,843</u>	<u>\$ 991,630</u>	<u>\$ 773,281</u>	<u>(36,633,932)</u>	
General receipts:					
Property taxes				18,316,335	
Other local sources				2,740,542	
State aid				14,750,042	
Grants and contributions not restricted to specific programs				735,488	
Sale of property, adjustments, and refunds				10,797,954	
Investment earnings				<u>500,671</u>	
Total general receipts				<u>47,841,032</u>	
Change in net assets				11,207,100	
Net assets - beginning				<u>6,159,779</u>	
Net assets - ending				<u>\$ 17,366,879</u>	
<u>Assets</u>					
Cash and investments				\$ 15,438,158	
Restricted assets:					
Cash and investments				<u>1,928,721</u>	
Total assets				<u>\$ 17,366,879</u>	
<u>Net Assets</u>					
Restricted for:					
Debt service				\$ 1,928,721	
Unrestricted				<u>15,438,158</u>	
Total net assets				<u>\$ 17,366,879</u>	

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

SHELBYVILLE CENTRAL SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		
Governmental activities:					
Instruction	\$ 12,267,545	\$ -	\$ 133,439	\$ (12,134,106)	
Support services	19,308,930	1,028,605	730,636	(17,549,689)	
Community services	390,110	-	-	(390,110)	
Nonprogrammed charges	2,921,832	-	-	(2,921,832)	
Debt service	<u>5,573,210</u>	<u>-</u>	<u>-</u>	<u>(5,573,210)</u>	
Total governmental activities	<u>\$ 40,461,627</u>	<u>\$ 1,028,605</u>	<u>\$ 864,075</u>	<u>(38,568,947)</u>	
General receipts:					
Property taxes				9,853,610	
Other local sources				1,870,552	
State aid				14,890,437	
Grants and contributions not restricted to specific programs				864,134	
Sale of property, adjustments, and refunds				31,429	
Investment earnings				<u>735,207</u>	
Total general receipts				<u>28,245,369</u>	
Change in net assets					(10,323,578)
Net assets - beginning					<u>17,366,879</u>
Net assets - ending					<u>\$ 7,043,301</u>
<u>Assets</u>					
Cash and investments				\$ 7,038,901	
Restricted assets:					
Cash and investments				<u>4,400</u>	
Total assets				<u>\$ 7,043,301</u>	
<u>Net Assets</u>					
Restricted for:					
Debt service				\$ 4,400	
Unrestricted				<u>7,038,901</u>	
Total net assets				<u>\$ 7,043,301</u>	

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

SHELBYVILLE CENTRAL SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2006

	General	Transportation Operating	Local Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Construction	Other	Totals
Receipts:									
Local sources	\$ 9,652,814	\$ 1,987,664	\$ -	\$ 4,804,648	\$ 3,377,919	\$ 283,862	\$ 232,374	\$ 2,200,273	\$ 22,539,554
Intermediate sources	348	-	-	-	-	-	-	9,275	9,623
State sources	14,850,221	-	-	-	-	-	-	270,498	15,120,719
Federal sources	-	-	-	-	-	-	-	1,138,093	1,138,093
Sale of property, adjustments and refunds	358,632	331	-	-	-	-	10,428,785	10,206	10,797,954
Interfund loans	415,000	-	-	-	-	-	-	35,000	450,000
Total receipts	25,277,015	1,987,995	-	4,804,648	3,377,919	283,862	10,661,159	3,663,345	50,055,943
Disbursements:									
Current:									
Instruction	11,320,106	-	-	-	-	-	-	562,884	11,882,990
Support services	8,398,136	1,492,988	-	-	1,207,229	61,952	3,049,518	1,890,379	16,100,202
Community services	364,874	-	-	-	-	-	-	6,659	371,533
Nonprogrammed charges	2,607,650	-	-	-	-	-	-	79,121	2,686,771
Debt services	3,000,000	-	-	3,543,959	-	-	-	813,388	7,357,347
Interfund loans	-	-	-	-	130,000	-	-	320,000	450,000
Total disbursements	25,690,766	1,492,988	-	3,543,959	1,337,229	61,952	3,049,518	3,672,431	38,848,843
Excess (deficiency) of receipts over disbursements	(413,751)	495,007	-	1,260,689	2,040,690	221,910	7,611,641	(9,086)	11,207,100
Other financing sources (uses):									
Transfers in	351,780	-	-	-	-	-	-	-	351,780
Transfers out	-	-	-	-	(350,000)	-	-	(1,780)	(351,780)
Total other financing sources (uses)	351,780	-	-	-	(350,000)	-	-	(1,780)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(61,971)	495,007	-	1,260,689	1,690,690	221,910	7,611,641	(10,866)	11,207,100
Cash and investments - beginning	2,012,833	274,522	2,000,000	621,153	2,287	578,181	-	670,803	6,159,779
Cash and investments - ending	<u>\$ 1,950,862</u>	<u>\$ 769,529</u>	<u>\$ 2,000,000</u>	<u>\$ 1,881,842</u>	<u>\$ 1,692,977</u>	<u>\$ 800,091</u>	<u>\$ 7,611,641</u>	<u>\$ 659,937</u>	<u>\$ 17,366,879</u>
Cash and Investment Assets - Ending									
Cash and investments	\$ 1,950,862	\$ 769,529	\$ 2,000,000	\$ -	\$ 1,692,977	\$ 800,091	\$ 7,611,641	\$ 613,058	\$ 15,438,158
Restricted assets:									
Cash and investments	-	-	-	1,881,842	-	-	-	46,879	1,928,721
Total cash and investment assets - ending	<u>\$ 1,950,862</u>	<u>\$ 769,529</u>	<u>\$ 2,000,000</u>	<u>\$ 1,881,842</u>	<u>\$ 1,692,977</u>	<u>\$ 800,091</u>	<u>\$ 7,611,641</u>	<u>\$ 659,937</u>	<u>\$ 17,366,879</u>
Cash and Investment Fund Balance - Ending									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ 1,881,842	\$ -	\$ -	\$ -	\$ 46,879	\$ 1,928,721
Unrestricted	1,950,862	769,529	2,000,000	-	1,692,977	800,091	7,611,641	613,058	15,438,158
Total cash and investment fund balance - ending	<u>\$ 1,950,862</u>	<u>\$ 769,529</u>	<u>\$ 2,000,000</u>	<u>\$ 1,881,842</u>	<u>\$ 1,692,977</u>	<u>\$ 800,091</u>	<u>\$ 7,611,641</u>	<u>\$ 659,937</u>	<u>\$ 17,366,879</u>

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

SHELBYVILLE CENTRAL SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007

	General	Transportation Operating	Local Rainy day	Debt Service	Capital Projects	School Bus Replacement	Construction	Other	Totals
Receipts:									
Local sources	\$ 5,003,304	\$ 980,388	\$ -	\$ 3,637,141	\$ 1,742,514	\$ 40,218	\$ 326,956	\$ 1,671,889	\$ 13,402,410
Intermediate sources	523	-	-	-	-	-	-	85,042	85,565
State sources	15,003,411	-	-	-	-	-	-	293,796	15,297,207
Federal sources	-	-	-	-	-	-	-	1,321,438	1,321,438
Sale of property, adjustments and refunds	3,251	-	-	-	1	-	-	28,177	31,429
Interfund loans	1,556,000	-	-	-	-	-	-	416,000	1,972,000
Total receipts	21,566,489	980,388	-	3,637,141	1,742,515	40,218	326,956	3,816,342	32,110,049
Disbursements:									
Current:									
Instruction	11,554,267	-	-	-	-	-	-	713,278	12,267,545
Support services	8,713,171	1,572,494	-	-	3,376,286	61,314	3,411,044	2,174,621	19,308,930
Community services	383,964	-	-	-	-	-	-	6,146	390,110
Nonprogrammed charges	2,829,488	-	-	-	-	-	-	92,344	2,921,832
Debt services	-	-	-	4,754,779	-	-	-	818,431	5,573,210
Interfund loans	-	170,000	-	760,000	19,000	777,000	-	246,000	1,972,000
Total disbursements	23,480,890	1,742,494	-	5,514,779	3,395,286	838,314	3,411,044	4,050,820	42,433,627
Excess (deficiency) of receipts over disbursements	(1,914,401)	(762,106)	-	(1,877,638)	(1,652,771)	(798,096)	(3,084,088)	(234,478)	(10,323,578)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	34,953	34,953
Transfers out	-	-	-	-	-	-	-	(34,953)	(34,953)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,914,401)	(762,106)	-	(1,877,638)	(1,652,771)	(798,096)	(3,084,088)	(234,478)	(10,323,578)
Cash and investments - beginning	1,950,862	769,529	2,000,000	1,881,842	1,692,977	800,091	7,611,641	659,937	17,366,879
Cash and investments - ending	\$ 36,461	\$ 7,423	\$ 2,000,000	\$ 4,204	\$ 40,206	\$ 1,995	\$ 4,527,553	\$ 425,459	\$ 7,043,301
Cash and Investment Assets - Ending									
Cash and investments	\$ 36,461	\$ 7,423	\$ 2,000,000	\$ -	\$ 40,206	\$ 1,995	\$ 4,527,553	\$ 425,263	\$ 7,038,901
Restricted assets:									
Cash and investments	-	-	-	4,204	-	-	-	196	4,400
Total cash and investment assets - ending	\$ 36,461	\$ 7,423	\$ 2,000,000	\$ 4,204	\$ 40,206	\$ 1,995	\$ 4,527,553	\$ 425,459	\$ 7,043,301
Cash and Investment Fund Balance - Ending									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ 4,204	\$ -	\$ -	\$ -	\$ 196	\$ 4,400
Unrestricted	36,461	7,423	2,000,000	-	40,206	1,995	4,527,553	425,263	7,038,901
Total cash and investment fund balance - ending	\$ 36,461	\$ 7,423	\$ 2,000,000	\$ 4,204	\$ 40,206	\$ 1,995	\$ 4,527,553	\$ 425,459	\$ 7,043,301

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

SHELBYVILLE CENTRAL SCHOOLS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2006

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ -	\$ 13,000
Investment earnings:		
Interest	<u>31,254</u>	<u>-</u>
Total additions	<u>31,254</u>	<u>13,000</u>
Deductions:		
Benefits		
Administrative and general	141,465	-
	<u>-</u>	<u>35,368</u>
Total deductions	<u>141,465</u>	<u>35,368</u>
Deficiency of total additions over total deductions		
	(110,211)	(22,368)
Cash and investment fund balance - beginning		
	<u>1,119,892</u>	<u>11,491</u>
Cash and investment fund balance - ending		
	<u>\$ 1,009,681</u>	<u>\$ (10,877)</u>
Net assets:		
Cash and investments	\$ 1,009,681	\$ (10,877)
Total net assets - cash and investment basis held in trust		
	<u>\$ 1,009,681</u>	<u>\$ (10,877)</u>

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

SHELBYVILLE CENTRAL SCHOOLS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2007

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ -	\$ 39,290
Investment earnings:		
Interest	<u>50,762</u>	<u>-</u>
Total additions	<u>50,762</u>	<u>39,290</u>
Deductions:		
Benefits	35,408	-
Administrative and general	<u>-</u>	<u>28,580</u>
Total deductions	<u>35,408</u>	<u>28,580</u>
Excess of total additions over total deductions	15,354	10,710
Cash and investment fund balance - beginning	<u>1,009,681</u>	<u>(10,877)</u>
Cash and investment fund balance - ending	<u>\$ 1,025,035</u>	<u>\$ (167)</u>
Net assets:		
Cash and investments	<u>\$ 1,025,035</u>	<u>\$ (167)</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,025,035</u>	<u>\$ (167)</u>

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

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Ventures

The School Corporation is a participant with Shelby Eastern Schools, Northwestern Consolidated School District, and Southwestern Consolidated School District in a joint venture to operate Blue River Career Programs which was created to provide vocational training programs for students residing in the above school corporations. The School Corporation is obligated by contract to remit an annual amount based on a funding formula provided for in the contract to supplement the operation and debt service of the cooperative. Complete financial statements for the Blue River Career Programs can be obtained from the administrative office at 803 St. Joseph Street, Shelbyville, Indiana, 46176.

The School Corporation is a participant with Shelbyville Eastern Schools, Northwestern Consolidated School District, Flat Rock-Hawcreek School Corporation, and Southwestern Consolidated School district in a joint venture to operate Blue River Special Education Cooperative which was created to provide a comprehensive program of special education for handicapped children residing in the above school corporations. The School Corporation is obligated by contract to remit an annual amount based on a funding formula provided for in the contract to supplement the operation of the cooperative. Complete financial statements for the Blue River Special Education Cooperative can be obtained from the administrative office at 1111 West McKay Road, Shelbyville, Indiana, 46176.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statements of Activities and Net Assets – Cash and Investment Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds fiduciary funds,

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The debt service fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

The transportation operating fund accounts for financial resources for the transportation of school children to and from school.

The school bus replacement fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

The local rainy day fund is used to account for funds in accordance with Indiana Code 36-1-8-5.1 and a locally adopted resolution.

The construction fund accounts for construction and remodeling of Shelbyville High School.

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for the activities of the Retirement/Severance Bond Fund, which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the faculty and student development and training programs.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% 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 become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

3. Compensated Absences

a. Sick Leave

School Corporation employees earn sick leave at the rate of 5 to 10 days per year based upon the number of years of service or job duties. Unused sick leave may be accumulated to a maximum of 185 days for certified personnel and 35 to 100 days for non-certified personnel based upon job duties. Accumulated sick leave is paid to employees through cash payments upon retirement.

b. Vacation Leave

Nonteaching or administrative and noncertified School Corporation employees earn vacation leave at rates from 5 days to 20 days per year based upon the number of years of service. Vacation leave does not accumulate from year to year.

c. Personal Leave

School Corporation employees earn personal leave at the rate of 1 to 3 days per year. Unused personal leave does not accumulate from year to year. For certified personnel, any personal days remaining at the end of the school year are transferred to the employee's accumulated sick leave.

4. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental operations are accounted for as capital outlay disbursements of the fund upon acquisition.

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

5. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

6. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds and the similar discretely presented component unit result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are reported as reimbursements.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following July 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Cash and Investment Balance Deficits

At June 30, 2006 and 2007, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund	2006	2007
Textbook Rental	\$ 157,514	\$ -
USDA Fruit and Vegetable Pilot	19,821	-
Welfare Social Worker Grant	11,500	10,500
After School Tutoring	8,077	-
Cape Grant - Blue River Foundation	-	31,063

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. At June 30, 2007, the bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Investment Policies

Indiana Code 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the School Corporation to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2006 and 2007, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2005-2006</u>	<u>2006-2007</u>
Major Fund	General Fund	\$ 350,000	\$ -
Other governmental funds	General Fund	1,780	-
	Other governmental funds	<u>-</u>	<u>34,953</u>
Totals		<u>\$ 351,780</u>	<u>\$ 34,953</u>

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions.

IV. Other Information

A. Risk Management

The School Corporation is 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 (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Medical Benefits to Employees, Retirees, and Dependents

During 1997, the School Corporation joined with other governmental entities in the Central Indiana School Employees Insurance Trust, a public entity risk pool currently operating as a common risk management and insurance program for six member governmental entities. This risk pool was formed in 1993. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to employees, retirees, and dependents. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$150,000 per insured event.

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Holding Corporations

The School Corporation has entered into capital leases with Shelbyville Middle School Building Corporation, Shelbyville Elementary School Building Corporation, and Shelbyville Central Renovation School Building Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related parties of the School Corporation. Lease payments during the 2005-2006 and 2006-2007 school years totaled \$3,230,500 and \$4,516,000, respectively.

C. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

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

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

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 191,453
Interest on net pension obligation	(19,176)
Adjustment to annual required contribution	21,853
Annual pension cost	194,130
Contributions made	196,825
Decrease in net pension obligation	(2,695)
Net pension obligation, beginning of year	(264,497)
Net pension obligation, end of year	\$ (267,192)
Contribution rates:	
School Corporation	5.25%
Plan members	3%
Actuarial valuation date	07-01-06
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions

Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 134,241	127%	\$ (263,915)
	06-30-05	170,731	100%	(264,497)
	06-30-06	194,130	101%	(267,192)

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

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

TRF 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:

Teachers' Retirement Fund
150 West Market Street
Indianapolis, IN 46204
Ph. (317) 232-3860

Funding Policy and Annual Pension Costs

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

Plan members are required to contribute 3% of their salary and the School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2007, 2006, and 2005, were \$386,793, \$345,505, and \$272,035, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

D. Long-Term Commitment

In 1996, the Blue River Building Corporation sold a \$2,705,000 Bond Issue of which the proceeds were used for acquisition and renovation of a building to be used by the Blue River Career Programs. The Blue River Building Corporation entered into a lease rental agreement with the Blue River Career Programs whereby an annual lease payment of \$316,000 would be made to retire the debt. As part of the Blue River Career Program's Operating Agreement entered into by the

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

participating school corporations, the participating schools are required to make the lease payment directly to the Building Corporation for Blue River Career Programs. Each school corporation's share of the lease payment is calculated annually based on the assessed valuation of all participating corporations. The operating agreement also provides that if any school corporation wishes to terminate its participation in this joint agreement, the school corporation would continue to be obligated for its share of any future lease payments due to the Blue River Building Corporation by the Blue River Career Programs under the original lease agreement.

SHELBYVILLE CENTRAL SCHOOLS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 2,689,259	\$ 2,761,902	\$ (72,643)	97%	\$ 3,226,501	(2%)
07-01-05	2,825,741	3,073,210	(247,469)	92%	3,275,909	(8%)
07-01-06	2,732,485	3,132,978	(400,493)	87%	3,486,485	(11%)

SHELBYVILLE CENTRAL SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006

	Special Education Preschool	School Lunch	Textbook Rental	Educational License Plates	Alternative Education	School Safe Haven	Early Intervention Reading Recovery
Receipts:							
Local sources	\$ 33,206	\$ 818,240	\$ 203,442	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	975	-	-	-
State sources	144,726	21,134	57,407	-	6,644	-	-
Federal sources	-	573,073	-	-	-	-	-
Sale of property, adjustments and refunds	-	1,005	1,400	-	-	-	-
Interfund loans	-	35,000	-	-	-	-	-
Total receipts	177,932	1,448,452	262,249	975	6,644	-	-
Disbursements:							
Current:							
Instruction	65,103	-	-	-	-	4,458	-
Support services	6,737	1,346,702	310,117	-	-	1,767	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	79,121	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	110,000	-	-	-	-
Total disbursements	150,961	1,346,702	420,117	-	-	6,225	-
Excess (deficiency) of receipts over disbursements	26,971	101,750	(157,868)	975	6,644	(6,225)	-
Other financing sources (uses):							
Transfers out	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	26,971	101,750	(157,868)	975	6,644	(6,225)	-
Cash and investments - beginning	120,371	216,401	354	15,131	-	16,562	7,000
Cash and investments - ending	\$ 147,342	\$ 318,151	\$ (157,514)	\$ 16,106	\$ 6,644	\$ 10,337	\$ 7,000
Cash and Investment Assets - Ending							
Cash and investments	\$ 147,342	\$ 318,151	\$ (157,514)	\$ 16,106	\$ 6,644	\$ 10,337	\$ 7,000
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 147,342	\$ 318,151	\$ (157,514)	\$ 16,106	\$ 6,644	\$ 10,337	\$ 7,000
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	147,342	318,151	(157,514)	16,106	6,644	10,337	7,000
Total cash and investment fund balance - ending	\$ 147,342	\$ 318,151	\$ (157,514)	\$ 16,106	\$ 6,644	\$ 10,337	\$ 7,000

SHELBYVILLE CENTRAL SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	SCTA Reading Goal Donation	90% Reading Goal	BRF Reading Book Grant Hendricks	Cape Grant BRF	BRF Reading Book Grant Loper	Gifted and Talented	Tech Prep
Receipts:							
Local sources	\$ -	\$ 2,323	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	1,000	6,000	1,000	-	-
State sources	-	-	-	-	-	17,357	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	-	2,323	1,000	6,000	1,000	17,357	-
Disbursements:							
Current:							
Instruction	-	280	-	-	-	17,647	-
Support services	-	4,378	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	4,658	-	-	-	17,647	-
Excess (deficiency) of receipts over disbursements	-	(2,335)	1,000	6,000	1,000	(290)	-
Other financing sources (uses): Transfers out	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2,335)	1,000	6,000	1,000	(290)	-
Cash and investments - beginning	500	5,355	-	-	-	5,372	1,911
Cash and investments - ending	<u>\$ 500</u>	<u>\$ 3,020</u>	<u>\$ 1,000</u>	<u>\$ 6,000</u>	<u>\$ 1,000</u>	<u>\$ 5,082</u>	<u>\$ 1,911</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 500	\$ 3,020	\$ 1,000	\$ 6,000	\$ 1,000	\$ 5,082	\$ 1,911
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 500</u>	<u>\$ 3,020</u>	<u>\$ 1,000</u>	<u>\$ 6,000</u>	<u>\$ 1,000</u>	<u>\$ 5,082</u>	<u>\$ 1,911</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	500	3,020	1,000	6,000	1,000	5,082	1,911
Total cash and investment fund balance - ending	<u>\$ 500</u>	<u>\$ 3,020</u>	<u>\$ 1,000</u>	<u>\$ 6,000</u>	<u>\$ 1,000</u>	<u>\$ 5,082</u>	<u>\$ 1,911</u>

SHELBYVILLE CENTRAL SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Medicaid Reimbursement	Non-English Speaking Program	School Technology	Technology Grants Buddy System	PBA/Four Start Awards	Team Building in Fine Arts	Universal Service Grant
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	437	2,958	19,835	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	3,175	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	<u>437</u>	<u>6,133</u>	<u>19,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>437</u>	<u>6,133</u>	<u>19,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Transfers out	<u>(1,780)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,343)</u>	<u>6,133</u>	<u>19,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - beginning	<u>1,343</u>	<u>7,772</u>	<u>40,312</u>	<u>200</u>	<u>11,667</u>	<u>1,028</u>	<u>38,644</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 13,905</u>	<u>\$ 60,147</u>	<u>\$ 200</u>	<u>\$ 11,667</u>	<u>\$ 1,028</u>	<u>\$ 38,644</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 13,905	\$ 60,147	\$ 200	\$ 11,667	\$ 1,028	\$ 38,644
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 13,905</u>	<u>\$ 60,147</u>	<u>\$ 200</u>	<u>\$ 11,667</u>	<u>\$ 1,028</u>	<u>\$ 38,644</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>-</u>	<u>13,905</u>	<u>60,147</u>	<u>200</u>	<u>11,667</u>	<u>1,028</u>	<u>38,644</u>
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 13,905</u>	<u>\$ 60,147</u>	<u>\$ 200</u>	<u>\$ 11,667</u>	<u>\$ 1,028</u>	<u>\$ 38,644</u>

SHELBYVILLE CENTRAL SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	East Asia Studies IU Grant	Harcourt ESL Award	IPLA	Technology Leadership Grant	Electronic Assessment	Title I 2004-2005	Title I 2005-2006
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	300	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	37,818	390,771
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	<u>300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,818</u>	<u>390,771</u>
Disbursements:							
Current:							
Instruction	-	-	-	-	-	40,678	288,842
Support services	-	-	-	-	-	16,240	86,604
Community services	-	-	-	-	-	-	6,659
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,918</u>	<u>382,105</u>
Excess (deficiency) of receipts over disbursements	<u>300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,100)</u>	<u>8,666</u>
Other financing sources (uses):							
Transfers out	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,100)</u>	<u>8,666</u>
Cash and investments - beginning	-	760	716	200	267	54,053	-
Cash and investments - ending	<u>\$ 300</u>	<u>\$ 760</u>	<u>\$ 716</u>	<u>\$ 200</u>	<u>\$ 267</u>	<u>\$ 34,953</u>	<u>\$ 8,666</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 300	\$ 760	\$ 716	\$ 200	\$ 267	\$ 34,953	\$ 8,666
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 300</u>	<u>\$ 760</u>	<u>\$ 716</u>	<u>\$ 200</u>	<u>\$ 267</u>	<u>\$ 34,953</u>	<u>\$ 8,666</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>300</u>	<u>760</u>	<u>716</u>	<u>200</u>	<u>267</u>	<u>34,953</u>	<u>8,666</u>
Total cash and investment fund balance - ending	<u>\$ 300</u>	<u>\$ 760</u>	<u>\$ 716</u>	<u>\$ 200</u>	<u>\$ 267</u>	<u>\$ 34,953</u>	<u>\$ 8,666</u>

SHELBYVILLE CENTRAL SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Title I N/D 2002-2003	Title V Part A 2004-2006	Title V Part A 2005-2007	Drug Free Schools 2003-2005	Drug Free Schools 2004-2006	Drug Free Schools 2005-2006	Medicaid Reimbursement Federal
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	12,504	-	-	2,430	737
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	-	-	12,504	-	-	2,430	737
Disbursements:							
Current:							
Instruction	-	11,924	3,439	12,671	6,103	-	-
Support services	-	-	-	336	-	-	737
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	11,924	3,439	13,007	6,103	-	737
Excess (deficiency) of receipts over disbursements	-	(11,924)	9,065	(13,007)	(6,103)	2,430	-
Other financing sources (uses):							
Transfers out	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(11,924)	9,065	(13,007)	(6,103)	2,430	-
Cash and investments - beginning	5,275	11,673	-	17,701	44,550	-	-
Cash and investments - ending	<u>\$ 5,275</u>	<u>\$ (251)</u>	<u>\$ 9,065</u>	<u>\$ 4,694</u>	<u>\$ 38,447</u>	<u>\$ 2,430</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 5,275	\$ (251)	\$ 9,065	\$ 4,694	\$ 38,447	\$ 2,430	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 5,275</u>	<u>\$ (251)</u>	<u>\$ 9,065</u>	<u>\$ 4,694</u>	<u>\$ 38,447</u>	<u>\$ 2,430</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	5,275	(251)	9,065	4,694	38,447	2,430	-
Total cash and investment fund balance - ending	<u>\$ 5,275</u>	<u>\$ (251)</u>	<u>\$ 9,065</u>	<u>\$ 4,694</u>	<u>\$ 38,447</u>	<u>\$ 2,430</u>	<u>\$ -</u>

SHELBYVILLE CENTRAL SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Title II Part A	Title II Part D	English Language Title IIIA	USDA Fruit and Vegetable Pilot	USDA Fruit and Vegetable Pilot	Retirement/ Severance Bond	Totals
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ 71,383	\$ 39,466	\$ 1,032,213	\$ 2,200,273
Intermediate sources	-	-	-	-	-	-	9,275
State sources	-	-	-	-	-	-	270,498
Federal sources	86,822	-	33,938	-	-	-	1,138,093
Sale of property, adjustments and refunds	-	-	4,626	-	-	-	10,206
Interfund loans	-	-	-	-	-	-	35,000
Total receipts	86,822	-	38,564	71,383	39,466	1,032,213	3,663,345
Disbursements:							
Current:							
Instruction	75,633	5,755	30,351	-	-	-	562,884
Support services	17,677	275	2,548	36,975	59,286	-	1,890,379
Community services	-	-	-	-	-	-	6,659
Nonprogrammed charges	-	-	-	-	-	-	79,121
Debt services	-	-	-	-	-	813,388	813,388
Interfund loans	-	-	-	35,000	-	175,000	320,000
Total disbursements	93,310	6,030	32,899	71,975	59,286	988,388	3,672,431
Excess (deficiency) of receipts over disbursements	(6,488)	(6,030)	5,665	(592)	(19,820)	43,825	(9,086)
Other financing sources (uses): Transfers out	-	-	-	-	-	-	(1,780)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,488)	(6,030)	5,665	(592)	(19,820)	43,825	(10,866)
Cash and investments - beginning	26,033	7,781	8,225	592	-	3,054	670,803
Cash and investments - ending	\$ 19,545	\$ 1,751	\$ 13,890	\$ -	\$ (19,820)	\$ 46,879	\$ 659,937
Cash and Investment Assets - Ending							
Cash and investments	\$ 19,545	\$ 1,751	\$ 13,890	\$ -	\$ (19,820)	\$ -	\$ 613,058
Restricted assets:							
Cash and investments	-	-	-	-	-	46,879	46,879
Total cash and investment assets - ending	\$ 19,545	\$ 1,751	\$ 13,890	\$ -	\$ (19,820)	\$ 46,879	\$ 659,937
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,879	\$ 46,879
Unrestricted	19,545	1,751	13,890	-	(19,820)	-	613,058
Total cash and investment fund balance - ending	\$ 19,545	\$ 1,751	\$ 13,890	\$ -	\$ (19,820)	\$ 46,879	\$ 659,937

SHELBYVILLE CENTRAL SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007

	Special Education Preschool	School Lunch	Textbook Rental	Educational License Plates	Alternative Education	School Safe Haven	Early Intervention Reading Recovery
Receipts:							
Local sources	\$ 15,628	\$ 858,599	\$ 192,767	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	3,506	-	-	-
State sources	159,608	20,030	62,444	-	9,954	-	-
Federal sources	-	648,161	-	-	-	-	-
Sale of property, adjustments and refunds	-	650	27,527	-	-	-	-
Interfund loans	-	-	82,000	-	-	-	-
Total receipts	175,236	1,527,440	364,738	3,506	9,954	-	-
Disbursements:							
Current:							
Instruction	71,839	-	-	-	-	-	-
Support services	10,361	1,581,610	207,209	-	-	5,733	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	92,344	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	129,000	117,000	-	-	-	-	-
Total disbursements	303,544	1,698,610	207,209	-	-	5,733	-
Excess (deficiency) of receipts over disbursements	(128,308)	(171,170)	157,529	3,506	9,954	(5,733)	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(128,308)	(171,170)	157,529	3,506	9,954	(5,733)	-
Cash and investments - beginning	147,342	318,151	(157,514)	16,106	6,644	10,337	7,000
Cash and investments - ending	\$ 19,034	\$ 146,981	\$ 15	\$ 19,612	\$ 16,598	\$ 4,604	\$ 7,000
Cash and Investment Assets - Ending							
Cash and investments	\$ 19,034	\$ 146,981	\$ 15	\$ 19,612	\$ 16,598	\$ 4,604	\$ 7,000
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 19,034	\$ 146,981	\$ 15	\$ 19,612	\$ 16,598	\$ 4,604	\$ 7,000
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	19,034	146,981	15	19,612	16,598	4,604	7,000
Total cash and investment fund balance - ending	\$ 19,034	\$ 146,981	\$ 15	\$ 19,612	\$ 16,598	\$ 4,604	\$ 7,000

SHELBYVILLE CENTRAL SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	SCTA Reading Goal Donation	90% Reading Goal	BRF Reading Book Grant Hendricks	Cape Grant BRF	BRF Reading Book Grant Loper	BRF Reading Book Grant Coulston	Purdue Outreach Donation
Receipts:							
Local sources	\$ -	\$ 4,466	\$ -	\$ -	\$ -	\$ -	\$ 3,000
Intermediate sources	-	-	-	80,536	-	1,000	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	-	4,466	-	80,536	-	1,000	3,000
Disbursements:							
Current:							
Instruction	-	1,000	-	105,820	-	-	1,573
Support services	-	2,995	1,000	11,778	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	3,995	1,000	117,598	-	-	1,573
Excess (deficiency) of receipts over disbursements	-	471	(1,000)	(37,062)	-	1,000	1,427
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	471	(1,000)	(37,062)	-	1,000	1,427
Cash and investments - beginning	500	3,020	1,000	6,000	1,000	-	-
Cash and investments - ending	<u>\$ 500</u>	<u>\$ 3,491</u>	<u>\$ -</u>	<u>\$ (31,062)</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,427</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 500	\$ 3,491	\$ -	\$ (31,062)	\$ 1,000	\$ 1,000	\$ 1,427
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 500</u>	<u>\$ 3,491</u>	<u>\$ -</u>	<u>\$ (31,062)</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,427</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	500	3,491	-	(31,062)	1,000	1,000	1,427
Total cash and investment fund balance - ending	<u>\$ 500</u>	<u>\$ 3,491</u>	<u>\$ -</u>	<u>\$ (31,062)</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,427</u>

SHELBYVILLE CENTRAL SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	BRF Great Teacher Grant	BRF At Risk Grant	Rush Shelby Round Up Grant	Gifted and Talented	Tech Prep	Non-English Speaking Program	School Technology
Receipts:							
Local sources	\$ 299	\$ 674	\$ 10,015	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	17,357	-	3,108	21,295
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	299	674	10,015	17,357	-	3,108	21,295
Disbursements:							
Current:							
Instruction	286	618	740	13,529	-	575	-
Support services	-	-	300	-	-	-	67,145
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	286	618	1,040	13,529	-	575	67,145
Excess (deficiency) of receipts over disbursements	13	56	8,975	3,828	-	2,533	(45,850)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	13	56	8,975	3,828	-	2,533	(45,850)
Cash and investments - beginning	-	-	-	5,082	1,911	13,905	60,147
Cash and investments - ending	\$ 13	\$ 56	\$ 8,975	\$ 8,910	\$ 1,911	\$ 16,438	\$ 14,297
Cash and Investment Assets - Ending							
Cash and investments	\$ 13	\$ 56	\$ 8,975	\$ 8,910	\$ 1,911	\$ 16,438	\$ 14,297
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 13	\$ 56	\$ 8,975	\$ 8,910	\$ 1,911	\$ 16,438	\$ 14,297
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	13	56	8,975	8,910	1,911	16,438	14,297
Total cash and investment fund balance - ending	\$ 13	\$ 56	\$ 8,975	\$ 8,910	\$ 1,911	\$ 16,438	\$ 14,297

SHELBYVILLE CENTRAL SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Technology Grants Buddy System	PBA/Four Start Awards	Team Building in Fine Arts	Universal Service Grant	East Asia Studies IU Grant	Harcourt ESL Award	IPLA Grant
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-
Disbursements:							
Current:							
Instruction	-	-	-	-	199	-	-
Support services	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	199	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	(199)	-	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	(199)	-	-
Cash and investments - beginning	200	11,667	1,028	38,644	300	760	716
Cash and investments - ending	<u>\$ 200</u>	<u>\$ 11,667</u>	<u>\$ 1,028</u>	<u>\$ 38,644</u>	<u>\$ 101</u>	<u>\$ 760</u>	<u>\$ 716</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 200	\$ 11,667	\$ 1,028	\$ 38,644	\$ 101	\$ 760	\$ 716
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 200</u>	<u>\$ 11,667</u>	<u>\$ 1,028</u>	<u>\$ 38,644</u>	<u>\$ 101</u>	<u>\$ 760</u>	<u>\$ 716</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	200	11,667	1,028	38,644	101	760	716
Total cash and investment fund balance - ending	<u>\$ 200</u>	<u>\$ 11,667</u>	<u>\$ 1,028</u>	<u>\$ 38,644</u>	<u>\$ 101</u>	<u>\$ 760</u>	<u>\$ 716</u>

SHELBYVILLE CENTRAL SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Technology Leadership Grant	Electronic Assessment	Title I N/D 2006-2007	Title I 2004-2005	Title I 2005-2006	Title I 2006-2007	Title I N/D 2002-2003
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	4,855	-	35,500	441,247	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	-	-	4,855	-	35,500	441,247	-
Disbursements:							
Current:							
Instruction	-	-	-	-	60,320	303,227	-
Support services	-	-	-	-	18,109	91,845	-
Community services	-	-	-	-	690	5,456	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	79,119	400,528	-
Excess (deficiency) of receipts over disbursements	-	-	4,855	-	(43,619)	40,719	-
Other financing sources (uses):							
Transfers in	-	-	-	-	34,953	-	-
Transfers out	-	-	-	(34,953)	-	-	-
Total other financing sources (uses)	-	-	-	(34,953)	34,953	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	4,855	(34,953)	(8,666)	40,719	-
Cash and investments - beginning	200	267	-	34,953	8,666	-	5,275
Cash and investments - ending	<u>\$ 200</u>	<u>\$ 267</u>	<u>\$ 4,855</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,719</u>	<u>\$ 5,275</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 200	\$ 267	\$ 4,855	\$ -	\$ -	\$ 40,719	\$ 5,275
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 200</u>	<u>\$ 267</u>	<u>\$ 4,855</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,719</u>	<u>\$ 5,275</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	200	267	4,855	-	-	40,719	5,275
Total cash and investment fund balance - ending	<u>\$ 200</u>	<u>\$ 267</u>	<u>\$ 4,855</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,719</u>	<u>\$ 5,275</u>

SHELBYVILLE CENTRAL SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Title V Part A 2004-2006	Title V Part A 2005-2007	Title V Part A 2006-2008	Drug Free Schools 2003-2005	Drug Free Schools 2004-2006	Drug Free Schools 2005-2007
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	6,098	-	-	22,355
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	-	-	6,098	-	-	22,355
Disbursements:						
Current:						
Instruction	(251)	2,208	-	4,694	16,604	23,624
Support services	-	-	-	-	21,843	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	(251)	2,208	-	4,694	38,447	23,624
Excess (deficiency) of receipts over disbursements	251	(2,208)	6,098	(4,694)	(38,447)	(1,269)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	251	(2,208)	6,098	(4,694)	(38,447)	(1,269)
Cash and investments - beginning	(251)	9,065	-	4,694	38,447	2,430
Cash and investments - ending	\$ -	\$ 6,857	\$ 6,098	\$ -	\$ -	\$ 1,161
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 6,857	\$ 6,098	\$ -	\$ -	\$ 1,161
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 6,857	\$ 6,098	\$ -	\$ -	\$ 1,161
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	6,857	6,098	-	-	1,161
Total cash and investment fund balance - ending	\$ -	\$ 6,857	\$ 6,098	\$ -	\$ -	\$ 1,161

SHELBYVILLE CENTRAL SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Title II Part A	Title II Part D	English Language Title IIIA	USDA Fruit and Vegetable Pilot	Retirement/ Severance Bond	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 113,693	\$ 472,748	\$ 1,671,889
Intermediate sources	-	-	-	-	-	85,042
State sources	-	-	-	-	-	293,796
Federal sources	115,000	8,397	39,825	-	-	1,321,438
Sale of property, adjustments and refunds	-	-	-	-	-	28,177
Interfund loans	-	-	-	35,000	299,000	416,000
Total receipts	115,000	8,397	39,825	148,693	771,748	3,816,342
Disbursements:						
Current:						
Instruction	68,575	1,751	36,347	-	-	713,278
Support services	22,358	-	3,899	128,436	-	2,174,621
Community services	-	-	-	-	-	6,146
Nonprogrammed charges	-	-	-	-	-	92,344
Debt services	-	-	-	-	818,431	818,431
Interfund loans	-	-	-	-	-	246,000
Total disbursements	90,933	1,751	40,246	128,436	818,431	4,050,820
Excess (deficiency) of receipts over disbursements	24,067	6,646	(421)	20,257	(46,683)	(234,478)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	34,953
Transfers out	-	-	-	-	-	(34,953)
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	24,067	6,646	(421)	20,257	(46,683)	(234,478)
Cash and investments - beginning	19,545	1,751	13,890	(19,820)	46,879	659,937
Cash and investments - ending	\$ 43,612	\$ 8,397	\$ 13,469	\$ 437	\$ 196	\$ 425,459
Cash and Investment Assets - Ending						
Cash and investments	\$ 43,612	\$ 8,397	\$ 13,469	\$ 437	\$ -	\$ 425,263
Restricted assets:						
Cash and investments	-	-	-	-	196	196
Total cash and investment assets - ending	\$ 43,612	\$ 8,397	\$ 13,469	\$ 437	\$ 196	\$ 425,459
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 196	\$ 196
Unrestricted	43,612	8,397	13,469	437	-	425,263
Total cash and investment fund balance - ending	\$ 43,612	\$ 8,397	\$ 13,469	\$ 437	\$ 196	\$ 425,459

SHELBYVILLE CENTRAL SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended June 30, 2007

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>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Buildings	\$ 83,138,463
Improvements other than buildings	2,546,934
Machinery and equipment	<u>12,308,891</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 97,994,288</u>

SHELBYVILLE CENTRAL SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2007

The School has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Middle School	\$ 835,800	\$ 835,800
Elementary Schools	24,015,000	1,431,584
High School	31,980,000	2,524,581
Notes and loans payable	262,500	89,625
Bonds payable:		
General obligation bonds:		
Pension Bond	4,605,000	822,556
Total governmental activities debt	\$ 61,698,300	\$ 5,704,146

SHELBYVILLE CENTRAL SCHOOLS
AUDIT RESULTS AND COMMENTS

TRANSPORTATION FUND EXPENDITURES – SUPERINTENDENT

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

Indiana Code 20-40-6-6 states in part: "The following costs are payable from the fund: (1) The salaries paid bus drivers, transportation supervisors, mechanics and garage employees, clerks, and other transportation related employees . . ."

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

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

DISBURSEMENT DOCUMENTATION (Applies to Loper Elementary and Shelbyville Middle School)

Several payments were observed which did not contain adequate supporting documentation such as receipts, and invoices.

Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

OVERDRAWN FUND BALANCE (Applies to Shelbyville Middle School)

The Academic Team Fund was overdrawn in 2007.

The balance of any fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

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

Compliance

We have audited the compliance of the Shelbyville Central Schools (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

A control deficiency in a School Corporation's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

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

STATE BOARD OF ACCOUNTS

April 17, 2008

SHELBYVILLE CENTRAL SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2006 and 2007

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-06	Total Federal Awards Expended 06-30-07
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 99,107	\$ 109,069
National School Lunch Program	10.555		513,491	602,033
Total for cluster			<u>612,598</u>	<u>711,102</u>
Pass-Through Indiana Department of Education Fresh Fruit and Vegetable Program	10.582		<u>131,262</u>	<u>128,436</u>
Total for federal grantor agency			<u>743,860</u>	<u>839,538</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education Title I Grants to Local Educational Agencies	84.010	FY 06 FY 07	461,225	-
			<u>-</u>	<u>459,386</u>
Total for program			<u>461,225</u>	<u>459,386</u>
Title IV Safe and Drug Free Schools and Communities - State Grants	84.186	03-135 04-219 05-171	13,007	4,694
			6,103	38,447
			<u>-</u>	<u>23,624</u>
Total for program			<u>19,110</u>	<u>66,765</u>
Title VI Innovative Education Program Strategies	84.298	04-260 05-275	11,673	-
			<u>3,439</u>	<u>2,208</u>
Total for program			<u>15,112</u>	<u>2,208</u>
Title III Language Instruction for Limited English Proficient and Immigrant Students	84.365	FY 05 FY 06 FY 07	8,524	-
			24,375	9,563
			<u>-</u>	<u>30,683</u>
Total for program			<u>32,899</u>	<u>40,246</u>
Title II Part A Improving Teacher Quality State Grants	84.367	04-330 05-230 06-7365	30,552	-
			65,547	63,275
			<u>-</u>	<u>32,649</u>
Total for program			<u>96,099</u>	<u>95,924</u>
Total for federal grantor agency			<u>624,445</u>	<u>664,529</u>
Total federal awards expended			<u>\$ 1,368,305</u>	<u>\$ 1,504,067</u>

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

SHELBYVILLE CENTRAL SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Shelbyville Central Schools (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2006 and 2007. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2005-2006	2006-2007
School Breakfast Program	10.553	\$ 13,309	\$ 9,752
National School Lunch Program	10.555	69,237	53,891

SHELBYVILLE CENTRAL SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

SHELBYVILLE CENTRAL SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

SHELBYVILLE CENTRAL SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on April 17, 2008, with David Adams, Superintendent of Schools; and Michael D. Shreves, Treasurer.