

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

SHELBYVILLE CENTRAL SCHOOLS  
SHELBY COUNTY, INDIANA

July 1, 2015 to June 30, 2017



**FILED**  
05/23/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Nathaniel Day	07-01-15 to 03-23-18
	(Vacant)	03-24-18 to 03-25-18
	Salli S. Rooks (interim)	03-26-18 to 06-30-18
Superintendent of Schools	David A. Adams	07-01-15 to 06-30-18
President of the School Board	David Finkel	01-01-15 to 12-31-15
	Gayle Wiley	01-01-16 to 12-31-16
	David Finkel	01-01-17 to 12-31-17
	Mike Warble	01-01-18 to 12-31-18



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INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Shelbyville Central Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, and the related notes to the financial statement as listed in the Table of Contents.

***Management's Responsibility for the Financial Statement***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2015 to June 30, 2017.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2015 to June 30, 2017, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.


*Other Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated May 8, 2018, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

May 8, 2018



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

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

We have audited, 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, the financial statement of the Shelbyville Central Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, and the related notes to the financial statement, and have issued our report thereon dated May 8, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2017-001 and 2017-002, that we consider to be material weaknesses.

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

**Compliance and Other Matters**


As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2017-002.

**Shelbyville Central Schools' Response to Findings**

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

**Purpose of This Report**

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

  
Paul D. Joyce, CPA  
State Examiner

May 8, 2018

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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SHELBYVILLE CENTRAL SCHOOLS  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
General	\$ 4,967,311	\$ 25,912,524	\$ 24,939,600	\$ -	\$ 5,940,235	\$ 26,525,372	\$ 24,514,488	-	\$ 7,951,119
Debt Service	3,250,375	6,219,545	5,802,136	(209,299)	3,458,485	6,141,602	5,884,960	(181,071)	3,534,056
Capital Projects	707,615	2,882,354	2,495,901	114,520	1,208,588	2,867,569	3,253,068	101,528	924,617
School Transportation	1,005,674	2,004,347	1,829,628	80,178	1,260,571	1,997,609	2,057,313	67,178	1,268,045
School Bus Replacement	674,343	360,440	-	14,601	1,049,384	362,023	358,605	12,365	1,065,167
Rainy Day	5,884,808	52,725	-	-	5,937,533	218,633	38,101	-	6,118,065
Retirement/Severance Bond	170,733	1,857	43,227	-	129,363	3,953	58,374	-	74,942
Construction	-	19,085	11,288	-	7,797	7,743	31,048	-	(15,508)
G.O. Bond Projects	751,247	33,095	3,493,990	-	(2,709,648)	2,972,573	568,743	-	(305,818)
School Lunch	1,552,550	1,840,714	2,016,588	-	1,376,676	1,571,255	2,952,397	-	(4,466)
Prepaid Food	8,729	442,908	135	-	451,502	658,919	790	-	1,109,631
Textbook Rental	(784,634)	430,550	186,051	-	(540,135)	418,108	375,992	-	(498,019)
Levy Excess	-	15,357	-	-	15,357	-	-	-	15,357
BRSEC General	(346)	-	-	-	(346)	-	-	-	(346)
Educational License Plates	21,850	262	-	-	22,112	263	-	-	22,375
Alternative Education	83,352	16,982	-	-	100,334	15,612	-	-	115,946
SAFE School Haven	4,604	-	-	-	4,604	-	-	-	4,604
Early Intervention Grant	-	-	-	-	-	19,405	11,730	-	7,675
Early Intervention Grant 13-14	14,538	-	783	-	13,755	-	13,755	-	-
Early Intervention Grant 14-15	11,603	-	1,017	-	10,586	-	10,586	-	-
Early Intervention Grant 15-16	-	-	16,963	-	(16,963)	48,516	32,456	-	(903)
Reading Recovery	7,000	-	-	-	7,000	-	7,000	-	-
Lilly Grant	-	-	-	-	-	30,000	17,285	-	12,715
Life Skills Donation	600	250	600	-	250	800	500	-	550
Triton Lions SP ED Donation	375	-	300	-	75	-	47	-	28
Main Source Donation	3	-	-	-	3	-	-	-	3
AM Farmer Grow Community Grant	2,500	-	2,500	-	-	-	-	-	-
SMS Mac Grant Simons	-	500	130	-	370	1,230	610	-	990
SMS Golden Bear Court	-	-	-	-	-	3,710	-	-	3,710
Knauf Donation	8,535	-	8,535	-	-	-	-	-	-
Exploratory World Languages	3,025	-	180	-	2,845	-	2,845	-	-
Instructional Support	5,753	1,500	6,068	-	1,185	32,770	10,262	-	23,693
SCTA Reading Goal Donation	-	-	200	-	(200)	-	-	-	(200)
BRF MS Science Lab Grant	50	-	-	-	50	-	-	-	50
SH CO Drug Free Coalition Grant	-	-	-	-	-	2,795	1,371	-	1,424
BRF Hugs and Kisses Grant	116	-	-	-	116	-	116	-	-
21st Century Lunch Grant	146	-	-	-	146	-	-	-	146
Duke Energy Power Reader Grant	57,426	-	12,596	-	44,830	-	16,361	-	28,469
SH CO Drug Free Coalition MS GR	800	650	750	-	700	-	700	-	-
Duke Energy Power Reader 15-16	-	-	9,921	-	(9,921)	-	(9,921)	-	-
IASP Mini Grant SMS	-	500	1,120	-	(620)	500	500	-	(620)
RSVP Grant	418	-	-	-	418	-	418	-	-
BRF Drama Grant	79	-	190	-	(111)	-	-	-	(111)
Recreational Activities	60	2,390	1,246	-	1,204	2,900	1,823	-	2,281
Cultural Arts	332	-	408	-	(76)	-	-	-	(76)
Welfare Activities	-	-	-	-	-	2,105	1,893	-	212
After School Tutoring	92	-	-	-	92	-	-	-	92
Scholarships and Awards	503	-	-	-	503	-	503	-	-
BRF TU Futura Program	600	-	600	-	-	-	-	-	-
Challenge in Education	1,386	-	-	-	1,386	-	-	-	1,386

SHELBYVILLE CENTRAL SCHOOLS  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
Baby Safe Haven Grant	1,832	-	1,063	-	769	-	-	-	769
Prevention Services 2011-12	574	-	-	-	574	-	-	-	574
Baby Safe Haven Grant 12-13	2,021	-	184	-	1,837	-	88	-	1,749
Prevention Services 2012-13	680	-	-	-	680	-	650	-	30
Walmart Foundation Teacher of the Year-03	1,000	-	-	-	1,000	-	1,000	-	-
Prevention Serv Grant 13-14	2,078	13,716	18,205	-	(2,411)	18,733	13,099	-	3,223
GED Scholarship Fund	430	-	-	-	430	-	-	-	430
SMS Mentoring 13-14	(818)	-	-	-	(818)	-	253	-	(1,071)
Youth Risk Behavior Survey Grant	430	-	30	-	400	-	-	-	400
Transportation Driver App	-	505	-	-	505	100	-	-	605
BRF PE Equipment Grant	179	-	35	-	144	-	75	-	69
Health Dept. Tobacco Prevention Grant	253	-	-	-	253	-	253	-	-
BRF Loper Musical Grant	-	-	-	-	-	-	660	-	(660)
BRF Loper Musical 12-13	36	-	-	-	36	-	-	-	36
BRF Hend Musical Grant 14-15	511	900	609	-	802	1,200	1,561	-	441
Coulston BRF Musical Grant	-	1,000	773	-	227	-	-	-	227
Drug Free Coalition	51	-	-	-	51	-	51	-	-
Drug Free Coalition Grant 2013	5	-	-	-	5	-	5	-	-
Coulston Outdoor Lab	361	-	-	-	361	-	-	-	361
BRF Art Grant 2004	293	-	265	-	28	-	-	-	28
BRF Chamber Music Fest Grant	1	-	-	-	1	-	-	-	1
BRF Arts Grant Loper	15	-	-	-	15	-	-	-	15
SH CO Art Grant SMS Library	43	-	-	-	43	-	-	-	43
Blue River Foundation MS Jazz Grant	300	-	-	-	300	-	-	-	300
Rush Shelby Reading Back Packs	750	-	-	-	750	-	-	-	750
All Day Preschool	12,049	28,456	77,498	-	(36,993)	104,702	78,766	-	(11,057)
Formative Assessment	-	56,267	-	-	56,267	50,407	-	-	106,674
G&T 13-14	21,370	(21,370)	-	-	-	-	-	-	-
G&T 2014-15	(2,572)	21,370	18,797	-	1	-	-	-	1
G&T 2015-16	-	44,973	24,326	-	20,647	-	22,353	-	(1,706)
G&T 2016-17	-	-	-	-	-	43,126	24,498	-	18,628
Tech Prep	1,911	-	-	-	1,911	-	1,911	-	-
Medicaid Reimbursement	90,059	99,283	15,328	-	174,014	101,950	47,846	-	228,118
Secured Schools Safety Grant	-	-	-	-	-	50,000	47,910	-	2,090
NESP 2014-15	3,510	-	20,111	-	(16,601)	-	(16,601)	-	-
NESP 2015-16	-	48,017	30,339	-	17,678	-	59,761	-	(42,083)
NESP 2016-17	-	-	-	-	-	48,017	-	-	48,017
School Technology	54,924	4,404	54,189	-	5,139	23,169	10,207	-	18,101
Technology Plan Buddy	200	-	-	-	200	-	200	-	-
Career and Technical Performance Grant	-	-	-	-	-	28,744	2,800	-	25,944
Performance Based Awards	(187)	-	-	-	(187)	-	-	-	(187)
Indiana School Academic Improvement Program (ISAIP)	1,028	-	-	-	1,028	-	-	-	1,028
Access Indiana	4,244	-	3,892	-	352	-	200	-	152
Miscellaneous Programs	101	-	-	-	101	-	-	-	101
Target Grant - Make a Book	24	-	-	-	24	-	24	-	-
Target Make a Book Hendricks	10	-	-	-	10	-	10	-	-
Target Make a Book Grant Loper	108	-	-	-	108	-	108	-	-
County Council Racino Grant	5,936	-	-	-	5,936	-	413	-	5,523
Wellness Grant 13-14	925	-	-	-	925	-	-	-	925
Harcourt ESL Grant	98	-	18	-	80	-	-	-	80

SHELBYVILLE CENTRAL SCHOOLS  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
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For the Years Ended June 30, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
IPLA Grant	716	-	443	-	273	-	274	-	(1)
Target Field Trip Grant Hendricks	601	-	-	-	601	-	-	-	601
Technology Leadership Grant	200	-	-	-	200	-	200	-	-
Regional Library Meeting Grant	24	-	-	-	24	-	-	-	24
Electronic Assessment IN Fine	267	-	-	-	267	-	267	-	-
Cash for College Grant	622	-	-	-	622	-	-	-	622
Title I 2011-12	-	-	-	-	-	-	974	-	(974)
Title I 2014-15	(216,165)	293,795	78,556	-	(926)	-	369	-	(1,295)
Title I 2015-16	-	313,896	607,096	-	(293,200)	395,193	234,130	-	(132,137)
Title I 2016-17	-	-	-	-	-	399,335	459,702	-	(60,367)
Title I N/D 2009-10	5,275	-	-	-	5,275	-	-	-	5,275
Title I N/D 12-13	1,325	-	-	-	1,325	-	-	-	1,325
Title I N/D 2008-09	3,705	-	-	-	3,705	-	-	-	3,705
Title V, Part A 2007-09	2,305	-	-	-	2,305	-	2,305	-	-
IDEA Special Ed 2013-14	(100)	-	-	-	(100)	-	-	-	(100)
IDEA Special Ed 2014-15	(133,621)	288,359	419,947	-	(265,209)	-	1,300	-	(266,509)
IDEA Special Ed 2015-16	-	314,638	344,599	-	(29,961)	567,432	701,351	-	(163,880)
IDEA Special Ed 2016-17	-	-	-	-	-	-	45,660	-	(45,660)
Special Ed Tech Asst 13-14	76	-	9,686	-	(9,610)	-	-	-	(9,610)
IDEA Part B Preschool 2014-15	(5,168)	10,299	18,346	-	(13,215)	-	-	-	(13,215)
IDEA Part B Preschool 2015-16	-	20,477	16,666	-	3,811	13,490	35,053	-	(17,752)
IDEA Part B Preschool 2016-17	-	-	-	-	-	-	290	-	(290)
Title II Part A 2012-13	-	-	-	-	-	-	588	-	(588)
Title II Part A 2013-14	-	-	867	-	(867)	-	-	-	(867)
Title II Part A 14-15	(22,642)	-	68,252	-	(90,894)	91,368	300	-	174
Title II Part A 15-16	-	-	71,317	-	(71,317)	107,613	47,653	-	(11,357)
Title II Part A 16-17	-	-	-	-	-	11,553	25,464	-	(13,911)
Title III - English Proficiency Migrant	(4,182)	16,546	19,460	-	(7,096)	3,469	(3,627)	-	-
Title III 14-15	-	-	-	-	-	-	600	-	(600)
Title III 15-17	-	-	7,295	-	(7,295)	-	25,606	-	(32,901)
Foundation Pass Through	-	7,619	-	-	7,619	3,870	-	-	11,489
Coke	770	1,107	-	-	1,877	942	-	-	2,819
Payroll Withholdings	43,607	5,996,923	5,841,419	-	199,111	6,055,209	6,059,267	-	195,053
<b>Totals</b>	<b>\$ 18,296,529</b>	<b>\$ 47,799,715</b>	<b>\$ 48,652,262</b>	<b>\$ -</b>	<b>\$ 17,443,982</b>	<b>\$ 52,025,587</b>	<b>\$ 48,150,546</b>	<b>\$ -</b>	<b>\$ 21,319,023</b>

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

SHELBYVILLE CENTRAL SCHOOLS  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

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

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

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

*B. Basis of Accounting*

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

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

*C. Cash and Investments*

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

*D. Receipts*

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

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

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

SHELBYVILLE CENTRAL SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

*E. Disbursements*

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

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

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

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

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

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

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

*F. Other Financing Sources and Uses*

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

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

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

SHELBYVILLE CENTRAL SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*G. Fund Accounting*

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. Deposits and Investments**

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

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

SHELBYVILLE CENTRAL SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

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

SHELBYVILLE CENTRAL SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. Teachers' Retirement Fund*

*Plan Description*

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

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

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 286-3544

*Funding Policy and Annual Pension Cost*

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

**Note 7. Negative Receipts and Disbursements**

The financial statement contains some receipts and disbursements which appear as negative entries. This is the result of the correction of errors from prior periods. The errors made in the prior period were corrected by reversing the original entry. Since the original entry and the correction were made in separate periods, a negative receipt/disbursement was shown in the current period.

**Note 8. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of funds set up for reimbursable grants, reimbursements not requested timely, and posting errors.

SHELBYVILLE CENTRAL SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 9. Holding Corporations**

The School Corporation has entered into capital leases with Shelbyville Elementary School Building Corporation, Shelbyville Middle School Building Corporation, and Shelbyville Central Renovation 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 fiscal years 2016 and 2017 totaled \$5,575,275.89 and \$5,656,000, respectively.

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#### OTHER INFORMATION - UNAUDITED

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

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

The other information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/Severance Bond	Construction	G.O. Bond Projects
Cash and investments - beginning	\$ 4,967,311	\$ 3,250,375	\$ 707,615	\$ 1,005,674	\$ 674,343	\$ 5,884,808	\$ 170,733	\$ -	\$ 751,247
Receipts:									
Local sources	221,778	6,219,545	2,882,354	2,004,320	360,440	-	1,857	19,085	33,095
Intermediate sources	27	-	-	-	-	52,725	-	-	-
State sources	25,690,058	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	661	-	-	27	-	-	-	-	-
Total receipts	<u>25,912,524</u>	<u>6,219,545</u>	<u>2,882,354</u>	<u>2,004,347</u>	<u>360,440</u>	<u>52,725</u>	<u>1,857</u>	<u>19,085</u>	<u>33,095</u>
Disbursements:									
Instruction	17,210,679	-	-	-	-	-	-	-	-
Support services	7,266,914	-	1,380,133	1,829,628	-	-	43,227	11,288	699,433
Noninstructional services	456,865	-	-	-	-	-	-	-	-
Facilities acquisition and construction	5,142	-	1,115,768	-	-	-	-	-	2,794,557
Debt service	-	5,802,136	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>24,939,600</u>	<u>5,802,136</u>	<u>2,495,901</u>	<u>1,829,628</u>	<u>-</u>	<u>-</u>	<u>43,227</u>	<u>11,288</u>	<u>3,493,990</u>
Excess (deficiency) of receipts over disbursements	<u>972,924</u>	<u>417,409</u>	<u>386,453</u>	<u>174,719</u>	<u>360,440</u>	<u>52,725</u>	<u>(41,370)</u>	<u>7,797</u>	<u>(3,460,895)</u>
Other financing sources (uses):									
Transfers in	-	-	114,520	80,178	14,601	-	-	-	-
Transfers out	-	(209,299)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(209,299)</u>	<u>114,520</u>	<u>80,178</u>	<u>14,601</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>972,924</u>	<u>208,110</u>	<u>500,973</u>	<u>254,897</u>	<u>375,041</u>	<u>52,725</u>	<u>(41,370)</u>	<u>7,797</u>	<u>(3,460,895)</u>
Cash and investments - ending	<u>\$ 5,940,235</u>	<u>\$ 3,458,485</u>	<u>\$ 1,208,588</u>	<u>\$ 1,260,571</u>	<u>\$ 1,049,384</u>	<u>\$ 5,937,533</u>	<u>\$ 129,363</u>	<u>\$ 7,797</u>	<u>\$ (2,709,648)</u>

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	School Lunch	Prepaid Food	Textbook Rental	Levy Excess	BRSEC General	Educational License Plates	Alternative Education	SAFE School Haven	Early Intervention Grant
Cash and investments - beginning	\$ 1,552,550	\$ 8,729	\$ (784,634)	\$ -	\$ (346)	\$ 21,850	\$ 83,352	\$ 4,604	\$ -
Receipts:									
Local sources	278,107	442,908	255,011	15,357	-	-	-	-	-
Intermediate sources	-	-	-	-	-	262	-	-	-
State sources	67,213	-	173,939	-	-	-	16,982	-	-
Federal sources	1,494,784	-	-	-	-	-	-	-	-
Other	610	-	1,600	-	-	-	-	-	-
Total receipts	<u>1,840,714</u>	<u>442,908</u>	<u>430,550</u>	<u>15,357</u>	<u>-</u>	<u>262</u>	<u>16,982</u>	<u>-</u>	<u>-</u>
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	1,159	-	186,051	-	-	-	-	-	-
Noninstructional services	2,013,639	-	-	-	-	-	-	-	-
Facilities acquisition and construction	1,790	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	135	-	-	-	-	-	-	-
Total disbursements	<u>2,016,588</u>	<u>135</u>	<u>186,051</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(175,874)</u>	<u>442,773</u>	<u>244,499</u>	<u>15,357</u>	<u>-</u>	<u>262</u>	<u>16,982</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(175,874)</u>	<u>442,773</u>	<u>244,499</u>	<u>15,357</u>	<u>-</u>	<u>262</u>	<u>16,982</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,376,676</u>	<u>\$ 451,502</u>	<u>\$ (540,135)</u>	<u>\$ 15,357</u>	<u>\$ (346)</u>	<u>\$ 22,112</u>	<u>\$ 100,334</u>	<u>\$ 4,604</u>	<u>\$ -</u>

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Early Intervention Grant 13-14	Early Intervention Grant 14-15	Early Intervention Grant 15-16	Reading Recovery	Lilly Grant	Life Skills Donation	Triton Lions SP ED Donation	Main Source Donation	AM Farmer Grow Community Grant
Cash and investments - beginning	\$ 14,538	\$ 11,603	\$ -	\$ 7,000	\$ -	\$ 600	\$ 375	\$ 3	\$ 2,500
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	250	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	250	-	-	-
Disbursements:									
Instruction	783	1,017	16,963	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	600	300	-	2,500
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	783	1,017	16,963	-	-	600	300	-	2,500
Excess (deficiency) of receipts over disbursements	(783)	(1,017)	(16,963)	-	-	(350)	(300)	-	(2,500)
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	(783)	(1,017)	(16,963)	-	-	(350)	(300)	-	(2,500)
Cash and investments - ending	\$ 13,755	\$ 10,586	\$ (16,963)	\$ 7,000	\$ -	\$ 250	\$ 75	\$ 3	\$ -

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	SMS Mac Grant Simons	SMS Golden Bear Court	Knauf Donation	Exploratory World Languages	Instructional Support	SCTA Reading Goal Donation	BRF MS Science Lab Grant	SH CO Drug Free Coalition Grant	BRF Hugs and Kisses Grant
Cash and investments - beginning	\$ -	\$ -	\$ 8,535	\$ 3,025	\$ 5,753	\$ -	\$ 50	\$ -	\$ 116
Receipts:									
Local sources	500	-	-	-	1,500	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	500	-	-	-	1,500	-	-	-	-
Disbursements:									
Instruction	130	-	-	180	3,117	200	-	-	-
Support services	-	-	-	-	2,951	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	8,535	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	130	-	8,535	180	6,068	200	-	-	-
Excess (deficiency) of receipts over disbursements	370	-	(8,535)	(180)	(4,568)	(200)	-	-	-
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	370	-	(8,535)	(180)	(4,568)	(200)	-	-	-
Cash and investments - ending	\$ 370	\$ -	\$ -	\$ 2,845	\$ 1,185	\$ (200)	\$ 50	\$ -	\$ 116

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	21st Century Lunch Grant	Duke Energy Power Reader Grant	SH CO Drug Free Coalition MS GR	Duke Energy Power Reader 15-16	IASP Mini Grant SMS	RSVP Grant	BRF Drama Grant	Recreational Activities	Cultural Arts
Cash and investments - beginning	\$ 146	\$ 57,426	\$ 800	\$ -	\$ -	\$ 418	\$ 79	\$ 60	\$ 332
Receipts:									
Local sources	-	-	650	-	500	-	-	2,390	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	650	-	500	-	-	2,390	-
Disbursements:									
Instruction	-	12,596	750	9,921	1,120	-	190	-	408
Support services	-	-	-	-	-	-	-	1,246	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	12,596	750	9,921	1,120	-	190	1,246	408
Excess (deficiency) of receipts over disbursements	-	(12,596)	(100)	(9,921)	(620)	-	(190)	1,144	(408)
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	-	(12,596)	(100)	(9,921)	(620)	-	(190)	1,144	(408)
Cash and investments - ending	\$ 146	\$ 44,830	\$ 700	\$ (9,921)	\$ (620)	\$ 418	\$ (111)	\$ 1,204	\$ (76)

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Welfare Activities	After School Tutoring	Scholarships and Awards	BRF TU Futura Program	Challenge in Education	Baby Safe Haven Grant	Prevention Services 2011-12	Baby Safe Haven Grant 12-13	Prevention Services 2012-13
Cash and investments - beginning	\$ -	\$ 92	\$ 503	\$ 600	\$ 1,386	\$ 1,832	\$ 574	\$ 2,021	\$ 680
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	-	-
Disbursements:									
Instruction	-	-	-	600	-	1,063	-	184	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	600	-	1,063	-	184	-
Excess (deficiency) of receipts over disbursements	-	-	-	(600)	-	(1,063)	-	(184)	-
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	-	-	-	(600)	-	(1,063)	-	(184)	-
Cash and investments - ending	\$ -	\$ 92	\$ 503	\$ -	\$ 1,386	\$ 769	\$ 574	\$ 1,837	\$ 680

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Walmart Foundation Teacher of the Year-03	Prevention Serv Grant 13-14	GED Scholarship Fund	SMS Mentoring 13-14	Youth Risk Behavior Survey Grant	Transportation Driver App	BRF PE Equipment Grant	Health Dept. Tobacco Prevention Grant	BRF Loper Musical Grant
Cash and investments - beginning	\$ 1,000	\$ 2,078	\$ 430	\$ (818)	\$ 430	\$ -	\$ 179	\$ 253	\$ -
Receipts:									
Local sources	-	13,716	-	-	-	505	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	13,716	-	-	-	505	-	-	-
Disbursements:									
Instruction	-	18,205	-	-	30	-	35	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	18,205	-	-	30	-	35	-	-
Excess (deficiency) of receipts over disbursements	-	(4,489)	-	-	(30)	505	(35)	-	-
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	-	(4,489)	-	-	(30)	505	(35)	-	-
Cash and investments - ending	\$ 1,000	\$ (2,411)	\$ 430	\$ (818)	\$ 400	\$ 505	\$ 144	\$ 253	\$ -

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	BRF Loper Musical 12-13	BRF Hend Musical Grant 14-15	Coulston BRF Musical Grant	Drug Free Coalition Grant	Drug Free Coalition Grant 2013	Coulston Outdoor Lab	BRF Art Grant 2004	BRF Chamber Music Fest Grant	BRF Arts Grant Loper
Cash and investments - beginning	\$ 36	\$ 511	\$ -	\$ 51	\$ 5	\$ 361	\$ 293	\$ 1	\$ 15
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	900	1,000	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	900	1,000	-	-	-	-	-	-
Disbursements:									
Instruction	-	609	773	-	-	-	265	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	609	773	-	-	-	265	-	-
Excess (deficiency) of receipts over disbursements	-	291	227	-	-	-	(265)	-	-
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	-	291	227	-	-	-	(265)	-	-
Cash and investments - ending	\$ 36	\$ 802	\$ 227	\$ 51	\$ 5	\$ 361	\$ 28	\$ 1	\$ 15

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	SH CO Art Grant SMS Library	Blue River Foundation MS Jazz Grant	Rush Shelby Reading Back Packs	All Day Preschool	Formative Assessment	G&T 13-14	G&T 2014-15	G&T 2015-16	G&T 2016-17
Cash and investments - beginning	\$ 43	\$ 300	\$ 750	\$ 12,049	\$ -	\$ 21,370	\$ (2,572)	\$ -	\$ -
Receipts:									
Local sources	-	-	-	28,456	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	56,267	(21,370)	21,370	44,973	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	28,456	56,267	(21,370)	21,370	44,973	-
Disbursements:									
Instruction	-	-	-	77,498	-	-	18,797	24,326	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	77,498	-	-	18,797	24,326	-
Excess (deficiency) of receipts over disbursements	-	-	-	(49,042)	56,267	(21,370)	2,573	20,647	-
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	-	-	-	(49,042)	56,267	(21,370)	2,573	20,647	-
Cash and investments - ending	\$ 43	\$ 300	\$ 750	\$ (36,993)	\$ 56,267	\$ -	\$ 1	\$ 20,647	\$ -

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Tech Prep	Medicaid Reimbursement	Secured Schools Safety Grant	NESP 2014-15	NESP 2015-16	NESP 2016-17	School Technology	Technology Plan Buddy	Career and Technical Performance Grant
Cash and investments - beginning	\$ 1,911	\$ 90,059	\$ -	\$ 3,510	\$ -	\$ -	\$ 54,924	\$ 200	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	99,283	-	-	48,017	-	4,404	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	99,283	-	-	48,017	-	4,404	-	-
Disbursements:									
Instruction	-	7,987	-	20,111	30,339	-	-	-	-
Support services	-	7,341	-	-	-	-	54,189	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	15,328	-	20,111	30,339	-	54,189	-	-
Excess (deficiency) of receipts over disbursements	-	83,955	-	(20,111)	17,678	-	(49,785)	-	-
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	-	83,955	-	(20,111)	17,678	-	(49,785)	-	-
Cash and investments - ending	\$ 1,911	\$ 174,014	\$ -	\$ (16,601)	\$ 17,678	\$ -	\$ 5,139	\$ 200	\$ -

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Performance Based Awards	Indiana School Academic Improvement Program (ISAIP)	Access Indiana	Miscellaneous Programs	Target Grant Make a Book	Target Make a Book Hendricks	Target Make a Book Grant Loper	County Council Racino Grant	Wellness Grant 13-14
Cash and investments - beginning	\$ (187)	\$ 1,028	\$ 4,244	\$ 101	\$ 24	\$ 10	\$ 108	\$ 5,936	\$ 925
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	-	-
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	3,892	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	3,892	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	(3,892)	-	-	-	-	-	-
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	-	-	(3,892)	-	-	-	-	-	-
Cash and investments - ending	\$ (187)	\$ 1,028	\$ 352	\$ 101	\$ 24	\$ 10	\$ 108	\$ 5,936	\$ 925

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Harcourt ESL Grant	IPLA Grant	Target Field Trip Grant Hendricks	Technology Leadership Grant	Regional Library Meeting Grant	Electronic Assessment IN Fine	Cash for College Grant	Title I 2011-12	Title I 2014-15
Cash and investments - beginning	\$ 98	\$ 716	\$ 601	\$ 200	\$ 24	\$ 267	\$ 622	\$ -	\$ (216,165)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	293,795
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	-	293,795
Disbursements:									
Instruction	18	-	-	-	-	-	-	-	43,003
Support services	-	443	-	-	-	-	-	-	25,921
Noninstructional services	-	-	-	-	-	-	-	-	9,632
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	18	443	-	-	-	-	-	-	78,556
Excess (deficiency) of receipts over disbursements	(18)	(443)	-	-	-	-	-	-	215,239
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	(18)	(443)	-	-	-	-	-	-	215,239
Cash and investments - ending	\$ 80	\$ 273	\$ 601	\$ 200	\$ 24	\$ 267	\$ 622	\$ -	\$ (926)

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Title I 2015-16	Title I 2016-17	Title I N/D 2009-10	Title I N/D 12-13	Title I N/D 2008-09	Title V, Part A 2007-09	IDEA Special Ed 2013-14	IDEA Special Ed 2014-15	IDEA Special Ed 2015-16
Cash and investments - beginning	\$ -	\$ -	\$ 5,275	\$ 1,325	\$ 3,705	\$ 2,305	\$ (100)	\$ (133,621)	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	313,896	-	-	-	-	-	-	288,359	314,638
Other	-	-	-	-	-	-	-	-	-
Total receipts	313,896	-	-	-	-	-	-	288,359	314,638
Disbursements:									
Instruction	529,757	-	-	-	-	-	-	419,947	344,599
Support services	71,142	-	-	-	-	-	-	-	-
Noninstructional services	6,197	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	607,096	-	-	-	-	-	-	419,947	344,599
Excess (deficiency) of receipts over disbursements	(293,200)	-	-	-	-	-	-	(131,588)	(29,961)
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	(293,200)	-	-	-	-	-	-	(131,588)	(29,961)
Cash and investments - ending	\$ (293,200)	\$ -	\$ 5,275	\$ 1,325	\$ 3,705	\$ 2,305	\$ (100)	\$ (265,209)	\$ (29,961)

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	IDEA Special Ed 2016-17	Special Ed Tech Asst 13-14	IDEA Part B Preschool 2014-15	IDEA Part B Preschool 2015-16	IDEA Part B Preschool 2016-17	Title II Part A 2012-13	Title II Part A 2013-14	Title II Part A 14-15	Title II Part A 15-16
Cash and investments - beginning	\$ -	\$ 76	\$ (5,168)	\$ -	\$ -	\$ -	\$ -	\$ (22,642)	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	10,299	20,477	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	10,299	20,477	-	-	-	-	-
Disbursements:									
Instruction	-	9,686	18,346	16,666	-	-	867	68,252	71,317
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	9,686	18,346	16,666	-	-	867	68,252	71,317
Excess (deficiency) of receipts over disbursements	-	(9,686)	(8,047)	3,811	-	-	(867)	(68,252)	(71,317)
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	-	(9,686)	(8,047)	3,811	-	-	(867)	(68,252)	(71,317)
Cash and investments - ending	\$ -	\$ (9,610)	\$ (13,215)	\$ 3,811	\$ -	\$ -	\$ (867)	\$ (90,894)	\$ (71,317)

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Title II Part A 16-17	Title III - English Proficiency Migrant	Title III 14-15	Title III 15-17	Foundation Pass Through	Coke	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ (4,182)	\$ -	\$ -	\$ -	\$ 770	\$ 43,607	\$ 18,296,529
Receipts:								
Local sources	-	-	-	-	-	-	-	12,782,074
Intermediate sources	-	-	-	-	-	-	-	55,164
State sources	-	-	-	-	-	-	-	26,201,136
Federal sources	-	16,546	-	-	-	-	-	2,752,794
Other	-	-	-	-	7,619	1,107	5,996,923	6,008,547
Total receipts	-	16,546	-	-	7,619	1,107	5,996,923	47,799,715
Disbursements:								
Instruction	-	19,460	-	7,295	-	-	-	19,008,089
Support services	-	-	-	-	-	-	-	11,581,066
Noninstructional services	-	-	-	-	-	-	-	2,486,333
Facilities acquisition and construction	-	-	-	-	-	-	-	3,933,084
Debt service	-	-	-	-	-	-	-	5,802,136
Nonprogrammed charges	-	-	-	-	-	-	5,841,419	5,841,554
Total disbursements	-	19,460	-	7,295	-	-	5,841,419	48,652,262
Excess (deficiency) of receipts over disbursements	-	(2,914)	-	(7,295)	7,619	1,107	155,504	(852,547)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	209,299
Transfers out	-	-	-	-	-	-	-	(209,299)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2,914)	-	(7,295)	7,619	1,107	155,504	(852,547)
Cash and investments - ending	\$ -	\$ (7,096)	\$ -	\$ (7,295)	\$ 7,619	\$ 1,877	\$ 199,111	\$ 17,443,982

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/Severance Bond	Construction	G.O. Bond Projects
Cash and investments - beginning	\$ 5,940,235	\$ 3,458,485	\$ 1,208,588	\$ 1,260,571	\$ 1,049,384	\$ 5,937,533	\$ 129,363	\$ 7,797	\$ (2,709,648)
Receipts:									
Local sources	168,810	6,141,602	2,867,569	1,997,609	362,023	218,633	3,953	7,743	2,972,573
Intermediate sources	46	-	-	-	-	-	-	-	-
State sources	26,356,516	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>26,525,372</u>	<u>6,141,602</u>	<u>2,867,569</u>	<u>1,997,609</u>	<u>362,023</u>	<u>218,633</u>	<u>3,953</u>	<u>7,743</u>	<u>2,972,573</u>
Disbursements:									
Instruction	16,960,030	-	-	-	-	-	-	-	-
Support services	7,087,837	-	2,394,723	2,057,313	358,605	-	58,374	-	1,864
Noninstructional services	466,621	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	858,345	-	-	38,101	-	31,048	566,879
Debt service	-	5,884,960	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>24,514,488</u>	<u>5,884,960</u>	<u>3,253,068</u>	<u>2,057,313</u>	<u>358,605</u>	<u>38,101</u>	<u>58,374</u>	<u>31,048</u>	<u>568,743</u>
Excess (deficiency) of receipts over disbursements	<u>2,010,884</u>	<u>256,642</u>	<u>(385,499)</u>	<u>(59,704)</u>	<u>3,418</u>	<u>180,532</u>	<u>(54,421)</u>	<u>(23,305)</u>	<u>2,403,830</u>
Other financing sources (uses):									
Transfers in	-	-	101,528	67,178	12,365	-	-	-	-
Transfers out	-	(181,071)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	<u>(181,071)</u>	<u>101,528</u>	<u>67,178</u>	<u>12,365</u>	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,010,884</u>	<u>75,571</u>	<u>(283,971)</u>	<u>7,474</u>	<u>15,783</u>	<u>180,532</u>	<u>(54,421)</u>	<u>(23,305)</u>	<u>2,403,830</u>
Cash and investments - ending	<u>\$ 7,951,119</u>	<u>\$ 3,534,056</u>	<u>\$ 924,617</u>	<u>\$ 1,268,045</u>	<u>\$ 1,065,167</u>	<u>\$ 6,118,065</u>	<u>\$ 74,942</u>	<u>\$ (15,508)</u>	<u>\$ (305,818)</u>

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	School Lunch	Prepaid Food	Textbook Rental	Levy Excess	BRSEC General	Educational License Plates	Alternative Education	SAFE School Haven	Early Intervention Grant
Cash and investments - beginning	\$ 1,376,676	\$ 451,502	\$ (540,135)	\$ 15,357	\$ (346)	\$ 22,112	\$ 100,334	\$ 4,604	\$ -
Receipts:									
Local sources	82,545	658,919	265,461	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	263	-	-	-
State sources	50,645	-	149,447	-	-	-	15,612	-	19,405
Federal sources	1,437,505	-	-	-	-	-	-	-	-
Other	560	-	3,200	-	-	-	-	-	-
Total receipts	1,571,255	658,919	418,108	-	-	263	15,612	-	19,405
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	11,730
Support services	66,445	-	375,992	-	-	-	-	-	-
Noninstructional services	1,868,928	-	-	-	-	-	-	-	-
Facilities acquisition and construction	1,017,024	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	790	-	-	-	-	-	-	-
Total disbursements	2,952,397	790	375,992	-	-	-	-	-	11,730
Excess (deficiency) of receipts over disbursements	(1,381,142)	658,129	42,116	-	-	263	15,612	-	7,675
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	(1,381,142)	658,129	42,116	-	-	263	15,612	-	7,675
Cash and investments - ending	\$ (4,466)	\$ 1,109,631	\$ (498,019)	\$ 15,357	\$ (346)	\$ 22,375	\$ 115,946	\$ 4,604	\$ 7,675

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2017

	Early Intervention Grant 13-14	Early Intervention Grant 14-15	Early Intervention Grant 15-16	Reading Recovery	Lilly Grant	Life Skills Donation	Triton Lions SP ED Donation	Main Source Donation	AM Farmer Grow Community Grant
Cash and investments - beginning	\$ 13,755	\$ 10,586	\$ (16,963)	\$ 7,000	\$ -	\$ 250	\$ 75	\$ 3	\$ -
Receipts:									
Local sources	-	-	-	-	30,000	-	-	-	-
Intermediate sources	-	-	-	-	-	800	-	-	-
State sources	-	-	48,516	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	48,516	-	30,000	800	-	-	-
Disbursements:									
Instruction	13,755	10,586	32,456	7,000	17,285	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	500	47	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	13,755	10,586	32,456	7,000	17,285	500	47	-	-
Excess (deficiency) of receipts over disbursements	(13,755)	(10,586)	16,060	(7,000)	12,715	300	(47)	-	-
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	(13,755)	(10,586)	16,060	(7,000)	12,715	300	(47)	-	-
Cash and investments - ending	\$ -	\$ -	\$ (903)	\$ -	\$ 12,715	\$ 550	\$ 28	\$ 3	\$ -

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	SMS Mac Grant Simons	SMS Golden Bear Court	Knauf Donation	Exploratory World Languages	Instructional Support	SCTA Reading Goal Donation	BRF MS Science Lab Grant	SH CO Drug Free Coalition Grant	BRF Hugs and Kisses Grant
Cash and investments - beginning	\$ 370	\$ -	\$ -	\$ 2,845	\$ 1,185	\$ (200)	\$ 50	\$ -	\$ 116
Receipts:									
Local sources	1,230	3,710	-	-	32,770	-	-	2,795	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	1,230	3,710	-	-	32,770	-	-	2,795	-
Disbursements:									
Instruction	610	-	-	2,845	1,076	-	-	1,371	116
Support services	-	-	-	-	9,186	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	610	-	-	2,845	10,262	-	-	1,371	116
Excess (deficiency) of receipts over disbursements	620	3,710	-	(2,845)	22,508	-	-	1,424	(116)
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	620	3,710	-	(2,845)	22,508	-	-	1,424	(116)
Cash and investments - ending	\$ 990	\$ 3,710	\$ -	\$ -	\$ 23,693	\$ (200)	\$ 50	\$ 1,424	\$ -

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	21st Century Lunch Grant	Duke Energy Power Reader Grant	SH CO Drug Free Coalition MS GR	Duke Energy Power Reader 15-16	IASP Mini Grant SMS	RSVP Grant	BRF Drama Grant	Recreational Activities	Cultural Arts
Cash and investments - beginning	\$ 146	\$ 44,830	\$ 700	\$ (9,921)	\$ (620)	\$ 418	\$ (111)	\$ 1,204	\$ (76)
Receipts:									
Local sources	-	-	-	-	500	-	-	2,900	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	500	-	-	2,900	-
Disbursements:									
Instruction	-	16,361	700	(9,921)	500	418	-	-	-
Support services	-	-	-	-	-	-	-	1,823	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	16,361	700	(9,921)	500	418	-	1,823	-
Excess (deficiency) of receipts over disbursements	-	(16,361)	(700)	9,921	-	(418)	-	1,077	-
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	-	(16,361)	(700)	9,921	-	(418)	-	1,077	-
Cash and investments - ending	\$ 146	\$ 28,469	\$ -	\$ -	\$ (620)	\$ -	\$ (111)	\$ 2,281	\$ (76)

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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 For the Year Ended June 30, 2017

	Welfare Activities	After School Tutoring	Scholarships and Awards	BRF TU Futura Program	Challenge in Education	Baby Safe Haven Grant	Prevention Services 2011-12	Baby Safe Haven Grant 12-13	Prevention Services 2012-13
Cash and investments - beginning	\$ -	\$ 92	\$ 503	\$ -	\$ 1,386	\$ 769	\$ 574	\$ 1,837	\$ 680
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	2,105	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	2,105	-	-	-	-	-	-	-	-
Disbursements:									
Instruction	1,893	-	503	-	-	-	-	88	650
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	1,893	-	503	-	-	-	-	88	650
Excess (deficiency) of receipts over disbursements	212	-	(503)	-	-	-	-	(88)	(650)
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	212	-	(503)	-	-	-	-	(88)	(650)
Cash and investments - ending	\$ 212	\$ 92	\$ -	\$ -	\$ 1,386	\$ 769	\$ 574	\$ 1,749	\$ 30

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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	Walmart Foundation Teacher of the Year-03	Prevention Serv Grant 13-14	GED Scholarship Fund	SMS Mentoring 13-14	Youth Risk Behavior Survey Grant	Transportation Driver App	BRF PE Equipment Grant	Health Dept. Tobacco Prevention Grant	BRF Loper Musical Grant
Cash and investments - beginning	\$ 1,000	\$ (2,411)	\$ 430	\$ (818)	\$ 400	\$ 505	\$ 144	\$ 253	\$ -
Receipts:									
Local sources	-	18,733	-	-	-	100	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	18,733	-	-	-	100	-	-	-
Disbursements:									
Instruction	1,000	13,099	-	253	-	-	75	253	660
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	1,000	13,099	-	253	-	-	75	253	660
Excess (deficiency) of receipts over disbursements	(1,000)	5,634	-	(253)	-	100	(75)	(253)	(660)
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	(1,000)	5,634	-	(253)	-	100	(75)	(253)	(660)
Cash and investments - ending	\$ -	\$ 3,223	\$ 430	\$ (1,071)	\$ 400	\$ 605	\$ 69	\$ -	\$ (660)

SHELBYVILLE CENTRAL SCHOOLS  
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	BRF Loper Musical 12-13	BRF Hend Musical Grant 14-15	Coulston BRF Musical Grant	Drug Free Coalition Grant	Drug Free Coalition Grant 2013	Coulston Outdoor Lab	BRF Art Grant 2004	BRF Chamber Music Fest Grant	BRF Arts Grant Loper
Cash and investments - beginning	\$ 36	\$ 802	\$ 227	\$ 51	\$ 5	\$ 361	\$ 28	\$ 1	\$ 15
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	1,200	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	1,200	-	-	-	-	-	-	-
Disbursements:									
Instruction	-	1,561	-	51	5	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,561	-	51	5	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	(361)	-	(51)	(5)	-	-	-	-
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	-	(361)	-	(51)	(5)	-	-	-	-
Cash and investments - ending	\$ 36	\$ 441	\$ 227	\$ -	\$ -	\$ 361	\$ 28	\$ 1	\$ 15

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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	SH CO Art Grant SMS Library	Blue River Foundation MS Jazz Grant	Rush Shelby Reading Back Packs	All Day Preschool	Formative Assessment	G&T 13-14	G&T 2014-15	G&T 2015-16	G&T 2016-17
Cash and investments - beginning	\$ 43	\$ 300	\$ 750	\$ (36,993)	\$ 56,267	\$ -	\$ 1	\$ 20,647	\$ -
Receipts:									
Local sources	-	-	-	104,702	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	50,407	-	-	-	43,126
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	104,702	50,407	-	-	-	43,126
Disbursements:									
Instruction	-	-	-	78,766	-	-	-	22,353	24,498
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	78,766	-	-	-	22,353	24,498
Excess (deficiency) of receipts over disbursements	-	-	-	25,936	50,407	-	-	(22,353)	18,628
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	-	-	-	25,936	50,407	-	-	(22,353)	18,628
Cash and investments - ending	\$ 43	\$ 300	\$ 750	\$ (11,057)	\$ 106,674	\$ -	\$ 1	\$ (1,706)	\$ 18,628

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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	Tech Prep	Medicaid Reimbursement	Secured Schools Safety Grant	NESP 2014-15	NESP 2015-16	NESP 2016-17	School Technology	Technology Plan Buddy	Career and Technical Performance Grant
Cash and investments - beginning	\$ 1,911	\$ 174,014	\$ -	\$ (16,601)	\$ 17,678	\$ -	\$ 5,139	\$ 200	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	101,950	50,000	-	-	48,017	23,169	-	11,229
Federal sources	-	-	-	-	-	-	-	-	17,515
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	101,950	50,000	-	-	48,017	23,169	-	28,744
Disbursements:									
Instruction	-	40,970	-	(16,601)	59,761	-	-	200	2,800
Support services	1,911	6,876	-	-	-	-	10,207	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	47,910	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	1,911	47,846	47,910	(16,601)	59,761	-	10,207	200	2,800
Excess (deficiency) of receipts over disbursements	(1,911)	54,104	2,090	16,601	(59,761)	48,017	12,962	(200)	25,944
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	(1,911)	54,104	2,090	16,601	(59,761)	48,017	12,962	(200)	25,944
Cash and investments - ending	\$ -	\$ 228,118	\$ 2,090	\$ -	\$ (42,083)	\$ 48,017	\$ 18,101	\$ -	\$ 25,944

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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 For the Year Ended June 30, 2017

	Performance Based Awards	Indiana School Academic Improvement Program (ISAIP)	Access Indiana	Miscellaneous Programs	Target Grant Make a Book	Target Make a Book Hendricks	Target Make a Book Grant Loper	County Council Racino Grant	Wellness Grant 13-14
Cash and investments - beginning	\$ (187)	\$ 1,028	\$ 352	\$ 101	\$ 24	\$ 10	\$ 108	\$ 5,936	\$ 925
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	-	-
Disbursements:									
Instruction	-	-	-	-	24	10	108	413	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	200	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	200	-	24	10	108	413	-
Excess (deficiency) of receipts over disbursements	-	-	(200)	-	(24)	(10)	(108)	(413)	-
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	-	-	(200)	-	(24)	(10)	(108)	(413)	-
Cash and investments - ending	\$ (187)	\$ 1,028	\$ 152	\$ 101	\$ -	\$ -	\$ -	\$ 5,523	\$ 925

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Harcourt ESL Grant	IPLA Grant	Target Field Trip Grant Hendricks	Technology Leadership Grant	Regional Library Meeting Grant	Electronic Assessment IN Fine	Cash for College Grant	Title I 2011-12	Title I 2014-15
Cash and investments - beginning	\$ 80	\$ 273	\$ 601	\$ 200	\$ 24	\$ 267	\$ 622	\$ -	\$ (926)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	-	-
Disbursements:									
Instruction	-	-	-	200	-	267	-	-	-
Support services	-	274	-	-	-	-	-	974	369
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	274	-	200	-	267	-	974	369
Excess (deficiency) of receipts over disbursements	-	(274)	-	(200)	-	(267)	-	(974)	(369)
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	-	(274)	-	(200)	-	(267)	-	(974)	(369)
Cash and investments - ending	\$ 80	\$ (1)	\$ 601	\$ -	\$ 24	\$ -	\$ 622	\$ (974)	\$ (1,295)

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Title I 2015-16	Title I 2016-17	Title I N/D 2009-10	Title I N/D 12-13	Title I N/D 2008-09	Title V, Part A 2007-09	IDEA Special Ed 2013-14	IDEA Special Ed 2014-15	IDEA Special Ed 2015-16
Cash and investments - beginning	\$ (293,200)	\$ -	\$ 5,275	\$ 1,325	\$ 3,705	\$ 2,305	\$ (100)	\$ (265,209)	\$ (29,961)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	395,193	399,335	-	-	-	-	-	-	567,432
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>395,193</u>	<u>399,335</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>567,432</u>
Disbursements:									
Instruction	204,540	385,041	-	-	-	2,305	-	1,300	701,351
Support services	28,776	67,473	-	-	-	-	-	-	-
Noninstructional services	814	7,188	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>234,130</u>	<u>459,702</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,305</u>	<u>-</u>	<u>1,300</u>	<u>701,351</u>
Excess (deficiency) of receipts over disbursements	<u>161,063</u>	<u>(60,367)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,305)</u>	<u>-</u>	<u>(1,300)</u>	<u>(133,919)</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>161,063</u>	<u>(60,367)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,305)</u>	<u>-</u>	<u>(1,300)</u>	<u>(133,919)</u>
Cash and investments - ending	<u>\$ (132,137)</u>	<u>\$ (60,367)</u>	<u>\$ 5,275</u>	<u>\$ 1,325</u>	<u>\$ 3,705</u>	<u>\$ -</u>	<u>\$ (100)</u>	<u>\$ (266,509)</u>	<u>\$ (163,880)</u>

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	IDEA Special Ed 2016-17	Special Ed Tech Asst 13-14	IDEA Part B Preschool 2014-15	IDEA Part B Preschool 2015-16	IDEA Part B Preschool 2016-17	Title II Part A 2012-13	Title II Part A 2013-14	Title II Part A 14-15	Title II Part A 15-16
Cash and investments - beginning	\$ -	\$ (9,610)	\$ (13,215)	\$ 3,811	\$ -	\$ -	\$ (867)	\$ (90,894)	\$ (71,317)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	13,490	-	-	-	91,368	107,613
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	13,490	-	-	-	91,368	107,613
Disbursements:									
Instruction	45,660	-	-	35,053	290	588	-	300	47,653
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	45,660	-	-	35,053	290	588	-	300	47,653
Excess (deficiency) of receipts over disbursements	(45,660)	-	-	(21,563)	(290)	(588)	-	91,068	59,960
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	(45,660)	-	-	(21,563)	(290)	(588)	-	91,068	59,960
Cash and investments - ending	\$ (45,660)	\$ (9,610)	\$ (13,215)	\$ (17,752)	\$ (290)	\$ (588)	\$ (867)	\$ 174	\$ (11,357)

SHELBYVILLE CENTRAL SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Title II Part A 16-17	Title III - English Proficiency Migrant	Title III 14-15	Title III 15-17	Foundation Pass Through	Coke	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ (7,096)	\$ -	\$ (7,295)	\$ 7,619	\$ 1,877	\$ 199,111	\$ 17,443,982
Receipts:								
Local sources	11,553	-	-	-	-	-	-	15,956,433
Intermediate sources	-	-	-	-	-	-	-	4,414
State sources	-	-	-	-	-	-	-	26,968,039
Federal sources	-	3,469	-	-	-	-	-	3,032,920
Other	-	-	-	-	3,870	942	6,055,209	6,063,781
Total receipts	11,553	3,469	-	-	3,870	942	6,055,209	52,025,587
Disbursements:								
Instruction	25,464	(3,627)	600	24,845	-	-	-	18,772,141
Support services	-	-	-	761	-	-	-	12,529,783
Noninstructional services	-	-	-	-	-	-	-	2,343,551
Facilities acquisition and construction	-	-	-	-	-	-	-	2,560,054
Debt service	-	-	-	-	-	-	-	5,884,960
Nonprogrammed charges	-	-	-	-	-	-	6,059,267	6,060,057
Total disbursements	25,464	(3,627)	600	25,606	-	-	6,059,267	48,150,546
Excess (deficiency) of receipts over disbursements	(13,911)	7,096	(600)	(25,606)	3,870	942	(4,058)	3,875,041
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	181,071
Transfers out	-	-	-	-	-	-	-	(181,071)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(13,911)	7,096	(600)	(25,606)	3,870	942	(4,058)	3,875,041
Cash and investments - ending	\$ (13,911)	\$ -	\$ (600)	\$ (32,901)	\$ 11,489	\$ 2,819	\$ 195,053	\$ 21,319,023

SHELBYVILLE CENTRAL SCHOOLS  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2017

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	<u>\$ 2,237,512</u>	<u>\$ -</u>

SHELBYVILLE CENTRAL SCHOOLS  
 SCHEDULE OF LEASES AND DEBT  
 June 30, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Shelbyville Elementary School Building Corporation	Renovations to Middle School, Loper Elementary and Hendricks Elementary	\$ 2,810,000	1/15/2012	1/15/2024
Shelbyville Middle School Building Corporation	Renovations and Improvements to Middle School	305,070	1/15/2012	1/15/2020
Shelbyville Central Renovation Building Corporation	Renovations to High School, Loper Elementary and Coulston Elementary	2,531,000	1/15/2006	1/15/2027
Putnam Industries	Copiers	<u>92,940</u>	2/26/2014	3/26/2019
Total of annual lease payments		<u>\$ 5,739,010</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Renovation projects	<u>\$ 1,620,000</u>	<u>\$ 222,511</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

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

**Report on Compliance for Each Major Federal Program**

We have audited the Shelbyville Central Schools' (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2015 to June 30, 2017. 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.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. Except as discussed below, 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

***Basis for Qualified Opinion on the Child Nutrition Cluster***

As described in item 2017-007 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with its Child Nutrition Cluster regarding Program Income. Consequently, we were unable to determine whether the School Corporation complied with these requirements applicable to the program.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

As described in item 2017-010 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Equipment and Real Property Management that are applicable to its Child Nutrition Cluster. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

***Qualified Opinion on the Child Nutrition Cluster***

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the School Corporation's compliance with the requirements of its Child Nutrition Cluster regarding Program Income, and except for the noncompliance described in the *Basis for Qualified Opinion on the Child Nutrition Cluster* paragraphs, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its Child Nutrition Cluster for the period of July 1, 2015 to June 30, 2017.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2015 to June 30, 2017.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2017-004, 2017-005, 2017-008, and 2017-009. Our opinion on each major federal program is not modified with respect to these matters.

The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control over Compliance**

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will


INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2017-003, 2017-004, 2017-005, 2017-006, 2017-007, 2017-008, 2017-009, and 2017-010, that we consider to be material weaknesses.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

  
Paul D. Joyce, CPA  
State Examiner

May 8, 2018

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

SHELBYVILLE CENTRAL SCHOOLS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2016 and 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-16	Total Federal Awards Expended 06-30-17
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553			
School Breakfast			FY 2016	\$ 351,054	\$ -
School Breakfast			FY 2017	-	324,691
Total - School Breakfast Program				<u>351,054</u>	<u>324,691</u>
National School Lunch Program					
School Lunch	Indiana Department of Education	10.555			
Snack			FY 2016	1,089,021	-
School Lunch Commodities			FY 2016	25,160	-
School Lunch Commodities			FY 2016	141,796	-
Snack			FY 2017	-	740,930
School Lunch			FY 2017	-	37,475
School Lunch			FY 2017	-	912,412
Total - National School Lunch Program				<u>1,255,977</u>	<u>1,690,817</u>
Summer Food Service Program for Children					
Summer Food Service	Indiana Department of Education	10.559			
Summer Food Service			FY 2016	50,271	-
Summer Food Service			FY 2017	-	54,477
Total - Summer Food Service Program for Children				<u>50,271</u>	<u>54,477</u>
Total - Child Nutrition Cluster				<u>1,657,302</u>	<u>2,069,985</u>
Child and Adult Care Food Program					
Supper	Indiana Department of Education	10.558			
Supper			FY 2016	29,549	-
Supper			FY 2017	-	162,927
Total - Child and Adult Care Food Program				<u>29,549</u>	<u>162,927</u>
Total - Department of Agriculture				<u>1,686,851</u>	<u>2,232,912</u>
<u>Department of Education</u>					
Title I Grants to Local Educational Agencies					
Title I	Indiana Department of Education	84.010			
Title I			15-7365	293,795	-
Title I			16-7365	313,896	395,193
Title I			17-7365	-	399,335
Total - Title I Grants to Local Educational Agencies				<u>607,691</u>	<u>794,528</u>

SHELBYVILLE CENTRAL SCHOOLS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2016 and 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-16	Total Federal Awards Expended 06-30-17
Special Education Cluster (IDEA)					
Special Education_Grants to States	Indiana Department of Education	84.027			
Special Ed			14215-088-PN01	288,358	-
			14216-082-PN01	<u>314,638</u>	<u>567,432</u>
Total - Special Education_Grants to States				<u>602,996</u>	<u>567,432</u>
Special Education_Preschool Grants	Indiana Department of Education	84.173			
Special Ed			45715-088-PN01	10,299	-
Special Ed			45716-081-PN01	<u>20,477</u>	<u>13,490</u>
Total - Special Education_Preschool Grants				<u>30,776</u>	<u>13,490</u>
Total - Special Education Cluster (IDEA)				<u>633,772</u>	<u>580,922</u>
English Language Acquisition State Grants Title III	Indiana Department of Education	84.365	01115-085-PN01	<u>16,546</u>	<u>3,469</u>
Total - English Language Acquisition State Grants				<u>16,546</u>	<u>3,469</u>
Supporting Effective Instruction State Grants Title II	Indiana Department of Education	84.367	15-7365	-	91,368
Title II			16-7365	<u>-</u>	<u>107,613</u>
Total - Supporting Effective Instruction State Grants				<u>-</u>	<u>198,981</u>
Total - Department of Education				<u>1,258,009</u>	<u>1,577,900</u>
Total federal awards expended				<u>\$ 2,944,860</u>	<u>\$ 3,810,812</u>

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

SHELBYVILLE CENTRAL SCHOOLS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2016 and 2017. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

SHELBYVILLE CENTRAL SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
84.010	Child Nutrition Cluster Special Education Cluster (IDEA) Title I Grants to Local Educational Agencies	Qualified Unmodified Unmodified

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

Auditee qualified as low-risk auditee? no

**Section II - Financial Statement Findings**

**FINDING 2017-001**

Subject: Financial Transactions and Reporting  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat of Finding 2015-001 from the immediately prior audit.

*Condition*

There were deficiencies in the internal control system of the School Corporation related to Financial Transactions and Reporting. The School Corporation had not separated incompatible activities related to Cash and Investments and Receipts.

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

*Cash and Investments*

The Treasurer was responsible for performing the monthly bank reconciliation. There was no documentation of a control in place to prevent, or detect and correct, errors.

*Receipts*

The Treasurer wrote receipts, posted receipts, took deposits to the bank, had access to the system to make adjustments, approved adjustments, and reconciled the bank accounts without a proper system of oversight, review, or approval.

*Context*

The lack of internal controls was systemic, occurring throughout the audit period.

*Criteria*

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

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

An integral part of the control activity component is segregation of duties. . . .

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

*Cause*

Management of the School Corporation had not established a proper system of internal control.

*Effect*

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected.

*Recommendation*

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the Financial Transactions and Reporting.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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

***FINDING 2017-002***

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

*Repeat Finding*

This is a repeat of Finding 2015-002 from the immediately prior audit.

*Condition*

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The Treasurer was the person solely responsible for preparing and submitting the SEFA. There was no segregation of duties documented, such as an oversight, review, approval process, or other compensating control.

*Context*

The lack of controls was a systemic problem throughout the audit period. The SEFA contained the following errors:

1. The Child Nutrition Cluster was understated by \$2,236,512.
2. The Child and Adult Care Food Program was understated by \$192,476.
3. The Supporting Effective Instruction State Grants program was overstated by \$11,553.
4. The English Language Acquisition State Grants program was understated by \$16,546.
5. All program names were incorrect and the CFDA numbers were omitted.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

*Criteria*

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

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

An integral part of the control activity component is segregation of duties. . . .

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

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

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 financial statements. . . ."

2 CFR 200.510(b) states:

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

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

*Cause*

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

*Effect*

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

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

*Recommendation*

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the preparation of the SEFA.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**Section III - Federal Award Findings and Questioned Costs**

**FINDING 2017-003**

Subject: Title I Grants to Local Educational Agencies - Internal Controls  
Federal Agency: Department of Education  
Federal Program: Title I Grants to Local Educational Agencies  
CFDA Number: 84.010  
Federal Award Numbers and Years (or Other Identifying Numbers): 15-7365, 16-7365, 17-7365  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: Cash Management, Special Tests and Provisions - Comparability  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat of Finding 2015-003 from the immediately prior audit.

*Condition*

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Cash Management and Special Tests and Provisions - Comparability compliance requirements.

*Cash Management*

The School Corporation had one employee primarily responsible for monitoring that program costs were paid by the entity prior to requesting reimbursement. There was no segregation of duties, such as an oversight, review, approval process, or other compensating control.

*Special Tests and Provisions - Comparability*

The School Corporation had one employee primarily responsible for completing and submitting the required Comparability reports. There was no segregation of duties, such as an oversight, review, approval process, or other compensating control.

*Context*

The lack of internal controls was a systemic problem, occurring throughout the audit period.

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

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

*Cause*

Management had not developed a system of internal controls that would ensure compliance with the Cash Management and Special Tests and Provisions - Comparability compliance requirements.

*Effect*

The failure to establish internal controls could have enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls related to the grant agreement and the Cash Management and Special Tests and Provisions - Comparability compliance requirements.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2017-004**

Subject: Title I Grants to Local Educational Agencies - Reporting  
Federal Agency: Department of Education  
Federal Program: Title I Grants to Local Educational Agencies  
CFDA Number: 84.010  
Federal Award Numbers and Years (or Other Identifying Numbers): 15-7365, 16-7365, 17-7365  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Reporting  
Audit Findings: Material Weakness, Other Matters

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

*Repeat Finding*

This is a repeat of Finding 2015-003 from the immediately prior audit.

*Condition*

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Reporting compliance requirement. The School Corporation had one employee primarily responsible for completing and submitting required reports. There was no segregation of duties, such as an oversight, review, approval process, or other compensating control.

Reimbursement requests filed with the Indiana Department of Education were not supported by the School Corporation's records; therefore, the amounts requested for reimbursement could not be completely substantiated. It was the Treasurer's practice to request for reimbursement only a percentage of expenses. However, the percentage was not documented and fluctuated with each reimbursement request.

*Context*

The lack of controls and lack of documentation to support the reimbursement requests was systemic, occurring throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.302(a) states:

"Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award."

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the Reporting compliance requirement.

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

*Effect*

The failure to establish internal controls enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls and comply with the grant agreement and the Reporting compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2017-005**

Subject: Special Education Cluster (IDEA) - Reporting

Federal Agency: Department of Education

Federal Programs: Special Education\_Grants to States, Special Education\_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14215-088-PN01, 14216-082-PN01,  
45715-088-PN01, 45716-081-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat of Finding 2015-004 from the immediately prior audit.

*Condition*

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Reporting compliance requirement. The Treasurer was responsible for completing and submitting required reports. Quarterly Monitoring Reports for Proportionate Shares for Non-Public Schools and Final Financial Reports were not submitted during the audit period.

Reimbursement requests filed with the Indiana Department of Education were not supported by the School Corporation's records; therefore, the amounts requested for reimbursement could not be completely substantiated. It was the Treasurer's practice to request for reimbursement only a percentage of expenses. However, the percentage was not documented and fluctuated with each reimbursement request.

*Context*

The lack of internal controls and noncompliance issues were systemic, occurring throughout the audit period.

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

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.302(a) states:

"Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award."

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the Reporting compliance requirement.

*Effect*

The failure to establish internal controls enabled material noncompliance to go undetected. The failure to comply with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Reporting compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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

***FINDING 2017-006***

Subject: Child Nutrition Cluster - Internal Controls  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program, Summer Food Service Program  
CFDA Numbers: 10.553, 10.555, 10.559  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2016, FY 2017  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: Cash Management, Eligibility, Special Tests and Provisions - School Food Accounts, Special Tests and Provisions - Paid Lunch Equity  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat of Finding 2015-005 from the immediately prior audit.

*Condition*

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the following compliance requirements: Cash Management, Eligibility, Special Tests and Provisions - School Food Accounts, and Special Tests and Provisions - Paid Lunch Equity.

*Cash Management*

A control process had not been documented to ensure that the School Lunch fund's net cash resources were limited to three months average expenditures.

*Eligibility*

The School Corporation had not established an effective control over the determination of eligibility for free and reduced priced meals. The School Corporation contracted with an outside company whose employees determined eligibility during the audit period. There was no documentation of an oversight, review process, or other compensating control to ensure eligibility was properly determined.

*Special Tests and Provisions - School Food Accounts*

A control process had not been established to ensure that federal reimbursement payments were promptly credited to the School Lunch fund. One person was primarily responsible for posting federal reimbursements. There was no documentation of an oversight, review process, or other compensating control.

*Special Tests and Provisions - Paid Lunch Equity (National School Lunch Program only)*

A control process had not been established to ensure that the paid lunch equity calculations were accurate. The Food Service Director was responsible for compliance with paid lunch equity requirements. An oversight, review process, or other compensating control had not been established.

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

*Context*

The lack of controls was a systemic problem, occurring throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

*Cause*

Management had not developed a system of internal controls that would ensure compliance with the requirements listed above.

*Effect*

The failure to establish internal controls could have enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls related to the grant agreement and compliance requirements listed above.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2017-007**

Subject: School Breakfast Program and National School Lunch Program - Program Income  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2016, FY 2017  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Program Income  
Audit Findings: Material Weakness, Modified Opinion

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

*Repeat Finding*

This is a repeat of Finding 2015-006 from the immediately prior audit.

*Condition*

The School Corporation had not established an effective control to ensure program income was properly recorded in the financial records. All School Lunch collections were recorded in the School Corporation's Prepaid Food fund, with no distinction between sales and prepaid receipts. There were no transfers made from the Prepaid Food fund to the School Lunch fund. Due to the lack of distinction between prepaid receipts and actual sales, it could not be determined if the School Corporation was in compliance with the Program Income compliance requirement.

*Context*

The lack of controls and documentation to support compliance with the Program Income compliance requirement was systemic, occurring throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured that documentation was maintained to support compliance with the Program Income compliance requirement.

*Effect*

The failure to provide documentation to distinguish between sales and prepaid amounts prevented the determination of the School Corporation's compliance with the Program Income compliance requirement.

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure that documentation be maintained to support compliance with the grant agreement and the Program Income compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2017-008**

Subject: Child Nutrition Cluster - Reporting

Federal Agency: Department of Education

Federal Programs: School Breakfast Program, National School Lunch  
Program, Summer Food Service Program

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2016, FY 2017

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Findings: Material Weakness, Other Matters

*Condition*

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Reporting compliance requirement. The School Corporation contracted with a food service management company to operate its food service program. The food service management company was responsible for completing and submitting all required reports including the monthly sponsor claims, Annual Financial Reports, and Verification Summary Reports. There was no oversight, review, or approval by anyone at the School Corporation to ensure the accuracy of the reports.

The 2016-2017 Annual Financial Report did not agree with the School Corporation's financial records, and portions of the report were not complete.

The 2016-2017 Verification Summary Report could not be traced to supporting documentation. Documentation was not presented to support the total number of free and reduced price applications reported.

*Context*

Internal control and noncompliance issues were systemic, occurring throughout the audit period.

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

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.302(a) states:

"Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award."

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the Reporting compliance requirement.

*Effect*

The failure to establish internal controls enabled material noncompliance to go undetected. The failure to comply with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Reporting compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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

***FINDING 2017-009***

Subject: School Breakfast Program and National School Lunch Program -  
Verification of Free and Reduced Price Applications (NSLP)  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2016, FY 2017  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Special Tests and Provisions - Verification of  
Free and Reduced Price Applications (NSLP)  
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat of finding 2015-007 from the immediately prior audit.

*Condition*

Management of the School Corporation had not established an effective internal control system to ensure compliance with the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement. The School Corporation contracted with a food service management company whose employees were responsible for verifying free and reduced price applications. There was no documentation that an oversight, review process, or other compensating control had been established to ensure the proper number of applications were verified for accuracy.

During the 2015-2016 school year, the School Corporation was required to verify 35 free and reduced price applications. According to the Verification Collection Report, only 20 households responded. The households that did not respond were not identified, so it could not be determined if the appropriate changes were made to eligibility. Of the 20 households that responded, income documentation was presented for only 12 of the households.

The School Corporation was required to conduct a second review of all free and reduced price applications during the 2015-2016 school year. The School completed the Second Review of Applications Report; however, there was no documentation of the second review on the applications to indicate a second review had been conducted.

One out of four verified applications selected for testing during the 2016-2017 school year was not appropriately changed from free to reduced price eligibility. The income information was not correctly entered into the system, so the applicant remained eligible for free lunches in error.

*Context*

The lack of controls and noncompliance were systemic issues, occurring throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

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

7 CFR 245.6a states in part:

". . . (c) *Verification requirement*—

(1) *General*. The local educational agency must verify eligibility of children in a sample of household applications approved for free and reduced price meal benefits for that school year. . . .

(3) *Standard sample size*. Unless eligible for an alternative sample size under paragraph (d) of this section, the sample size for each local educational agency shall equal the lesser of:

(i) Three (3) percent of all applications approved by the local educational agency for the school year, as of October 1 of the school year, selected from error prone applications; or

(ii) 3,000 error prone applications approved by the local educational agency for the school year, as of October 1 of the school year.

(iii) Local educational agencies shall not exceed the standard sample size in paragraphs (c)(3)(i) or (c)(3)(ii) of this section, as applicable, and, unless eligible for one of the alternative sample sizes provided in paragraph (c)(4) of this section, the local educational agency shall not use a smaller sample size than those in paragraphs (c)(3)(i) or (c)(3)(ii) of this section, as applicable.

(iv) If the number of error-prone applications exceeds the required sample size, the local educational agency shall select the required sample at random, i.e., each application has an equal chance of being selected, from the total number of error-prone applications. . . .

(f) *Verification procedures and assistance for households* . . .

(7) *Eligibility changes*. Based on the verification activities, the local educational agency shall make appropriate modifications to the eligibility determinations made initially. The local educational agency must notify the household of any change. Households must be notified of any reduction in benefits in accordance with paragraph (j) of this section. Households with reduced benefits or that are longer eligible for free or reduced price meals must be notified of their right to reapply at any time with documentation of income or participation in one of the eligible programs in paragraph (a)(1) of this section. . . ."

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

7 CFR 245.11(c) states:

*"Local educational agency requirements.* Beginning July 1, 2014, and each July 1 thereafter, local educational agencies selected by the State agency to conduct a second review of applications must ensure that the initial eligibility determination for each application is reviewed for accuracy prior to notifying the household of the eligibility or ineligibility of the household for free and reduced price meals. The second review must be conducted by an individual or entity who did not make the initial determination. This individual or entity is not required to be an employee of the local educational agency but must be trained on how to make application determinations. All individuals or entities who conduct a second review of applications are subject to the disclosure requirements set forth in § 245.6(f) through (k)."

*Cause*

Management had not developed a system of internal controls that ensured compliance with the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

*Effect*

The failure to establish internal controls enabled material noncompliance to go undetected. The failure to comply with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2017-010**

Subject: Child Nutrition Cluster - Equipment and Real Property Management

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program, Summer Food Service Program

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2016, FY 2017

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Equipment and Real Property Management

Audit Findings: Material Weakness, Modified Opinion

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

*Condition*

Management of the School Corporation had not established an effective internal control system to ensure compliance with requirements related to the grant agreement and the Equipment and Real Property Management compliance requirement. Equipment records were not maintained during the audit period and an inventory of equipment purchased had not been performed within the last two years.

*Context*

The lack of controls and noncompliance were systemic issues, occurring throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.313(d) states in part:

"*Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years. . . ."

*Cause*

Management had not developed a system of internal controls that ensured compliance with the Equipment and Real Property Management compliance requirement.

*Effect*

The failure to establish internal controls enabled material noncompliance to go undetected. The failure to comply with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Equipment and Real Property Management compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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#### AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.

# Shelbyville Central Schools

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

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2015-001***

Fiscal year in which the finding initially occurred: 2013  
Contact Person Responsible for Corrective Action:  
Contact Phone Number:

Salli S. Rooks  
317-392-2505 x 1258

Status of Audit Finding: We have updated our procedures to have someone responsible for receiving the money and preparing the paperwork. This is given to the next person to write up the deposit and take to the bank. The receipts are entered into our software program and posted. At the end of the month, the bank statement is reconciled by multiple people. Implemented March 2018.

### ***FINDING 2015-002***

Fiscal year in which the finding initially occurred: 2013  
Contact Person Responsible for Corrective Action:  
Contact Phone Number:

Salli S. Rooks  
317-392-2505 x 1258

Status of Audit Finding: Shelbyville Central Schools will establish controls that will comply with all applicable grant laws and regulations. The Grant Coordinator will provide the documentation needed to set accounts up according to the grant. New procedures will be put into place whereas the Business Manager will work with the Grant Coordinator and/or another person in the Central Office to review documentation prior to the grant schedule being submitted on Gateway. When submitting cash requests and reimbursement requests there will be multiple people reviewing the expenditure reports and signing off on them. Implementing July 2018.

### ***FINDING 2015-003***

Fiscal year in which the finding initially occurred: 2013  
Pass-Through Entity: Indiana Department of Education  
Contact Person Responsible for Corrective Action:  
Contact Phone Number:

Salli S. Rooks  
317-392-2505 x 1258

Status of Audit Finding: We have established controls where there are multiple people involved with the setting up of accounts within the grants. The grant

coordinator will provide the approved grant amounts so that appropriations can be set up accordingly. Reporting will be handled through joint effort of multiple staff members. We will set up so that there are multiple people reviewing all reports, including the Comparability Report and submitting all of the reports. Multiple people will review and sign off on all of the reports, including the Comparability Report prior to being submitted. Shelbyville Central Schools intends to comply with all applicable grant laws and regulations. The new procedures were put in place while the audit was being completed. Controls over the Comparability Report will be implemented during the 2018-19 school year.

***FINDING 2015-004***

Fiscal year in which the finding initially occurred: 2013  
Pass-Through Entity: Indiana Department of Education  
Contact Person Responsible for Corrective Action:  
Contact Phone Number:

Salli S. Rooks  
317-392-2505 x 1258

Status of Audit Finding: Shelbyville Central Schools will have someone responsible for reviewing the documentation and another person responsible for carrying out the process of payroll and reporting. Timesheets are reviewed and signed off by building administrators prior to being submitted to the district office for processing. Two people will review the expenditure reports prior to submitting the reimbursement requests and sign off on them. The Payroll Clerk prepares the payroll. The Treasurer proofs and approves prior to processing. The Treasurer and the School Board approve the detailed payroll reports at the monthly Board meetings. This was corrected in the previous audit.

***FINDING 2015-005***

Fiscal year in which the finding initially occurred: 2015  
Pass-Through Entity: Indiana Department of Education  
Contact Person Responsible for Corrective Action:  
Contact Phone Number:

Salli S. Rooks  
317-392-2505 x 1258

Status of Audit Finding: Shelbyville Central Schools will set up controls whereas the School Lunch Manager and Business Manager will work together to make sure the net cash expenditures will be set up to be compliant. Monitoring will be put in to place within the buildings to ensure that eligibility is being properly determined for free and reduced meals. The

Business Manager will review and approve the reports provided by Chartwells prior to submission. Multiple people will be involved in the oversight of federal reimbursements and handling of funds. The Business Manager and the School Lunch Manager will work together to ensure that paid lunch equity is accurate. These items were not communicated until April 2018. Shelbyville Central Schools will begin setting up the new controls and processes once the new Business Manager is hired and will begin implementation in the 2018-19 school year.

**FINDING 2015-006**

Fiscal year in which the finding initially occurred: 2015  
Pass-Through Entity: Indiana Department of Education  
Contact Person Responsible for Corrective Action:  
Contact Phone Number:

Salli S. Rooks  
317-392-2505 x 1258

Status of Audit Finding: The current program allows for balancing between what the cashiers deposit and what is reported in the system. The online program where parents pay in to their child's account is balanced back to the bank statement by someone in the Central Office. This is verified during the final bank reconciliation. Sales figures will be obtained from the school lunch software and posted to the school lunch fund. Controls will be implemented during the 2018-19 school year with the new Business Manager and Cafeteria Manager.

**FINDING 2015-007**

Fiscal year in which the finding initially occurred: 2015  
Pass-Through Entity: Indiana Department of Education  
Contact Person Responsible for Corrective Action:  
Contact Phone Number:

Salli S. Rooks  
317-392-2505 x 1258

Status of Audit Finding: Shelbyville Central Schools and Chartwells will work together to ensure that records are retained. Verification of Free and Reduced Price Applications will be verified by the proper percentage required and documentation will be kept.



(Signature)

Interim Business Manager/Treasurer

(Title)

May 8, 2018

(Date)

# Shelbyville Central Schools

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## CORRECTIVE ACTION PLAN

### ***FINDING 2017-001***

Contact Person Responsible for Corrective Action: Salli S. Rooks  
Contact Phone Number: 317-392-2505 x 1258

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: We have updated our procedures to have someone responsible for receiving the money and preparing the paperwork. This is given to the next person to write up the deposit and take to the bank. The receipts are entered into our software program and posted. At the end of the month, the bank statement is reconciled by multiple people.

Anticipated Completion Date: March 2018

### ***FINDING 2017-002***

Contact Person Responsible for Corrective Action: Salli S. Rooks  
Contact Phone Number: 317-392-2505 x 1258

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Shelbyville Central Schools will establish controls that will comply with all applicable grant laws and regulations. The Grant Coordinator will provide the documentation needed to set accounts up according to the grant. New procedures will be put into place whereas the Business Manager will work with the Grant Coordinator and/or another person in the Central Office to review documentation prior to the grant schedule being submitted on Gateway.

Anticipated Completion Date: The previous audit was completed immediately prior to this one. During the audit we were notified of this finding and new procedures were implemented to make sure that we were compliant. Also, when the new Business Manager takes over in July 2018 these procedures will be discussed with him for future compliance.

### ***FINDING 2017-003***

Contact Person Responsible for Corrective Action: Salli S. Rooks  
Contact Phone Number: 317-392-2505 x 1258

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: We have established controls where there are multiple people involved with the setting up of accounts within the grants. The grant coordinator will provide the approved grant amounts so that appropriations can be set up accordingly. Reporting will be handled through joint effort of multiple staff members. We will set up so that there are multiple people reviewing all reports, including the Comparability Report and submitting all of the reports. Multiple people will review and sign off on all of the reports, including the Comparability Report prior to being submitted. Shelbyville Central Schools intends to comply with all applicable grant laws and regulations.

Anticipated Completion Date: The previous audit was completed immediately prior to this one. During the audit we were notified of this finding and new procedures were implemented to make sure that we were compliant.

***FINDING 2017-004***

Contact Person Responsible for Corrective Action: Salli S. Rooks  
Contact Phone Number: 317-392-2505 x 1258

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Reimbursements will be filed within a timely manner and supported by a monthly expenditure amount. We will set up so that multiple people reviewing all reports prior to submission.

Anticipated Completion Date: During the audit we were informed of this finding and this was implemented at that time.

***FINDING 2017-005***

Contact Person Responsible for Corrective Action: Salli S. Rooks  
Contact Phone Number: 317-392-2505 x 1258

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Reimbursements will be filed within a timely manner and supported by monthly expenditures. We will set up so that multiple people reviewing all reports prior to submission.

Anticipated Completion Date: During the audit we were informed of this finding and the corrections were put in to place at that time.

***FINDING 2017-006***

Contact Person Responsible for Corrective Action: Salli S. Rooks  
Contact Phone Number: 317-392-2505 x 1258

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Shelbyville Central Schools will set up controls whereas the School Lunch Manager and Business Manager will work together to make sure the net cash expenditures will be set up to be compliant. Monitoring will be put in to place within the buildings to ensure that eligibility is being properly determined for free and reduced meals. The Business Manager will review and approve the reports provided by Chartwells prior to submission. Multiple people will be involved in the oversight of federal reimbursements and handling of funds. The Business Manager and the School Lunch Manager will work together to ensure that paid lunch equity is accurate.

Anticipated Completion Date: This audit was conducted immediately prior to the previous audit. Once these findings were reported we worked to develop a plan for our new Business Manager and our School Lunch Manager. Shelbyville Central Schools will begin setting up the new controls and processes once the new Business Manager is hired and will begin implementation in the 2018-19 school year.

**FINDING 2017-007**

Contact Person Responsible for Corrective Action: Salli S. Rooks  
Contact Phone Number: 317-392-2505 x 1258

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The current program allows for balancing between what the cashiers deposit and what is reported in the system. The online program where parents pay in to their child's account is balanced back to the bank statement by someone in the Central Office. This is verified during the final bank reconciliation. Sales figures will be obtained from the school lunch software and posted to the school lunch fund. Controls will be implemented during the 2018-19 school year with the new Business Manager and Cafeteria Manager.

Anticipated Completion Date: This audit was conducted immediately prior to the previous audit. Corrections have been put in to place with the new software programs being used by Chartwells. Additional corrections will be discussed with the new Business Manager and implemented during the 2018-19 school year.

**FINDING 2017-008**

Contact Person Responsible for Corrective Action: Salli S. Rooks  
Contact Phone Number: 317-392-2505 x 1258

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Shelbyville Central Schools Business Manager will work with the Chartwells School Lunch Manager to insure that they are providing supporting documents for all required reports and work together to verify that supporting documents are maintained and accurate. Documentation will be maintained and verified to support the number of free and reduced applications that are reported.

Anticipated Completion Date: August 2018

**FINDING 2017-009**

Contact Person Responsible for Corrective Action: Salli S. Rooks  
Contact Phone Number: 317-392-2505 x 1258

Views of Responsible Official: We concur with the findings.

Description of Corrective Action Plan: Shelbyville Central Schools and Chartwells will work together to ensure that records are retained. Verification of Free and Reduced Price Applications will be verified by the proper percentage required and documentation will be kept. There will be multiple people reviewing applications and signing off accordingly. Verification that income information is entered correctly will be reviewed by a second person.

Anticipated Completion Date: This audit was completed immediately after the previous one. New procedures will go in to place with the new Business Manager and School Lunch Manager during the 2018-19 school year.

**FINDING 2017-010**

Contact Person Responsible for Corrective Action: Salli S. Rooks  
Contact Phone Number: 317-392-2505 x 1258

Views of Responsible Official: We concur with the findings.

Description of Corrective Action Plan: Shelbyville Central Schools and Chartwells will work together to look in to the best ways to establish a plan for tracking equipment. Once equipment is tagged and verified inventory records will be kept.

Anticipated Completion Date: Once our new Business Manager is in place he will work with the School Lunch Manager on getting this in to place during the 2018-19 school year.



\_\_\_\_\_  
(Signature)

Interim Business Manager/Treasurer

\_\_\_\_\_  
(Title)

May 8, 2018

\_\_\_\_\_  
(Date)

#### OTHER REPORTS

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