



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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October 24, 2022

To: The Officials of Shelbyville Central Schools  
Shelbyville Central Schools  
1121 E. State Road 44  
Shelbyville, IN 46176

This report is supplemental to the audit report of Shelbyville Central Schools (School Corporation), for the period July 1, 2019 to June 30, 2021. It has been provided as a separate report so that the reader may easily identify any Examination Findings that pertain to the School Corporation. It should be read in conjunction with the financial statement audit report of the School Corporation, which provides an opinion on the School Corporation's financial statements. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the School Corporation and perform procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Findings and Results contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the Supplemental Audit Report for Shelbyville Central Schools prepared by Crowe LLP, Independent Public Accountants, for the period July 1, 2019 to June 30, 2021. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the findings in the report on pages 3-4.

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

Handwritten signature of Tammy R. White in cursive.

Tammy R. White, CPA  
Deputy State Examiner

**COMPLIANCE EXAMINATION OF**  
**SHELBYVILLE CENTRAL SCHOOLS**  
Shelby County, Indiana  
July 1, 2019 to June 30, 2021

SHELBYVILLE CENTRAL SCHOOLS

Shelby County, Indiana  
July 1, 2019 to June 30, 2021

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SHELBYVILLE CENTRAL SCHOOLS  
SCHEDULE OF OFFICIALS  
July 1, 2019 to June 30, 2021

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Michelle Babock	07-01-19 to 06-30-21
Superintendent of Schools	Mary Harper	07-01-19 to 06-30-21
President of the School Board	Mike Warble Gayle Wiley	07-01-19 to 12-31-19 01-01-20 to 06-30-21

## INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and  
Management of the Shelbyville Central Schools

We have examined the Shelbyville Central Schools ("School Corporation") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* during the period July 1, 2019 to June 30, 2021. Management of the School Corporation is responsible for the School Corporation's compliance with the specified requirements. Our responsibility is to express an opinion on the School Corporation's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the School Corporation complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the School Corporation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

Our examination does not provide a legal determination on the School Corporation's compliance with specified requirements.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* applicable to the School Corporation during the period July 1, 2019 to June 30, 2021, as described in items 2021-001 through 2021-003 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the School Corporation complied, in all material respects, with the aforementioned requirements during the period July 1, 2019 to June 30, 2021.

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
October 14, 2022

SHELBYVILLE CENTRAL SCHOOLS  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
July 1, 2019 to June 30, 2021

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**FINDING 2021-001: OVERDRAWN CASH BALANCES**

**Criteria:** Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations states in part, “The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit.”

**Condition:** During testing of cash fund balances, we noted the following funds that were not cost-reimbursement grant based with a cash balance below zero as of June 30, 2020 or June 30, 2021:

<u>Fund</u>	<u>Amount Overdrawn June 30, 2020</u>	<u>Amount Overdrawn June 30, 2021</u>
Curricular Materials Rental	\$ 911,141	\$ 261,288
Prepaid School Lunch Accounts	122,494	86,918
Electronic Payments	20,337	22,876
Foundation Pass Through	-	10,018

**FINDING 2021-002: MEAL CHARGE POLICY**

**Criteria:** On July 8, 2016, the USDA issued Memo 46-2016 providing requirements and guidance for school food authorities (SFA) to institute and communicate a meal charge policy. The memo states, “Because all students in participating schools may receive reimbursable meals, all SFAs must have a policy in place for children who are participating at the reduced or paid rate, but either do not have money in their account or in hand to cover the cost of the meal at the time of service.” It is required that students and their parents or guardians must be informed about how students who pay the full or reduced price cost of a reimbursable meal are impacted by having insufficient funds on hand or in their account to purchase a meal. The memo includes a deadline of July 1, 2017 for all SFAs to have established and communicated their written meal charge policy.

The memo provides guidelines for what can be included in the meal charge policy: (1) allowing students to charge all types of available reimbursable meals; (2) offering alternate meals; (3) impose a limit on charges; (4) allow neither meal charges nor offer alternate meals. School also have the ability to make the meal charge policy throughout the entire School Corporation or it can vary based on student grade levels. In addition to including situations when a meal is charged, the policy must include the steps taken for collecting delinquent meal charge debt, if allowed. (The School Bulletin and Uniform Compliance Guidelines, December 2016)

**Condition:** During testing, we noted the School Corporation did not have a formal meal charge policy.

SHELBYVILLE CENTRAL SCHOOLS  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
July 1, 2019 to June 30, 2021

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**FINDING 2021-003: AVERAGE DAILY MEMBERSHIP (ADM) TESTING**

**Criteria:** The Organizer is responsible for reporting ADM to the Indiana Department of Education (IDOE). The ADM Summary Report shall provide a written certification of ADM to properly document responsibility. The ADM Summary Report must be signed by the Superintendent/Principal/Director of Schools and the Trustee/Corporate Treasurer and be uploaded to IDOE for each reporting period in the fiscal year. Supporting documentation of enrollment and attendance/engagement information by grade and school must be maintained for audit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public Schools, Part 9).

Indiana Code 20-33-2-24 states, *“The superintendent or an attendance officer having jurisdiction shall report a child who is habitually absent from school in violation of this chapter to an intake officer of the juvenile court or the department of child services. The intake officer or the department of child services shall proceed in accord with IC 31-30 through IC 31-40.”*

**Condition:** During our testing, one student in our sample of 30 students selected for testing, was not regularly attending class during FY21. The student was not present for the ADM count on September 18, 2020.

Additionally, the student was present for the ADM count on February 1, 2021; however, the student was not actively attending classes the two weeks before or after the count date. The student missed approximately 122 days during FY21 for unexcused absences.

The School Corporation did report the student as a habitually absent student as required by IC 20-33-2-24. The School Corporation will need to follow up with IDOE to determine if the School Corporation should have received tuition support for this student.

SHELBYVILLE CENTRAL SCHOOL CORPORATION  
EXIT CONFERENCE  
July 1, 2019 to June 30, 2021

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The contents of this report were discussed on October 14, 2022, with Michelle Babcock, Treasurer, Dr. Matthew Vance, Superintendent, and Curt Johnson, President of the School Board.