



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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April 14, 2023

To: The Officials of the Shelby Eastern Schools
Shelby Eastern Schools
2451 N 600 E
Shelbyville, IN 46176

This report is supplemental to the audit report of Shelby Eastern Schools (School Corporation), for the period July 1, 2020 to June 30, 2022. 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/.

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 Shelby Eastern Schools prepared by CliftonLarsonAllen LLP, Independent Public Accountants, for the period July 1, 2020 to June 30, 2022. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

We call your attention to the findings in the report on page 3.

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

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

**SHELBY EASTERN SCHOOLS
SHELBY COUNTY, INDIANA**

COMPLIANCE REPORT

JULY 1, 2020 TO JUNE 30, 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

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**SHELBY EASTERN SCHOOLS
SHELBY COUNTY, INDIANA
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**SHELBY EASTERN SCHOOLS
SHELBY COUNTY, INDIANA
SCHEDULE OF OFFICIALS**

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Chris Scott	07-01-20 to 06-30-23
Superintendent of Schools	Todd Hitchcock	07-01-20 to 06-30-23
President of the School Board	Ben Kuhn	07-01-20 to 06-30-23



The Officials of the Shelby Eastern 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 Shelby Eastern Schools, which comprise the Statement of Receipts, Disbursements, Other Financing Sources, and Cash and Investment Balances - Regulatory Basis as of June 30, 2022 and for the period of July 1, 2020 to June 30, 2022, and the related notes to the financial statement, and have issued our report thereon date March 31, 2023.

In connection with our audit, we noted Shelby Eastern Schools failed to comply with certain provisions established by the Accounting and Uniform Compliance Guidelines Manual for Indiana Audits of Hospitals and State and Local Governments by Authorized Independent Public Accounts (the SBOA Manual) issued by the Indiana State Board of Accounts, in so far as they relate to accounting matters as described in the Audit Results and Comments. Our audit was not directed primarily toward obtaining knowledge as to whether Shelby Eastern Schools failed to comply with the terms, covenants, provisions, or conditions of the guidelines of SBOA insofar as they relate to accounting matters. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding noncompliance with the above-referenced provisions of the SBOA Manual, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance relating to the provisions of the Guidelines of the SBOA and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Indianapolis, Indiana
March 31, 2023

**SHELBY EASTERN SCHOOLS
SHELBY COUNTY, INDIANA
AUDIT RESULTS AND COMMENTS**

ANNUAL FINANCIAL REPORT

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

Context: The FY 2021 and 2022 Annual Reports were not uploaded until 6/9/2022, which was not within 60 days of the close of each fiscal year.

BANK ACCOUNT RECONCILIATIONS

Criteria

Indiana State Examiner Directive 2018-1 requires monthly uploads of bank reconciliations to the GATEWAY website.

Context: The FY 2021 and 2022 Bank Reconciliations were not uploaded on to the GATEWAY website until 8/10/2022.

AVERAGE DAILY MEMBERSHIP (ADM) - LACK OF RECORDS

Criteria

IC 5-15-6-3 states:

"No financial records or records relating to financial records shall be destroyed until the earlier of the following actions:

1. The audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied.
2. The financial record or records have been copied or reproduced in accordance with a retention schedule or with the written consent of the administration."

Officials shall maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM.

The building level official (Principal, Assistant Principal, etc.) is responsible for reporting ADM to the School Corporation Central Office, must provide a written certification of ADM to properly document responsibility. The certification must at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Context: The School Corporation was unable to provide documentation of attending for 3 students and was unable to provide documentation regarding age requirements for 4 students that were virtual due to Covid.

**SHELBY EASTERN SCHOOLS
SHELBY COUNTY, INDIANA
EXIT CONFERENCE**

The contents of this report were discussed on March 31, 2023 with Chris Scott, Treasurer, Todd Hitchcock, Superintendent and Ben Kuhn, Board President.



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