

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

AUDIT REPORT

OF

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION

MORGAN COUNTY, INDIANA

July 1, 2008 to June 30, 2010



FILED

03/15/2011

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Assistant Superintendent of Business/Treasurer	Tom Johnson	07-01-08 to 06-30-10
	Becky Merriman (Interim)	07-01-10 to 08-03-10
	Larry Moore	08-04-10 to 06-30-13
Superintendent of Schools	Curtis Freeman, Jr.	07-01-08 to 06-30-10
	Brad Lindsey	07-01-10 to 06-30-15
President of the School Board	Phillip Wright	07-01-08 to 06-30-09
	Ronald Wright	07-01-09 to 06-30-10
	William E. Roberson	07-01-10 to 06-30-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE MOORESVILLE CONSOLIDATED
SCHOOL CORPORATION, MORGAN COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mooresville Consolidated School Corporation (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2009 and 2010, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated February 17, 2011, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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

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

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

STATE BOARD OF ACCOUNTS

February 17, 2011



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

TO: THE OFFICIALS OF THE MOORESVILLE CONSOLIDATED
SCHOOL CORPORATION, MORGAN COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mooresville Consolidated School Corporation (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated February 17, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

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

Compliance and Other Matters

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

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

STATE BOARD OF ACCOUNTS

February 17, 2011

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 19,889,786	\$ -	\$ 99,793	\$ (19,789,993)
Support services	12,370,337	1,285,958	1,143,135	(9,941,244)
Noninstructional services	2,114,225	-	-	(2,114,225)
Facilities acquisition and construction	1,528,191	-	-	(1,528,191)
Debt service	9,929,937	-	-	(9,929,937)
Nonprogrammed charges	333,815	-	-	(333,815)
Total governmental activities	<u>\$ 46,166,291</u>	<u>\$ 1,285,958</u>	<u>\$ 1,242,928</u>	<u>(43,637,405)</u>
General receipts:				
Property taxes				20,859,752
Other local sources				3,844,824
State aid				18,383,117
Bonds and loans				3,989,717
Grants and contributions not restricted to specific programs				3,721,925
Sale of property				1,025
Investment earnings				63,317
Other				82,705
Total general receipts				<u>50,946,382</u>
Change in net assets				7,308,977
Net assets - beginning				<u>6,395,733</u>
Net assets - ending				<u>\$ 13,704,710</u>
<u>Assets</u>				
Cash and investments				\$ 10,141,935
Restricted assets:				
Cash and investments				<u>3,562,775</u>
Total assets				<u>\$ 13,704,710</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 3,562,775
Unrestricted				<u>10,141,935</u>
Total net assets				<u>\$ 13,704,710</u>

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

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2010

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 20,172,244	\$ -	\$ 301,393	\$ (19,870,851)
Support services	12,513,011	1,413,041	1,184,474	(9,915,496)
Noninstructional services	2,124,287	-	-	(2,124,287)
Facilities acquisition and construction	811,059	-	-	(811,059)
Debt service	8,474,013	-	-	(8,474,013)
Nonprogrammed charges	189,609	-	-	(189,609)
Total governmental activities	\$ 44,284,223	\$ 1,413,041	\$ 1,485,867	(41,385,315)
General receipts:				
Property taxes				8,063,782
Other local sources				2,102,409
State aid				23,309,919
Bonds and loans				4,612,112
Grants and contributions not restricted to specific programs				3,626,256
Sale of property				32,950
Other				28,536
Total general receipts				41,775,964
Change in net assets				390,649
Net assets - beginning				13,704,710
Net assets - ending				\$ 14,095,359
<u>Assets</u>				
Cash and investments				\$ 11,380,509
Restricted assets:				
Cash and investments				2,714,850
Total assets				\$ 14,095,359
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 2,714,850
Unrestricted				11,380,509
Total net assets				\$ 14,095,359

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

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	Other	Totals
Receipts:							
Local sources	\$ 9,148,119	\$ 2,954,011	\$ 21,826	\$ 5,600,228	\$ 5,516,128	\$ 3,240,220	\$ 26,480,532
Intermediate sources	1,230	-	-	-	-	-	1,230
State sources	18,365,180	-	-	-	-	403,284	18,768,464
Federal sources	-	-	-	-	-	4,151,595	4,151,595
Temporary loans	-	946,585	-	1,303,933	1,739,199	-	3,989,717
Other	-	7,528	-	-	74,262	915	82,705
Total receipts	27,514,529	3,908,124	21,826	6,904,161	7,329,589	7,796,014	53,474,243
Disbursements:							
Current:							
Instruction	17,111,411	-	33,000	-	-	2,745,375	19,889,786
Support services	6,721,594	1,767,436	656,635	-	1,726,925	1,497,747	12,370,337
Noninstructional services	313,395	-	-	-	-	1,800,830	2,114,225
Facilities acquisition and construction	192	-	-	-	1,527,649	350	1,528,191
Debt services	1,886,082	731,421	-	4,903,373	2,035,001	374,060	9,929,937
Nonprogrammed charges	333,815	-	-	-	-	-	333,815
Total disbursements	26,366,489	2,498,857	689,635	4,903,373	5,289,575	6,418,362	46,166,291
Excess (deficiency) of receipts over disbursements	1,148,040	1,409,267	(667,809)	2,000,788	2,040,014	1,377,652	7,307,952
Other financing sources (uses):							
Sale of capital assets	-	1,025	-	-	-	-	1,025
Transfers in	42,176	-	1,217,456	-	-	-	1,259,632
Transfers out	-	(471,743)	-	-	(593,697)	(194,192)	(1,259,632)
Total other financing sources (uses)	42,176	(470,718)	1,217,456	-	(593,697)	(194,192)	1,025
Excess of receipts and other financing sources over disbursements and other financing uses	1,190,216	938,549	549,647	2,000,788	1,446,317	1,183,460	7,308,977
Cash and investments - beginning	920,589	369,817	1,811,194	1,331,863	460,074	1,502,196	6,395,733
Cash and investments - ending	\$ 2,110,805	\$ 1,308,366	\$ 2,360,841	\$ 3,332,651	\$ 1,906,391	\$ 2,685,656	\$ 13,704,710
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 2,110,805	\$ 1,308,366	\$ 2,360,841	\$ -	\$ 1,906,391	\$ 2,455,532	\$ 10,141,935
Restricted assets:							
Cash and investments	-	-	-	3,332,651	-	230,124	3,562,775
Total cash and investment assets - ending	\$ 2,110,805	\$ 1,308,366	\$ 2,360,841	\$ 3,332,651	\$ 1,906,391	\$ 2,685,656	\$ 13,704,710
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ 3,332,651	\$ -	\$ 230,124	\$ 3,562,775
Unrestricted	2,110,805	1,308,366	2,360,841	-	1,906,391	2,455,532	10,141,935
Total cash and investment fund balance - ending	\$ 2,110,805	\$ 1,308,366	\$ 2,360,841	\$ 3,332,651	\$ 1,906,391	\$ 2,685,656	\$ 13,704,710

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

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	Other	Totals
Receipts:							
Local sources	\$ (125,163)	\$ 2,216,762	\$ -	\$ 3,462,356	\$ 3,660,055	\$ 2,773,462	\$ 11,987,472
Intermediate sources	18	-	-	-	-	-	18
State sources	23,496,108	-	-	-	-	1,013,140	24,509,248
Federal sources	-	-	-	-	-	3,504,537	3,504,537
Temporary loans	-	1,037,701	-	1,662,475	1,911,936	-	4,612,112
Other	-	27,936	-	-	-	600	28,536
Total receipts	23,370,963	3,282,399	-	5,124,831	5,571,991	7,291,739	44,641,923
Disbursements:							
Current:							
Instruction	16,734,835	-	9,000	-	-	3,428,409	20,172,244
Support services	6,095,634	1,792,080	735,188	-	2,216,386	1,673,723	12,513,011
Noninstructional services	328,135	-	-	-	-	1,796,152	2,124,287
Facilities acquisition and construction	-	-	-	-	808,849	2,210	811,059
Debt services	-	1,049,926	-	4,983,400	2,063,302	377,385	8,474,013
Nonprogrammed charges	189,609	-	-	-	-	-	189,609
Total disbursements	23,348,213	2,842,006	744,188	4,983,400	5,088,537	7,277,879	44,284,223
Excess (deficiency) of receipts over disbursements	22,750	440,393	(744,188)	141,431	483,454	13,860	357,700
Other financing sources (uses):							
Sale of capital assets	340	-	-	-	32,610	-	32,950
Transfers in	97,946	-	1,400,000	-	-	-	1,497,946
Transfers out	-	(200,000)	-	(1,000,000)	-	(297,946)	(1,497,946)
Total other financing sources (uses)	98,286	(200,000)	1,400,000	(1,000,000)	32,610	(297,946)	32,950
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	121,036	240,393	655,812	(858,569)	516,064	(284,086)	390,650
Cash and investments - beginning	2,110,804	1,308,366	2,360,841	3,332,650	1,906,392	2,685,656	13,704,709
Cash and investments - ending	\$ 2,231,840	\$ 1,548,759	\$ 3,016,653	\$ 2,474,081	\$ 2,422,456	\$ 2,401,570	\$ 14,095,359
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 2,231,840	\$ 1,548,759	\$ 3,016,653	\$ -	\$ 2,422,456	\$ 2,160,801	\$ 11,380,509
Restricted assets:							
Cash and investments	-	-	-	2,474,081	-	240,769	2,714,850
Total cash and investment assets - ending	\$ 2,231,840	\$ 1,548,759	\$ 3,016,653	\$ 2,474,081	\$ 2,422,456	\$ 2,401,570	\$ 14,095,359
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ 2,474,081	\$ -	\$ 240,769	\$ 2,714,850
Unrestricted	2,231,840	1,548,759	3,016,653	-	2,422,456	2,160,801	11,380,509
Total cash and investment fund balance - ending	\$ 2,231,840	\$ 1,548,759	\$ 3,016,653	\$ 2,474,081	\$ 2,422,456	\$ 2,401,570	\$ 14,095,359

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

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2009

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Other	<u>\$ -</u>	<u>\$ 24,017</u>	
Investment earnings:			
Interest	<u>57,656</u>	<u>-</u>	
Deductions:			
Administrative and general	<u>-</u>	<u>111,268</u>	
Total deductions	<u>-</u>	<u>111,268</u>	
Excess (deficiency) of total additions over total deductions	57,656	(87,251)	
Cash and investment fund balance - beginning	<u>3,505,618</u>	<u>201,106</u>	
Cash and investment fund balance - ending	<u>\$ 3,563,274</u>	<u>\$ 113,855</u>	<u>\$ 136,298</u>
Net assets:			
Cash and investments	<u>\$ 3,563,274</u>	<u>\$ 113,855</u>	<u>\$ 136,298</u>
Total net assets - cash and investment basis held in trust	<u>\$ 3,563,274</u>	<u>\$ 113,855</u>	<u>\$ 136,298</u>

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

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2010

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 34,132	
Deductions:			
Administrative and general	-	70,000	
Deficiency of total additions over total deductions	-	(35,868)	
Cash and investment fund balance - beginning	<u>3,563,275</u>	<u>113,855</u>	
Cash and investment fund balance - ending	<u>\$ 3,563,275</u>	<u>\$ 77,987</u>	<u>\$ 115,687</u>
Net assets:			
Cash and investments	<u>\$ 3,563,275</u>	<u>\$ 77,987</u>	<u>\$ 115,687</u>
Total net assets - cash and investment basis held in trust	<u>\$ 3,563,275</u>	<u>\$ 77,987</u>	<u>\$ 115,687</u>

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

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

The School Corporation's financial reporting entity is composed of the following:

Primary Government: Mooresville Consolidated School Corporation

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, as amended by GASB Statement No. 39, *The Financial Reporting Entity*.

Joint Venture

The School Corporation is a participant in a joint venture to operate West Central Joint Services which was created to provide special education services. The West Central Joint Services' continued existence depends on continued funding by the School Corporation. Complete financial statements for the West Central Joint Services can be obtained from the Metropolitan School District of Wayne Township, Marion County.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

The School Corporation reports the following major governmental funds:

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

The Transportation Operating Fund accounts for financial resources for the transportation of school children to and from school.

The Rainy Day Fund is used to account for funds in accordance with IC 36-1-8-5.1 and a locally adopted resolution.

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

The Capital Projects Fund accounts for planned construction, repair, replacement, or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

Additionally, the School Corporation reports the following fund types:

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

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the annual disbursement of scholarship funds to eligible students.

Agency funds account for assets held by the School Corporation as an agent for employee payroll withholdings and serve as control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

C. Measurement Focus and Basis of Accounting

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

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

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

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

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any enterprise funds.

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

D. Assets and Cash and Investment Balances

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. Cash and Investments

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

3. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which may become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

4. Capital Assets

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

5. Long-Term Debt

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

6. Equity Classification

Government-Wide Statements

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

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

Program Receipts

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

F. Internal and Interfund Activities

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

Fund Financial Statements

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

Government-Wide Financial Statements

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

1. Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities.

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

The effects of interfund loans and services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

2. Primary government and component unit activity – Resource flows between the primary government and the discretely-presented component units are reported as if they were external transactions and are classified separately from internal activities within the primary government.

G. Rounding Differences

The financial statements may contain immaterial differences due to rounding of amounts when the statements are compiled. These differences are considered trivial and do not affect the overall presentation of the financial statements.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. Cash Balance Deficits

At June 30, 2009 and 2010, the following funds reported deficits in cash, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund	2009	2010
Safe Haven	\$ -	\$ 12,000
Mid-State Adult Education	-	31,013
Title IV Drug Free	-	6,216
Retiree/Life	-	111
Retiree/Medical	114	-

The deficits arose primarily from disbursements exceeding receipts; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. Funds are deposited in an approved depository with the State of Indiana. At June 30, 2010, the School Corporation had deposit balances in the amount of \$17,228,148. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2009 and 2010, were as follows:

Transfer From	Transfer To	2009	2010
Transportation Operating Fund	Rainy Day Fund	\$ 471,743	\$ 200,000
Debt Service Fund	Rainy Day Fund	-	1,000,000
Capital Projects Fund	Rainy Day Fund	593,697	-
Other Governmental Funds	General Fund	42,176	97,946
Other Governmental Funds	Rainy Day Fund	152,016	200,000
Totals		<u>\$ 1,259,632</u>	<u>\$ 1,497,946</u>

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

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

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

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters are covered by commercial insurance from independent third parties.

Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Holding Corporation

The School Corporation has entered into a capital lease with Mooresville School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years 2009 and 2010 totaled \$2,981,553 and \$2,764,359, respectively.

C. Subsequent Event

The School Corporation issued Qualified School Construction Bonds of \$1,990,000 through the Indiana Bond Bank on December 9, 2010, in relation to a Guaranteed Energy Savings project of installing an HVAC System in Paul Hadley Middle School.

D. Expenditures Exceeding Revenue

During this audit period, expenditures in the General Fund have exceeded revenue. This has significantly reduced the cash balance although the cash balance is not completely exhausted, it will be soon. For this reason, the School Corporation has taken measures in 2010-2011 to revise the deficit spending and bring expenditures into line with revenue.

E. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

the system and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the period were \$618,518.

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

Teachers' Retirement Fund

Plan Description

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

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

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

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy

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.

The School Corporation's contributions to the plan during the period were \$1,380,502.

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-07	\$ 3,624,946	\$ 4,160,633	\$ (535,687)	87%	\$ 3,761,312	(14%)
07-01-08	3,730,617	4,407,451	(676,834)	85%	3,673,889	(18%)
07-01-09	3,191,988	4,552,494	(1,360,506)	70%	4,282,089	(32%)

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009

	Pre-School Handicapped	School Lunch	Textbook Rental	Levy Excess	Alternative Education	Safe Haven	Gifted Talented 2004-2005
Receipts:							
Local sources	\$ 23,260	\$ 1,100,250	\$ 427,910	\$ -	\$ -	\$ -	\$ 82
State sources	100,039	55,894	91,005	-	15,244	21,380	45,073
Federal sources	-	568,326	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	123,299	1,724,470	518,915	-	15,244	21,380	45,155
Disbursements:							
Current:							
Instruction	184,886	-	-	-	15,244	-	36,316
Support services	-	-	582,500	-	-	13,625	-
Noninstructional services	-	1,764,016	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	184,886	1,764,016	582,500	-	15,244	13,625	36,316
Excess (deficiency) of receipts over disbursements	(61,587)	(39,546)	(63,585)	-	-	7,755	8,839
Other financing sources (uses):							
Transfers out	-	-	-	(42,176)	-	-	-
Total other financing sources (uses)	-	-	-	(42,176)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(61,587)	(39,546)	(63,585)	(42,176)	-	7,755	8,839
Cash and investments - beginning	182,912	232,719	353,574	42,176	-	(7,755)	-
Cash and investments - ending	\$ 121,325	\$ 193,173	\$ 289,989	\$ -	\$ -	\$ -	\$ 8,839
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 121,325	\$ 193,173	\$ 289,989	\$ -	\$ -	\$ -	\$ 8,839
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 121,325	\$ 193,173	\$ 289,989	\$ -	\$ -	\$ -	\$ 8,839
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	121,325	193,173	289,989	-	-	-	8,839
Total cash and investment fund balance - ending	\$ 121,325	\$ 193,173	\$ 289,989	\$ -	\$ -	\$ -	\$ 8,839

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	High Ability Grant	Mid-State Adult Education	Non-English Speaking Program	School Technology Fund	Technology Plan Grant 2008-2010	Economic Education Grant	Local Wellness Grant
Receipts:							
Local sources	\$ -	\$ 221,019	\$ 710	\$ -	\$ -	\$ -	\$ -
State sources	-	69,658	2,998	-	-	1,993	-
Federal sources	-	-	-	-	-	-	-
Other	-	915	-	-	-	-	-
Total receipts	-	291,592	3,708	-	-	1,993	-
Disbursements:							
Current:							
Instruction	14,066	231,669	6,366	-	-	2,135	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	14,066	231,669	6,366	-	-	2,135	-
Excess (deficiency) of receipts over disbursements	(14,066)	59,923	(2,658)	-	-	(142)	-
Other financing sources (uses):							
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(14,066)	59,923	(2,658)	-	-	(142)	-
Cash and investments - beginning	14,066	(40,252)	4,669	2,210	145,388	377	130
Cash and investments - ending	<u>\$ -</u>	<u>\$ 19,671</u>	<u>\$ 2,011</u>	<u>\$ 2,210</u>	<u>\$ 145,388</u>	<u>\$ 235</u>	<u>\$ 130</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 19,671	\$ 2,011	\$ 2,210	\$ 145,388	\$ 235	\$ 130
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 19,671</u>	<u>\$ 2,011</u>	<u>\$ 2,210</u>	<u>\$ 145,388</u>	<u>\$ 235</u>	<u>\$ 130</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	19,671	2,011	2,210	145,388	235	130
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 19,671</u>	<u>\$ 2,011</u>	<u>\$ 2,210</u>	<u>\$ 145,388</u>	<u>\$ 235</u>	<u>\$ 130</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Workforce Development Grant	Title I 2007-2008	Title I 2008-2009	McKinney-Vento Homeless Grant	Title V 2007-2008	Service Learning Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,828
State sources	-	-	-	-	-	-
Federal sources	-	44,600	479,754	60,830	2,530	11,500
Other	-	-	-	-	-	-
Total receipts	-	44,600	479,754	60,830	2,530	13,328
Disbursements:						
Current:						
Instruction	-	55,291	351,294	-	-	-
Support services	2	70,135	61,517	-	6,487	10,756
Noninstructional services	-	4,667	11,091	10,080	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	2	130,093	423,902	10,080	6,487	10,756
Excess (deficiency) of receipts over disbursements	(2)	(85,493)	55,852	50,750	(3,957)	2,572
Other financing sources (uses):						
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2)	(85,493)	55,852	50,750	(3,957)	2,572
Cash and investments - beginning	2	85,493	-	-	6,487	8,543
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,852</u>	<u>\$ 50,750</u>	<u>\$ 2,530</u>	<u>\$ 11,115</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ 55,852	\$ 50,750	\$ 2,530	\$ 11,115
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,852</u>	<u>\$ 50,750</u>	<u>\$ 2,530</u>	<u>\$ 11,115</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	55,852	50,750	2,530	11,115
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,852</u>	<u>\$ 50,750</u>	<u>\$ 2,530</u>	<u>\$ 11,115</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Special Education 2004-2005	Early Childhood Grant	Title IV Drug Free 2006-2007	Title IV Drug Free	JAIBG 2000-2001	Title II Part A
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	732,258	25,546	-	6,090	-	172,852
Other	-	-	-	-	-	-
Total receipts	732,258	25,546	-	6,090	-	172,852
Disbursements:						
Current:						
Instruction	700,970	21,596	119	9,503	-	112,140
Support services	9,222	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	710,192	21,596	119	9,503	-	112,140
Excess (deficiency) of receipts over disbursements	22,066	3,950	(119)	(3,413)	-	60,712
Other financing sources (uses):						
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	22,066	3,950	(119)	(3,413)	-	60,712
Cash and investments - beginning	136,099	-	119	9,672	192	1,972
Cash and investments - ending	<u>\$ 158,165</u>	<u>\$ 3,950</u>	<u>\$ -</u>	<u>\$ 6,259</u>	<u>\$ 192</u>	<u>\$ 62,684</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 158,165	\$ 3,950	\$ -	\$ 6,259	\$ 192	\$ 62,684
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 158,165</u>	<u>\$ 3,950</u>	<u>\$ -</u>	<u>\$ 6,259</u>	<u>\$ 192</u>	<u>\$ 62,684</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	158,165	3,950	-	6,259	192	62,684
Total cash and investment fund balance - ending	<u>\$ 158,165</u>	<u>\$ 3,950</u>	<u>\$ -</u>	<u>\$ 6,259</u>	<u>\$ 192</u>	<u>\$ 62,684</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	ARRA Fiscal Stabilization	Retirement Severance Bond	Bus Replacement	Construction Fund	Construction Fund 2006	Totals
Receipts:						
Local sources	\$ -	\$ 599,522	\$ 865,639	\$ -	\$ -	\$ 3,240,220
State sources	-	-	-	-	-	403,284
Federal sources	2,047,309	-	-	-	-	4,151,595
Other	-	-	-	-	-	915
Total receipts	2,047,309	599,522	865,639	-	-	7,796,014
Disbursements:						
Current:						
Instruction	1,003,780	-	-	-	-	2,745,375
Support services	360,060	-	383,443	-	-	1,497,747
Noninstructional services	10,976	-	-	-	-	1,800,830
Facilities acquisition and construction	-	-	-	-	350	350
Debt services	-	374,060	-	-	-	374,060
Total disbursements	1,374,816	374,060	383,443	-	350	6,418,362
Excess (deficiency) of receipts over disbursements	672,493	225,462	482,196	-	(350)	1,377,652
Other financing sources (uses):						
Transfers out	-	-	(152,016)	-	-	(194,192)
Total other financing sources (uses)	-	-	(152,016)	-	-	(194,192)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	672,493	225,462	330,180	-	(350)	1,183,460
Cash and investments - beginning	-	4,662	162,710	46,638	109,393	1,502,196
Cash and investments - ending	<u>\$ 672,493</u>	<u>\$ 230,124</u>	<u>\$ 492,890</u>	<u>\$ 46,638</u>	<u>\$ 109,043</u>	<u>\$ 2,685,656</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 672,493	\$ -	\$ 492,890	\$ 46,638	\$ 109,043	\$ 2,455,532
Restricted assets:						
Cash and investments	-	230,124	-	-	-	230,124
Total cash and investment assets - ending	<u>\$ 672,493</u>	<u>\$ 230,124</u>	<u>\$ 492,890</u>	<u>\$ 46,638</u>	<u>\$ 109,043</u>	<u>\$ 2,685,656</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ 230,124	\$ -	\$ -	\$ -	\$ 230,124
Unrestricted	672,493	-	492,890	46,638	109,043	2,455,532
Total cash and investment fund balance - ending	<u>\$ 672,493</u>	<u>\$ 230,124</u>	<u>\$ 492,890</u>	<u>\$ 46,638</u>	<u>\$ 109,043</u>	<u>\$ 2,685,656</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010

	Pre-School Handicapped	School Lunch	Textbook Rental	Alternative Education	Safe Haven	Gifted Talented 2004-2005	Computer Consortium
Receipts:							
Local sources	\$ -	\$ 1,127,630	\$ 408,257	\$ -	\$ -	\$ -	\$ -
State sources	61,875	19,649	99,629	7,568	-	44,259	416,600
Federal sources	-	656,939	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	61,875	1,804,218	507,886	7,568	-	44,259	416,600
Disbursements:							
Current:							
Instruction	85,254	-	-	7,186	-	37,050	-
Support services	-	-	489,435	-	12,000	82	416,600
Noninstructional services	-	1,774,799	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	85,254	1,774,799	489,435	7,186	12,000	37,132	416,600
Excess (deficiency) of receipts over disbursements	(23,379)	29,419	18,451	382	(12,000)	7,127	-
Other financing sources (uses):							
Transfers out	(97,946)	-	-	-	-	-	-
Total other financing sources (uses)	(97,946)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(121,325)	29,419	18,451	382	(12,000)	7,127	-
Cash and investments - beginning	121,325	193,173	289,989	-	-	8,839	-
Cash and investments - ending	\$ -	\$ 222,592	\$ 308,440	\$ 382	\$ (12,000)	\$ 15,966	\$ -
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 222,592	\$ 308,440	\$ 382	\$ (12,000)	\$ 15,966	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 222,592	\$ 308,440	\$ 382	\$ (12,000)	\$ 15,966	\$ -
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	222,592	308,440	382	(12,000)	15,966	-
Total cash and investment fund balance - ending	\$ -	\$ 222,592	\$ 308,440	\$ 382	\$ (12,000)	\$ 15,966	\$ -

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Mid-State Adult Education	Non-English Speaking Program	School Technology Fund	Technology Plan Grant 2008-2010	Economic Education Grant	Local Wellness Grant	Excess PTRC Distribution
Receipts:							
Local sources	\$ 118,436	\$ 952	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	68,186	2,759	-	-	-	-	292,615
Federal sources	-	-	-	-	-	-	-
Other	600	-	-	-	-	-	-
Total receipts	187,222	3,711	-	-	-	-	292,615
Disbursements:							
Current:							
Instruction	237,906	2,963	-	-	235	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	2,210	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	237,906	2,963	2,210	-	235	-	-
Excess (deficiency) of receipts over disbursements	(50,684)	748	(2,210)	-	(235)	-	292,615
Other financing sources (uses):							
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(50,684)	748	(2,210)	-	(235)	-	292,615
Cash and investments - beginning	19,671	2,011	2,210	145,388	235	130	-
Cash and investments - ending	<u>\$ (31,013)</u>	<u>\$ 2,759</u>	<u>\$ -</u>	<u>\$ 145,388</u>	<u>\$ -</u>	<u>\$ 130</u>	<u>\$ 292,615</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ (31,013)	\$ 2,759	\$ -	\$ 145,388	\$ -	\$ 130	\$ 292,615
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (31,013)</u>	<u>\$ 2,759</u>	<u>\$ -</u>	<u>\$ 145,388</u>	<u>\$ -</u>	<u>\$ 130</u>	<u>\$ 292,615</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(31,013)	2,759	-	145,388	-	130	292,615
Total cash and investment fund balance - ending	<u>\$ (31,013)</u>	<u>\$ 2,759</u>	<u>\$ -</u>	<u>\$ 145,388</u>	<u>\$ -</u>	<u>\$ 130</u>	<u>\$ 292,615</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Title I 2008-2009	Title I 2009-2010	McKinney-Vento Homeless Grant	Title V 2007-2008	Service Learning Grant	Learn and Serve	Special Education 2004-2005
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 2,988	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	40,177	451,251	-	-	-	10,000	776,141
Other	-	-	-	-	-	-	-
Total receipts	40,177	451,251	-	-	2,988	10,000	776,141
Disbursements:							
Current:							
Instruction	58,682	373,877	-	-	-	-	726,134
Support services	36,562	26,216	50,750	-	7,482	8,490	-
Noninstructional services	785	8,170	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	96,029	408,263	50,750	-	7,482	8,490	726,134
Excess (deficiency) of receipts over disbursements	(55,852)	42,988	(50,750)	-	(4,494)	1,510	50,007
Other financing sources (uses):							
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(55,852)	42,988	(50,750)	-	(4,494)	1,510	50,007
Cash and investments - beginning	55,852	-	50,750	2,530	11,115	-	158,165
Cash and investments - ending	<u>\$ -</u>	<u>\$ 42,988</u>	<u>\$ -</u>	<u>\$ 2,530</u>	<u>\$ 6,621</u>	<u>\$ 1,510</u>	<u>\$ 208,172</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 42,988	\$ -	\$ 2,530	\$ 6,621	\$ 1,510	\$ 208,172
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 42,988</u>	<u>\$ -</u>	<u>\$ 2,530</u>	<u>\$ 6,621</u>	<u>\$ 1,510</u>	<u>\$ 208,172</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	42,988	-	2,530	6,621	1,510	208,172
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 42,988</u>	<u>\$ -</u>	<u>\$ 2,530</u>	<u>\$ 6,621</u>	<u>\$ 1,510</u>	<u>\$ 208,172</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Early Childhood Grant	Title IV Drug Free	JAIBG 2000-2001	Title II Part A	ARRA Fiscal Stabilization	ARRA Title I Stimulus	ARRA Special Ed Part B Stimulus
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	25,850	5,000	-	137,689	908,948	192,872	279,020
Other	-	-	-	-	-	-	-
Total receipts	25,850	5,000	-	137,689	908,948	192,872	279,020
Disbursements:							
Current:							
Instruction	25,877	17,475	-	156,222	1,378,997	104,474	206,898
Support services	-	-	-	-	191,172	13,557	-
Noninstructional services	-	-	-	-	11,272	1,126	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	25,877	17,475	-	156,222	1,581,441	119,157	206,898
Excess (deficiency) of receipts over disbursements	(27)	(12,475)	-	(18,533)	(672,493)	73,715	72,122
Other financing sources (uses):							
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(27)	(12,475)	-	(18,533)	(672,493)	73,715	72,122
Cash and investments - beginning	3,950	6,259	192	62,684	672,493	-	-
Cash and investments - ending	<u>\$ 3,923</u>	<u>\$ (6,216)</u>	<u>\$ 192</u>	<u>\$ 44,151</u>	<u>\$ -</u>	<u>\$ 73,715</u>	<u>\$ 72,122</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 3,923	\$ (6,216)	\$ 192	\$ 44,151	\$ -	\$ 73,715	\$ 72,122
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 3,923</u>	<u>\$ (6,216)</u>	<u>\$ 192</u>	<u>\$ 44,151</u>	<u>\$ -</u>	<u>\$ 73,715</u>	<u>\$ 72,122</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	3,923	(6,216)	192	44,151	-	73,715	72,122
Total cash and investment fund balance - ending	<u>\$ 3,923</u>	<u>\$ (6,216)</u>	<u>\$ 192</u>	<u>\$ 44,151</u>	<u>\$ -</u>	<u>\$ 73,715</u>	<u>\$ 72,122</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	ARRA Preschool Stimulus	Retirement Severance Bond	Bus Replacement	Construction Fund	Construction Fund 2006	Totals
Receipts:						
Local sources	\$ -	\$ 388,030	\$ 727,169	\$ -	\$ -	\$ 2,773,462
State sources	-	-	-	-	-	1,013,140
Federal sources	20,650	-	-	-	-	3,504,537
Other	-	-	-	-	-	600
Total receipts	20,650	388,030	727,169	-	-	7,291,739
Disbursements:						
Current:						
Instruction	9,179	-	-	-	-	3,428,409
Support services	-	-	421,377	-	-	1,673,723
Noninstructional services	-	-	-	-	-	1,796,152
Facilities acquisition and construction	-	-	-	-	-	2,210
Debt services	-	377,385	-	-	-	377,385
Total disbursements	9,179	377,385	421,377	-	-	7,277,879
Excess (deficiency) of receipts over disbursements	11,471	10,645	305,792	-	-	13,860
Other financing sources (uses):						
Transfers out	-	-	(200,000)	-	-	(297,946)
Total other financing sources (uses)	-	-	(200,000)	-	-	(297,946)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,471	10,645	105,792	-	-	(284,086)
Cash and investments - beginning	-	230,124	492,890	46,638	109,043	2,685,656
Cash and investments - ending	<u>\$ 11,471</u>	<u>\$ 240,769</u>	<u>\$ 598,682</u>	<u>\$ 46,638</u>	<u>\$ 109,043</u>	<u>\$ 2,401,570</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 11,471	\$ -	\$ 598,682	\$ 46,638	\$ 109,043	\$ 2,160,801
Restricted assets:						
Cash and investments	-	240,769	-	-	-	240,769
Total cash and investment assets - ending	<u>\$ 11,471</u>	<u>\$ 240,769</u>	<u>\$ 598,682</u>	<u>\$ 46,638</u>	<u>\$ 109,043</u>	<u>\$ 2,401,570</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ 240,769	\$ -	\$ -	\$ -	\$ 240,769
Unrestricted	11,471	-	598,682	46,638	109,043	2,160,801
Total cash and investment fund balance - ending	<u>\$ 11,471</u>	<u>\$ 240,769</u>	<u>\$ 598,682</u>	<u>\$ 46,638</u>	<u>\$ 109,043</u>	<u>\$ 2,401,570</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009

	Comm Foundation/ Donation	Science Fair/ Ameri	Rad Kida	St. Farm/ Emergency	St. Francis/Red Ribbon Day	Project Ignition/2	Usage Grant/Cec
Additions:							
Contributions:							
Other	\$ -	\$ 1,077	\$ -	\$ -	\$ 600	\$ 1,000	\$ -
Deductions:							
Administrative and general	30	684	-	47,440	-	588	-
Excess (deficiency) of total additions over total deductions	(30)	393	-	(47,440)	600	412	-
Cash and investment fund balance - beginning	30	684	113	100,494	600	-	3,281
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 1,077</u>	<u>\$ 113</u>	<u>\$ 53,054</u>	<u>\$ 1,200</u>	<u>\$ 412</u>	<u>\$ 3,281</u>
Net assets:							
Cash and investments	\$ -	\$ 1,077	\$ 113	\$ 53,054	\$ 1,200	\$ 412	\$ 3,281
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 1,077</u>	<u>\$ 113</u>	<u>\$ 53,054</u>	<u>\$ 1,200</u>	<u>\$ 412</u>	<u>\$ 3,281</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	<u>Youth Conf.Hs</u>	<u>Kendrick Grant/Mhs</u>	<u>Beep</u>	<u>Primetime Grnt/Smoking</u>	<u>United Way/Grants</u>	<u>Kndrk.Grant/ Pandem</u>	<u>Totals</u>
Additions:							
Contributions:							
Other	\$ -	\$ 17,195	\$ 350	\$ -	\$ 3,795	\$ -	\$ 24,017
Deductions:							
Administrative and general	-	-	1,080	-	2,290	59,156	111,268
Excess (deficiency) of total additions over total deductions	-	17,195	(730)	-	1,505	(59,156)	(87,251)
Cash and investment fund balance - beginning	2,470	-	4,567	1,469	282	87,116	201,106
Cash and investments - June 30	<u>\$ 2,470</u>	<u>\$ 17,195</u>	<u>\$ 3,837</u>	<u>\$ 1,469</u>	<u>\$ 1,787</u>	<u>\$ 27,960</u>	<u>\$ 113,855</u>
Net assets:							
Cash and investments	<u>\$ 2,470</u>	<u>\$ 17,195</u>	<u>\$ 3,837</u>	<u>\$ 1,469</u>	<u>\$ 1,787</u>	<u>\$ 27,960</u>	<u>\$ 113,855</u>
Total net assets - cash and investment basis held in trust	<u>\$ 2,470</u>	<u>\$ 17,195</u>	<u>\$ 3,837</u>	<u>\$ 1,469</u>	<u>\$ 1,787</u>	<u>\$ 27,960</u>	<u>\$ 113,855</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2010

	Science Fair/ Ameri	Rad Kida	St.Farm/ Emergency	St.Francis/Red Ribbon Day	Project Ignition/2	Community Foundation Smart Boa	Usage Grant/Cec
Additions:							
Contributions:							
Other	\$ 1,107	\$ -	\$ -	\$ 600	\$ -	\$ 3,000	\$ -
Deductions:							
Administrative and general	900	-	13,306	-	89	-	-
Excess (deficiency) of total additions over total deductions	207	-	(13,306)	600	(89)	3,000	-
Cash and investment fund balance - beginning	1,077	113	53,053	1,200	412	-	3,281
Cash and investments - June 30	<u>\$ 1,284</u>	<u>\$ 113</u>	<u>\$ 39,747</u>	<u>\$ 1,800</u>	<u>\$ 323</u>	<u>\$ 3,000</u>	<u>\$ 3,281</u>
Net assets:							
Cash and investments	<u>\$ 1,284</u>	<u>\$ 113</u>	<u>\$ 39,747</u>	<u>\$ 1,800</u>	<u>\$ 323</u>	<u>\$ 3,000</u>	<u>\$ 3,281</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,284</u>	<u>\$ 113</u>	<u>\$ 39,747</u>	<u>\$ 1,800</u>	<u>\$ 323</u>	<u>\$ 3,000</u>	<u>\$ 3,281</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Youth Conf.Hs	Kendrick Grant/Mhs	Becp	Primetime Grnt/Smoking	United Way/Grants	Kndrk.Grant/ Pandem	Totals
Additions:							
Contributions:							
Other	\$ -	\$ -	\$ 300	\$ -	\$ -	\$ 29,125	\$ 34,132
Deductions:							
Administrative and general	-	17,195	1,960	-	324	36,226	70,000
Excess (deficiency) of total additions over total deductions	-	(17,195)	(1,660)	-	(324)	(7,101)	(35,868)
Cash and investment fund balance - beginning	2,470	17,195	3,837	1,469	1,787	27,961	113,855
Cash and investments - June 30	<u>\$ 2,470</u>	<u>\$ -</u>	<u>\$ 2,177</u>	<u>\$ 1,469</u>	<u>\$ 1,463</u>	<u>\$ 20,860</u>	<u>\$ 77,987</u>
Net assets:							
Cash and investments	<u>\$ 2,470</u>	<u>\$ -</u>	<u>\$ 2,177</u>	<u>\$ 1,469</u>	<u>\$ 1,463</u>	<u>\$ 20,860</u>	<u>\$ 77,987</u>
Total net assets - cash and investment basis held in trust	<u>\$ 2,470</u>	<u>\$ -</u>	<u>\$ 2,177</u>	<u>\$ 1,469</u>	<u>\$ 1,463</u>	<u>\$ 20,860</u>	<u>\$ 77,987</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009

	<u>Federal Taxes</u>	<u>Social Security - Teachers</u>	<u>Social Security Non-Teachers</u>	<u>State Taxes</u>	<u>Local Option Tax</u>	<u>Teachers Retirement/Sub</u>
Additions:						
Agency fund additions	\$ 2,101,347	\$ 1,196,400	\$ 353,180	\$ 659,584	\$ 400,260	\$ 222
Deductions:						
Agency fund deductions	<u>2,101,347</u>	<u>1,196,400</u>	<u>353,180</u>	<u>659,371</u>	<u>400,475</u>	<u>222</u>
Excess (deficiency) of total additions over total deductions	-	-	-	213	(215)	-
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,719</u>	<u>32,899</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,932</u>	<u>\$ 32,684</u>	<u>\$ -</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	P.E.R.F.	Health Savings Account	Income Protection/Ltd	Medical Insurance	Group Life	Annuities
Additions:						
Agency fund additions	\$ 103,157	\$ 5,700	\$ 831	\$ 195,235	\$ 1,259	\$ 787,256
Deductions:						
Agency fund deductions	103,157	5,700	831	181,048	929	787,256
Excess (deficiency) of total additions over total deductions	-	-	-	14,187	330	-
Cash and investment fund balance - beginning	-	-	-	738	-	-
Cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ 14,925	\$ 330	\$ -

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	<u>I.S.T.A.</u>	<u>Credit Union</u>	<u>Garnishments/ Child Support</u>	<u>Cancer Insurance</u>	<u>Dependent Life</u>	<u>Individual Life Insurance</u>
Additions:						
Agency fund additions	\$ 107,343	\$ 95,723	\$ 43,405	\$ 116,267	\$ 3,072	\$ 40,795
Deductions:						
Agency fund deductions	107,343	95,723	43,405	117,826	3,072	41,425
Excess (deficiency) of total additions over total deductions	-	-	-	(1,559)	-	(630)
Cash and investment fund balance - beginning	-	-	-	3,131	-	1,014
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,572</u>	<u>\$ -</u>	<u>\$ 384</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	<u>Child Care</u>	<u>Medical Reimbursement</u>	<u>FSA-Balance</u>	<u>Dental/Vision Insurance</u>	<u>Miscellaneous Insurance Colonial</u>	<u>Retiree/Medical</u>
Additions:						
Agency fund additions	<u>\$ 26,828</u>	<u>\$ 78,563</u>	<u>\$ 20,762</u>	<u>\$ 103,537</u>	<u>\$ 52,624</u>	<u>\$ 298,486</u>
Deductions:						
Agency fund deductions	<u>21,391</u>	<u>75,809</u>	<u>20,138</u>	<u>102,506</u>	<u>52,875</u>	<u>325,508</u>
Excess (deficiency) of total additions over total deductions	5,437	2,754	624	1,031	(251)	(27,022)
Cash and investment fund balance - beginning	<u>2,097</u>	<u>13,576</u>	<u>5,781</u>	<u>-</u>	<u>612</u>	<u>26,908</u>
Cash and investment fund balance - ending	<u>\$ 7,534</u>	<u>\$ 16,330</u>	<u>\$ 6,405</u>	<u>\$ 1,031</u>	<u>\$ 361</u>	<u>\$ (114)</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Retiree/Dental/ Vision	Retiree/Life	Certified Voluntary Retirement	Noncertified Voluntary Retirement	Supplemental Life	Totals
Additions:						
Agency fund additions	\$ 4,766	\$ 5,293	\$ 12,359	\$ 477	\$ 656	\$ 6,815,387
Deductions:						
Agency fund deductions	4,294	5,924	12,359	477	656	6,820,647
Excess (deficiency) of total additions over total deductions	472	(631)	-	-	-	(5,260)
Cash and investment fund balance - beginning	(72)	1,155	-	-	-	141,558
Cash and investment fund balance - ending	<u>\$ 400</u>	<u>\$ 524</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,298</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2010

	Federal Taxes	Social Security - Teachers	Social Security Non-Teachers	State Taxes	Local Option Tax	Teachers Retirement/Sub
Additions:						
Agency fund additions	\$ 1,971,618	\$ 1,199,248	\$ 356,432	\$ 665,777	\$ 410,984	\$ 697
Deductions:						
Agency fund deductions	1,971,618	1,199,248	356,432	667,529	411,109	697
Excess (deficiency) of total additions over total deductions	-	-	-	(1,752)	(125)	-
Cash and investment fund balance - beginning	-	-	-	53,932	32,684	-
Cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ 52,180	\$ 32,559	\$ -

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	P.E.R.F.	Health Savings Account	Income Protection/Ltd	Medical Insurance	Group Life	Annuities
Additions:						
Agency fund additions	\$ 103,896	\$ 9,840	\$ 636	\$ 218,655	\$ 843	\$ 721,381
Deductions:						
Agency fund deductions	103,896	9,840	636	233,580	1,173	721,381
Excess (deficiency) of total additions over total deductions	-	-	-	(14,925)	(330)	-
Cash and investment fund balance - beginning	-	-	-	14,925	330	-
Cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	<u>I.S.T.A.</u>	<u>Credit Union</u>	<u>Garnishments/ Child Support</u>	<u>Cancer Insurance</u>	<u>Dependent Life</u>	<u>Individual Life Insurance</u>
Additions:						
Agency fund additions	<u>\$ 109,059</u>	<u>\$ 87,124</u>	<u>\$ 61,541</u>	<u>\$ 116,549</u>	<u>\$ 2,965</u>	<u>\$ 41,627</u>
Deductions:						
Agency fund deductions	<u>109,059</u>	<u>87,124</u>	<u>61,541</u>	<u>116,391</u>	<u>2,965</u>	<u>41,789</u>
Excess (deficiency) of total additions over total deductions	-	-	-	158	-	(162)
Cash and investment fund balance - beginning	-	-	-	<u>1,572</u>	-	<u>384</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,730</u>	<u>\$ -</u>	<u>\$ 222</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	<u>Child Care</u>	<u>Medical Reimbursement</u>	<u>FSA-Balance</u>	<u>Dental/Vision Insurance</u>	<u>Miscellaneous Insurance Colonial</u>	<u>Retiree/Medical</u>
Additions:						
Agency fund additions	<u>\$ 34,257</u>	<u>\$ 89,172</u>	<u>\$ 30,784</u>	<u>\$ 99,609</u>	<u>\$ 51,380</u>	<u>\$ 311,015</u>
Deductions:						
Agency fund deductions	<u>32,938</u>	<u>92,052</u>	<u>31,934</u>	<u>100,640</u>	<u>51,235</u>	<u>310,429</u>
Excess (deficiency) of total additions over total deductions	1,319	(2,880)	(1,150)	(1,031)	145	586
Cash and investment fund balance - beginning	<u>7,534</u>	<u>16,330</u>	<u>6,405</u>	<u>1,031</u>	<u>361</u>	<u>(114)</u>
Cash and investment fund balance - ending	<u>\$ 8,853</u>	<u>\$ 13,450</u>	<u>\$ 5,255</u>	<u>\$ -</u>	<u>\$ 506</u>	<u>\$ 472</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2010
 (Continued)

	Retiree/Dental/ Vision	Retiree/Life	Certified Voluntary Retirement	Noncertified Voluntary Retirement	Supplemental Life	Totals
Additions:						
Agency fund additions	\$ 5,837	\$ 5,820	\$ 15,194	\$ 16,691	\$ 8,341	\$ 6,746,972
Deductions:						
Agency fund deductions	5,666	6,455	15,194	16,691	8,341	6,767,583
Excess (deficiency) of total additions over total deductions	171	(635)	-	-	-	(20,611)
Cash and investment fund balance - beginning	400	524	-	-	-	136,298
Cash and investment fund balance - ending	<u>\$ 571</u>	<u>\$ (111)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,687</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2010

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 2,099,700
Capital assets, not being depreciated:	
Buildings	37,673,726
Improvements other than buildings	876,604
Machinery and equipment	<u>4,971,368</u>
Total governmental activities	<u>\$ 45,621,398</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2010

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
2006 school bus lease	\$ 80,464	\$ 84,689
2007 school bus lease	154,811	83,094
2008 school bus lease	265,214	95,853
2009 school bus lease	349,985	97,142
2010 school bus lease	374,999	82,324
Computer lease	44,094	47,922
2006 equipment lease	464,049	141,452
2008 equipment lease	44,094	47,922
2009 equipment lease	217,802	194,867
2010 equipment lease	195,687	99,313
Energy upgrades	1,980,000	68,240
Mooresville school building corporation	7,715,000	1,855,594
Notes and loans payable	416,600	72,590
Bonds payable:		
General obligation bonds:		
Pension bonds	3,575,000	378,674
Total governmental activities debt	<u>\$ 13,877,799</u>	<u>\$ 3,349,676</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS - EXTRA-CURRICULAR ACCOUNT

Depository reconciliations of the fund balances to the bank account balances for North Madison Elementary were incorrect for the years ending May 31, 2009, and May 31, 2010. A similar comment was noted in prior Report B34531.

IC 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

OVERDRAWN FUND BALANCE - EXTRA-CURRICULAR ACCOUNT FUND

The Cafeteria Fund for North Madison Elementary School was overdrawn as of May 31, 2010.

The 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 governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

OVERDRAWN FUND BALANCES - CORPORATION FUNDS

The Retiree/Medical Fund was overdrawn as of June 30, 2009. The Safe Haven, Mid-State Adult Education, Title IV Drug Free, and Retiree/Life Funds were overdrawn as of June 30, 2010.

The 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 governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE MOORESVILLE CONSOLIDATED
SCHOOL CORPORATION, MORGAN COUNTY, INDIANA

Compliance

We have audited the compliance of the Mooresville Consolidated School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2009 and 2010. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2009 and 2010.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion

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

on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

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

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

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

STATE BOARD OF ACCOUNTS

February 17, 2011

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2009 and 2010

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-09	Total Federal Awards Expended 06-30-10
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 87,481	\$ -
School Year 2008-2009		None		
School Year 2009-2010		None	-	112,926
Total for program			87,481	112,926
National School Lunch Program				
School Year 2008-2009	10.555		559,914	-
School Year 2009-2010		None		
		None	-	637,474
Total for program			559,914	637,474
Total for federal grantor agency			647,395	750,400
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
		Project No. 08-5930	130,093	-
		Project No. 09-5930	423,901	96,030
		Project No. 10-5930	-	408,263
Total for program			553,994	504,293
ARRA - Title I Grants to Local Educational Agencies, Recovery Act FY 09-10				
	84.389			
		Project No. 10-5930	-	119,157
Total for cluster			553,994	623,450
Pass-Through Metropolitan School District of Wayne Township				
Special Education Cluster				
Special Education - Grants to States	84.027			
		Project No. 14208-063-PN01	135,003	-
		Project No. 14209-063-PN01	575,189	142,497
		Project No. 14210-063-PN01	-	583,637
Total for program			710,192	726,134
Special Education - Preschool Grants				
	84.173			
		Project No. 45709-063-PN01	21,596	3,950
		Project No. 45710-063-PN01	-	21,926
Total for program			21,596	25,876
ARRA - Special Education - Grants to States, Recovery Act FY 09-10				
	84.391			
		Project No. 33310-063-SN01	-	206,898
ARRA - Special Education - Preschool Grants, Recovery Act FY 09-10				
	84.392			
		Project No. 44410-063-SN01	-	9,179
Total for cluster			731,788	968,087

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

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2009 and 2010
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-09	Total Federal Awards Expended 06-30-10
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education Education for Homeless Children and Youth Cluster Education for Homeless Children and Youth School Year 2008-2009	84.196	None	10,080	-
School Year 2009-2010		None	<u>-</u>	<u>50,750</u>
Total for cluster			<u>10,080</u>	<u>50,750</u>
State Fiscal Stabilization Fund Cluster ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act School Year 2008-2009	84.394	None	1,374,816	-
School Year 2009-2010		None	<u>-</u>	<u>1,581,441</u>
Total for cluster			<u>1,374,816</u>	<u>1,581,441</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186			
		Project No. 5930-06	119	-
		Project No. 5930-07	9,503	169
		Project No. 5930-08	-	10,777
		Project No. 5930-09	<u>-</u>	<u>6,529</u>
Total for program			<u>9,622</u>	<u>17,475</u>
State Grants for Innovative Programs	84.298			
		Project No. 06-5930	<u>6,487</u>	<u>-</u>
Improving Teacher Quality State Grants	84.367			
		Project No. 08-5930	107,886	30,904
		Project No. 09-5930	<u>2,281</u>	<u>125,318</u>
Total for program			<u>110,167</u>	<u>156,222</u>
Total for federal grantor agency			<u>2,796,954</u>	<u>3,397,425</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
Pass-Through Indiana Department of Education Learn and Serve America - School and Community Based Programs School Year 2008-2009	94.004	None	10,755	7,482
School Year 2009-2010		None	<u>-</u>	<u>8,490</u>
Total for federal grantor agency			<u>10,755</u>	<u>15,972</u>
Total federal awards expended			<u>\$ 3,455,104</u>	<u>\$ 4,163,797</u>

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

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Mooresville Consolidated School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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

II. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2009 and 2010:

Program Title	Federal CFDA Number	2009	2010
Education for Homeless Children and Youth	84.196	<u>\$ 10,080</u>	<u>\$ 50,750</u>

III. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2009 and 2010. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2009	2010
National School Lunch Program	10.555	<u>\$ 89,310</u>	<u>\$ 89,057</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

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

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

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster
Special Education Cluster
Title I, Part A Cluster
State Fiscal Stabilization Fund Cluster

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION

EDUCATION CENTER

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Brad K. Lindsay, SUPERINTENDENT

Dr. Larry Moore, ASSISTANT SUPERINTENDENT

Finding Number 2008-1

Original SBA Audit Report Number B34531

Fiscal Year- 2006-2007 2007-2008

Auditee Contact Person Martha Sumner

Phone Number (317) 831-0950 ext. 2014

Title of Contact Person Food Service Director

Status of Finding : This has been resolved.

1. A meeting was held with cashiers at the beginning of the 2009-2010 school year.
2. The importance of more accurate record-keeping was stressed.
3. Improvements were made in the verification process, families were listed and proof of verification was attached.
4. Presently, we have initiated changes, only two individuals do all the applications and verifications. The applicants are entered into our computer system and accessible to all schools.

Signed: *Larry Moore*

Signed: *Martha Sumner*

Title: *Asst. Supt. / Bus. Manager*

Title: *Food Service Director*

Date: *1/31/11*

Date: *1-28-2011*

Following is our plan to correct the problems found in the cafeteria record keeping.

In future, there will be a deadline date for all free and reduced applications to be brought to the Directors office and filed . There will be copies made for cashiers to keep on file. The applications will also be checked at this point to ensure they are completed.

A list of families who were part of the verification process will be attached to the verification form and a copy of their application.

A training session will be held with head cashiers at the beginning of the school year to initiate these changes.

Aug 18,

A meeting was held for all managers + head cashiers.

Cyndi McCammack	Waverly Manager/Cashier
Carol Cummings	MHS/PHMS
Karen R. Breiner	Neil Armstrong Manager
Mary Kless	North Madison
Jammy Huffman	North Madison
Sheila Morgan	Northwood
Linda L. Dyer	va armstrong
Sharon Smith	Newby
Mona Fisher	Northwood

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 23, 2011, with Brad Lindsay, Superintendent of Schools; Larry Moore, Assistant Superintendent of Business/Treasurer; and William E. Roberson, President of the School Board. The officials concurred with our audit findings.