

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

**Paul D. Joyce, CPA  
State Examiner**

COMPLIANCE EXAMINATION REPORT

OF

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION

MORGAN COUNTY, INDIANA

July 1, 2022 to June 30, 2024



**FILED**

04/02/2025



Paul D. Joyce, CPA  
State Examiner

# INDIANA STATE BOARD OF ACCOUNTS

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April 2, 2025

To: The Officials of the Mooresville Consolidated School Corporation  
Mooresville Consolidated School Corporation  
Morgan County, Indiana

This report is supplemental to the audit report of Mooresville Consolidated School Corporation (School Corporation), for the period July 1, 2022 to June 30, 2024. It has been provided as a separate report so that the reader may easily identify any findings that pertain to the School Corporation. It should be read in conjunction with the financial statement audit report of the School Corporation, which provides an opinion on the School Corporation's financial statements. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

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

We have reviewed the supplemental report of Mooresville Consolidated School Corporation prepared by Crowe LLP, Independent Public Accountants, for the period July 1, 2022 to June 30, 2024. In our opinion, the supplemental report was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

We call your attention to the findings in the report on pages 3 through 5.

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

Tammy R. White, CPA  
Deputy State Examiner

**COMPLIANCE EXAMINATION OF**  
MOORESVILLE CONSOLIDATED SCHOOL CORPORATION  
Morgan County, Indiana  
July 1, 2022 through June 30, 2024

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION

Morgan County, Indiana  
July 1, 2022 through June 30, 2024

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MOORESVILLE CONSOLIDATED SCHOOL CORPORATION  
SCHEDULE OF OFFICIALS  
July 1, 2022 through June 30, 2024

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Monica Houk	07-01-22 to 06-30-24
Superintendent of Schools	Randy L. Taylor Dr. Jake Allen	01-01-22 to 12-31-23 01-01-24 to 12-31-24
President of the School Board	Dr. William Roberson Matt Saner	01-01-22 to 01-08-24 01-09-24 to 12-31-24

## INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and  
Management of Mooresville Consolidated School Corporation

We have examined Mooresville Consolidated School Corporation's ("School Corporation") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* during the period of July 1, 2022 through June 30, 2024. Management of the School Corporation is responsible for the School Corporation's compliance with the specified requirements. Our responsibility is to express an opinion on the School Corporation's compliance with the specified requirements based on our examination.

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

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

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

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* applicable to the School Corporation during the period of July 1, 2022 through June 30, 2024, as described in items 2024-001, 2024-002, 2024-003, 2024-004, and 2024-005 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the School Corporation complied, in all material respects, with the aforementioned requirements during the period of July 1, 2022 through June 30, 2024.

  
Crowe LLP

Indianapolis, Indiana  
March 21, 2025

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MOORESVILLE CONSOLIDATED SCHOOL CORPORATION  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
July 1, 2022 through June 30, 2024

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**FINDING 2024-001: OVERDRAWN CASH BALANCES**

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

**Condition:** During testing of cash fund balances, we noted the following fund that was not cost-reimbursement based with a cash balance below zero as of June 30, 2023 or June 30, 2024:

Fund	<b>Amount Overdrawn 06-30-2023</b>	<b>Amount Overdrawn 06-30-2024</b>
Retirement/Severance Bond Fund Debt Serv	-	54,345
Pre-Pay Cafeteria Money	-	113,161
Turf Project/2015/Francis Allia.	13,243	-
Medical Reimbursement	4,902	4,902
A.F. Cancer/Pre clearing fund	96	-

This is a repeat finding from report B61296.

**FINDING 2024-002: AVERAGE DAILY MEMBERSHIP (ADM) TESTING**

**Criteria:** Officials shall maintain records (enrollment cards, records, rosters, reporting forms, etc.) which substantiate the number of students claim for ADM. The building level official (Principal, Assistant Principal, etc.) is responsible for reporting ADM to the School Corporation Central Office, must provide a written certification of ADM to properly document responsibility. The certification must at minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed (Accounting and Uniform Compliance Guidelines Manual for Indiana Public Schools, Part 9).

**Condition:** During our testing, 1 virtual student in our sample of 4 virtual students selected for testing, was not regularly attending class during FY23. The student had no attendance in the two weeks prior to the February 2023 ADM count date sampled.

Due to the count date issues reported above, school officials need to contact the Indiana Department of Education, Division of School Finance, to review the issues identified and determine if any steps to need to be taken to correct any attendance reporting or funding issues.

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(Continued)

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
July 1, 2022 through June 30, 2024

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**FINDING 2024-003: RECONCILEMENT OF THE PREPAID FOOD ACCOUNT**

**Criteria:** When a student puts money into their individual meal account, it should not be considered income to the child nutrition program until that student goes through the lunch line and charges a meal to their account. Therefore, while money is in the student's individual account, the balance should not be included in Fund 800 School Lunch. A school should set up a clearing account with the fund number of 8400 Prepaid School Lunch Accounts which is included in Chapter 4 of the State Board of Accounts Uniform Compliance Guidelines for Indiana Public School Corporations. When a student brings in a deposit the receipt should be recorded to Fund 8400 using receipt account 1630 Special Functions. After the student has charged meals, you should disburse the amount charged from Fund 8400 using expenditure account 31900 Other Food Services and receipt this into Fund 800 using the Food Services receipt accounts 1611-1623 at the time established in a written school policy to ensure accurate monthly reporting. At this point the receipts are considered program income and should be included on any reports that are required to be completed. Also, on a monthly basis it is required that the balance of the 8400 fund be reconciled with the total of the individual meal accounts. (The School Bulletin and Uniform Compliance Guidelines, February 2019)

**Condition:** The School Corporation maintains a Prepaid Lunch fund (8400 fund). There was no reconciliation performed between the subsidiary ledger tracking prepaid student balances and the School Corporation's fund ledgers. At June 30, 2024, the subsidiary ledger had a prepaid positive balance of \$65,673 compared to the funds ledger negative balance of (\$113,161).

**FINDING 2024-004: COMMINGLED GRANT FUND ACTIVITY**

**Criteria:** Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations states in part, "Sources and uses of funds must be limited to those authorized by the enabling law, ordinance/ resolution, or grant agreement. Funds that are established by statute or local resolution and funds that account for grant activity may not be combined and presented in one fund."

**Condition:** During testing, we noted the School Corporation combined the different special education grants fund activity for the audit period into one fund instead of breaking out each grant's activity to its own fund in the School Corporation's internal records and on the Annual Financial Report.

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(Continued)

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
July 1, 2022 through June 30, 2024

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**FINDING 2024-005: SCHEDULES IN ANNUAL FINANCIAL REPORT**

**Criteria:** Indiana Code 5-11-1-4(a) states, *"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."*

**Condition:** Financial and other information are required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The information entered into Gateway contained the following errors:

*Capital Assets*

- The School Corporation reported \$264,856,849 in capital assets which did not agree to the underlying capital asset ledger amount of \$279,669,688.

*Debt and Leases*

- The School Corporation reported the remaining outstanding balances on the bonds rather than the annual lease payment due through the building corporations next year.

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION  
EXIT CONFERENCE  
July 1, 2022 through June 30, 2024

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The contents of this report were discussed on March 20, 2025 with Monica Houk, Treasurer, Dr. Jake Allen, Superintendent, Dr. Patrick Biggerstaff, Assistant Superintendent of Finance & Operations, and Matt Saner, School Board President.