

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

MOORESVILLE CONSOLIDATED
SCHOOL CORPORATION
MORGAN COUNTY, INDIANA

July 1, 2010 to June 30, 2012



FILED
02/28/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Becky S. Merriman Larry Moore Becky S. Merriman Jim Diagostino	07-01-10 to 08-03-10 08-04-10 to 04-30-12 05-01-12 to 06-30-12 07-01-12 to 06-30-13
Superintendent of Schools	Brad Lindsay	07-01-10 to 06-30-13
President of the School Board	William E. Roberson	07-01-10 to 06-30-13



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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statement of the Mooresville Consolidated School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis of accounting noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012, on the basis of accounting described in Note 1.

INDEPENDENT AUDITOR'S REPORT
(Continued)

In accordance with Government Auditing Standards, we have also issued a report dated February 12, 2013, 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.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by 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 financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

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

The School Corporation's response to the Audit Results and Comments identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

February 12, 2013



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

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

We have audited the financial statement of the Mooresville Consolidated School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated February 12, 2013. 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

Management of the School Corporation is responsible for establishing and maintaining effective 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 opinion on the financial statement, 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1 to be a material weakness.

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

Compliance and Other Matters

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

The School Corporation's response to the findings identified in our audit is described in the accompanying Official Response and Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, 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 12, 2013

FINANCIAL STATEMENT

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

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2011 and 2012

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
General	\$ 2,231,840	\$ 24,163,123	\$ 24,678,986	\$ 131,801	\$ 1,847,778	\$ 24,915,672	\$ 22,687,766	\$ 7,977	\$ 4,083,661
Debt Service	2,474,081	4,460,290	4,150,547	(2,044,500)	739,324	4,846,577	3,986,139	95,000	1,694,762
Retirement/Severance Bond Debt Service	240,769	372,305	379,722	-	233,352	356,118	376,230	-	213,240
Capital Projects	2,422,456	4,034,873	4,617,859	-	1,839,470	3,239,640	4,119,929	-	959,181
School Transportation	1,548,759	1,813,626	2,558,832	-	803,553	2,209,552	1,941,987	551	1,071,669
School Bus Replacement	598,682	868,994	443,102	(700,000)	324,574	462,031	428,877	(115,000)	242,728
Rainy Day	3,016,653	-	850,884	2,744,500	4,910,269	-	453,672	20,000	4,476,597
Retirement/Severance Bond	3,563,275	-	1,437,139	-	2,126,136	-	409,035	-	1,717,101
Construction	46,638	-	4,154	-	42,484	-	42,484	-	-
Construction 2006	109,043	-	-	-	109,043	-	96,647	-	12,396
Construction 2010	-	96,755	-	-	96,755	-	94,747	-	2,008
Construction 2011	-	1,900,000	-	-	1,900,000	-	1,900,000	-	-
School Lunch	222,592	1,807,003	1,767,437	-	262,158	1,910,533	1,820,249	-	352,442
Textbook Rental	308,440	297,483	118,157	-	487,766	416,205	442,615	-	461,356
Levy Excess	-	53,081	-	(53,081)	-	54,477	-	-	54,477
Alternative Education	382	4,368	4,750	-	-	3,610	3,610	-	-
Safe Haven Grants	(12,000)	24,000	12,000	-	-	-	-	-	-
Science Fair American Water	1,284	1,000	-	-	2,284	-	-	-	2,284
Rad Kids	113	-	-	-	113	-	113	-	-
State Farm Emergency	39,747	-	13,114	-	26,633	-	22,398	-	4,235
St. Francis Red Ribbon Day	1,800	1,200	2,705	-	295	1,200	254	-	1,241
Project Ignition 2	323	-	-	-	323	-	296	-	27
Community Foundation Smart Boards	3,000	-	-	-	3,000	-	-	-	3,000
Still Water Donation	-	-	-	-	-	3,000	90	-	2,910
Usage Grant CEC	3,281	-	-	-	3,281	-	-	-	3,281
Youth Conference High School	2,470	-	-	-	2,470	-	-	-	2,470
Training Donation	-	1,800	1,800	-	-	-	-	-	-
BECP	2,177	3,100	2,200	-	3,077	350	3,077	-	350
Primetime Grants	1,469	-	-	-	1,469	-	1,500	-	(31)
United Way Grants	1,463	-	-	-	1,463	-	27	-	1,436
Kendrick Grant Pandemic Flu Program	20,860	-	20,860	-	-	38,600	21,176	-	17,424
High Ability Grants	15,966	43,595	50,074	-	9,487	42,776	41,261	33	11,035
Education Technology	-	-	25,255	-	(25,255)	958,860	935,948	-	(2,343)

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

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2011 and 2012
(Continued)

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
Mid-State Adult Education	(31,013)	185,311	105,848	-	48,450	58,747	79,631	-	27,566
Non-English Speaking Programs P.L. 273-1999	2,759	3,470	-	-	6,229	2,773	-	-	9,002
School Technology	-	1,809	-	-	1,809	-	-	-	1,809
Technology Grants [IC 20-40-15]	145,388	-	145,388	-	-	-	-	-	-
McKinney Vento Grants	-	18,154	31,424	-	(13,270)	71,992	59,964	-	(1,242)
Local Wellness Grant	130	-	-	-	130	-	-	-	130
Excess PTRC Distributions	292,615	-	-	-	292,615	(292,615)	-	-	-
Title 1 2009-2010	42,988	26,068	69,056	-	-	-	-	-	-
Title 1 2010-2011	-	257,962	386,444	-	(128,482)	175,172	46,690	-	-
Title 1 2011-2012	-	-	-	-	-	339,425	393,400	-	(53,975)
Title V 2007-2008	2,530	-	-	-	2,530	-	-	-	2,530
Service Learning Grant	6,621	8,951	7,241	-	8,331	4,849	4,921	-	8,259
Learn and Serve	1,510	2,000	3,510	-	-	-	-	-	-
Special Education Grants	208,172	479,285	759,024	-	(71,567)	914,276	881,077	-	(38,368)
Pre-School Life Skills	3,923	17,367	24,414	-	(3,124)	24,070	21,971	-	(1,025)
Title IV Drug Free	(6,216)	6,933	717	-	-	5,127	5,127	-	-
JAIBG 2000-2001	192	-	192	-	-	-	-	-	-
Title II, Part A Grants	44,151	-	165,689	-	(121,538)	101,635	133,918	-	(153,821)
Title III, Language Instruction	-	4,939	2,584	-	2,355	-	3,101	-	(746)
ARRA Title 1 Stimulus	73,715	-	54,982	-	18,733	82,659	101,038	-	354
ARRA Special Education Part B Stimulus	72,122	17,000	110,793	-	(21,671)	199,142	177,471	-	-
ARRA Preschool Stimulus	11,471	-	5,525	-	5,946	14,685	20,631	-	-
Education Jobs	-	-	-	-	-	705,478	738,015	-	(32,537)
Payroll Clearing	115,687	6,911,272	6,870,780	-	156,179	5,944,378	6,034,931	-	65,626
Totals	<u>\$ 17,852,308</u>	<u>\$ 47,887,117</u>	<u>\$ 49,883,188</u>	<u>\$ 78,720</u>	<u>\$ 15,934,957</u>	<u>\$ 47,810,994</u>	<u>\$ 48,532,013</u>	<u>\$ 8,561</u>	<u>\$ 15,222,499</u>

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

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

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

C. Cash and Investments

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

D. Receipts

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

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources include distributions from the State of Indiana and are to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Federal sources include distributions from the federal government and are to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

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

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, funds held temporarily for an authorized recipient, and self-insurance payments.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Other Financing Sources and Uses

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

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. Teacher's Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

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

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

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction
Cash and investments - beginning	\$ 2,231,840	\$ 2,474,081	\$ 240,769	\$ 2,422,456	\$ 1,548,759	\$ 598,682	\$ 3,016,653	\$ 3,563,275	\$ 46,638
Receipts:									
Local sources	319,003	3,217,871	372,305	3,472,035	1,803,408	868,994	-	-	-
Intermediate sources	15	-	-	-	-	-	-	-	-
State sources	23,789,961	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	1,189,949	-	544,031	-	-	-	-	-
Interfund loans	52,470	52,470	-	-	-	-	-	-	-
Other	1,674	-	-	18,807	10,218	-	-	-	-
Total receipts	24,163,123	4,460,290	372,305	4,034,873	1,813,626	868,994	-	-	-
Disbursements:									
Current:									
Instruction	17,910,051	-	-	-	-	-	-	-	-
Support services	6,383,281	-	-	2,122,765	1,938,442	443,102	850,884	1,437,139	-
Noninstructional services	333,184	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,398,190	-	-	-	-	4,154
Debt services	-	4,098,077	379,722	1,096,904	620,390	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	52,470	52,470	-	-	-	-	-	-	-
Total disbursements	24,678,986	4,150,547	379,722	4,617,859	2,558,832	443,102	850,884	1,437,139	4,154
Excess (deficiency) of receipts over disbursements	(515,863)	309,743	(7,417)	(582,986)	(745,206)	425,892	(850,884)	(1,437,139)	(4,154)
Other financing sources (uses):									
Sale of capital assets	78,720	-	-	-	-	-	-	-	-
Transfers in	53,081	-	-	-	-	-	2,744,500	-	-
Transfers out	-	(2,044,500)	-	-	-	(700,000)	-	-	-
Total other financing sources (uses)	131,801	(2,044,500)	-	-	-	(700,000)	2,744,500	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(384,062)	(1,734,757)	(7,417)	(582,986)	(745,206)	(274,108)	1,893,616	(1,437,139)	(4,154)
Cash and investments - ending	<u>\$ 1,847,778</u>	<u>\$ 739,324</u>	<u>\$ 233,352</u>	<u>\$ 1,839,470</u>	<u>\$ 803,553</u>	<u>\$ 324,574</u>	<u>\$ 4,910,269</u>	<u>\$ 2,126,136</u>	<u>\$ 42,484</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Construction 2006	Construction 2010	Construction 2011	School Lunch	Textbook Rental	Levy Excess	Alternative Education	Safe Haven Grants	Science Fair American Water
Cash and investments - beginning	\$ 109,043	\$ -	\$ -	\$ 222,592	\$ 308,440	\$ -	\$ 382	\$ (12,000)	\$ 1,284
Receipts:									
Local sources	-	-	-	1,099,802	271,326	53,081	-	-	1,000
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	19,858	26,157	-	4,368	24,000	-
Federal sources	-	-	-	687,343	-	-	-	-	-
Temporary loans	-	96,755	1,900,000	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	96,755	1,900,000	1,807,003	297,483	53,081	4,368	24,000	1,000
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	4,750	-	-
Support services	-	-	-	25	118,157	-	-	12,000	-
Noninstructional services	-	-	-	1,767,412	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	1,767,437	118,157	-	4,750	12,000	-
Excess (deficiency) of receipts over disbursements	-	96,755	1,900,000	39,566	179,326	53,081	(382)	12,000	1,000
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(53,081)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(53,081)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	96,755	1,900,000	39,566	179,326	-	(382)	12,000	1,000
Cash and investments - ending	\$ 109,043	\$ 96,755	\$ 1,900,000	\$ 262,158	\$ 487,766	\$ -	\$ -	\$ -	\$ 2,284

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Rad Kids	State Farm Emergency	St. Francis Red Ribbon Day	Project Ignition 2	Community Foundation Smart Boards	Still Water Donation	Usage Grant CEC	Youth Conference High School
Cash and investments - beginning	\$ 113	\$ 39,747	\$ 1,800	\$ 323	\$ 3,000	\$ -	\$ 3,281	\$ 2,470
Receipts:								
Local sources	-	-	1,200	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	1,200	-	-	-	-	-
Disbursements:								
Current:								
Instruction	-	-	2,705	-	-	-	-	-
Support services	-	13,114	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	13,114	2,705	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	(13,114)	(1,505)	-	-	-	-	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(13,114)	(1,505)	-	-	-	-	-
Cash and investments - ending	\$ 113	\$ 26,633	\$ 295	\$ 323	\$ 3,000	\$ -	\$ 3,281	\$ 2,470

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Training Donation	BECP	Primetime Grants	United Way Grants	Kendrick Grant Pandemic Flu Program	High Ability Grants	Education Technology	Mid-State Adult Education
Cash and investments - beginning	\$ -	\$ 2,177	\$ 1,469	\$ 1,463	\$ 20,860	\$ 15,966	\$ -	\$ (31,013)
Receipts:								
Local sources	1,800	3,100	-	-	-	-	-	131,191
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	43,595	-	54,120
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	1,800	3,100	-	-	-	43,595	-	185,311
Disbursements:								
Current:								
Instruction	-	-	-	-	-	50,074	-	105,848
Support services	1,800	2,200	-	-	20,860	-	25,255	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	1,800	2,200	-	-	20,860	50,074	25,255	105,848
Excess (deficiency) of receipts over disbursements	-	900	-	-	(20,860)	(6,479)	(25,255)	79,463
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	900	-	-	(20,860)	(6,479)	(25,255)	79,463
Cash and investments - ending	\$ -	\$ 3,077	\$ 1,469	\$ 1,463	\$ -	\$ 9,487	\$ (25,255)	\$ 48,450

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Grants [IC 20-40-15]	McKinney Vento Grants	Local Wellness Grant	Excess PTRC Distributions	Title 1 2009-2010	Title 1 2010-2011
Cash and investments - beginning	\$ 2,759	\$ -	\$ 145,388	\$ -	\$ 130	\$ 292,615	\$ 42,988	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	5,034
Intermediate sources	-	-	-	-	-	-	-	-
State sources	3,470	1,809	-	18,154	-	-	-	-
Federal sources	-	-	-	-	-	-	26,068	252,928
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>3,470</u>	<u>1,809</u>	<u>-</u>	<u>18,154</u>	<u>-</u>	<u>-</u>	<u>26,068</u>	<u>257,962</u>
Disbursements:								
Current:								
Instruction	-	-	-	31,424	-	-	57,974	346,730
Support services	-	-	145,388	-	-	-	8,805	27,103
Noninstructional services	-	-	-	-	-	-	2,277	12,611
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>145,388</u>	<u>31,424</u>	<u>-</u>	<u>-</u>	<u>69,056</u>	<u>386,444</u>
Excess (deficiency) of receipts over disbursements	<u>3,470</u>	<u>1,809</u>	<u>(145,388)</u>	<u>(13,270)</u>	<u>-</u>	<u>-</u>	<u>(42,988)</u>	<u>(128,482)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,470</u>	<u>1,809</u>	<u>(145,388)</u>	<u>(13,270)</u>	<u>-</u>	<u>-</u>	<u>(42,988)</u>	<u>(128,482)</u>
Cash and investments - ending	<u>\$ 6,229</u>	<u>\$ 1,809</u>	<u>\$ -</u>	<u>\$ (13,270)</u>	<u>\$ 130</u>	<u>\$ 292,615</u>	<u>\$ -</u>	<u>\$ (128,482)</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Title 1 2011-2012	Title V 2007-2008	Service Learning Grant	Learn and Serve	Special Education Grants	Pre-School Life Skills	Title IV Drug Free	JAIBG 2000-2001
Cash and investments - beginning	\$ -	\$ 2,530	\$ 6,621	\$ 1,510	\$ 208,172	\$ 3,923	\$ (6,216)	\$ 192
Receipts:								
Local sources	-	-	1,800	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	7,151	2,000	479,285	17,367	6,933	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	8,951	2,000	479,285	17,367	6,933	-
Disbursements:								
Current:								
Instruction	-	-	-	-	758,599	24,414	717	-
Support services	-	-	7,241	3,510	425	-	-	192
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	-	7,241	3,510	759,024	24,414	717	192
Excess (deficiency) of receipts over disbursements	-	-	1,710	(1,510)	(279,739)	(7,047)	6,216	(192)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	1,710	(1,510)	(279,739)	(7,047)	6,216	(192)
Cash and investments - ending	\$ -	\$ 2,530	\$ 8,331	\$ -	\$ (71,567)	\$ (3,124)	\$ -	\$ -

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Title II Part A Grants	Title III Language Instruction	ARRA Title 1 Stimulus	ARRA Special Education Part B Stimulus	ARRA Preschool Stimulus	Education Jobs	Payroll Clearing	Totals
Cash and investments - beginning	\$ 44,151	\$ -	\$ 73,715	\$ 72,122	\$ 11,471	\$ -	\$ 115,687	\$ 17,852,308
Receipts:								
Local sources	-	-	-	17,000	-	-	-	11,639,950
Intermediate sources	-	-	-	-	-	-	-	15
State sources	-	-	-	-	-	-	-	23,985,492
Federal sources	-	4,939	-	-	-	-	-	1,484,014
Temporary loans	-	-	-	-	-	-	-	3,730,735
Interfund loans	-	-	-	-	-	-	-	104,940
Other	-	-	-	-	-	-	6,911,272	6,941,971
Total receipts	-	4,939	-	17,000	-	-	6,911,272	47,887,117
Disbursements:								
Current:								
Instruction	165,689	-	50,582	110,793	5,525	-	-	19,625,875
Support services	-	2,584	4,400	-	-	-	-	13,568,672
Noninstructional services	-	-	-	-	-	-	-	2,115,484
Facilities acquisition and construction	-	-	-	-	-	-	-	1,402,344
Debt services	-	-	-	-	-	-	-	6,195,093
Nonprogrammed charges	-	-	-	-	-	-	6,870,780	6,870,780
Interfund loans	-	-	-	-	-	-	-	104,940
Total disbursements	165,689	2,584	54,982	110,793	5,525	-	6,870,780	49,883,188
Excess (deficiency) of receipts over disbursements	(165,689)	2,355	(54,982)	(93,793)	(5,525)	-	40,492	(1,996,071)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	78,720
Transfers in	-	-	-	-	-	-	-	2,797,581
Transfers out	-	-	-	-	-	-	-	(2,797,581)
Total other financing sources (uses)	-	-	-	-	-	-	-	78,720
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(165,689)	2,355	(54,982)	(93,793)	(5,525)	-	40,492	(1,917,351)
Cash and investments - ending	\$ (121,538)	\$ 2,355	\$ 18,733	\$ (21,671)	\$ 5,946	\$ -	\$ 156,179	\$ 15,934,957

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction
Cash and investments - beginning	\$ 1,847,778	\$ 739,324	\$ 233,352	\$ 1,839,470	\$ 803,553	\$ 324,574	\$ 4,910,269	\$ 2,126,136	\$ 42,484
Receipts:									
Local sources	370,651	3,508,494	356,118	3,231,942	2,196,480	462,031	-	-	-
Intermediate sources	8	-	-	-	-	-	-	-	-
State sources	24,545,013	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	1,338,083	-	-	-	-	-	-	-
Other	-	-	-	7,698	13,072	-	-	-	-
Total receipts	<u>24,915,672</u>	<u>4,846,577</u>	<u>356,118</u>	<u>3,239,640</u>	<u>2,209,552</u>	<u>462,031</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	16,209,448	-	-	-	-	-	-	-	-
Support services	6,074,723	-	-	2,193,731	1,941,987	428,877	453,672	409,035	-
Noninstructional services	403,595	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,382,167	-	-	-	-	42,484
Debt services	-	3,986,139	376,230	544,031	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>22,687,766</u>	<u>3,986,139</u>	<u>376,230</u>	<u>4,119,929</u>	<u>1,941,987</u>	<u>428,877</u>	<u>453,672</u>	<u>409,035</u>	<u>42,484</u>
Excess (deficiency) of receipts over disbursements	<u>2,227,906</u>	<u>860,438</u>	<u>(20,112)</u>	<u>(880,289)</u>	<u>267,565</u>	<u>33,154</u>	<u>(453,672)</u>	<u>(409,035)</u>	<u>(42,484)</u>
Other financing sources (uses):									
Sale of capital assets	8,010	-	-	-	551	-	-	-	-
Transfers in	-	95,000	-	-	-	-	115,000	-	-
Transfers out	(33)	-	-	-	-	(115,000)	(95,000)	-	-
Total other financing sources (uses)	<u>7,977</u>	<u>95,000</u>	<u>-</u>	<u>-</u>	<u>551</u>	<u>(115,000)</u>	<u>20,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,235,883</u>	<u>955,438</u>	<u>(20,112)</u>	<u>(880,289)</u>	<u>268,116</u>	<u>(81,846)</u>	<u>(433,672)</u>	<u>(409,035)</u>	<u>(42,484)</u>
Cash and investments - ending	<u>\$ 4,083,661</u>	<u>\$ 1,694,762</u>	<u>\$ 213,240</u>	<u>\$ 959,181</u>	<u>\$ 1,071,669</u>	<u>\$ 242,728</u>	<u>\$ 4,476,597</u>	<u>\$ 1,717,101</u>	<u>\$ -</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Construction 2006	Construction 2010	Construction 2011	School Lunch	Textbook Rental	Levy Excess	Alternative Education	Safe Haven Grants	Science Fair American Water
Cash and investments - beginning	\$ 109,043	\$ 96,755	\$ 1,900,000	\$ 262,158	\$ 487,766	\$ -	\$ -	\$ -	\$ 2,284
Receipts:									
Local sources	-	-	-	1,122,827	290,145	54,477	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	18,966	126,060	-	3,610	-	-
Federal sources	-	-	-	768,740	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	1,910,533	416,205	54,477	3,610	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	3,610	-	-
Support services	-	-	-	-	442,615	-	-	-	-
Noninstructional services	-	-	-	1,820,249	-	-	-	-	-
Facilities acquisition and construction	96,647	94,747	1,900,000	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	96,647	94,747	1,900,000	1,820,249	442,615	-	3,610	-	-
Excess (deficiency) of receipts over disbursements	(96,647)	(94,747)	(1,900,000)	90,284	(26,410)	54,477	-	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(96,647)	(94,747)	(1,900,000)	90,284	(26,410)	54,477	-	-	-
Cash and investments - ending	\$ 12,396	\$ 2,008	\$ -	\$ 352,442	\$ 461,356	\$ 54,477	\$ -	\$ -	\$ 2,284

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Rad Kids	State Farm Emergency	St. Francis Red Ribbon Day	Project Ignition 2	Community Foundation Smart Boards	Still Water Donation	Usage Grant CEC	Youth Conference High School
Cash and investments - beginning	\$ 113	\$ 26,633	\$ 295	\$ 323	\$ 3,000	\$ -	\$ 3,281	\$ 2,470
Receipts:								
Local sources	-	-	1,200	-	-	3,000	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	1,200	-	-	3,000	-	-
Disbursements:								
Current:								
Instruction	-	-	254	-	-	-	-	-
Support services	113	22,398	-	296	-	90	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	113	22,398	254	296	-	90	-	-
Excess (deficiency) of receipts over disbursements	(113)	(22,398)	946	(296)	-	2,910	-	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(113)	(22,398)	946	(296)	-	2,910	-	-
Cash and investments - ending	\$ -	\$ 4,235	\$ 1,241	\$ 27	\$ 3,000	\$ 2,910	\$ 3,281	\$ 2,470

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Training Donation	BECP	Primetime Grants	United Way Grants	Kendrick Grant Pandemic Flu Program	High Ability Grants	Education Technology	Mid-State Adult Education
Cash and investments - beginning	\$ -	\$ 3,077	\$ 1,469	\$ 1,463	\$ -	\$ 9,487	\$ (25,255)	\$ 48,450
Receipts:								
Local sources	-	350	-	-	38,600	-	-	30,509
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	42,776	958,860	28,238
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	350	-	-	38,600	42,776	958,860	58,747
Disbursements:								
Current:								
Instruction	-	-	1,500	27	-	41,261	-	79,571
Support services	-	3,077	-	-	21,176	-	935,948	60
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	3,077	1,500	27	21,176	41,261	935,948	79,631
Excess (deficiency) of receipts over disbursements	-	(2,727)	(1,500)	(27)	17,424	1,515	22,912	(20,884)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	33	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	33	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2,727)	(1,500)	(27)	17,424	1,548	22,912	(20,884)
Cash and investments - ending	\$ -	\$ 350	\$ (31)	\$ 1,436	\$ 17,424	\$ 11,035	\$ (2,343)	\$ 27,566

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Grants [IC 20-40-15]	McKinney Vento Grants	Local Wellness Grant	Excess PTRC Distributions	Title 1 2009-2010	Title 1 2010-2011
Cash and investments - beginning	\$ 6,229	\$ 1,809	\$ -	\$ (13,270)	\$ 130	\$ 292,615	\$ -	\$ (128,482)
Receipts:								
Local sources	-	-	-	11	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	2,773	-	-	71,981	-	(292,615)	-	-
Federal sources	-	-	-	-	-	-	-	175,172
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	2,773	-	-	71,992	-	(292,615)	-	175,172
Disbursements:								
Current:								
Instruction	-	-	-	59,964	-	-	-	42,542
Support services	-	-	-	-	-	-	-	3,039
Noninstructional services	-	-	-	-	-	-	-	1,109
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	59,964	-	-	-	46,690
Excess (deficiency) of receipts over disbursements	2,773	-	-	12,028	-	(292,615)	-	128,482
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,773	-	-	12,028	-	(292,615)	-	128,482
Cash and investments - ending	\$ 9,002	\$ 1,809	\$ -	\$ (1,242)	\$ 130	\$ -	\$ -	\$ -

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Title 1 2011-2012	Title V 2007-2008	Service Learning Grant	Learn and Serve	Special Education Grants	Pre-School Life Skills	Title IV Drug Free	JAIBG 2000-2001
Cash and investments - beginning	\$ -	\$ 2,530	\$ 8,331	\$ -	\$ (71,567)	\$ (3,124)	\$ -	\$ -
Receipts:								
Local sources	373	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	339,052	-	4,849	-	914,276	24,070	5,127	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>339,425</u>	<u>-</u>	<u>4,849</u>	<u>-</u>	<u>914,276</u>	<u>24,070</u>	<u>5,127</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	355,264	-	-	-	871,695	21,971	5,127	-
Support services	20,488	-	4,921	-	-	-	-	-
Noninstructional services	17,648	-	-	-	9,382	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>393,400</u>	<u>-</u>	<u>4,921</u>	<u>-</u>	<u>881,077</u>	<u>21,971</u>	<u>5,127</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(53,975)</u>	<u>-</u>	<u>(72)</u>	<u>-</u>	<u>33,199</u>	<u>2,099</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(53,975)</u>	<u>-</u>	<u>(72)</u>	<u>-</u>	<u>33,199</u>	<u>2,099</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ (53,975)</u>	<u>\$ 2,530</u>	<u>\$ 8,259</u>	<u>\$ -</u>	<u>\$ (38,368)</u>	<u>\$ (1,025)</u>	<u>\$ -</u>	<u>\$ -</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Title II Part A Grants	Title III Language Instruction	ARRA Title 1 Stimulus	ARRA Special Education Part B Stimulus	ARRA Preschool Stimulus	Education Jobs	Payroll Clearing	Totals
Cash and investments - beginning	\$ (121,538)	\$ 2,355	\$ 18,733	\$ (21,671)	\$ 5,946	\$ -	\$ 156,179	\$ 15,934,957
Receipts:								
Local sources	-	-	-	-	-	-	-	11,667,208
Intermediate sources	-	-	-	-	-	-	-	8
State sources	-	-	-	-	-	-	-	25,505,662
Federal sources	101,635	-	82,659	199,142	14,685	705,478	-	3,334,885
Temporary loans	-	-	-	-	-	-	-	1,338,083
Other	-	-	-	-	-	-	5,944,378	5,965,148
Total receipts	101,635	-	82,659	199,142	14,685	705,478	5,944,378	47,810,994
Disbursements:								
Current:								
Instruction	133,918	-	90,598	177,471	20,631	-	-	18,114,852
Support services	-	3,101	6,987	-	-	738,015	-	13,704,349
Noninstructional services	-	-	3,453	-	-	-	-	2,255,436
Facilities acquisition and construction	-	-	-	-	-	-	-	3,516,045
Debt services	-	-	-	-	-	-	-	4,906,400
Nonprogrammed charges	-	-	-	-	-	-	6,034,931	6,034,931
Total disbursements	133,918	3,101	101,038	177,471	20,631	738,015	6,034,931	48,532,013
Excess (deficiency) of receipts over disbursements	(32,283)	(3,101)	(18,379)	21,671	(5,946)	(32,537)	(90,553)	(721,019)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	8,561
Transfers in	-	-	-	-	-	-	-	210,033
Transfers out	-	-	-	-	-	-	-	(210,033)
Total other financing sources (uses)	-	-	-	-	-	-	-	8,561
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(32,283)	(3,101)	(18,379)	21,671	(5,946)	(32,537)	(90,553)	(712,458)
Cash and investments - ending	\$ (153,821)	\$ (746)	\$ 354	\$ -	\$ -	\$ (32,537)	\$ 65,626	\$ 15,222,499

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Common School#1443	Technology	\$ 141,297.00	01-01-11	07-01-17
Pension Bond	Retirement Funding	376,706.00	07-05-04	01-05-24
2009 Mooresville H.S./Building Corp.	Lease	1,380,500.00	01-15-10	07-15-17
2005 Paul Hadley M.S./Building Corp	Lease	1,147,000.00	07-15-05	07-15-17
2011 Newby/Northwood	Building Improvement Lease	108,900.00	01-15-12	01-15-24
2010 Mooresville H.S.	Building Improvement Lease	141,500.00	07-01-10	01-01-25
QSAB/PHMS	Energy Savings Lease	1,150.00	01-01-12	01-01-19
QZAB/North Madison	Energy Savings Lease	64,949.00	07-15-12	01-15-21
State General Fund Loan		-	06-13-13	12-31-13
SB-516 Energy Savings	Energy Savings Lease	141,451.80	01-18-04	07-18-13
Bus Lease	Bus Replacement	66,083.33	07-16-12	01-16-17
Bus Lease	Bus Replacement	97,141.66	04-15-09	08-01-13
Bus Lease	Bus Replacement	82,324.44	04-05-12	08-01-14
Bus Lease	Bus Replacement	70,463.75	03-22-11	08-01-13
Bus Lease	Bus Replacement	3,826.67	08-01-08	08-01-12
Technology	Technology	99,313.23	06-02-10	06-02-13
Technology	Technology	<u>37,650.00</u>	04-24-09	07-13-12
Total Annual Lease Payments		<u>\$ 3,960,256.88</u>		

Type	Purpose	Ending Principal Debt	Principal and Interest Due Within One Year
Temporary Loans	Loan	\$ 1,136,503.00	\$ 1,149,290.31
Holding Companies	Leases	12,662,121.00	1,271,000.00
Common School	Technology	208,300.00	70,475.00
Retirement Severances	Retirement Funding	3,210,000.00	187,178.00
Qualified School Construction	Building Improvements	<u>3,790,925.00</u>	<u>16,375.00</u>
Totals		<u>\$ 21,007,849.00</u>	<u>\$ 2,694,318.31</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2012

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 2,099,700
Buildings	37,673,726
Improvements other than buildings	876,604
Machinery, equipment and vehicles	<u>5,336,898</u>
Total capital assets	<u>\$ 45,986,928</u>

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

OVERDRAWN FUND BALANCE

As noted in Audit Report No. B38571, the fund balance of the Retiree Medical Fund, which is a part of the Payroll Clearing Fund in the financial statement, was overdrawn \$30,666.55 on June 30, 2012.

The fund 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)

INTERNAL CONTROLS OVER REPORTING OF TEXTBOOK RENTAL FUND ACTIVITY

The controls over the reporting of the financial activity of the Textbook Rental Fund in the School Corporation's Financial Reports submitted to the Indiana Department of Education were insufficient. The activity of the Textbook Rental Funds was handled in the extra-curricular accounts at the School Corporation. There was not any procedure in place for the School Corporation to obtain this information from the Extra-Curricular accounts to report in their Financial Reports submitted to the Indiana Department of Education. As a result, the Textbook Rental Fund activity was not reflected in the financial statement. Therefore, the information had to be abstracted from the Extra-Curricular records and an adjustment approved and made to the financial statements.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
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 Mooresville Consolidated School Corporation's (School Corporation) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012. 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 could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012. However the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2012-2.

Internal Control Over Compliance

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 to determine our auditing procedures for the purpose of expressing our opinion on compliance and to

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as item 2012-2. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The School Corporation's response to the finding identified in our audit is described in the accompanying Official Response and Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, 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 12, 2013

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2011 and 2012

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 06-30-11	Total Federal Awards Expended 06-30-12
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553			
School Year 2010-2011		Agreement 55-5960	\$ 119,498	\$ -
School Year 2011-2012		Agreement 55-5960	-	135,967
Total for program			119,498	135,967
National School Lunch Program	10.555			
School Year 2010-2011		Agreement 55-5960	655,547	-
School Year 2011-2012		Agreement 55-5960	-	736,787
Total for program			655,547	736,787
Total for federal grantor agency			775,045	872,754
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
FY 2010		Project No. 10-5930	64,022	-
FY 2011		Project No. 11-5930	257,961	174,799
FY 2012		Project No. 12-5930	-	339,424
Total for program			321,983	514,223
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389			
FY 09-10		Project No. 10-5930	54,982	101,038
Total for cluster			376,965	615,261
Pass-Through Metropolitan School District of Wayne Township				
Special Education Cluster				
Special Education - Grants to States	84.027			
FY 2009		Project No. 14209-063-PN01	14,572	-
FY 2010		Project No. 14210-063-PN01	162,251	30,253
FY 2011		Project No. 14211-063-PN01	479,285	344,937
FY 2012		Project No. 14212-063-PN01	-	569,339
Total for program			656,108	944,529
Special Education - Preschool Grants	84.173			
FY 2010		Project No. 45710-063-PN01	3,923	-
FY 2011		Project No. 45711-063-PN01	17,367	8,198
FY 2012		Project No. 45712-063-PN01	-	15,873
Total for program			21,290	24,071
ARRA - Special Education - Grants to States, Recovery Act	84.391			
FY 09-10		Project No. 33310-063-SN01	72,122	199,142
ARRA - Special Education - Preschool Grants, Recovery Act	84.392			
FY 09-10		Project No. 44410-063-SN01	5,525	20,631
Total for cluster			755,045	1,188,373

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, 2011 and 2012
(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 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education Education of Homeless Children and Youth Cluster Education for Homeless Children and Youth School Year 2008-2009	84.196	FY 2009	18,154	36,835
School Year 2010-2011		FY 2011	-	35,145
Total for cluster			<u>18,154</u>	<u>71,980</u>
Safe and Drug Free Schools and Communities - State Grants	84.186			
		Project No. 5930-08	313	-
		Project No. 5930-09	404	5,127
Total for program			<u>717</u>	<u>5,127</u>
Pass-Through Plainfield Community School Corporation English Language Acquisition State Grants School Year 2010-2011	84.365	FY 2011	-	4,939
Pass-Through Indiana Department of Education Improving Teacher Quality State Grants Fiscal Year 2009	84.367	Project No. 09-5930	7,112	1,537
Fiscal Year 2010		Project No. 10-5930	35,504	101,635
Fiscal Year 2011		Project No. 11-5930	-	-
Fiscal Year 2012		Project No. 12-5930	-	-
Total for program			<u>42,616</u>	<u>103,172</u>
Education Jobs Fund School Year 2011-2012	84.410	FY 2012	-	705,478
Total for federal grantor agency			<u>1,193,497</u>	<u>2,694,330</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 2009-2010	94.004	FY 2010	3,510	-
School Year 2010-2011		FY 2011	7,151	4,849
Total for federal grantor agency			<u>10,661</u>	<u>4,849</u>
Total federal awards expended			<u>\$ 1,979,203</u>	<u>\$ 3,571,933</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

Note 1. 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 statement. 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 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.

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2011 and 2012. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2011	2012
Child Nutrition Cluster National School Lunch Program	10.555	\$ 87,702	\$ 104,014

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unqualified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	yes
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?	yes

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.410	Child Nutrition Cluster Title 1, Part A Cluster Education Jobs Fund

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

FINDING 2012-1 - INTERNAL CONTROLS OVER REPORTING OF TEXTBOOK RENTAL FUND ACTIVITY

Management of the School Corporation has not established an effective internal control system over the reporting of the financial activity of the textbook rental fund. The Financial Reports submitted to the Indiana Department of Education did not include the activity of the textbook rental funds. The textbook rental fund is handled in the extra-curricular accounts of the School Corporation. No procedures are in place for the School Corporation to obtain this information from the extra-curricular accounts to report on their Financial Reports submitted to the Indiana Department of Education.

As a result, the textbook rental fund activity was not reflected in the financial statements. An audit adjustment was approved by management and made to the financial statement.

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Lack of internal controls could cause material misstatements to go undetected, which could result in the financial statement to be materially misstated.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Section III – Federal Award Findings and Questioned Costs

FINDING 2012-2 - ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: U. S. Department of Education

Federal Program: Title I Grants to Local Educational Agencies, ARRA Title I Grants to
Local Educational Agencies, Recovery Act

CFDA Number: 84.010 and 84.389

Federal Award Number and Year (or Other Identifying Number): Project No. 10-5930; Project No.
11-5930; Project No. 12-5930; and
Project No. 10-5930 (ARRA)

Pass-Through Entity: Indiana Department of Education

Contact Person: Mitch Fortune

Phone: 317-831-9212

Management of the School Corporation has not established an effective internal control system over compliance for allowable costs/cost principles. The failure to establish an effective internal control system places the School Corporation at risk of material noncompliance.

The School Corporation was required to maintain time and effort reports on all full and part time employees paid from the Title 1, Part A Cluster grants. No time and effort reports were presented for the audit period.

OMB circular A 87, Attachment B, item 8h, states in part:

"(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meet the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency."

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

OMB Circular A-133, Subpart C, section .300 (b) states:

"The auditee shall: Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls to ensure all grant requirements are complied with.

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
EDUCATION CENTER

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www.moorevilleschools.org



BRAD LINDSAY, SUPERINTENDENT

JIM DIAGOSTINO, ASSISTANT SUPERINTENDENT
SCOTT KERN, CHIEF LEARNING OFFICER

February 12, 2013

According to State Board of Accounts findings, Mooreville Consolidated School Corporation will implement the following procedure for the Bi-annual (Form 9) report ending June 30 2013:

Mooreville Consolidation School Corporation's financial report will include information from the schools accounting for Textbook Rental Funds. This information will be acquired from the schools fiscal year Financial Reporting. This procedure and an *alternative procedure will be evaluated and a decision made to comply with the findings.

*Alternate procedure would be to have the textbook rental funds be deposited and expended at the Corporation level.

Brad Lindsay Brad Lindsay

Superintendent

Jim Diagostino [Signature]

Assistant Superintendent, Treasurer

Dr. William Roberson Dr. William E. Roberson

Mooreville School Board President

Date: February 12, 2013

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Section III Federal Award Findings and Questioned Costs

Finding 2012-2 INTERNAL CONTROLS OVER ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: U.S. Department of Education

Federal Program: Title I Cluster/Education Jobs Funds

CDFA Number and Year: 84.010, 84.389/84.10

Federal Award Number and Year: 10-4545/years 2009-2012

Contact Person: Mitch Fortune, Principal (mitch.fortune@moorevilleschools.org)

Date: January 29, 2013

Correction Action Plan

On Tuesday, January 29, 2013, we met to discuss the Title I grant requirements and documentation for Mooreville Schools. At the conclusion of our conversation, the following documented items were determined in need of corrective action for our district.

1. Completed time and effort semi-annual certifications for all full-time employees paid from the grant.
2. Time and Effort Logs/Personal Activity Reports (PAR) for employees who split time between Title I and other activities

The required documentation for the above mentioned items will be corrected immediately and documentation will be available for future reference.

Respectfully,

Mitch Fortune

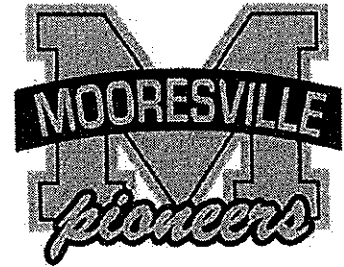
Becky Merriman

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 12, 2013, with Jim Diagostino, Treasurer; Becky S. Merriman, Deputy Treasurer; Brad Lindsay, Superintendent of Schools; and William E. Roberson, President of the School Board. The Official Response has been made a part of this report and may be found on page 47.

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BRAD LINDSAY, SUPERINTENDENT

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SCOTT KERN, CHIEF LEARNING OFFICER

February 12, 2013

According to State Board of Accounts findings, Mooreville Consolidated School Corporation had an overdrawn Payroll Clearing Fund in the financial statement of \$30,666.55 on June 30, 2012. This situation is under review with Valic, the company handling our Retiree Medical Fund. Upon completion of this audit, a plan will be implemented to recover monies due from retirees and any negative balance will be brought to the Mooreville School Board for corrective action.

Brad Lindsay

Superintendent

Jim Diagostino

Assistant Superintendent, Treasurer

Dr. William Roberson

Mooreville School Board President

Date: February 12, 2013