

B38483

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

AUDIT REPORT

OF

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON

POSEY COUNTY, INDIANA

July 1, 2008 to June 30, 2010



FILED
03/02/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis	7-8
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds	9-10
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds	11-12
Notes to Financial Statements	13-20
Required Supplementary Information:	
Schedule of Funding Progress	21
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	22-33
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds	34-39
Schedule of Capital Assets.....	40
Schedule of Long-Term Debt	41
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	44-45
Schedule of Expenditures of Federal Awards	46-47
Notes to Schedule of Expenditures of Federal Awards.....	48
Schedule of Findings and Questioned Costs	49
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings	50
Exit Conference.....	51

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Mary E. Buchanan	07-01-08 to 12-31-11
Superintendent of Schools	C. Keith Spurgeon Thomas P. Kopatich	07-01-08 to 06-30-10 07-01-10 to 06-30-11
President of the School Board	Dennis Angel Beth McFadin Higgins	01-01-08 to 12-31-08 01-01-09 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT
OF MOUNT VERNON, POSEY COUNTY, INDIANA

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

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

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

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

In accordance with Government Auditing Standards, we have also issued a report dated January 24, 2011, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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

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

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

STATE BOARD OF ACCOUNTS

January 24, 2011



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

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT
OF MOUNT VERNON, POSEY COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Metropolitan School District of Mount Vernon (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated January 24, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

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

STATE BOARD OF ACCOUNTS

January 24, 2011

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>	Net (Disbursement) Receipts and Changes in Net Assets
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		
Governmental activities:					
Instruction	\$ 13,156,743	\$ -	\$ 107,164	\$ (13,049,579)	
Support services	11,760,563	783,066	435,711	(10,541,786)	
Noninstructional services	1,371,151	-	-	(1,371,151)	
Facilities acquisition and construction	1,705,498	-	-	(1,705,498)	
Debt service	22,033,267	-	-	(22,033,267)	
Nonprogrammed charges	508,510	-	-	(508,510)	
Total governmental activities	\$ 50,535,732	\$ 783,066	\$ 542,875	(49,209,791)	
General receipts:					
Property taxes				28,410,185	
Other local sources				2,101,569	
State aid				9,731,453	
Bonds and loans				5,296,123	
Grants and contributions not restricted to specific programs				3,623,717	
Sale of property				24,910	
Investment earnings				27,969	
Other				164,406	
Total general receipts				49,380,332	
Change in net assets				170,541	
Net assets - beginning				9,066,545	
Net assets - ending				\$ 9,237,086	
<u>Assets</u>					
Cash and investments				\$ 7,793,089	
Restricted assets:					
Cash and investments				1,443,997	
Total assets				\$ 9,237,086	
<u>Net Assets</u>					
Restricted for:					
Debt service				\$ 1,443,997	
Unrestricted				7,793,089	
Total net assets				\$ 9,237,086	

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

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2010

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 13,076,307	\$ -	\$ 69,827	\$ (13,006,480)
Support services	12,077,730	712,595	465,671	(10,899,464)
Noninstructional services	1,368,865	-	-	(1,368,865)
Facilities acquisition and construction	1,855,187	-	-	(1,855,187)
Debt service	4,743,132	-	-	(4,743,132)
Nonprogrammed charges	1,068,573	-	-	(1,068,573)
Total governmental activities	<u>\$ 34,189,794</u>	<u>\$ 712,595</u>	<u>\$ 535,498</u>	<u>(32,941,701)</u>
General receipts:				
Property taxes				14,901,176
Other local sources				1,128,378
State aid				16,814,336
Grants and contributions not restricted to specific programs				4,351,633
Sale of property				14,913
Investment earnings				1,031
Other				185,814
Total general receipts				<u>37,397,281</u>
Change in net assets				4,455,580
Net assets - beginning				<u>9,237,086</u>
Net assets - ending				<u>\$ 13,692,666</u>
<u>Assets</u>				
Cash and investments				\$ 11,374,789
Restricted assets:				
Cash and investments				<u>2,317,877</u>
Total assets				<u>\$ 13,692,666</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 2,317,877
Unrestricted				<u>11,374,789</u>
Total net assets				<u>\$ 13,692,666</u>

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

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	General	Debt Service	Capital Projects	Construction	Other	Totals
Receipts:						
Local sources	\$ 17,772,882	\$ 4,228,459	\$ 5,079,345	\$ 13,400	\$ 4,224,898	\$ 31,318,984
Intermediate sources	2,642	-	-	-	1,163	3,805
State sources	9,967,567	-	-	-	219,874	10,187,441
Federal sources	-	-	-	-	3,710,604	3,710,604
Temporary loans	-	2,020,000	2,190,998	-	1,085,125	5,296,123
Interfund loans	1,300,000	-	2,155,000	-	915,000	4,370,000
Other	28,387	-	65,363	-	70,656	164,406
Total receipts	29,071,478	6,248,459	9,490,706	13,400	10,227,320	55,051,363
Disbursements:						
Current:						
Instruction	12,187,177	-	-	-	969,567	13,156,744
Support services	6,238,417	-	1,734,207	-	3,787,939	11,760,563
Noninstructional services	280,797	-	-	-	1,090,354	1,371,151
Facilities acquisition and construction	-	-	955,727	723,148	26,623	1,705,498
Debt services	11,363,680	6,056,760	2,800,998	-	1,811,829	22,033,267
Nonprogrammed charges	155,744	-	-	-	352,765	508,509
Interfund loans	1,300,000	-	2,155,000	-	915,000	4,370,000
Total disbursements	31,525,815	6,056,760	7,645,932	723,148	8,954,077	54,905,732
Excess (deficiency) of receipts over disbursements	(2,454,337)	191,699	1,844,774	(709,748)	1,273,243	145,631
Other financing sources (uses):						
Sale of capital assets	24,910	-	-	-	-	24,910
Transfers in	63,653	-	-	-	133,999	197,652
Transfers out	-	(18,578)	-	-	(179,074)	(197,652)
Total other financing sources (uses)	88,563	(18,578)	-	-	(45,075)	24,910
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,365,774)	173,121	1,844,774	(709,748)	1,228,168	170,541
Cash and investments - beginning	3,276,749	931,916	961,321	1,985,460	1,911,099	9,066,545
Cash and investments - ending	\$ 910,975	\$ 1,105,037	\$ 2,806,095	\$ 1,275,712	\$ 3,139,267	\$ 9,237,086
Cash and Investment Assets - Ending						
Cash and investments	\$ 910,975	\$ -	\$ 2,806,095	\$ 1,275,712	\$ 2,800,307	\$ 7,793,089
Restricted assets:						
Cash and investments	-	1,105,037	-	-	338,960	1,443,997
Total cash and investment assets - ending	\$ 910,975	\$ 1,105,037	\$ 2,806,095	\$ 1,275,712	\$ 3,139,267	\$ 9,237,086
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ 1,105,037	\$ -	\$ -	\$ 338,960	\$ 1,443,997
Unrestricted	910,975	-	2,806,095	1,275,712	2,800,307	7,793,089
Total cash and investment fund balance - ending	\$ 910,975	\$ 1,105,037	\$ 2,806,095	\$ 1,275,712	\$ 3,139,267	\$ 9,237,086

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

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010

	General	Debt Service	Capital Projects	Constuction	Other	Totals
Receipts:						
Local sources	\$ 443,419	\$ 3,930,293	\$ 7,355,831	\$ 108	\$ 5,011,965	\$ 16,741,616
Intermediate sources	1,057	-	-	-	506	1,563
State sources	16,853,799	-	-	-	161,431	17,015,230
Federal sources	-	-	-	-	4,686,238	4,686,238
Interfund loans	-	400,000	640,000	-	240,000	1,280,000
Other	107,799	-	22,494	-	55,521	185,814
Total receipts	17,406,074	4,330,293	8,018,325	108	10,155,661	39,910,461
Disbursements:						
Current:						
Instruction	11,835,466	-	-	-	1,240,840	13,076,306
Support services	4,919,522	-	2,530,884	-	4,627,324	12,077,730
Noninstructional services	287,654	-	-	-	1,081,211	1,368,865
Facilities acquisition and construction	1,244	-	1,641,487	156,493	55,963	1,855,187
Debt services	-	3,147,603	-	-	1,595,529	4,743,132
Nonprogrammed charges	104,855	-	-	-	963,719	1,068,574
Interfund loans	-	400,000	640,000	-	240,000	1,280,000
Total disbursements	17,148,741	3,547,603	4,812,371	156,493	9,804,586	35,469,794
Excess (deficiency) of receipts over disbursements	257,333	782,690	3,205,954	(156,385)	351,075	4,440,667
Other financing sources (uses):						
Sale of capital assets	14,913	-	-	-	-	14,913
Transfers in	75,752	-	-	-	163,468	239,220
Transfers out	-	-	-	-	(239,220)	(239,220)
Total other financing sources (uses)	90,665	-	-	-	(75,752)	14,913
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	347,998	782,690	3,205,954	(156,385)	275,323	4,455,580
Cash and investments - beginning	910,975	1,105,037	2,806,095	1,275,712	3,139,267	9,237,086
Cash and investments - ending	\$ 1,258,973	\$ 1,887,727	\$ 6,012,049	\$ 1,119,327	\$ 3,414,590	\$ 13,692,666
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,258,973	\$ -	\$ 6,012,049	\$ 1,119,327	\$ 2,984,440	\$ 11,374,789
Restricted assets:						
Cash and investments	-	1,887,727	-	-	430,150	2,317,877
Total cash and investment assets - ending	\$ 1,258,973	\$ 1,887,727	\$ 6,012,049	\$ 1,119,327	\$ 3,414,590	\$ 13,692,666
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ 1,887,727	\$ -	\$ -	\$ 430,150	\$ 2,317,877
Unrestricted	1,258,973	-	6,012,049	1,119,327	2,984,440	11,374,789
Total cash and investment fund balance - ending	\$ 1,258,973	\$ 1,887,727	\$ 6,012,049	\$ 1,119,327	\$ 3,414,590	\$ 13,692,666

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

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2009

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ -	\$ 28,619
Investment earnings:		
Interest	<u>-</u>	<u>8,203</u>
Total additions	<u>-</u>	<u>36,822</u>
Deductions:		
Benefits		
Administrative and general	<u>43,823</u>	<u>-</u>
Total deductions	<u>43,823</u>	<u>37,516</u>
Deficiency of total additions over total deductions		
	(43,823)	(694)
Cash and investment fund balance - beginning		
	<u>632,950</u>	<u>192,477</u>
Cash and investment fund balance - ending		
	<u>\$ 589,127</u>	<u>\$ 191,783</u>
Net assets:		
Cash and investments	<u>\$ 589,127</u>	<u>\$ 191,783</u>
Total net assets - cash and investment basis held in trust		
	<u>\$ 589,127</u>	<u>\$ 191,783</u>

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

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2010

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ -	\$ 13,488
Investment earnings:		
Interest	<u>-</u>	<u>7,054</u>
Total additions	<u>-</u>	<u>20,542</u>
Deductions:		
Benefits	34,492	-
Administrative and general	<u>-</u>	<u>23,214</u>
Total deductions	<u>34,492</u>	<u>23,214</u>
Deficiency of total additions over total deductions	(34,492)	(2,672)
Cash and investment fund balance - beginning	<u>589,127</u>	<u>191,783</u>
Cash and investment fund balance - ending	<u>\$ 554,635</u>	<u>\$ 189,111</u>
Net assets:		
Cash and investments	<u>\$ 554,635</u>	<u>\$ 189,111</u>
Total net assets - cash and investment basis held in trust	<u>\$ 554,635</u>	<u>\$ 189,111</u>

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

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: Metropolitan School District of Mount Vernon

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

Joint Venture

The School Corporation is a participant in a joint venture to operate Posey County Special Services which was created to operate special education programs for children who have handicapping conditions as outlined in the Rules and Regulations of the Department of Education but are not covered under the agreement with Evansville-Vanderburgh School Corporation, Metropolitan School District of North Posey County and Consolidated School Town of New Harmony and Harmony Township. The Posey County Special Services' continued existence depends on continued funding by the School Corporation. Complete financial statements for the Posey County Special Services can be obtained from the LEA at Metropolitan School District of Mount Vernon.

The School Corporation is a participant in a joint venture to operate Posey County/EVSC Special Services which was created to operate special education programs for children who have handicapping conditions as outlined in the Rules and Regulations of the Department of Education. The Posey County/EVSC Special Services' continued existence depends on continued funding by the School Corporation. Complete financial statements for the Posey County/EVSC Special Services can be obtained from the LEA at Evansville-Vanderburgh School Corporation.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

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

The School Corporation reports the following major governmental funds:

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

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

The capital projects fund accounts for planned construction, repair, replacement or remodeling of buildings; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

The construction fund accounts for planned construction, repair, replacement or remodeling of building projects.

Additionally, the School Corporation reports the following fund types:

The pension trust fund accounts for the activities of the pension trust fund, which accumulates resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the School Corporation students.

C. Measurement Focus and Basis of Accounting

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

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

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

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

D. Assets and Cash and Investment Balances

1. Restricted Assets

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

2. Cash and Investments

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

3. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which may become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to December 31 of the year collected.

4. Capital Assets

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

5. Long-Term Debt

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

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
NOTES TO FINANCIAL STATEMENTS
(Continued)

6. Equity Classification

Government-Wide Statements

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

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

F. Internal and Interfund Activities

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

Fund Financial Statements

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

G. Rounding Differences

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

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
NOTES TO FINANCIAL STATEMENTS
(Continued)

4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

Government-Wide Financial Statements

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

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

III. Detailed Notes on All Funds

A. Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2010, the School Corporation had deposit balances in the amount of \$14,436,413.

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
NOTES TO FINANCIAL STATEMENTS
(Continued)

The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

Interfund transfers for the years ended June 31, 2009 and 2010, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2009</u>	<u>2010</u>
Debt Service Fund	Other Governmental Funds	\$ 18,578	\$ -
Other Governmental Funds	General Fund	63,653	75,752
	Other Governmental Funds	<u>115,421</u>	<u>163,468</u>
Totals		<u>\$ 197,652</u>	<u>\$ 239,220</u>

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

IV. Other Information

A. Risk Management

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

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

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

B. Holding Corporations

The School Corporation has entered into a capital lease with Mount Vernon of Posey County Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years 2009 and 2010 totaled \$1,180,000, and \$2,236,000, respectively.

The School Corporation has entered into a capital lease with Mount Vernon High School/Jr. High School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years 2009 and 2010 totaled \$1,255,875, and \$0, respectively.

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Subsequent Events

The School Corporation closed Hedges Elementary School at the end of the 2009-2010 school year which reduces costs.

The School Corporation has restructured some administrative positions at the central office to reduce costs and reduced teaching staff as a result of declining enrollment.

The School Corporation has received a 21st Century Community Learning Center Federal Grant in the amount of \$150,000 per year for a minimum of four years for after-school programming at West Elementary School.

Stimulus funding has ceased after the current audit period.

D. Termination Benefits

At the close of both fiscal years of the audit period, a retirement incentive was offered to certified and non-certified staff.

E. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the period were \$490,871.

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

Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy

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

The School Corporation's contributions to the plan during the period were \$566,375.

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-07	\$ 4,096,433	\$ 4,205,926	\$ (109,493)	97%	\$ 3,126,074	(4%)
07-01-08	4,464,046	4,630,736	(166,690)	96%	3,145,467	(5%)
07-01-09	4,043,744	4,952,674	(908,930)	82%	3,350,871	(27%)

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009

	Transportation Operating	Preschool Fund	School Lunch	Textbook Rental	Levy Excess	Education License Plates	Alternative Education
Receipts:							
Local sources	\$ 2,147,931	\$ 59,964	\$ 748,205	\$ 146,951	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	1,163	-
State sources	-	105,878	12,528	46,868	-	-	8,091
Federal sources	-	-	368,047	-	-	-	-
Temporary loans	600,000	-	-	-	-	-	-
Interfund loans	800,000	30,000	-	-	-	-	-
Other	29,338	-	30,171	350	-	-	134
Total receipts	3,577,269	195,842	1,158,951	194,169	-	1,163	8,225
Disbursements:							
Current:							
Instruction	-	120,783	-	-	-	-	4,284
Support services	1,640,611	-	-	269,066	-	-	2,142
Noninstructional services	-	-	1,087,680	-	-	-	-
Facilities acquisition and construction	-	-	26,623	-	-	-	-
Debt services	380,000	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	800,000	30,000	-	-	-	-	-
Total disbursements	2,820,611	150,783	1,114,303	269,066	-	-	6,426
Excess (deficiency) of receipts over disbursements	756,658	45,059	44,648	(74,897)	-	1,163	1,799
Other financing sources (uses):							
Transfers in	-	-	-	18,578	-	-	-
Transfers out	-	-	-	-	(59,560)	-	-
Total other financing sources (uses)	-	-	-	18,578	(59,560)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	756,658	45,059	44,648	(56,319)	(59,560)	1,163	1,799
Cash and investments - beginning	76,274	4,775	482,821	113,729	59,560	3,178	21,136
Cash and investments - ending	\$ 832,932	\$ 49,834	\$ 527,469	\$ 57,410	\$ -	\$ 4,341	\$ 22,935
Cash and Investment Assets - Ending							
Cash and investments	\$ 832,932	\$ 49,834	\$ 527,469	\$ 57,410	\$ -	\$ 4,341	\$ 22,935
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 832,932	\$ 49,834	\$ 527,469	\$ 57,410	\$ -	\$ 4,341	\$ 22,935
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	832,932	49,834	527,469	57,410	-	4,341	22,935
Total cash and investment fund balance - ending	\$ 832,932	\$ 49,834	\$ 527,469	\$ 57,410	\$ -	\$ 4,341	\$ 22,935

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

	Gifted and Talented - FY 2008 SY	Gifted and Talented - High Ability 2009	Drug Free Community	Medicare Reimbursement	Non English Speaking	Technology Fund
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,910
Intermediate sources	-	-	-	-	-	-
State sources	-	36,442	-	8,268	1,799	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	30,000
Other	-	-	-	-	-	10,663
Total receipts	-	36,442	-	8,268	1,799	70,573
Disbursements:						
Current:						
Instruction	3,444	26,375	616	-	-	-
Support services	-	-	-	8,090	3,659	33,895
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	30,000
Total disbursements	3,444	26,375	616	8,090	3,659	63,895
Excess (deficiency) of receipts over disbursements	(3,444)	10,067	(616)	178	(1,860)	6,678
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(4,093)	-	-
Total other financing sources (uses)	-	-	-	(4,093)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,444)	10,067	(616)	(3,915)	(1,860)	6,678
Cash and investments - beginning	3,444	-	616	15,204	2,643	308,856
Cash and investments - ending	\$ -	\$ 10,067	\$ -	\$ 11,289	\$ 783	\$ 315,534
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 10,067	\$ -	\$ 11,289	\$ 783	\$ 315,534
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 10,067	\$ -	\$ 11,289	\$ 783	\$ 315,534
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	10,067	-	11,289	783	315,534
Total cash and investment fund balance - ending	\$ -	\$ 10,067	\$ -	\$ 11,289	\$ 783	\$ 315,534

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

	Title I - FY 2008	Title I - FY 2009	Title V - Part A 2007-2008 SY	Title V - Part A 2006-2007	Serve America 2009	108 - 446 FY 2008
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	50,000	359,534	-	-	4,000	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	50,000	359,534	-	-	4,000	-
Disbursements:						
Current:						
Instruction	47,616	328,772	-	-	2,651	60,270
Support services	-	4,920	2,932	748	-	7,223
Noninstructional services	318	2,356	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	47,934	336,048	2,932	748	2,651	67,493
Excess (deficiency) of receipts over disbursements	2,066	23,486	(2,932)	(748)	1,349	(67,493)
Other financing sources (uses):						
Transfers in	-	58,900	-	-	-	-
Transfers out	(58,900)	-	-	-	-	(49,082)
Total other financing sources (uses)	(58,900)	58,900	-	-	-	(49,082)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(56,834)	82,386	(2,932)	(748)	1,349	(116,575)
Cash and investments - beginning	56,834	-	4,165	748	-	116,575
Cash and investments - ending	\$ -	\$ 82,386	\$ 1,233	\$ -	\$ 1,349	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 82,386	\$ 1,233	\$ -	\$ 1,349	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 82,386	\$ 1,233	\$ -	\$ 1,349	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	82,386	1,233	-	1,349	-
Total cash and investment fund balance - ending	\$ -	\$ 82,386	\$ 1,233	\$ -	\$ 1,349	\$ -

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

	108 - 446 Special Education FY 2009	108 - 446 Part B 2007 - 2008 SY	108 - 446 Part B FY 2009	99 - 457 FY 2008	99 - 457 Preschool Special Education FY 2009	T3/ABE FY 2008
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	1,031,222	35,000	22,285	-	76,264	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	1,031,222	35,000	22,285	-	76,264	-
Disbursements:						
Current:						
Instruction	264,226	6,200	-	-	-	966
Support services	372,861	27,530	23,997	3,987	40,577	132
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	281,979	1,270	-	-	27,930	-
Interfund loans	-	-	-	-	-	-
Total disbursements	919,066	35,000	23,997	3,987	68,507	1,098
Excess (deficiency) of receipts over disbursements	112,156	-	(1,712)	(3,987)	7,757	(1,098)
Other financing sources (uses):						
Transfers in	49,082	-	-	-	3,609	-
Transfers out	-	-	-	(3,609)	-	-
Total other financing sources (uses)	49,082	-	-	(3,609)	3,609	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	161,238	-	(1,712)	(7,596)	11,366	(1,098)
Cash and investments - beginning	-	-	-	7,596	-	1,098
Cash and investments - ending	\$ 161,238	\$ -	\$ (1,712)	\$ -	\$ 11,366	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 161,238	\$ -	\$ (1,712)	\$ -	\$ 11,366	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 161,238	\$ -	\$ (1,712)	\$ -	\$ 11,366	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	161,238	-	(1,712)	-	11,366	-
Total cash and investment fund balance - ending	\$ 161,238	\$ -	\$ (1,712)	\$ -	\$ 11,366	\$ -

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

	Title 3/ABE FY 2009	Drug Free 2007-2008 FY	Drug Free 2008-2009 SY	Improving Teacher Quality Title II - Part A	SABIC Grant	Benson Frye Memorial
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	13,401	-	7,660	82,850	-	-
Temporary loans	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	13,401	-	7,660	82,850	-	-
Disbursements:						
Current:						
Instruction	8,242	-	24	75,086	12	-
Support services	2,527	1,785	3,643	10,390	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	10,769	1,785	3,667	85,476	12	-
Excess (deficiency) of receipts over disbursements	2,632	(1,785)	3,993	(2,626)	(12)	-
Other financing sources (uses):						
Transfers in	-	-	-	3,830	-	-
Transfers out	-	-	(3,830)	-	-	-
Total other financing sources (uses)	-	-	(3,830)	3,830	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,632	(1,785)	163	1,204	(12)	-
Cash and investments - beginning	-	2,591	3,643	54,346	200	844
Cash and investments - ending	\$ 2,632	\$ 806	\$ 3,806	\$ 55,550	\$ 188	\$ 844
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 2,632	\$ 806	\$ 3,806	\$ 55,550	\$ 188	\$ 844
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 2,632	\$ 806	\$ 3,806	\$ 55,550	\$ 188	\$ 844
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,632	806	3,806	55,550	188	844
Total cash and investment fund balance - ending	\$ 2,632	\$ 806	\$ 3,806	\$ 55,550	\$ 188	\$ 844

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

	Safe Schools/ Healthy Students (1,2,3)	Safe Schools/ Healthy Students (4,5)	Fiscal Stabilization - Education Stimulus	School Pension Debt	Transportation - Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 812,250	\$ 279,687	\$ 4,224,898
Intermediate sources	-	-	-	-	-	1,163
State sources	-	-	-	-	-	219,874
Federal sources	115,292	68,116	1,476,933	-	-	3,710,604
Temporary loans	-	-	-	485,125	-	1,085,125
Interfund loans	-	-	-	55,000	-	915,000
Other	-	-	-	-	-	70,656
Total receipts	115,292	68,116	1,476,933	1,352,375	279,687	10,227,320
Disbursements:						
Current:						
Instruction	-	-	20,000	-	-	969,567
Support services	86,008	55,814	934,024	-	251,378	3,787,939
Noninstructional services	-	-	-	-	-	1,090,354
Facilities acquisition and construction	-	-	-	-	-	26,623
Debt services	-	-	-	1,292,977	138,852	1,811,829
Nonprogrammed charges	29,284	12,302	-	-	-	352,765
Interfund loans	-	-	-	55,000	-	915,000
Total disbursements	115,292	68,116	954,024	1,347,977	390,230	8,954,077
Excess (deficiency) of receipts over disbursements	-	-	522,909	4,398	(110,543)	1,273,243
Other financing sources (uses):						
Transfers in	-	-	-	-	-	133,999
Transfers out	-	-	-	-	-	(179,074)
Total other financing sources (uses)	-	-	-	-	-	(45,075)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	522,909	4,398	(110,543)	1,228,168
Cash and investments - beginning	-	-	-	334,562	235,661	1,911,099
Cash and investments - ending	\$ -	\$ -	\$ 522,909	\$ 338,960	\$ 125,118	\$ 3,139,267
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 522,909	\$ -	\$ 125,118	\$ 2,800,307
Restricted assets:						
Cash and investments	-	-	-	338,960	-	338,960
Total cash and investment assets - ending	\$ -	\$ -	\$ 522,909	\$ 338,960	\$ 125,118	\$ 3,139,267
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 338,960	\$ -	\$ 338,960
Unrestricted	-	-	522,909	-	125,118	2,800,307
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 522,909	\$ 338,960	\$ 125,118	\$ 3,139,267

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010

	Transportation Operating	Preschool Fund	School Lunch	Textbook Rental	Education License Plates	Alternative Education	Gifted and Talented - High Ability - FY 2010
Receipts:							
Local sources	\$ 2,738,336	\$ 9,664	\$ 686,182	\$ 142,223	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	506	-	-
State sources	-	57,750	12,526	46,388	-	6,886	35,582
Federal sources	-	-	406,757	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	15,727	-	39,444	350	-	-	-
Total receipts	2,754,063	67,414	1,144,909	188,961	506	6,886	35,582
Disbursements:							
Current:							
Instruction	-	41,496	-	-	-	5,292	33,343
Support services	1,642,886	-	-	183,843	-	-	-
Noninstructional services	-	-	1,013,275	-	-	-	-
Facilities acquisition and construction	-	-	47,206	-	2,939	-	-
Debt services	600,000	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	2,242,886	41,496	1,060,481	183,843	2,939	5,292	33,343
Excess (deficiency) of receipts over disbursements	511,177	25,918	84,428	5,118	(2,433)	1,594	2,239
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(75,752)	-	-	-	-	-
Total other financing sources (uses)	-	(75,752)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	511,177	(49,834)	84,428	5,118	(2,433)	1,594	2,239
Cash and investments - beginning	832,932	49,834	527,469	57,410	4,341	22,935	-
Cash and investments - ending	\$ 1,344,109	\$ -	\$ 611,897	\$ 62,528	\$ 1,908	\$ 24,529	\$ 2,239
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,344,109	\$ -	\$ 611,897	\$ 62,528	\$ 1,908	\$ 24,529	\$ 2,239
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,344,109	\$ -	\$ 611,897	\$ 62,528	\$ 1,908	\$ 24,529	\$ 2,239
Cash and Investment Fund Balance - Ending							
?							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,344,109	-	611,897	62,528	1,908	24,529	2,239
Total cash and investment fund balance - ending	\$ 1,344,109	\$ -	\$ 611,897	\$ 62,528	\$ 1,908	\$ 24,529	\$ 2,239

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

	Gifted and Talented - High Ability 2009	Medicare Reimbursement	Non English Speaking	Technology Fund	Title I - FY 2010	Title I - FY 2009
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 25,847	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	2,299	-	-	-
Federal sources	-	-	-	-	366,426	20,000
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	2,299	25,847	366,426	20,000
Disbursements:						
Current:						
Instruction	10,067	-	2,364	-	340,308	45,611
Support services	-	8,151	371	5,885	6,850	573
Noninstructional services	-	-	-	-	6,498	202
Facilities acquisition and construction	-	-	-	5,818	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	10,067	8,151	2,735	11,703	353,656	46,386
Excess (deficiency) of receipts over disbursements	(10,067)	(8,151)	(436)	14,144	12,770	(26,386)
Other financing sources (uses):						
Transfers in	-	-	-	-	56,000	-
Transfers out	-	-	-	-	-	(56,000)
Total other financing sources (uses)	-	-	-	-	56,000	(56,000)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,067)	(8,151)	(436)	14,144	68,770	(82,386)
Cash and investments - beginning	10,067	11,289	783	315,534	-	82,386
Cash and investments - ending	\$ -	\$ 3,138	\$ 347	\$ 329,678	\$ 68,770	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 3,138	\$ 347	\$ 329,678	\$ 68,770	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 3,138	\$ 347	\$ 329,678	\$ 68,770	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	3,138	347	329,678	68,770	-
Total cash and investment fund balance - ending	\$ -	\$ 3,138	\$ 347	\$ 329,678	\$ 68,770	\$ -

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

	Title V - Part A 2007-2008 SY	Serve America 2009	108 - 446 FY 2010	108 - 446 Special Education FY 2009	108 - 446 Part B FY 2009	99 - 457 FY 2010
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	1,065,179	-	55,215	77,457
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	1,065,179	-	55,215	77,457
Disbursements:						
Current:						
Instruction	436	1,349	295,052	38,780	-	-
Support services	797	-	330,359	20,929	50,896	43,861
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	306,469	-	2,607	22,135
Interfund loans	-	-	-	-	-	-
Total disbursements	1,233	1,349	931,880	59,709	53,503	65,996
Excess (deficiency) of receipts over disbursements	(1,233)	(1,349)	133,299	(59,709)	1,712	11,461
Other financing sources (uses):						
Transfers in	-	-	101,529	-	-	5,939
Transfers out	-	-	-	(101,529)	-	-
Total other financing sources (uses)	-	-	101,529	(101,529)	-	5,939
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,233)	(1,349)	234,828	(161,238)	1,712	17,400
Cash and investments - beginning	1,233	1,349	-	161,238	(1,712)	-
Cash and investments - ending	\$ -	\$ -	\$ 234,828	\$ -	\$ -	\$ 17,400
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ 234,828	\$ -	\$ -	\$ 17,400
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 234,828	\$ -	\$ -	\$ 17,400
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	234,828	-	-	17,400
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 234,828	\$ -	\$ -	\$ 17,400

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

	99 - 457 Preschool Special Education FY 2009	T3/ABE FY 2010	Title 3/ABE FY 2009	Drug Free 2007-2008 FY	Drug Free 2008-2009 SY	Improving Teacher Quality Title II - Part A
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	13,797	-	-	-	139,620
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	13,797	-	-	-	139,620
Disbursements:						
Current:						
Instruction	-	8,452	2,072	660	1,277	162,962
Support services	5,427	2,520	560	146	50	5,938
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	5,427	10,972	2,632	806	1,327	168,900
Excess (deficiency) of receipts over disbursements	(5,427)	2,825	(2,632)	(806)	(1,327)	(29,280)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(5,939)	-	-	-	-	-
Total other financing sources (uses)	(5,939)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,366)	2,825	(2,632)	(806)	(1,327)	(29,280)
Cash and investments - beginning	11,366	-	2,632	806	3,806	55,550
Cash and investments - ending	\$ -	\$ 2,825	\$ -	\$ -	\$ 2,479	\$ 26,270
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 2,825	\$ -	\$ -	\$ 2,479	\$ 26,270
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 2,825	\$ -	\$ -	\$ 2,479	\$ 26,270
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	2,825	-	-	2,479	26,270
Total cash and investment fund balance - ending	\$ -	\$ 2,825	\$ -	\$ -	\$ 2,479	\$ 26,270

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

	SABIC Grant	Benson Frye Memorial	Safe Schools/ Healthy Students (1,2,3)	Safe Schools/ Healthy Students (4,5)	Fiscal Stabilization - Education Stimulus	Title I - Grants To LEA
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	902,259	454,935	492,212	99,000
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	902,259	454,935	492,212	99,000
Disbursements:						
Current:						
Instruction	188	-	82	54	125,125	49,123
Support services	-	-	605,715	410,026	889,996	-
Noninstructional services	-	-	-	-	-	46,236
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	296,462	44,855	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	188	-	902,259	454,935	1,015,121	95,359
Excess (deficiency) of receipts over disbursements	(188)	-	-	-	(522,909)	3,641
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(188)	-	-	-	(522,909)	3,641
Cash and investments - beginning	188	844	-	-	522,909	-
Cash and investments - ending	\$ -	\$ 844	\$ -	\$ -	\$ -	\$ 3,641
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 844	\$ -	\$ -	\$ -	\$ 3,641
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 844	\$ -	\$ -	\$ -	\$ 3,641
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	844	-	-	-	3,641
Total cash and investment fund balance - ending	\$ -	\$ 844	\$ -	\$ -	\$ -	\$ 3,641

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

	Special Education Part B	Special Education Part B Pre-School	School Lunch Equipment	School Pension Debt	Transportation - Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 1,086,719	\$ 322,994	\$ 5,011,965
Intermediate sources	-	-	-	-	-	506
State sources	-	-	-	-	-	161,431
Federal sources	549,924	28,457	15,000	-	-	4,686,238
Interfund loans	-	-	-	240,000	-	240,000
Other	-	-	-	-	-	55,521
Total receipts	549,924	28,457	15,000	1,326,719	322,994	10,155,661
Disbursements:						
Current:						
Instruction	67,186	9,561	-	-	-	1,240,840
Support services	140,113	789	-	-	270,643	4,627,324
Noninstructional services	-	-	15,000	-	-	1,081,211
Facilities acquisition and construction	-	-	-	-	-	55,963
Debt services	-	-	-	995,529	-	1,595,529
Nonprogrammed charges	279,014	12,177	-	-	-	963,719
Interfund loans	-	-	-	240,000	-	240,000
Total disbursements	486,313	22,527	15,000	1,235,529	270,643	9,804,586
Excess (deficiency) of receipts over disbursements	63,611	5,930	-	91,190	52,351	351,075
Other financing sources (uses):						
Transfers in	-	-	-	-	-	163,468
Transfers out	-	-	-	-	-	(239,220)
Total other financing sources (uses)	-	-	-	-	-	(75,752)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	63,611	5,930	-	91,190	52,351	275,323
Cash and investments - beginning	-	-	-	338,960	125,118	3,139,267
Cash and investments - ending	\$ 63,611	\$ 5,930	\$ -	\$ 430,150	\$ 177,469	\$ 3,414,590
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 63,611	\$ 5,930	\$ -	\$ -	\$ 177,469	\$ 2,984,440
Restricted assets:						
Cash and investments	-	-	-	430,150	-	430,150
Total cash and investment assets - ending	\$ 63,611	\$ 5,930	\$ -	\$ 430,150	\$ 177,469	\$ 3,414,590
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 430,150	\$ -	\$ 430,150
Unrestricted	63,611	5,930	-	-	177,469	2,984,440
Total cash and investment fund balance - ending	\$ 63,611	\$ 5,930	\$ -	\$ 430,150	\$ 177,469	\$ 3,414,590

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009

	ALT Program Grant	Ruby Payne Grant	CFI - Mini-Grant	Sabic Grant	Walmart Grant	Abell Scholarship	Bolger Scholarship
Additions:							
Contributions:							
Other	\$ 9,000	\$ -	\$ 3,990	\$ 4,921	\$ 500	\$ -	\$ -
Investment earnings:							
Interest	-	-	-	-	-	526	1,153
Total additions	<u>9,000</u>	<u>-</u>	<u>3,990</u>	<u>4,921</u>	<u>500</u>	<u>526</u>	<u>1,153</u>
Deductions:							
Administrative and general	<u>6,500</u>	<u>336</u>	<u>4,306</u>	<u>2,444</u>	<u>442</u>	<u>500</u>	<u>1,000</u>
Excess (deficiency) of total additions over total deductions	2,500	(336)	(316)	2,477	58	26	153
Cash and investment fund balance - beginning	<u>9,439</u>	<u>336</u>	<u>1,251</u>	<u>-</u>	<u>96</u>	<u>10,418</u>	<u>22,902</u>
Cash and investments - June 30	<u>\$ 11,939</u>	<u>\$ -</u>	<u>\$ 935</u>	<u>\$ 2,477</u>	<u>\$ 154</u>	<u>\$ 10,444</u>	<u>\$ 23,055</u>
Net assets:							
Cash and investments	<u>\$ 11,939</u>	<u>\$ -</u>	<u>\$ 935</u>	<u>\$ 2,477</u>	<u>\$ 154</u>	<u>\$ 10,444</u>	<u>\$ 23,055</u>
Total net assets - cash and investment basis held in trust	<u>\$ 11,939</u>	<u>\$ -</u>	<u>\$ 935</u>	<u>\$ 2,477</u>	<u>\$ 154</u>	<u>\$ 10,444</u>	<u>\$ 23,055</u>

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

	Love Trust	Bostick - Steinmetz	Galluci - Steinmetz	Pence Scholarship	PC Womens Fund	TMMI Grant	Mark Rice Memorial
Additions:							
Contributions:							
Other	\$ -	\$ -	\$ -	\$ -	\$ 2,295	\$ -	\$ -
Investment earnings:							
Interest	36	658	546	5,284	-	-	-
Total additions	36	658	546	5,284	2,295	-	-
Deductions:							
Administrative and general	-	500	500	6,000	2,097	33	1,416
Excess (deficiency) of total additions over total deductions	36	158	46	(716)	198	(33)	(1,416)
Cash and investment fund balance - beginning	5,660	12,991	10,717	104,622	122	441	1,430
Cash and investments - June 30	<u>\$ 5,696</u>	<u>\$ 13,149</u>	<u>\$ 10,763</u>	<u>\$ 103,906</u>	<u>\$ 320</u>	<u>\$ 408</u>	<u>\$ 14</u>
Net assets:							
Cash and investments	\$ 5,696	\$ 13,149	\$ 10,763	\$ 103,906	\$ 320	\$ 408	\$ 14
Total net assets - cash and investment basis held in trust	<u>\$ 5,696</u>	<u>\$ 13,149</u>	<u>\$ 10,763</u>	<u>\$ 103,906</u>	<u>\$ 320</u>	<u>\$ 408</u>	<u>\$ 14</u>

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

	Valic Donation	Tobacco Fund	Tobacco	PCCF 2008-09	PPG Grant	SINE SSP	Totals
Additions:							
Contributions:							
Other	\$ -	\$ 7,413	\$ -	\$ -	\$ 500	\$ -	\$ 28,619
Investment earnings:							
Interest	-	-	-	-	-	-	8,203
Total additions	-	7,413	-	-	500	-	36,822
Deductions:							
Administrative and general	282	3,878	1,370	5,573	-	339	37,516
Excess (deficiency) of total additions over total deductions	(282)	3,535	(1,370)	(5,573)	500	(339)	(694)
Cash and investment fund balance - beginning	282	4,486	1,370	5,575	-	339	192,477
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 8,021</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 191,783</u>
Net assets:							
Cash and investments	\$ -	\$ 8,021	\$ -	\$ 2	\$ 500	\$ -	\$ 191,783
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 8,021</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 191,783</u>

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2010

	ALT Program Grant	CFI - Mini-Grant	Sabie Grant	Walmart Grant	Abell Scholarship	Bolger Scholarship
Additions:						
Contributions:						
Other	\$ -	\$ 3,175	\$ -	\$ -	\$ -	\$ -
Investment earnings:						
Interest	-	-	-	-	442	970
Total additions	-	3,175	-	-	442	970
Deductions:						
Administrative and general	-	2,257	2,477	154	450	1,000
Excess (deficiency) of total additions over total deductions	-	918	(2,477)	(154)	(8)	(30)
Cash and investment fund balance - beginning	11,939	935	2,477	154	10,444	23,055
Cash and investments - June 30	<u>\$ 11,939</u>	<u>\$ 1,853</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,436</u>	<u>\$ 23,025</u>
Net assets:						
Cash and investments	<u>\$ 11,939</u>	<u>\$ 1,853</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,436</u>	<u>\$ 23,025</u>
Total net assets - cash and investment basis held in trust	<u>\$ 11,939</u>	<u>\$ 1,853</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,436</u>	<u>\$ 23,025</u>

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

	Love Trust	Bostick - Steinmetz	Galluci - Steinmetz	Pence Scholarship	PC Womens Fund	TMMI Grant
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ 178	\$ -	\$ 2,270	\$ 500
Investment earnings:						
Interest	<u>193</u>	<u>558</u>	<u>462</u>	<u>4,429</u>	<u>-</u>	<u>-</u>
Total additions	<u>193</u>	<u>558</u>	<u>640</u>	<u>4,429</u>	<u>2,270</u>	<u>500</u>
Deductions:						
Administrative and general	<u>-</u>	<u>500</u>	<u>500</u>	<u>3,600</u>	<u>2,283</u>	<u>402</u>
Excess (deficiency) of total additions over total deductions	193	58	140	829	(13)	98
Cash and investment fund balance - beginning	<u>5,696</u>	<u>13,149</u>	<u>10,763</u>	<u>103,906</u>	<u>320</u>	<u>408</u>
Cash and investments - June 30	<u>\$ 5,889</u>	<u>\$ 13,207</u>	<u>\$ 10,903</u>	<u>\$ 104,735</u>	<u>\$ 307</u>	<u>\$ 506</u>
Net assets:						
Cash and investments	<u>\$ 5,889</u>	<u>\$ 13,207</u>	<u>\$ 10,903</u>	<u>\$ 104,735</u>	<u>\$ 307</u>	<u>\$ 506</u>
Total net assets - cash and investment basis held in trust	<u>\$ 5,889</u>	<u>\$ 13,207</u>	<u>\$ 10,903</u>	<u>\$ 104,735</u>	<u>\$ 307</u>	<u>\$ 506</u>

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

	Martha Ogles Memorial	Mark Rice Memorial	Tobacco Fund	PCCF 2008-09	PPG Grant	Totals
Additions:						
Contributions:						
Other	\$ 195	\$ -	\$ 7,170	\$ -	\$ -	\$ 13,488
Investment earnings:						
Interest	-	-	-	-	-	7,054
Total additions	<u>195</u>	<u>-</u>	<u>7,170</u>	<u>-</u>	<u>-</u>	<u>20,542</u>
Deductions:						
Administrative and general	-	-	9,589	2	-	23,214
Excess (deficiency) of total additions over total deductions	195	-	(2,419)	(2)	-	(2,672)
Cash and investment fund balance - beginning	-	14	8,021	2	500	191,783
Cash and investments - June 30	<u>\$ 195</u>	<u>\$ 14</u>	<u>\$ 5,602</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 189,111</u>
Net assets:						
Cash and investments	<u>\$ 195</u>	<u>\$ 14</u>	<u>\$ 5,602</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 189,111</u>
Total net assets - cash and investment basis held in trust	<u>\$ 195</u>	<u>\$ 14</u>	<u>\$ 5,602</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 189,111</u>

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For the Year Ended June 30, 2010

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 547,521
Buildings	52,431,337
Machinery and equipment	<u>3,363,106</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 56,341,964</u>

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 For the Year Ended June 30, 2010

The School District has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
School building	\$ 16,591,038	\$ 2,236,000
Bonds payable:		
General obligation bonds:		
Taxable pension bonds	<u>3,940,000</u>	<u>697,499</u>
Total governmental activities debt	<u>\$ 20,531,038</u>	<u>\$ 2,933,499</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT
OF MOUNT VERNON, POSEY COUNTY, INDIANA

Compliance

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

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

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

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

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

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

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

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

STATE BOARD OF ACCOUNTS

January 24, 2011

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2009 and 2010

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-09	Total Federal Awards Expended 06-30-10
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 78,718	\$ -
		FY 08/09	-	83,713
		FY 09/10	-	-
Total for program			78,718	83,713
National School Lunch Program				
	10.555		343,296	-
		FY 08/09	-	379,699
		FY 09/10	-	-
Total for program			422,014	463,412
Total for cluster			422,014	463,412
ARRA - Child Nutrition Discretionary Grants Limited Availability Cafeteria Equipment				
	10.579	6950	-	15,000
Total for federal grantor agency			422,014	478,412
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		47,934	-
		08-6590	-	-
		09-6590	336,048	46,386
		10-6950	-	353,656
Total for program			383,982	400,042
ARRA-Title I Grants to Local Educational Agencies, Recovery Act				
	84.389	6590	-	95,358
Total for cluster			383,982	495,400
Pass-Through Evansville Vanderburgh School Corporation				
Special Education Cluster				
Special Education - Grants to States				
	84.027		67,493	-
		08-6590	-	-
		09-6590	919,065	59,711
		10-6590	-	931,879
		14207-058-DY01	35,000	-
		14208-050-DY01	23,997	53,503
Total for program			1,045,555	1,045,093
Special Education - Preschool Grants				
	84.173		3,988	-
		08-6590	-	-
		09-6590	68,508	5,427
		10-6590	-	65,996
Total for program			72,496	71,423
Pass-Through Indiana Department of Education				
Special Education Cluster				
ARRA - Special Education - Grants to States, Recovery Act				
	84.391	33310-SN01	-	486,313
ARRA - Special Education - Preschool Grants, Recovery Act				
	84.392	44410-017-PN01	-	22,527
Total for cluster			1,118,051	1,625,356
Pass-Through Indiana Department of Education				
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act				
	84.394		954,024	700,122
		08/09	-	314,999
		09/10	-	-
Total for cluster			954,024	1,015,121

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

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2009 and 2010
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-09	Total Federal Awards Expended 06-30-10
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Direct Grant				
Safe and Drug-Free Schools and Communities - National Programs	84.184			
SS/HS Elements 1, 2, 3 Year 1		Q184L080320	115,292	53,575
SS/HS Elements 4, 5 Year 1		Q184L080320	68,116	24,713
SS/HS Elements 1, 2, 3 Year 2		Q184L080320-09	-	848,683
SS/HS Elements 4, 5 Year 2		Q184L080320-09	-	430,223
Total for program			<u>183,408</u>	<u>1,357,194</u>
Pass-Through Evansville Vanderburgh School Corporation				
Adult Education - Basic Grants to States	84.002			
FY 07/08		08-6590	1,098	-
FY 08/09		09-6590	10,769	2,632
FY 09/10		10-6590	-	10,973
Total for program			<u>11,867</u>	<u>13,605</u>
Pass-Through Indiana Department of Education				
Safe and Drug-Free Schools and Communities - State Grants	84.186			
FY 06/07		06-6590	3,643	-
FY 07/08		07-6590	1,784	661
FY 08/09		08-6590	24	1,327
Total for program			<u>5,451</u>	<u>1,988</u>
Pass-Through Indiana Department of Education				
State Grants for Innovative Programs	84.298			
FY 06/07		06-6590	747	-
FY 07/08		07-6590	2,932	1,233
Total for program			<u>3,679</u>	<u>1,233</u>
Pass-Through Indiana Department of Education				
Improving Teacher Quality State Grants	84.367			
FY 08/09		08-6590	35,248	71,338
FY 09/10		09-6590	50,228	97,562
Total for program			<u>85,476</u>	<u>168,900</u>
Total for federal grantor agency			<u>2,745,938</u>	<u>4,678,797</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
Pass-Through Indiana Department of Education				
Learn and Serve America - School and Community Based Programs	94.004			
Serve America		09-6509	2,651	1,349
Total for federal grantor agency			<u>2,651</u>	<u>1,349</u>
Total federal awards expended			<u>\$ 3,170,603</u>	<u>\$ 5,158,558</u>

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

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

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

II. Subrecipients

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

Program Title	Federal CFDA Number	2009	2010
Special Education Cluster		\$ 311,180	\$ 622,401
Safe and Drug-Free Schools and Communities - National Programs	84.184	40,728	337,099

III. Noncash Assistance

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

Program Title	2009	2010
Child Nutrition Cluster	\$ 53,965	\$ 56,655

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

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

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.184	Title I, Part A Cluster Special Education Cluster State Fiscal Stabilization Fund Cluster Safe and Drug-Free Schools and Communities – National Programs

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
EXIT CONFERENCE

The contents of this report were discussed on January 24, 2011, with Thomas P. Kopatich, Superintendent of Schools; Mary E. Buchanan, Treasurer; Beth McFadin Higgins, President of the School Board; and Loren Evans, Director of Business and Technology. Our audit disclosed no material items that warrant comment at this time.