

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON

POSEY COUNTY, INDIANA

July 1, 2010 to June 30, 2012



FILED
03/08/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Mary E. Buchanan	01-01-10 to 12-31-13
Superintendent of Schools	Thomas Kopatich	07-01-10 to 06-30-13
President of the School Board	Randy Boyer Beth McFadin Higgins Heather Allyn Kathy Weinzapfel	01-01-10 to 12-31-10 01-01-11 to 12-31-11 01-01-12 to 12-31-12 01-01-13 to 12-31-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

In accordance with Government Auditing Standards, we have also issued a report dated February 6, 2013, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting

INDEPENDENT AUDITOR'S REPORT
(Continued)

and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

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

STATE BOARD OF ACCOUNTS

February 6, 2013



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

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

We have audited the financial statement of the Metropolitan School District of Mount Vernon (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated February 6, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

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

STATE BOARD OF ACCOUNTS

February 6, 2013

FINANCIAL STATEMENT

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

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

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
General	\$ 1,258,974	\$ 16,721,301	\$ 16,160,137	\$ 635,798	\$ 2,455,936	\$ 15,815,937	\$ 15,840,668	\$ 10,264	\$ 2,441,469
Debt Service	1,887,727	2,455,831	2,244,000	(1,175)	2,098,383	2,268,878	2,236,000	18,652	2,149,913
Retirement/Severance Bond Debt Service	430,150	741,449	705,499	-	466,100	714,399	696,996	8,496	491,999
Capital Projects	6,012,050	4,843,238	4,587,744	(1,828,002)	4,439,542	5,056,540	5,123,933	(140,007)	4,232,142
School Transportation	1,344,109	1,823,936	1,636,127	(200,000)	1,331,918	1,885,317	1,661,702	(100,440)	1,455,093
School Bus Replacement	177,469	238,464	-	-	415,933	237,300	359,897	2,788	296,124
Rainy Day	-	-	-	1,400,000	1,400,000	-	312,357	400,000	1,487,643
Retirement/Severance Bond	554,635	-	71,354	-	483,281	-	47,842	-	435,439
Construction	1,119,327	302,338	349,602	-	1,072,063	-	58,814	-	1,013,249
School Lunch	611,897	1,082,663	968,325	-	726,235	1,145,012	1,122,471	-	748,776
Textbook Rental	62,528	185,773	239,858	1,175	9,618	196,072	190,936	7,277	22,031
Levy Excess	-	196,766	-	-	196,766	-	-	(196,766)	-
Educational License Plates	1,908	431	1,500	-	839	469	-	-	1,308
Alternative Education	24,529	6,871	2,101	-	29,299	7,588	3,103	-	33,784
Alternative Program Grant	11,939	-	-	-	11,939	-	-	-	11,939
Marrs Donation	-	721	-	-	721	-	705	-	16
SINE - High Ability	-	1,000	-	-	1,000	-	-	-	1,000
SINE - Prof Dev	-	-	-	-	-	1,277	840	-	437
CFI Mini Grant	1,853	2,954	4,231	-	576	3,274	662	-	3,188
Fine Arts Academy	-	2,800	1,050	-	1,750	6,500	5,132	-	3,118
Scholarships and Awards	10,436	225	200	-	10,461	75	150	-	10,386
Bolger Scholarship	23,025	494	700	-	22,819	182	350	-	22,651
Love Trust	5,889	139	-	-	6,028	32	-	-	6,060
Bostick-Steinmetz	13,207	839	500	-	13,546	95	500	-	13,141
Gallucci-Steinmetz	10,903	918	500	-	11,321	79	500	-	10,900
Pence Scholarship	104,735	2,254	2,400	-	104,589	750	1,400	-	103,939
Miscellaneous Programs	307	1,610	1,623	-	294	-	294	-	-
PC Women's Fund	-	880	616	-	264	-	264	-	-
PCCF Grant	-	-	-	-	-	8,400	8,000	-	400
TMMI Grant	506	-	167	-	339	-	81	-	258
Martha Ogles Memorial	195	-	-	-	195	-	-	-	195

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

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

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
GE Star	-	500	500	-	-	-	-	-	-
Mark Rice Memorial	14	-	14	-	-	-	-	-	-
Tobacco Fund	5,602	6,999	8,346	-	4,255	-	2,504	-	1,751
PPG Grant	500	-	467	-	33	-	-	-	33
G/T High Ability FY 2012	2,239	-	2,239	-	-	33,549	31,560	-	1,989
Gifted and Talented FY 2011	-	35,048	31,186	-	3,862	-	3,862	-	-
Medicaid Reimbursement	3,138	-	3,138	-	-	-	-	-	-
Non-English Speaking Programs P.L. 273-1999	347	2,176	800	-	1,723	1,466	2,989	-	200
School Technology	329,679	35,938	11,563	-	354,054	32,597	109,587	-	277,064
Title I FY 2012	68,770	5,000	34,070	(39,700)	-	251,847	239,622	-	12,225
Title I - FY 2011	-	242,349	312,789	39,700	(30,740)	75,979	45,239	-	-
108-446 FY 2012	234,829	-	41,026	(193,803)	-	457,563	544,506	-	(86,943)
108-446 FY 2011	-	324,766	772,844	193,803	(254,275)	392,395	398,795	-	(260,675)
99-457 FY 2010	17,400	-	4,849	(12,551)	-	-	52,413	-	(52,413)
99-457 FY 2011	-	21,957	52,950	12,551	(18,442)	31,298	35,195	-	(22,339)
T3/ABE FY 2010	2,825	-	2,825	-	-	-	-	-	-
Drug Free 2009-2010 SY	-	5,777	2,093	(4,606)	(922)	4,856	3,934	-	-
Drug Free 2008-2009 SY	2,479	-	2,479	-	-	-	-	-	-
National Science Foundation Improving Teaching Quality, No Child Left, Title II, Part A	-	150,000	149,998	-	2	130,678	158,748	-	(28,068)
Benson Frye Memorial	26,270	59,785	104,722	4,606	(14,061)	46,861	33,457	-	(657)
SS/HS (1,2,3) FY 2008	844	6	-	-	850	7	-	-	857
SS/HS (4,5) FY 2008	-	884,004	884,004	-	-	913,313	913,313	-	-
Title I - Grants to LEAs	-	464,465	464,466	-	(1)	509,379	509,378	-	-
Special Education - Part B	3,641	78,033	95,879	-	(14,205)	19,631	5,426	-	-
Special Education - Part B - Preschool	63,611	388,261	301,602	-	150,270	2,825	153,095	-	-
Education Jobs	5,930	6,381	10,611	-	1,700	-	1,700	-	-
	-	-	278,000	-	(278,000)	332,500	277,143	-	(222,643)
Totals	<u>\$ 14,436,416</u>	<u>\$ 31,325,340</u>	<u>\$ 30,551,694</u>	<u>\$ 7,796</u>	<u>\$ 15,217,858</u>	<u>\$ 30,584,920</u>	<u>\$ 31,196,063</u>	<u>\$ 10,264</u>	<u>\$ 14,616,979</u>

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

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

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

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

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

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

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

E. Disbursements

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

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

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

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

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

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

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

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

F. Other Financing Sources and Uses

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

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

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

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

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

B. Teacher's Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements were not received by June 30 of each fiscal year.

Note 8. Holding Corporations

The School Corporation has entered into a capital lease with the 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 fiscal years ending June 30, 2011 and 2012, totaled \$1,565,000 and \$1,625,000, respectively.

SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

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

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METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction
Cash and investments - beginning	\$ 1,258,974	\$ 1,887,727	\$ 430,150	\$ 6,012,050	\$ 1,344,109	\$ 177,469	\$ -	\$ 554,635	\$ 1,119,327
Receipts:									
Local sources	82,198	2,447,831	733,449	4,843,238	1,793,979	238,464	-	-	-
Intermediate sources	1,057	-	-	-	-	-	-	-	-
State sources	16,575,928	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	8,000	8,000	-	-	-	-	-	-
Other	62,118	-	-	-	29,957	-	-	-	302,338
Total receipts	16,721,301	2,455,831	741,449	4,843,238	1,823,936	238,464	-	-	302,338
Disbursements:									
Current:									
Instruction	10,777,392	-	-	-	-	-	-	67,706	-
Support services	5,102,760	-	-	2,558,691	1,636,127	-	-	3,648	-
Noninstructional services	279,488	-	-	-	-	-	-	-	-
Facilities acquisition and construction	497	-	-	2,029,053	-	-	-	-	349,602
Debt services	-	2,236,000	697,499	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	8,000	8,000	-	-	-	-	-	-
Total disbursements	16,160,137	2,244,000	705,499	4,587,744	1,636,127	-	-	71,354	349,602
Excess (deficiency) of receipts over disbursements	561,164	211,831	35,950	255,494	187,809	238,464	-	(71,354)	(47,264)
Other financing sources (uses):									
Sale of capital assets	7,796	-	-	-	-	-	-	-	-
Transfers in	628,002	-	-	-	-	-	1,400,000	-	-
Transfers out	-	(1,175)	-	(1,828,002)	(200,000)	-	-	-	-
Total other financing sources (uses)	635,798	(1,175)	-	(1,828,002)	(200,000)	-	1,400,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,196,962	210,656	35,950	(1,572,508)	(12,191)	238,464	1,400,000	(71,354)	(47,264)
Cash and investments - ending	\$ 2,455,936	\$ 2,098,383	\$ 466,100	\$ 4,439,542	\$ 1,331,918	\$ 415,933	\$ 1,400,000	\$ 483,281	\$ 1,072,063

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

	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Alternative Education	Alternative Program Grant	Marrs Donation	SINE - High Ability
Cash and investments - beginning	\$ 611,897	\$ 62,528	\$ -	\$ 1,908	\$ 24,529	\$ 11,939	\$ -	\$ -
Receipts:								
Local sources	648,303	140,907	196,766	-	-	-	721	1,000
Intermediate sources	-	-	-	431	-	-	-	-
State sources	11,847	44,516	-	-	6,871	-	-	-
Federal sources	404,887	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	17,626	350	-	-	-	-	-	-
Total receipts	<u>1,082,663</u>	<u>185,773</u>	<u>196,766</u>	<u>431</u>	<u>6,871</u>	<u>-</u>	<u>721</u>	<u>1,000</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	2,101	-	-	-
Support services	-	239,858	-	-	-	-	-	-
Noninstructional services	968,325	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,500	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>968,325</u>	<u>239,858</u>	<u>-</u>	<u>1,500</u>	<u>2,101</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>114,338</u>	<u>(54,085)</u>	<u>196,766</u>	<u>(1,069)</u>	<u>4,770</u>	<u>-</u>	<u>721</u>	<u>1,000</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	1,175	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>114,338</u>	<u>(52,910)</u>	<u>196,766</u>	<u>(1,069)</u>	<u>4,770</u>	<u>-</u>	<u>721</u>	<u>1,000</u>
Cash and investments - ending	<u>\$ 726,235</u>	<u>\$ 9,618</u>	<u>\$ 196,766</u>	<u>\$ 839</u>	<u>\$ 29,299</u>	<u>\$ 11,939</u>	<u>\$ 721</u>	<u>\$ 1,000</u>

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

	CFI Mini Grant	Fine Arts Academy	Scholarships and Awards	Bolger Scholarship	Love Trust	Bostick- Steinmetz	Gallucci- Steinmetz	Pence Scholarship
Cash and investments - beginning	\$ 1,853	\$ -	\$ 10,436	\$ 23,025	\$ 5,889	\$ 13,207	\$ 10,903	\$ 104,735
Receipts:								
Local sources	2,954	2,800	225	494	139	839	918	2,254
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>2,954</u>	<u>2,800</u>	<u>225</u>	<u>494</u>	<u>139</u>	<u>839</u>	<u>918</u>	<u>2,254</u>
Disbursements:								
Current:								
Instruction	4,231	1,050	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	200	700	-	500	500	2,400
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>4,231</u>	<u>1,050</u>	<u>200</u>	<u>700</u>	<u>-</u>	<u>500</u>	<u>500</u>	<u>2,400</u>
Excess (deficiency) of receipts over disbursements	<u>(1,277)</u>	<u>1,750</u>	<u>25</u>	<u>(206)</u>	<u>139</u>	<u>339</u>	<u>418</u>	<u>(146)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,277)</u>	<u>1,750</u>	<u>25</u>	<u>(206)</u>	<u>139</u>	<u>339</u>	<u>418</u>	<u>(146)</u>
Cash and investments - ending	<u>\$ 576</u>	<u>\$ 1,750</u>	<u>\$ 10,461</u>	<u>\$ 22,819</u>	<u>\$ 6,028</u>	<u>\$ 13,546</u>	<u>\$ 11,321</u>	<u>\$ 104,589</u>

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

	Miscellaneous Programs	PC Women's Fund	TMMI Grant	Martha Ogles Memorial	GE Star	Mark Rice Memorial	Tobacco Fund	PPG Grant
Cash and investments - beginning	\$ 307	\$ -	\$ 506	\$ 195	\$ -	\$ 14	\$ 5,602	\$ 500
Receipts:								
Local sources	1,610	880	-	-	500	-	6,999	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	1,610	880	-	-	500	-	6,999	-
Disbursements:								
Current:								
Instruction	1,623	616	167	-	500	14	8,346	467
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	1,623	616	167	-	500	14	8,346	467
Excess (deficiency) of receipts over disbursements	(13)	264	(167)	-	-	(14)	(1,347)	(467)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(13)	264	(167)	-	-	(14)	(1,347)	(467)
Cash and investments - ending	\$ 294	\$ 264	\$ 339	\$ 195	\$ -	\$ -	\$ 4,255	\$ 33

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

	G/T High Ability FY 2012	Gifted Talented FY 2011	Medicaid Reimbursement	Non-English Speaking Programs P.L. 273-1999	School Technology	Title I FY 2012	Title I FY 2011	108-446 FY 2012
Cash and investments - beginning	\$ 2,239	\$ -	\$ 3,138	\$ 347	\$ 329,679	\$ 68,770	\$ -	\$ 234,829
Receipts:								
Local sources	-	-	-	-	12,684	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	35,048	-	2,176	23,254	-	-	-
Federal sources	-	-	-	-	-	5,000	242,349	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	35,048	-	2,176	35,938	5,000	242,349	-
Disbursements:								
Current:								
Instruction	2,239	31,186	-	785	-	34,070	283,823	32,056
Support services	-	-	3,138	15	11,379	-	24,142	8,970
Noninstructional services	-	-	-	-	-	-	576	-
Facilities acquisition and construction	-	-	-	-	184	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	4,248	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	2,239	31,186	3,138	800	11,563	34,070	312,789	41,026
Excess (deficiency) of receipts over disbursements	(2,239)	3,862	(3,138)	1,376	24,375	(29,070)	(70,440)	(41,026)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	39,700	-
Transfers out	-	-	-	-	-	(39,700)	-	(193,803)
Total other financing sources (uses)	-	-	-	-	-	(39,700)	39,700	(193,803)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,239)	3,862	(3,138)	1,376	24,375	(68,770)	(30,740)	(234,829)
Cash and investments - ending	\$ -	\$ 3,862	\$ -	\$ 1,723	\$ 354,054	\$ -	\$ (30,740)	\$ -

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

	108-446 FY 2011	99-457 FY 2010	99-457 FY 2011	Title 3/ABE FY 2010	Drug Free 2009-2010 SY	Drug Free 2008-2009 SY	National Science Foundation	Improving Teaching Quality No Child Left Title II, Part A
Cash and investments - beginning	\$ -	\$ 17,400	\$ -	\$ 2,825	\$ -	\$ 2,479	\$ -	\$ 26,270
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	324,766	-	21,957	-	5,777	-	150,000	59,785
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	324,766	-	21,957	-	5,777	-	150,000	59,785
Disbursements:								
Current:								
Instruction	474,362	-	14,180	2,825	356	1,877	115,496	82,408
Support services	298,482	4,849	38,770	-	1,737	602	22,713	22,314
Noninstructional services	-	-	-	-	-	-	10,000	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	1,789	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	772,844	4,849	52,950	2,825	2,093	2,479	149,998	104,722
Excess (deficiency) of receipts over disbursements	(448,078)	(4,849)	(30,993)	(2,825)	3,684	(2,479)	2	(44,937)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	193,803	-	12,551	-	-	-	-	4,606
Transfers out	-	(12,551)	-	-	(4,606)	-	-	-
Total other financing sources (uses)	193,803	(12,551)	12,551	-	(4,606)	-	-	4,606
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(254,275)	(17,400)	(18,442)	(2,825)	(922)	(2,479)	2	(40,331)
Cash and investments - ending	\$ (254,275)	\$ -	\$ (18,442)	\$ -	\$ (922)	\$ -	\$ 2	\$ (14,061)

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

	Benson Free Memorial	SS/HS (1,2,3) FY 2008	SS/HS (4,5) FY 2008	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Education Jobs	Totals
Cash and investments - beginning	\$ 844	\$ -	\$ -	\$ 3,641	\$ 63,611	\$ 5,930	\$ -	\$ 14,436,416
Receipts:								
Local sources	6	-	-	-	-	-	-	11,160,158
Intermediate sources	-	-	-	-	-	-	-	1,488
State sources	-	-	-	-	-	-	-	16,699,640
Federal sources	-	884,004	464,465	78,033	388,261	6,381	-	3,035,665
Interfund loans	-	-	-	-	-	-	-	16,000
Other	-	-	-	-	-	-	-	412,389
Total receipts	6	884,004	464,465	78,033	388,261	6,381	-	31,325,340
Disbursements:								
Current:								
Instruction	-	268,009	41,996	56,271	188,375	11,400	278,000	12,783,927
Support services	-	609,802	420,062	-	113,227	(789)	-	11,120,497
Noninstructional services	-	-	-	39,608	-	-	-	1,297,997
Facilities acquisition and construction	-	-	-	-	-	-	-	2,380,836
Debt services	-	-	-	-	-	-	-	2,933,499
Nonprogrammed charges	-	6,193	2,408	-	-	-	-	18,938
Interfund loans	-	-	-	-	-	-	-	16,000
Total disbursements	-	884,004	464,466	95,879	301,602	10,611	278,000	30,551,694
Excess (deficiency) of receipts over disbursements	6	-	(1)	(17,846)	86,659	(4,230)	(278,000)	773,646
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	7,796
Transfers in	-	-	-	-	-	-	-	2,279,837
Transfers out	-	-	-	-	-	-	-	(2,279,837)
Total other financing sources (uses)	-	-	-	-	-	-	-	7,796
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6	-	(1)	(17,846)	86,659	(4,230)	(278,000)	781,442
Cash and investments - ending	\$ 850	\$ -	\$ (1)	\$ (14,205)	\$ 150,270	\$ 1,700	\$ (278,000)	\$ 15,217,858

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction
Cash and investments - beginning	\$ 2,455,936	\$ 2,098,383	\$ 466,100	\$ 4,439,542	\$ 1,331,918	\$ 415,933	\$ 1,400,000	\$ 483,281	\$ 1,072,063
Receipts:									
Local sources	84,952	2,268,878	714,399	5,030,741	1,848,289	237,300	-	-	-
Intermediate sources	528	-	-	-	-	-	-	-	-
State sources	15,572,787	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	157,670	-	-	25,799	37,028	-	-	-	-
Total receipts	15,815,937	2,268,878	714,399	5,056,540	1,885,317	237,300	-	-	-
Disbursements:									
Current:									
Instruction	10,365,612	-	-	-	-	-	312,357	47,470	-
Support services	5,187,975	-	-	2,427,796	1,636,827	359,897	-	372	13,492
Noninstructional services	287,081	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	2,696,137	24,875	-	-	-	45,322
Debt services	-	2,236,000	696,996	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	15,840,668	2,236,000	696,996	5,123,933	1,661,702	359,897	312,357	47,842	58,814
Excess (deficiency) of receipts over disbursements	(24,731)	32,878	17,403	(67,393)	223,615	(122,597)	(312,357)	(47,842)	(58,814)
Other financing sources (uses):									
Sale of capital assets	10,264	-	-	-	-	-	-	-	-
Transfers in	-	25,929	8,496	59,993	99,560	2,788	400,000	-	-
Transfers out	-	(7,277)	-	(200,000)	(200,000)	-	-	-	-
Total other financing sources (uses)	10,264	18,652	8,496	(140,007)	(100,440)	2,788	400,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(14,467)	51,530	25,899	(207,400)	123,175	(119,809)	87,643	(47,842)	(58,814)
Cash and investments - ending	\$ 2,441,469	\$ 2,149,913	\$ 491,999	\$ 4,232,142	\$ 1,455,093	\$ 296,124	\$ 1,487,643	\$ 435,439	\$ 1,013,249

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

	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Alternative Education	Alternative Program Grant	Marrs Donation	SINE High Ability	SINE Prof Dev
Cash and investments - beginning	\$ 726,235	\$ 9,618	\$ 196,766	\$ 839	\$ 29,299	\$ 11,939	\$ 721	\$ 1,000	\$ -
Receipts:									
Local sources	658,153	136,541	-	-	-	-	-	-	1,277
Intermediate sources	-	-	-	469	-	-	-	-	-
State sources	11,477	59,181	-	-	7,588	-	-	-	-
Federal sources	445,466	-	-	-	-	-	-	-	-
Other	29,916	350	-	-	-	-	-	-	-
Total receipts	1,145,012	196,072	-	469	7,588	-	-	-	1,277
Disbursements:									
Current:									
Instruction	-	-	-	-	3,103	-	705	-	-
Support services	-	190,936	-	-	-	-	-	-	840
Noninstructional services	1,122,471	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	1,122,471	190,936	-	-	3,103	-	705	-	840
Excess (deficiency) of receipts over disbursements	22,541	5,136	-	469	4,485	-	(705)	-	437
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	7,277	-	-	-	-	-	-	-
Transfers out	-	-	(196,766)	-	-	-	-	-	-
Total other financing sources (uses)	-	7,277	(196,766)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	22,541	12,413	(196,766)	469	4,485	-	(705)	-	437
Cash and investments - ending	\$ 748,776	\$ 22,031	\$ -	\$ 1,308	\$ 33,784	\$ 11,939	\$ 16	\$ 1,000	\$ 437

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

	CFI Mini Grant	Fine Arts Academy	Scholarships and Awards	Bolger Scholarship	Love Trust	Bostick- Steinmetz	Gallucci- Steinmetz	Pence Scholarship	Miscellaneous Programs
Cash and investments - beginning	\$ 576	\$ 1,750	\$ 10,461	\$ 22,819	\$ 6,028	\$ 13,546	\$ 11,321	\$ 104,589	\$ 294
Receipts:									
Local sources	3,274	6,500	75	182	32	95	79	750	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>3,274</u>	<u>6,500</u>	<u>75</u>	<u>182</u>	<u>32</u>	<u>95</u>	<u>79</u>	<u>750</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	662	5,132	-	-	-	-	-	-	294
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	150	350	-	500	500	1,400	-
Total disbursements	<u>662</u>	<u>5,132</u>	<u>150</u>	<u>350</u>	<u>-</u>	<u>500</u>	<u>500</u>	<u>1,400</u>	<u>294</u>
Excess (deficiency) of receipts over disbursements	<u>2,612</u>	<u>1,368</u>	<u>(75)</u>	<u>(168)</u>	<u>32</u>	<u>(405)</u>	<u>(421)</u>	<u>(650)</u>	<u>(294)</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,612</u>	<u>1,368</u>	<u>(75)</u>	<u>(168)</u>	<u>32</u>	<u>(405)</u>	<u>(421)</u>	<u>(650)</u>	<u>(294)</u>
Cash and investments - ending	<u>\$ 3,188</u>	<u>\$ 3,118</u>	<u>\$ 10,386</u>	<u>\$ 22,651</u>	<u>\$ 6,060</u>	<u>\$ 13,141</u>	<u>\$ 10,900</u>	<u>\$ 103,939</u>	<u>\$ -</u>

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

	PC Women's Fund	PCCF Grant	TMMI Grant	Martha Ogles Memorial	Tobacco Fund	PPG Grant	G/T High Ability FY 2012	Gifted and Talented FY 2011	Non-English Speaking Programs P.L. 273-1999
Cash and investments - beginning	\$ 264	\$ -	\$ 339	\$ 195	\$ 4,255	\$ 33	\$ -	\$ 3,862	\$ 1,723
Receipts:									
Local sources	-	8,400	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	33,549	-	1,466
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	8,400	-	-	-	-	33,549	-	1,466
Disbursements:									
Current:									
Instruction	264	8,000	81	-	2,504	-	31,560	3,862	2,430
Support services	-	-	-	-	-	-	-	-	559
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	264	8,000	81	-	2,504	-	31,560	3,862	2,989
Excess (deficiency) of receipts over disbursements	(264)	400	(81)	-	(2,504)	-	1,989	(3,862)	(1,523)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(264)	400	(81)	-	(2,504)	-	1,989	(3,862)	(1,523)
Cash and investments - ending	\$ -	\$ 400	\$ 258	\$ 195	\$ 1,751	\$ 33	\$ 1,989	\$ -	\$ 200

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

	School Technology	Title I FY 2012	Title I FY 2011	108-446 FY 2012	108-446 FY 2011	99-457 FY 2010	99-457 FY 2011	Drug Free 2009-2010 SY	National Science Foundation
Cash and investments - beginning	\$ 354,054	\$ -	\$ (30,740)	\$ -	\$ (254,275)	\$ -	\$ (18,442)	\$ (922)	\$ 2
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	32,597	-	-	-	-	-	-	-	-
Federal sources	-	251,847	75,979	457,563	392,395	-	31,298	4,856	130,678
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>32,597</u>	<u>251,847</u>	<u>75,979</u>	<u>457,563</u>	<u>392,395</u>	<u>-</u>	<u>31,298</u>	<u>4,856</u>	<u>130,678</u>
Disbursements:									
Current:									
Instruction	-	227,497	44,117	511,643	133,407	27,984	15,312	400	117,615
Support services	90,321	8,552	950	32,863	265,388	24,429	19,883	3,534	29,340
Noninstructional services	-	151	-	-	-	-	-	-	10,000
Facilities acquisition and construction	19,266	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	3,422	172	-	-	-	-	-	1,793
Total disbursements	<u>109,587</u>	<u>239,622</u>	<u>45,239</u>	<u>544,506</u>	<u>398,795</u>	<u>52,413</u>	<u>35,195</u>	<u>3,934</u>	<u>158,748</u>
Excess (deficiency) of receipts over disbursements	<u>(76,990)</u>	<u>12,225</u>	<u>30,740</u>	<u>(86,943)</u>	<u>(6,400)</u>	<u>(52,413)</u>	<u>(3,897)</u>	<u>922</u>	<u>(28,070)</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(76,990)</u>	<u>12,225</u>	<u>30,740</u>	<u>(86,943)</u>	<u>(6,400)</u>	<u>(52,413)</u>	<u>(3,897)</u>	<u>922</u>	<u>(28,070)</u>
Cash and investments - ending	<u>\$ 277,064</u>	<u>\$ 12,225</u>	<u>\$ -</u>	<u>\$ (86,943)</u>	<u>\$ (260,675)</u>	<u>\$ (52,413)</u>	<u>\$ (22,339)</u>	<u>\$ -</u>	<u>\$ (28,068)</u>

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

	Improving Teaching Quality No Child Left Title II, Part A	Benson Frye Memorial	SS/HS (1,2,3) FY 2008	(4,5) FY 2008	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Education Jobs	Totals
Cash and investments - beginning	\$ (14,061)	\$ 850	\$ -	\$ (1)	\$ (14,205)	\$ 150,270	\$ 1,700	\$ (278,000)	\$ 15,217,858
Receipts:									
Local sources	-	7	-	-	-	-	-	-	10,999,924
Intermediate sources	-	-	-	-	-	-	-	-	997
State sources	-	-	-	-	-	-	-	-	15,718,645
Federal sources	46,861	-	913,313	509,379	19,631	2,825	-	332,500	3,614,591
Other	-	-	-	-	-	-	-	-	250,763
Total receipts	46,861	7	913,313	509,379	19,631	2,825	-	332,500	30,584,920
Disbursements:									
Current:									
Instruction	18,411	-	293,862	38,298	4,529	3,908	1,572	277,143	12,499,734
Support services	15,046	-	612,813	468,498	-	149,187	128	-	11,539,626
Noninstructional services	-	-	-	-	897	-	-	-	1,420,600
Facilities acquisition and construction	-	-	-	-	-	-	-	-	2,785,600
Debt services	-	-	-	-	-	-	-	-	2,932,996
Nonprogrammed charges	-	-	6,638	2,582	-	-	-	-	17,507
Total disbursements	33,457	-	913,313	509,378	5,426	153,095	1,700	277,143	31,196,063
Excess (deficiency) of receipts over disbursements	13,404	7	-	1	14,205	(150,270)	(1,700)	55,357	(611,143)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	10,264
Transfers in	-	-	-	-	-	-	-	-	604,043
Transfers out	-	-	-	-	-	-	-	-	(604,043)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	10,264
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	13,404	7	-	1	14,205	(150,270)	(1,700)	55,357	(600,879)
Cash and investments - ending	\$ (657)	\$ 857	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (222,643)	\$ 14,616,979

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

Compliance

We have audited the Metropolitan School District of Mount Vernon's (School Corporation) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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

In our opinion, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012.

Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

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

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

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

STATE BOARD OF ACCOUNTS

February 6, 2013

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2011 and 2012

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program	10.553			
		FY 10/11	\$ 84,854	\$ -
		FY 11/12	-	96,316
Total for program			<u>84,854</u>	<u>96,316</u>
National School Lunch Program	10.555			
		FY 10/11	377,100	-
		FY 11/12	-	411,391
Total for program			<u>377,100</u>	<u>411,391</u>
Total for cluster			<u>461,954</u>	<u>507,707</u>
Total for federal grantor agency			<u>461,954</u>	<u>507,707</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education Title I, Part A Cluster Title I Grants to Local Educational Agencies	84.010			
		10-6590	34,070	-
		11-6590	242,349	75,979
		12-6590	-	251,847
Total for program			<u>276,419</u>	<u>327,826</u>
ARRA Title I Grants to Local Educational Agencies, Recovery Act	84.389			
		6590	81,674	19,631
Total for cluster			<u>358,093</u>	<u>347,457</u>
Pass-Through Evansville Vanderburgh School Corporation Special Education Cluster (IDEA) Special Education-Grants to States	84.027			
		10-6590	41,026	-
Pass-Through Indiana Department of Education Special Education-Grants to States	84.027			
		11-6590	518,569	392,395
		12-6590	-	457,563
Total for program			<u>559,595</u>	<u>849,958</u>
Pass-Through Evansville Vanderburgh School Corporation Special Education-Preschool Grants	84.173			
		10-6590	4,849	-
Pass-Through Indiana Department of Education Special Education-Preschool Grants	84.173			
		11-6590	34,508	31,298
Total for program			<u>39,357</u>	<u>31,298</u>

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, 2011 and 2012
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-11	Total Federal Awards Expended 06-30-12
U.S. DEPARTMENT OF EDUCATION (continued)				
Pass-Through Evansville Vanderburgh School Corporation ARRA Special Education - Grants to States, Recovery Act	84.391	33310-SN01	<u>301,602</u>	<u>153,095</u>
ARRA Special Education - Preschool Grants, Recovery Act	84.392	44410-017-PN01	<u>10,611</u>	<u>1,700</u>
Total for cluster			<u>911,165</u>	<u>1,036,051</u>
Direct Grant				
Safe and Drug-Free Schools and Communities-National Programs SS/HS Elements 1, 2, 3	84.184	Q184L080320	884,004	913,313
SS/HS Elements 4, 5		Q184L080320	<u>464,465</u>	<u>509,379</u>
Total for program			<u>1,348,469</u>	<u>1,422,692</u>
Pass-Through Evansville Vanderburgh School Corporation Adult Education - Basic Grants to States	84.002	10-6590	<u>2,825</u>	-
Pass-Through Indiana Department of Education Safe and Drug-Free Schools and Communities-State Grants	84.186	09-6590	2,479	-
		10-6590	<u>2,093</u>	<u>4,856</u>
Total for program			<u>4,572</u>	<u>4,856</u>
Twenty-First Century Community Learning Centers	84.287	EDS# A58-0-10DL-114	<u>150,000</u>	<u>130,678</u>
Improving Teacher Quality State Grants	84.367	08-6590	8,953	-
		09-6590	17,368	4,554
		10-6590	<u>59,785</u>	<u>46,861</u>
Total for program			<u>86,106</u>	<u>51,415</u>
Education Jobs Fund	84.410	6590	-	<u>332,500</u>
Total for federal grantor agency			<u>2,861,230</u>	<u>3,325,649</u>
Total federal awards expended			<u>\$ 3,323,184</u>	<u>\$ 3,833,356</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

Note 1. 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 statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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

Note 2. 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, 2011 and 2012:

Program Title	Federal CFDA Number	2011	2012
Special Education-Grants to States	84.027	\$ 206,742	\$ 290,657
Special Education-Preschool Grants	84.173	14,180	6,586
ARRA Special Education-Grants to States, Recovery Act	84.391	106,862	-
ARRA Special Education-Preschool Grants, Recovery Act	84.392	982	-
Safe and Drug-Free Schools and Communities-National Programs	84.184	309,951	332,160

Note 3. Noncash Assistance

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

Program Title	Federal CFDA Number	2011	2012
National School Lunch Program	10.555	\$ 56,889	\$ 62,241

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

Section I – Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	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
84.410	Child Nutrition Cluster Special Education Cluster Education Jobs Fund

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
EXIT CONFERENCE

The contents of this report were discussed on February 14, 2013, with Thomas Kopatich, Superintendent of Schools; Loren Evans, Director of Business and Technology; Mary E. Buchanan, Treasurer; and Kathy Weinzapfel, President of the School Board. Our audit disclosed no material items that warrant comment at this time.