

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

VINCENNES COMMUNITY SCHOOL CORPORATION
KNOX COUNTY, INDIANA

July 1, 2012 to June 30, 2014



FILED

11/20/2015

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
Independent Auditor's 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 <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	10-11
Notes to Financial Statement	12-16
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	18-33
Schedule of Payables and Receivables	35
Schedule of Leases and Debt	36
Schedule of Capital Assets.....	37
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance.....	40-41
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	44-45
Notes to Schedule of Expenditures of Federal Awards	46
Schedule of Findings and Questioned Costs	47-49
Auditee Prepared Document:	
Corrective Action Plan	52
Other Reports.....	53

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Debbie Groves	07-01-12 to 12-31-15
Superintendent of Schools	Gregory T. Parsley	07-01-12 to 12-31-15
President of the School Board	Bryan L. Thais Lynne M. Bobe Aaron M. Bauer Patrick P. Hutchison	07-01-12 to 12-31-12 01-01-13 to 12-31-13 01-01-14 to 12-31-14 01-01-15 to 12-31-15



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE VINCENNES COMMUNITY
SCHOOL CORPORATION, KNOX COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Vincennes Community School Corporation (School Corporation) which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a 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 the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance 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, 2012 to June 30, 2014.

Opinion on Regulatory Basis of Accounting

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, 2012 to June 30, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

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 records 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.


Other Information

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, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated September 16, 2015, 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* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

September 16, 2015



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INDEPENDENT AUDITOR'S 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 VINCENNES COMMUNITY
SCHOOL CORPORATION, KNOX COUNTY, INDIANA

We have audited, 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, the financial statement of the Vincennes Community School Corporation (School Corporation) which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement, and have issued our report thereon dated September 16, 2015, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be material weaknesses.

INDEPENDENT AUDITOR'S 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001.

Vincennes Community School Corporation's Response to Findings

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

September 16, 2015

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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.

VINCENNES COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2013 and 2014

	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
General	\$ 2,130,905	\$ 17,143,161	\$ 15,370,670	\$ (502,502)	\$ 3,400,894	\$ 17,319,054	\$ 14,896,089	\$ (2,207,233)	\$ 3,616,626
Debt Service	319,916	4,885,101	4,538,202	(7,781)	659,034	4,874,312	4,572,218	(472,672)	488,456
Retirement/Severance Bond Debt Service	79,438	217,847	233,221	36,031	100,095	226,083	234,702	(7,922)	83,554
Capital Projects	1,104,401	1,341,422	1,565,258	-	880,565	1,322,880	1,535,602	293,562	961,405
School Transportation	655,878	1,200,950	1,001,457	(120,000)	735,371	922,040	1,100,551	170,372	727,232
School Bus Replacement	64	-	-	-	64	41,600	24,359	16,660	33,965
Rainy Day	3,440,607	5,629	86,091	591,750	3,951,895	-	328,829	2,233,330	5,856,396
Construction	-	-	-	-	-	2,774	108,186	2,000,000	1,894,588
Construction QZAB	-	-	-	-	-	2,722	1,466,291	1,995,500	531,931
School Lunch	344,101	1,457,583	1,538,294	-	263,390	1,633,328	1,576,066	-	320,652
Textbook Rental	162,340	330,477	179,618	-	313,199	391,598	462,657	-	242,140
Self-Insurance	-	37,500	-	-	37,500	43,500	25,000	-	56,000
Joint Service and Supply - Special Education Coop 11/12	63,687	-	7,252	(56,435)	-	-	-	-	-
Joint Service and Supply - Special Education Coop 12/13	-	892,444	816,651	56,435	132,228	-	644	(131,584)	-
Joint Service and Supply - Special Education Coop 13/14	-	-	-	-	-	885,386	831,330	131,584	185,640
Alternative Education	-	9,746	9,746	-	-	8,100	8,100	-	-
Early Intervention Grant	2,500	-	2,500	-	-	-	-	-	-
Sodexo Donation	-	5,000	-	-	5,000	-	5,000	-	-
Literacy Donation	1,000	500	234	-	1,266	-	-	-	1,266
Secret Alice Fund	2,965	3,670	2,001	-	4,634	3,692	1,974	-	6,352
Character ED - CMS	-	100	98	-	2	-	2	-	-
Faculty Recognition	100	-	-	-	100	-	-	-	100
Donation Fund	-	-	-	-	-	20	-	-	20
E Wonderland Donation	-	-	-	-	-	2,110	-	-	2,110
SPARK Fund	-	-	-	-	-	1,800	636	-	1,164
Franklin Donation	-	11,498	468	-	11,030	-	11,030	-	-
Jump Start Program	-	-	-	-	-	5,892	5,892	-	-
Woodman Donation Fund	4,571	-	4,571	-	-	750	500	-	250
HHST Wellness Grant	-	-	-	-	-	1,474	1,368	-	106
Lyons Donation	3,815	-	1,530	-	2,285	-	1,469	-	816
RC/Pepsi Donation	46,556	20,615	31,232	-	35,939	20,021	34,345	-	21,615
AT&T Grant	14,433	-	14,433	-	-	-	-	-	-
Urban Enterprise Zone	850	-	119	-	731	-	-	-	731
ASAI Grant 11/12	2,487	-	2,487	-	-	-	-	-	-
ASAI Grant 12/13	-	3,040	872	-	2,168	-	2,129	-	39
SIEC Excess Match	870	-	870	-	-	-	-	-	-
Gifted/Talented 11/12	10,553	-	10,553	-	-	-	-	-	-
Gifted/Talented 12/13	-	36,133	23,176	-	12,957	-	12,957	-	-
Gifted/Talented 13/14	-	-	-	-	-	35,600	16,769	-	18,831

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

VINCENNES COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2013 and 2014
(Continued)

	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
Secured School Safety Grant	-	-	-	-	-	-	8,236	-	(8,236)
School Technology	96,446	33,549	22,521	-	107,474	34,985	20,440	-	122,019
Miscellaneous Programs	15,794	88,046	77,649	-	26,191	84,827	75,060	-	35,958
Library Endowment	172	45	193	-	24	8,000	7,692	-	332
ISTA Settlement	-	-	-	-	-	315,983	-	-	315,983
JAG Award	-	-	-	-	-	200	-	-	200
Title I 11/12	(91,931)	335,259	243,328	-	-	-	-	-	-
Title I 12/13	-	574,040	659,113	-	(85,073)	272,392	187,319	-	-
Title I 13/14	-	-	-	-	-	592,265	659,960	-	(67,695)
Title I SWYV 11/12	(18,297)	67,728	49,431	-	-	-	-	-	-
Title I SWYV 12/13	-	80,534	88,934	-	(8,400)	41,661	33,261	-	-
Title I SWYV 13/14	-	-	-	-	-	72,257	99,605	-	(27,348)
Handicapped 2010-2012	(67,661)	333,807	266,146	-	-	-	-	-	-
Handicapped 2011-2013	-	628,727	685,966	-	(57,239)	338,794	281,555	-	-
Handicapped 2012-2014	-	302,720	302,720	-	-	675,190	757,178	-	(81,988)
Handicapped 2013-2015	-	-	-	-	-	271,271	271,271	-	-
Special Education Improvement Grant	-	-	39,752	-	(39,752)	69,896	30,144	-	-
TA Grant 2013-2015	-	-	-	-	-	8,003	8,003	-	-
Preschool 11/12	(8,805)	29,063	20,258	-	-	-	-	-	-
Preschool 12/13	-	36,364	40,377	-	(4,013)	27,759	23,746	-	-
Preschool 13/14	-	-	-	-	-	38,090	52,377	-	(14,287)
Improving Teacher Quality, Title II, Part A 11/12	(25,842)	89,455	63,613	-	-	-	-	-	-
E Learning Grant 2	-	-	-	-	-	99	99	-	-
Improving Teacher Quality, Title II, Part A 12/13	-	128,545	141,897	-	(13,352)	79,353	66,001	-	-
Improving Teacher Quality, Title II, Part A 13/14	-	-	-	-	-	128,551	152,258	-	(23,707)
Rural/Low 11/12	(10,104)	11,719	5,364	-	(3,749)	3,749	-	-	-
Rural/Low 12/13	-	29,388	30,813	-	(1,425)	33,816	32,391	-	-
Rural/Low 13/14	-	-	-	-	-	42,080	45,249	-	(3,169)
Education Jobs	-	11,114	11,114	-	-	-	-	-	-
ECA Clearing	-	79,981	79,981	-	-	48,514	48,514	-	-
Prepaid Food	3,278	508,956	510,848	-	1,386	493,815	493,981	-	1,220
Payroll Clearing	125,688	3,794,045	3,800,778	-	118,955	3,763,015	3,782,415	-	99,555
Totals	<u>\$ 8,410,775</u>	<u>\$ 34,765,501</u>	<u>\$ 32,582,400</u>	<u>\$ (2,502)</u>	<u>\$ 10,591,374</u>	<u>\$ 35,189,301</u>	<u>\$ 34,401,450</u>	<u>\$ 4,021,597</u>	<u>\$ 15,400,822</u>

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

VINCENNES COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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.

VINCENNES COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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.

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:

Proceeds of long-term debt which includes money received in relation to the issuance of bonds or other long-term debt issues.

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

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

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

VINCENNES COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

VINCENNES COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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 a cost-sharing 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
One North Capitol, 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.

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' 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.

VINCENNES COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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
One North Capitol, 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 expenditure of reimbursement type grants being made by the School Corporation prior to requesting and receiving the grant funds. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2013 and 2014.

Note 8. Holding Corporations

The School Corporation has entered into a capital lease with Vincennes Community 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 school years 2012-2013 and 2013-2014 totaled \$4,323,000 and \$4,323,000, respectively.

Note 9. Other Postemployment Benefits

The School Corporation provides to eligible retirees and their spouses the following benefits: Social Security Bridge Benefits. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

OTHER INFORMATION - UNAUDITED

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. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

VINCENNES COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
 AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2013

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	Construction QZAB
Cash and investments - beginning	\$ 2,130,905	\$ 319,916	\$ 79,438	\$ 1,104,401	\$ 655,878	\$ 64	\$ 3,440,607	\$ -	\$ -
Receipts:									
Local sources	156,434	4,885,101	217,847	1,333,999	1,200,950	-	5,629	-	-
State sources	16,986,427	-	-	-	-	-	-	-	-
Federal sources	300	-	-	-	-	-	-	-	-
Other	-	-	-	7,423	-	-	-	-	-
Total receipts	17,143,161	4,885,101	217,847	1,341,422	1,200,950	-	5,629	-	-
Disbursements:									
Current:									
Instruction	10,773,092	-	-	-	-	-	-	-	-
Support services	4,334,272	69,815	-	1,013,689	1,001,457	-	-	-	-
Noninstructional services	263,306	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	551,569	-	-	86,091	-	-
Debt services	-	4,468,387	233,221	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	15,370,670	4,538,202	233,221	1,565,258	1,001,457	-	86,091	-	-
Excess (deficiency) of receipts over disbursements	1,772,491	346,899	(15,374)	(223,836)	199,493	-	(80,462)	-	-
Other financing sources (uses):									
Sale of capital assets	5,478	-	-	-	-	-	-	-	-
Transfers in	-	-	36,031	-	-	-	620,000	-	-
Transfers out	(507,980)	(7,781)	-	-	(120,000)	-	(28,250)	-	-
Total other financing sources (uses)	(502,502)	(7,781)	36,031	-	(120,000)	-	591,750	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,269,989	339,118	20,657	(223,836)	79,493	-	511,288	-	-
Cash and investments - ending	\$ 3,400,894	\$ 659,034	\$ 100,095	\$ 880,565	\$ 735,371	\$ 64	\$ 3,951,895	\$ -	\$ -

VINCENNES COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
 AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	School Lunch	Textbook Rental	Self- Insurance	Joint Services and Supply - Special Education Coop 11/12	Joint Services and Supply- Special Education Coop 12/13	Joint Services and Supply- Special Education Coop 13/14	Alternative Education	Early Intervention Grant	Sodexo Donation
Cash and investments - beginning	\$ 344,101	\$ 162,340	\$ -	\$ 63,687	\$ -	\$ -	\$ -	\$ 2,500	\$ -
Receipts:									
Local sources	554,257	208,543	37,500	-	829,104	-	-	-	5,000
State sources	10,934	121,784	-	-	47,380	-	9,746	-	-
Federal sources	890,972	-	-	-	-	-	-	-	-
Other	1,420	150	-	-	15,960	-	-	-	-
Total receipts	1,457,583	330,477	37,500	-	892,444	-	9,746	-	5,000
Disbursements:									
Current:									
Instruction	-	-	-	-	516,120	-	9,746	2,500	-
Support services	3,243	174,906	-	7,252	300,531	-	-	-	-
Noninstructional services	1,535,051	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	4,712	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	1,538,294	179,618	-	7,252	816,651	-	9,746	2,500	-
Excess (deficiency) of receipts over disbursements	(80,711)	150,859	37,500	(7,252)	75,793	-	-	(2,500)	5,000
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	56,435	-	-	-	-
Transfers out	-	-	-	(56,435)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(56,435)	56,435	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(80,711)	150,859	37,500	(63,687)	132,228	-	-	(2,500)	5,000
Cash and investments - ending	\$ 263,390	\$ 313,199	\$ 37,500	\$ -	\$ 132,228	\$ -	\$ -	\$ -	\$ 5,000

VINCENNES COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
 AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Literacy Donation	Secret Alice Fund	Character ED - CMS	Faculty Recognition	Donation Fund	E Wonderland Donation	SPARK Fund	Franklin Donation	Jump Start Program
Cash and investments - beginning	\$ 1,000	\$ 2,965	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	500	3,670	100	-	-	-	-	11,498	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	500	3,670	100	-	-	-	-	11,498	-
Disbursements:									
Current:									
Instruction	-	2,001	98	-	-	-	-	-	-
Support services	234	-	-	-	-	-	-	468	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	234	2,001	98	-	-	-	-	468	-
Excess (deficiency) of receipts over disbursements	266	1,669	2	-	-	-	-	11,030	-
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	266	1,669	2	-	-	-	-	11,030	-
Cash and investments - ending	\$ 1,266	\$ 4,634	\$ 2	\$ 100	\$ -	\$ -	\$ -	\$ 11,030	\$ -

VINCENNES COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
 AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Woodman Donation Fund	HHST Wellness Grant	Lyons Donation	RC/Pepsi Donation	AT&T Grant	Urban Enterprise Zone	ASAI Grant 11/12	ASAI Grant 12/13	SIEC Excess Match
Cash and investments - beginning	\$ 4,571	\$ -	\$ 3,815	\$ 46,556	\$ 14,433	\$ 850	\$ 2,487	\$ -	\$ 870
Receipts:									
Local sources	-	-	-	20,615	-	-	-	3,040	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	20,615	-	-	-	3,040	-
Disbursements:									
Current:									
Instruction	-	-	-	20,360	14,433	119	2,487	759	-
Support services	4,571	-	1,530	10,872	-	-	-	113	870
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	4,571	-	1,530	31,232	14,433	119	2,487	872	870
Excess (deficiency) of receipts over disbursements	(4,571)	-	(1,530)	(10,617)	(14,433)	(119)	(2,487)	2,168	(870)
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	(4,571)	-	(1,530)	(10,617)	(14,433)	(119)	(2,487)	2,168	(870)
Cash and investments - ending	\$ -	\$ -	\$ 2,285	\$ 35,939	\$ -	\$ 731	\$ -	\$ 2,168	\$ -

VINCENNES COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
 AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Gifted/Talented 11/12	Gifted/Talented 12/13	Gifted/Talented 13/14	Secured School Safety Grant	School Technology	Miscellaneous Programs	Library Endowment	ISTA Settlement	JAG Award
Cash and investments - beginning	\$ 10,553	\$ -	\$ -	\$ -	\$ 96,446	\$ 15,794	\$ 172	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	88,046	45	-	-
State sources	-	36,133	-	-	3,969	-	-	-	-
Federal sources	-	-	-	-	29,580	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	36,133	-	-	33,549	88,046	45	-	-
Disbursements:									
Current:									
Instruction	10,553	22,707	-	-	-	-	-	-	-
Support services	-	469	-	-	22,521	2,130	193	-	-
Noninstructional services	-	-	-	-	-	75,519	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	10,553	23,176	-	-	22,521	77,649	193	-	-
Excess (deficiency) of receipts over disbursements	(10,553)	12,957	-	-	11,028	10,397	(148)	-	-
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	(10,553)	12,957	-	-	11,028	10,397	(148)	-	-
Cash and investments - ending	\$ -	\$ 12,957	\$ -	\$ -	\$ 107,474	\$ 26,191	\$ 24	\$ -	\$ -

VINCENNES COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
 AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Title I 11/12	Title I 12/13	Title I 13/14	Title I SWYV 11/12	Title I SWYV 12/13	Title I SWYV 13/14	Handicapped 2010-2012	Handicapped 2011-2013	Handicapped 2012-2014
Cash and investments - beginning	\$ (91,931)	\$ -	\$ -	\$ (18,297)	\$ -	\$ -	\$ (67,661)	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	335,259	574,040	-	67,728	80,534	-	333,807	628,727	302,720
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>335,259</u>	<u>574,040</u>	<u>-</u>	<u>67,728</u>	<u>80,534</u>	<u>-</u>	<u>333,807</u>	<u>628,727</u>	<u>302,720</u>
Disbursements:									
Current:									
Instruction	186,809	435,886	-	49,431	88,934	-	113,568	297,439	129,792
Support services	56,519	197,122	-	-	-	-	152,578	388,527	172,928
Noninstructional services	-	7,096	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	19,009	-	-	-	-	-	-	-
Total disbursements	<u>243,328</u>	<u>659,113</u>	<u>-</u>	<u>49,431</u>	<u>88,934</u>	<u>-</u>	<u>266,146</u>	<u>685,966</u>	<u>302,720</u>
Excess (deficiency) of receipts over disbursements	<u>91,931</u>	<u>(85,073)</u>	<u>-</u>	<u>18,297</u>	<u>(8,400)</u>	<u>-</u>	<u>67,661</u>	<u>(57,239)</u>	<u>-</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>91,931</u>	<u>(85,073)</u>	<u>-</u>	<u>18,297</u>	<u>(8,400)</u>	<u>-</u>	<u>67,661</u>	<u>(57,239)</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (85,073)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,400)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (57,239)</u>	<u>\$ -</u>

VINCENNES COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
 AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Handicapped 2013-2015	Special Education Improvement Grant	TA Grant 2013-2015	Preschool 11/12	Preschool 12/13	Preschool 13/14	Improving Teacher Quality, Title II, Part A 11/12	E Learning Grant 2	Improving Teacher Quality, Title II, Part A 12/13
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (8,805)	\$ -	\$ -	\$ (25,842)	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	89,455	-	128,545
Federal sources	-	-	-	29,063	36,364	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	29,063	36,364	-	89,455	-	128,545
Disbursements:									
Current:									
Instruction	-	-	-	18,523	37,009	-	16,739	-	82,242
Support services	-	39,752	-	1,735	3,368	-	43,392	-	59,655
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	3,482	-	-
Total disbursements	-	39,752	-	20,258	40,377	-	63,613	-	141,897
Excess (deficiency) of receipts over disbursements	-	(39,752)	-	8,805	(4,013)	-	25,842	-	(13,352)
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	-	(39,752)	-	8,805	(4,013)	-	25,842	-	(13,352)
Cash and investments - ending	\$ -	\$ (39,752)	\$ -	\$ -	\$ (4,013)	\$ -	\$ -	\$ -	\$ (13,352)

VINCENNES COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
 AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Improving Teacher Quality Title II, Part A 13/14	Rural/Low 11/12	Rural/Low 12/13	Rural/Low 13/14	Education Jobs	ECA Clearing	Prepaid Food	Payroll Clearing	Totals
Cash and investments - beginning	\$ -	\$ (10,104)	\$ -	\$ -	\$ -	\$ -	\$ 3,278	\$ 125,688	\$ 8,410,775
Receipts:									
Local sources	-	-	-	-	-	-	-	-	9,561,878
State sources	-	-	-	-	-	-	-	-	17,434,373
Federal sources	-	11,719	29,388	-	11,114	-	-	-	3,361,315
Other	-	-	-	-	-	79,981	508,956	3,794,045	4,407,935
Total receipts	-	11,719	29,388	-	11,114	79,981	508,956	3,794,045	34,765,501
Disbursements:									
Current:									
Instruction	-	-	-	-	11,114	-	-	-	12,842,461
Support services	-	5,364	30,285	-	-	-	-	-	8,100,361
Noninstructional services	-	-	-	-	-	-	-	-	1,880,972
Facilities acquisition and construction	-	-	-	-	-	-	-	-	642,372
Debt services	-	-	-	-	-	-	-	-	4,701,608
Nonprogrammed charges	-	-	528	-	-	79,981	510,848	3,800,778	4,414,626
Total disbursements	-	5,364	30,813	-	11,114	79,981	510,848	3,800,778	32,582,400
Excess (deficiency) of receipts over disbursements	-	6,355	(1,425)	-	-	-	(1,892)	(6,733)	2,183,101
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	5,478
Transfers in	-	-	-	-	-	-	-	-	712,466
Transfers out	-	-	-	-	-	-	-	-	(720,446)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(2,502)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	6,355	(1,425)	-	-	-	(1,892)	(6,733)	2,180,599
Cash and investments - ending	\$ -	\$ (3,749)	\$ (1,425)	\$ -	\$ -	\$ -	\$ 1,386	\$ 118,955	\$ 10,591,374

VINCENNES COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended June 30, 2014

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	Construction QZAB
Cash and investments - beginning	\$ 3,400,894	\$ 659,034	\$ 100,095	\$ 880,565	\$ 735,371	\$ 64	\$ 3,951,895	\$ -	\$ -
Receipts:									
Local sources	120,639	4,874,312	226,083	1,322,880	922,040	41,600	-	2,774	2,722
Intermediate sources	551	-	-	-	-	-	-	-	-
State sources	17,197,137	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	727	-	-	-	-	-	-	-	-
Total receipts	17,319,054	4,874,312	226,083	1,322,880	922,040	41,600	-	2,774	2,722
Disbursements:									
Current:									
Instruction	10,403,828	-	-	-	-	-	-	-	-
Support services	4,211,000	89,808	-	986,275	1,100,551	24,359	242,060	-	-
Noninstructional services	281,261	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	549,327	-	-	86,769	108,186	1,466,291
Debt services	-	4,482,410	234,702	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	14,896,089	4,572,218	234,702	1,535,602	1,100,551	24,359	328,829	108,186	1,466,291
Excess (deficiency) of receipts over disbursements	2,422,965	302,094	(8,619)	(212,722)	(178,511)	17,241	(328,829)	(105,412)	(1,463,569)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	2,000,000	1,995,500
Sale of capital assets	34,077	-	-	-	-	-	-	-	-
Transfers in	-	-	14,060	293,562	170,372	16,660	2,233,330	-	-
Transfers out	(2,241,310)	(472,672)	(21,982)	-	-	-	-	-	-
Total other financing sources (uses)	(2,207,233)	(472,672)	(7,922)	293,562	170,372	16,660	2,233,330	2,000,000	1,995,500
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	215,732	(170,578)	(16,541)	80,840	(8,139)	33,901	1,904,501	1,894,588	531,931
Cash and investments - ending	\$ 3,616,626	\$ 488,456	\$ 83,554	\$ 961,405	\$ 727,232	\$ 33,965	\$ 5,856,396	\$ 1,894,588	\$ 531,931

VINCENNES COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
 AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	School Lunch	Textbook Rental	Self- Insurance	Joint Services and Supply - Special Education Coop 11/12	Joint Services and Supply- Special Education Coop 12/13	Joint Services and Supply- Special Education Coop 13/14	Alternative Education	Early Intervention Grant	Sodexo Donation
Cash and investments - beginning	\$ 263,390	\$ 313,199	\$ 37,500	\$ -	\$ 132,228	\$ -	\$ -	\$ -	\$ 5,000
Receipts:									
Local sources	515,143	266,985	43,500	-	-	824,696	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	10,021	124,513	-	-	-	44,730	8,100	-	-
Federal sources	1,106,764	-	-	-	-	-	-	-	-
Other	1,400	100	-	-	-	15,960	-	-	-
Total receipts	1,633,328	391,598	43,500	-	-	885,386	8,100	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	522,927	8,100	-	-
Support services	1,660	457,587	-	-	644	308,403	-	-	5,000
Noninstructional services	1,574,406	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	5,070	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	25,000	-	-	-	-	-	-
Total disbursements	1,576,066	462,657	25,000	-	644	831,330	8,100	-	5,000
Excess (deficiency) of receipts over disbursements	57,262	(71,059)	18,500	-	(644)	54,056	-	-	(5,000)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	131,584	-	-	-
Transfers out	-	-	-	-	(131,584)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(131,584)	131,584	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	57,262	(71,059)	18,500	-	(132,228)	185,640	-	-	(5,000)
Cash and investments - ending	\$ 320,652	\$ 242,140	\$ 56,000	\$ -	\$ -	\$ 185,640	\$ -	\$ -	\$ -

VINCENNES COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
 AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Literacy Donation	Secret Alice Fund	Character ED - CMS	Faculty Recognition	Donation Fund	E Wonderland Donation	SPARK Fund	Franklin Donation	Jump Start Program
Cash and investments - beginning	\$ 1,266	\$ 4,634	\$ 2	\$ 100	\$ -	\$ -	\$ -	\$ 11,030	\$ -
Receipts:									
Local sources	-	3,692	-	-	20	2,110	1,800	-	5,892
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	3,692	-	-	20	2,110	1,800	-	5,892
Disbursements:									
Current:									
Instruction	-	1,974	2	-	-	-	636	-	2,498
Support services	-	-	-	-	-	-	-	11,030	3,394
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,974	2	-	-	-	636	11,030	5,892
Excess (deficiency) of receipts over disbursements	-	1,718	(2)	-	20	2,110	1,164	(11,030)	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,718	(2)	-	20	2,110	1,164	(11,030)	-
Cash and investments - ending	\$ 1,266	\$ 6,352	\$ -	\$ 100	\$ 20	\$ 2,110	\$ 1,164	\$ -	\$ -

VINCENNES COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
 AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Woodman Donation Fund	HHST Wellness Grant	Lyons Donation	RC/Pepsi Donation	AT&T Grant	Urban Enterprise Zone	ASAI Grant 11/12	ASAI Grant 12/13	SIEC Excess Match
Cash and investments - beginning	\$ -	\$ -	\$ 2,285	\$ 35,939	\$ -	\$ 731	\$ -	\$ 2,168	\$ -
Receipts:									
Local sources	750	1,474	-	20,021	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	750	1,474	-	20,021	-	-	-	-	-
Disbursements:									
Current:									
Instruction	-	-	-	1,965	-	-	-	1,428	-
Support services	-	1,368	1,469	32,380	-	-	-	701	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	500	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	500	1,368	1,469	34,345	-	-	-	2,129	-
Excess (deficiency) of receipts over disbursements	250	106	(1,469)	(14,324)	-	-	-	(2,129)	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
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	250	106	(1,469)	(14,324)	-	-	-	(2,129)	-
Cash and investments - ending	\$ 250	\$ 106	\$ 816	\$ 21,615	\$ -	\$ 731	\$ -	\$ 39	\$ -

VINCENNES COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
 AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Gifted/Talented 11/12	Gifted/Talented 12/13	Gifted/Talented 13/14	Secured School Safety Grant	School Technology	Miscellaneous Programs	Library Endowment	ISTA Settlement	JAG Award
Cash and investments - beginning	\$ -	\$ 12,957	\$ -	\$ -	\$ 107,474	\$ 26,191	\$ 24	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	84,827	8,000	315,983	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	35,600	-	3,792	-	-	-	200
Federal sources	-	-	-	-	31,193	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	35,600	-	34,985	84,827	8,000	315,983	200
Disbursements:									
Current:									
Instruction	-	12,957	15,686	-	-	-	-	-	-
Support services	-	-	1,083	8,236	20,440	60	7,692	-	-
Noninstructional services	-	-	-	-	-	75,000	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	12,957	16,769	8,236	20,440	75,060	7,692	-	-
Excess (deficiency) of receipts over disbursements	-	(12,957)	18,831	(8,236)	14,545	9,767	308	315,983	200
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
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	-	(12,957)	18,831	(8,236)	14,545	9,767	308	315,983	200
Cash and investments - ending	\$ -	\$ -	\$ 18,831	\$ (8,236)	\$ 122,019	\$ 35,958	\$ 332	\$ 315,983	\$ 200

VINCENNES COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
 AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Title I 11/12	Title I 12/13	Title I 13/14	Title I SWYV 11/12	Title I SWYV 12/13	Title I SWYV 13/14	Handicapped 2010-2012	Handicapped 2011-2013	Handicapped 2012-2014
Cash and investments - beginning	\$ -	\$ (85,073)	\$ -	\$ -	\$ (8,400)	\$ -	\$ -	\$ (57,239)	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	272,392	592,265	-	41,661	72,257	-	338,794	675,190
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	272,392	592,265	-	41,661	72,257	-	338,794	675,190
Disbursements:									
Current:									
Instruction	-	177,344	413,804	-	33,261	99,605	-	123,681	341,593
Support services	-	9,975	234,927	-	-	-	-	157,874	415,585
Noninstructional services	-	-	11,229	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	187,319	659,960	-	33,261	99,605	-	281,555	757,178
Excess (deficiency) of receipts over disbursements	-	85,073	(67,695)	-	8,400	(27,348)	-	57,239	(81,988)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
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	-	85,073	(67,695)	-	8,400	(27,348)	-	57,239	(81,988)
Cash and investments - ending	\$ -	\$ -	\$ (67,695)	\$ -	\$ -	\$ (27,348)	\$ -	\$ -	\$ (81,988)

VINCENNES COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
 AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Handicapped 2013-2015	Special Education Improvement Grant	TA Grant 2013-2015	Preschool 11/12	Preschool 12/13	Preschool 13/14	Improving Teacher Quality, Title II, Part A 11/12	E Learning Grant 2	Improving Teacher Quality Title II, Part A 12/13
Cash and investments - beginning	\$ -	\$ (39,752)	\$ -	\$ -	\$ (4,013)	\$ -	\$ -	\$ -	\$ (13,352)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	79,353
Federal sources	271,271	69,896	8,003	-	27,759	38,090	-	99	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	271,271	69,896	8,003	-	27,759	38,090	-	99	79,353
Disbursements:									
Current:									
Instruction	123,680	-	333	-	20,660	48,206	-	-	25,600
Support services	147,591	30,144	7,670	-	3,086	4,171	-	99	40,401
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	271,271	30,144	8,003	-	23,746	52,377	-	99	66,001
Excess (deficiency) of receipts over disbursements	-	39,752	-	-	4,013	(14,287)	-	-	13,352
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
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	-	39,752	-	-	4,013	(14,287)	-	-	13,352
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (14,287)	\$ -	\$ -	\$ -

VINCENNES COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
 AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Improving Teacher Quality Title II, Part A 13/14	Rural/Low 11/12	Rural/Low 12/13	Rural/Low 13/14	Education Jobs	ECA Clearing	Prepaid Food	Payroll Clearing	Totals
Cash and investments - beginning	\$ -	\$ (3,749)	\$ (1,425)	\$ -	\$ -	\$ -	\$ 1,386	\$ 118,955	\$ 10,591,374
Receipts:									
Local sources	-	-	-	-	-	-	-	-	9,607,943
Intermediate sources	-	-	-	-	-	-	-	-	551
State sources	128,551	-	-	-	-	-	-	-	17,631,997
Federal sources	-	3,749	33,816	42,080	-	-	-	-	3,625,279
Other	-	-	-	-	-	48,514	493,815	3,763,015	4,323,531
Total receipts	128,551	3,749	33,816	42,080	-	48,514	493,815	3,763,015	35,189,301
Disbursements:									
Current:									
Instruction	82,220	-	-	-	-	-	-	-	12,461,988
Support services	70,038	-	32,391	45,249	-	-	-	-	8,714,401
Noninstructional services	-	-	-	-	-	-	-	-	1,941,896
Facilities acquisition and construction	-	-	-	-	-	-	-	-	2,216,143
Debt services	-	-	-	-	-	-	-	-	4,717,112
Nonprogrammed charges	-	-	-	-	-	48,514	493,981	3,782,415	4,349,910
Total disbursements	152,258	-	32,391	45,249	-	48,514	493,981	3,782,415	34,401,450
Excess (deficiency) of receipts over disbursements	(23,707)	3,749	1,425	(3,169)	-	-	(166)	(19,400)	787,851
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	3,995,500
Sale of capital assets	-	-	-	-	-	-	-	-	34,077
Transfers in	-	-	-	-	-	-	-	-	2,859,568
Transfers out	-	-	-	-	-	-	-	-	(2,867,548)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	4,021,597
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(23,707)	3,749	1,425	(3,169)	-	-	(166)	(19,400)	4,809,448
Cash and investments - ending	\$ (23,707)	\$ -	\$ -	\$ (3,169)	\$ -	\$ -	\$ 1,220	\$ 99,555	\$ 15,400,822

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VINCENNES COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 1,735,766</u>	<u>\$ 226,429</u>

VINCENNES COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Vincennes Community School Building Corporation	Construction/Equip Lincoln High School	\$ 30,000	1/1/2008	1/1/2016
Vincennes Community School Building Corporation	Reimburse School Corporation for Improvements to Lincoln High School			
	Extend Building Corporation Ownership and Pay Issuance Cost	3,000	12/30/2013	12/30/2018
Vincennes Community School Building Corporation	Build Equip Clark Middle School	500,000	1/12/2009	1/10/2029
Vincennes Community School Building Corporation	Build Equip Clark Middle School	1,761,500	12/1/2008	1/10/2024
Vincennes Community School Building Corporation	Construction/Equip Lincoln High School	2,030,000	11/22/2010	1/1/2016
Apple, Inc.	Purchase Mini ipads for Incoming Freshman	25,241	6/30/2013	8/30/2015
Apple, Inc.	Ipads/Freshman	<u>26,803</u>	8/15/2012	8/15/2014
Total governmental activities		<u>4,376,544</u>		
Total of annual lease payments		<u><u>\$ 4,376,544</u></u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Renovation Improvement of Facilities	\$ 1,382,000	\$ 149,038
General obligation bonds	To Fund Uncovered Pension Liability	1,005,000	230,603
General obligation bonds	Funding Improvements at Lincoln High School and Elementary School Facilities and Pay Issuance Costs	<u>2,000,000</u>	<u>20,000</u>
Total governmental activities		<u>4,387,000</u>	<u>399,641</u>
Totals		<u><u>\$ 4,387,000</u></u>	<u><u>\$ 399,641</u></u>

VINCENNES COMMUNITY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2014

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.

	Ending Balance
Governmental activities:	
Land	\$ 821,565
Buildings	50,967,963
Improvements other than buildings	1,514,782
Machinery, equipment, and vehicles	<u>3,498,101</u>
Total governmental activities	<u>56,802,411</u>
Total capital assets	<u><u>\$ 56,802,411</u></u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE VINCENNES COMMUNITY
SCHOOL CORPORATION, KNOX COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Vincennes Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2012 to June 30, 2014. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance 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, 2012 to June 30, 2014.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)


Report on Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

September 16, 2015

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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.

VINCENNES COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2013 and 2014

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>U. S. DEPARTMENT OF AGRICULTURE</u>					
Child Nutrition Cluster	Indiana Department of Education	10.553			
School Breakfast Program			FY 12/13	205,228	-
			FY 13/14	-	246,648
Total - School Breakfast Program				205,228	246,648
National School Lunch Program	Indiana Department of Education	10.555			
			FY 12/13	778,179	-
			FY 13/14	-	932,284
Total - National School Lunch Program				778,179	932,284
Summer Food Service Program for Children	Indiana Department of Education	10.559			
			FY 13/14	-	18,565
Total - Summer Food Service Program for Children				-	18,565
Total - Child Nutrition Cluster				983,407	1,197,497
Total for Department of Agriculture				983,407	1,197,497
<u>U. S. DEPARTMENT OF EDUCATION</u>					
Special Education Cluster (IDEA)					
Special Education - Grants to States	Indiana Department of Education	84.027			
Special Education 2010-2012			14211-034-PN01	333,807	-
Special Education 2011-2013			14212-034-PN01	486,009	338,794
Special Education 2012-2014			14213-034-PN01	-	507,427
Special Education Improvement Award			A58-3-13DL-1441	-	69,896
Special Education Technical Assistance			99914-034-TA01	-	333
Total - Special Education - Grants to State				819,816	916,450
Special Education - Preschool Grants	Indiana Department of Education	84.173			
Preschool 11/12			45711-034-PN01	16,048	-
Preschool 12/13			45712-034-PN01	20,024	15,286
Preschool 13/14			45713-034-PN01	-	20,170
Total - Special Education - Preschool Grants				36,072	35,456
Total - Special Education Cluster (IDEA)				855,888	951,906

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

VINCENNES COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2013 and 2014
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>U. S. DEPARTMENT OF EDUCATION (continued)</u>					
Title I, Part A Cluster	Indiana Department of Education				
Title I Grants to Local Educational Agencies		84.010			
Title I 11/12			FY 11/12	335,259	-
Title I 11/12 Delinquent			FY 11/12	67,728	-
Title I 12/13			FY 12/13	574,040	272,392
Title I 12/13 Delinquent			FY 12/13	80,534	41,661
Title I 13/14			FY 13/14	-	592,265
Title I 13/14 Delinquent			FY 13/14	-	72,257
Total - Title I Grants to Local Educational Agencies				<u>1,057,561</u>	<u>978,575</u>
Total - Title I, Part A Cluster				<u>1,057,561</u>	<u>978,575</u>
Rural Education	Indiana Department of Education	84.358			
FY 11-12			FY 11/12	11,719	3,749
FY 12-13			FY 12/13	29,388	33,816
FY 13-14			FY 13/14	-	42,080
Total - Rural Education				<u>41,107</u>	<u>79,645</u>
Improving Teacher Quality State Grants	Indiana Department of Education	84.367			
FY 11/12			FY 11/12	89,455	-
FY 12/13			FY 12/13	128,545	79,353
FY 13/14			FY 13/14	-	128,551
E-learning grant			FY 13/14	-	99
Total - Improving Teacher Quality State Grants				<u>218,000</u>	<u>208,003</u>
Education Jobs Fund					
FY 12/13	Indiana Department of Education	84.410	FY 12/13	11,114	-
Total for Department of Education				<u>2,183,670</u>	<u>2,218,129</u>
Total Federal Awards Expended				<u>\$ 3,167,077</u>	<u>\$ 3,415,626</u>

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

VINCENNES COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the 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 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2013 and 2014. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2013	2014
National School Lunch Program	10.555	\$ 92,436	\$ 91,472

Note 3. Knox County Special Education Cooperative

The School Corporation is a member of a Special Education Cooperative and serves as the fiscal agent for it. As a result, some activity for the Special Education Cluster that is presented as receipts and disbursements in the financial statement is not presented on the Schedule of Expenditures of Federal Awards.

VINCENNES COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

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

Identification of Major Programs:

Name of Federal Program or Cluster

Special Education Cluster (IDEA)
Title I, Part A Cluster

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

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

FINDING 2014-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Management of the School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

VINCENNES COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

During the audit of the SEFA, the following errors were identified: the Child Nutrition Cluster was omitted for the 2013-2014 school year, the Special Education Cluster was overstated for both years, and several grant names were reported incorrectly. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.

VINCENNES COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

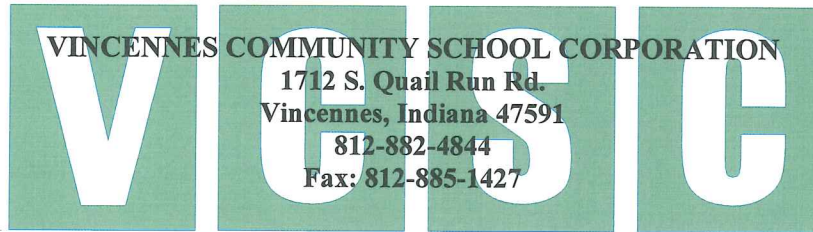
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AUDITEE PREPARED DOCUMENT

The subsequent document was provided by management of the School Corporation. The document is presented as intended by the School Corporation.

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CORRECTIVE ACTION PLAN

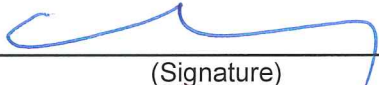
FINDING 2014 – 001 – PREPERATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Contact Person Responsible for Corrective Action: Debbie Groves, Treasurer
Contact Phone Number: 812-882-4844

Description of Corrective Action Plan:

Effective immediately, the Vincennes Community School Corporation will include all Federal Awards as required. SEFA will be prepared by the treasurer, verified for accuracy by the Federal Programs Coordinator and the information will be uploaded to Gateway by the treasurer as required.

Anticipated Completion Date: 7/1/2015


(Signature)

Superintendent
(Title)

7/1/2015
(Date)

OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. These reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.