

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 MT. VERNON
POSEY COUNTY, INDIANA

July 1, 2014 to June 30, 2016



FILED
07/12/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Mary E. Buchanan	01-01-14 to 12-31-17
Superintendent of Schools	Dr. Thomas P. Kopatich	07-01-13 to 06-30-20
President of the School Board	Beth McFadin Higgins Heather Allyn Mark A. Isaac Beth McFadin Higgins	01-01-14 to 12-31-14 01-01-15 to 12-31-15 01-01-16 to 12-31-16 01-01-17 to 12-31-17



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Metropolitan School District of Mt. Vernon (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement as listed in the Table of Contents.

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 from 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 to 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, 2014 to June 30, 2016.

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, 2014 to June 30, 2016, 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 May 3, 2017, 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

May 3, 2017



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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 METROPOLITAN SCHOOL DISTRICT
OF MT. VERNON, POSEY 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 Metropolitan School District of Mt. Vernon (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated May 3, 2017, 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.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


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 from 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*.

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

May 3, 2017

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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.

METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2015 and 2016

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
General	\$ 2,239,047	\$ 14,316,270	\$ 14,309,246	\$ 11,149	\$ 2,257,220	\$ 13,579,676	\$ 13,906,077	\$ 2,918	\$ 1,933,737
Debt Service	1,861,034	2,447,529	2,236,000	-	2,072,563	2,463,666	2,236,000	-	2,300,229
Retirement/Severance Bond Debt Service	432,295	713,441	696,335	-	449,401	529,577	696,100	-	282,878
Capital Projects	4,609,115	6,284,865	6,527,320	(1,100,000)	3,266,660	6,310,027	6,467,432	(500,000)	2,609,255
School Transportation	1,524,387	2,022,660	1,869,864	(119,017)	1,558,166	2,025,302	1,874,509	(200,000)	1,508,959
School Bus Replacement	622,179	285,858	204,507	(50,000)	653,530	301,536	257,775	(200,000)	497,291
Rainy Day	1,762,879	-	611,763	1,300,000	2,451,116	-	774,377	300,000	1,976,739
Retirement/Severance Bond	100,486	-	-	(100,486)	-	-	-	-	-
Construction	270,012	-	270,012	-	-	-	-	-	-
School Lunch	785,990	1,176,552	1,198,806	-	763,736	1,122,484	1,211,238	-	674,982
Textbook Rental	84,979	208,155	266,373	-	26,761	201,542	188,616	-	39,687
Self-Insurance	409,381	2,434,370	2,369,817	100,486	574,420	2,914,691	3,204,815	600,000	884,296
Levy Excess	-	30,983	-	(30,983)	-	-	-	-	-
Educational License Plates	539	319	-	-	858	281	-	-	1,139
Alternative Education	46,146	9,092	7,552	-	47,686	8,260	27,822	-	28,124
Early Intervention Grant	-	-	-	-	-	11,596	-	-	11,596
ELearn Donations	-	13,492	2,581	-	10,911	17,596	16,532	-	11,975
United Way Grant	30,200	-	30,200	-	-	33,222	12,072	-	21,150
ETFCU Card	187	3,112	-	-	3,299	5,024	-	-	8,323
Alt Program Grant	11,939	-	-	-	11,939	-	-	-	11,939
Black Twnshp - LOAS	-	-	-	-	-	100,000	83,693	-	16,307
SINE - Prof Dev	307	-	226	-	81	-	-	-	81
CFI Mini Grant	1,683	4,178	2,929	-	2,932	3,736	2,934	-	3,734
Walmart Grant	-	500	500	-	-	-	-	-	-
Dollar General Reading	-	-	-	-	-	50,000	-	-	50,000
Vectren Grant	412	-	412	-	-	-	-	-	-
Energize Indiana Grant	100	100	-	-	200	50	-	-	250
Fine Arts Academy	2,895	274	500	-	2,669	300	290	-	2,679
Abell Scholarship	10,300	107	60	-	10,347	28	75	-	10,300
Bolger Scholarship	22,600	225	100	-	22,725	75	200	-	22,600
Frye/Love Trust	5,766	80	-	13	5,859	-	-	-	5,859
Bostick-Steinmetz	13,059	2,623	-	-	15,682	1,100	1,000	-	15,782
Gallucci-Steinmetz	10,833	527	500	-	10,860	490	500	-	10,850
Pence Scholarship	103,160	1,020	600	-	103,580	580	1,000	-	103,160
PCCF - Grant	2,568	-	2,568	-	-	-	-	-	-

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

METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2015 and 2016
(Continued)

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
PCCF (Trauma)	-	3,000	-	-	3,000	-	3,000	-	-
PCCF-Robot	-	-	-	-	-	2,098	2,086	-	12
PCCF-Easter Seals	-	-	-	-	-	5,000	3,104	-	1,896
TMMI Grant	39	-	39	-	-	-	-	-	-
GE Star	11	-	11	-	-	-	-	-	-
State Fair Award	-	-	-	-	-	100	-	-	100
ED Partners	-	-	-	-	-	500	-	-	500
Facility Donation Fund	40,000	27,000	66,556	-	444	-	-	-	444
Tobacco Fund	251	-	46	-	205	-	205	-	-
Historical Library	50	-	-	-	50	20	-	-	70
G/T High Ability	2,555	35,433	36,502	-	1,486	35,172	27,179	-	9,479
High Ability 2013	-	-	-	-	-	-	-	-	-
Drug Free Communities	-	-	-	-	-	1,650	1,650	-	-
Secured Schools Safety Grant	-	50,000	50,000	-	-	-	-	-	-
Non-English Speaking Programs P.L. 273-1999	-	-	-	-	-	1,144	715	-	429
School Technology	147,210	155,863	192,494	-	110,579	91,542	193,189	-	8,932
Performance Based Awards	-	3,539	-	-	3,539	66,085	69,601	-	23
Senator David Ford Technology	53	2,000	2,053	-	-	-	-	-	-
PL 107-110 ECIA Title I FY2014/FY2016	(22,277)	53,799	31,522	-	-	213,369	241,511	-	(28,142)
PL 107-110 ECIA Title I FY2015	-	223,507	248,492	-	(24,985)	75,654	50,669	-	-
PL 101-476 IDEA FY2013/FY2016	(18,524)	82,306	63,782	-	-	473,359	575,526	-	(102,167)
PL 101-476 IDEA FY2015	-	539,820	639,761	-	(99,941)	389,208	302,310	-	(13,043)
PL 101-476 IDEA FY 2014	(113,427)	344,370	239,229	-	(8,286)	30,945	22,659	-	-
Technical Assistance	-	18,658	18,658	-	-	3,343	3,343	-	-
PL 99-457 Preschool Handicap FY2013/FY2016	(7,262)	7,262	-	-	-	54,081	57,958	-	(3,877)
PL 99-457 Preschool Handicap FY2015	-	43,784	49,909	-	(6,125)	27,864	22,078	-	(339)
PL 99-457 Preschool Handicap FY2014	(5,846)	25,292	20,469	-	(1,023)	1,343	320	-	-
Monsanto Fund	1,434	-	549	-	885	-	885	-	-
21st Century Learning Center	(650)	650	-	-	-	-	-	-	-
Improving Teacher Quality, No Child Left, Title II, Part A	(3,831)	83,706	82,625	-	(2,750)	79,287	78,704	-	(2,167)
Elearn T2-A	-	651	10,534	-	(9,883)	14,349	17,397	-	(12,931)
Benson Frye Memorial	13	-	-	(13)	-	-	-	-	-
Totals	\$ 14,984,277	\$ 31,656,972	\$ 32,362,002	\$ 11,149	\$ 14,290,396	\$ 31,246,952	\$ 32,637,146	\$ 2,918	\$ 12,903,120

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

METROPOLITAN SCHOOL DISTRICT OF MT. 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, the following: 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. Amounts received from taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community service activities, and other revenue from local sources.

Intermediate sources. Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

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

State sources. Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Other receipts. Amounts received from various sources, including, but not limited to, the following: 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. Amounts disbursed for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services. Amounts disbursed for food service operations and community service operations.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Debt service. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges. Amounts disbursed 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:

Sale of capital assets. Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

Transfers in. Amounts 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.

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

Transfers out. Amounts 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 amounts 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 amounts 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, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

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

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 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.

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

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. 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 the funds being set up for reimbursable grants. The reimbursements were not received by June 30 of each fiscal year.

Note 8. Holding Corporation

The School Corporation has entered into a capital lease with Mt. 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 2015 and 2016 totaled \$2,236,000 and \$2,236,000, respectively.

OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. 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 School Corporation's Financial Reports 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.

METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015

	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	\$ 2,239,047	\$ 1,861,034	\$ 432,295	\$ 4,609,115	\$ 1,524,387	\$ 622,179	\$ 1,762,879	\$ 100,486	\$ 270,012
Receipts:									
Local sources	214,400	2,447,529	713,441	6,271,003	1,995,279	285,858	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	14,060,104	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	41,766	-	-	13,862	27,381	-	-	-	-
Total receipts	14,316,270	2,447,529	713,441	6,284,865	2,022,660	285,858	-	-	-
Disbursements:									
Current:									
Instruction	9,579,429	-	-	-	-	-	-	-	-
Support services	4,428,808	-	-	3,127,847	1,869,864	204,507	611,763	-	151,892
Noninstructional services	301,009	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	3,399,473	-	-	-	-	118,120
Debt service	-	2,236,000	696,335	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	14,309,246	2,236,000	696,335	6,527,320	1,869,864	204,507	611,763	-	270,012
Excess (deficiency) of receipts over disbursements	7,024	211,529	17,106	(242,455)	152,796	81,351	(611,763)	-	(270,012)
Other financing sources (uses):									
Sale of capital assets	11,149	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	30,983	-	1,300,000	-	-
Transfers out	-	-	-	(1,100,000)	(150,000)	(50,000)	-	(100,486)	-
Total other financing sources (uses)	11,149	-	-	(1,100,000)	(119,017)	(50,000)	1,300,000	(100,486)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	18,173	211,529	17,106	(1,342,455)	33,779	31,351	688,237	(100,486)	(270,012)
Cash and investments - ending	\$ 2,257,220	\$ 2,072,563	\$ 449,401	\$ 3,266,660	\$ 1,558,166	\$ 653,530	\$ 2,451,116	\$ -	\$ -

METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates	Alternative Education	Early Intervention Grant	ELearn Donations	United Way Grant
Cash and investments - beginning	\$ 785,990	\$ 84,979	\$ 409,381	\$ -	\$ 539	\$ 46,146	\$ -	\$ -	\$ 30,200
Receipts:									
Local sources	665,086	141,075	2,434,370	30,983	-	-	-	9,750	-
Intermediate sources	-	-	-	-	319	-	-	-	-
State sources	10,630	65,434	-	-	-	9,092	-	-	-
Federal sources	481,017	-	-	-	-	-	-	-	-
Other receipts	19,819	1,646	-	-	-	-	-	3,742	-
Total receipts	1,176,552	208,155	2,434,370	30,983	319	9,092	-	13,492	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	7,552	-	-	-
Support services	-	266,373	-	-	-	-	-	2,581	30,200
Noninstructional services	1,071,860	-	2,369,817	-	-	-	-	-	-
Facilities acquisition and construction	19,941	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	107,005	-	-	-	-	-	-	-	-
Total disbursements	1,198,806	266,373	2,369,817	-	-	7,552	-	2,581	30,200
Excess (deficiency) of receipts over disbursements	(22,254)	(58,218)	64,553	30,983	319	1,540	-	10,911	(30,200)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	100,486	-	-	-	-	-	-
Transfers out	-	-	-	(30,983)	-	-	-	-	-
Total other financing sources (uses)	-	-	100,486	(30,983)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(22,254)	(58,218)	165,039	-	319	1,540	-	10,911	(30,200)
Cash and investments - ending	\$ 763,736	\$ 26,761	\$ 574,420	\$ -	\$ 858	\$ 47,686	\$ -	\$ 10,911	\$ -

METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	ETFCU Card	Alt Program Grant	Black Twnshp - LOAS	SINE- Prof Dev	CFI Mini Grant	Walmart Grant	Dollar General Reading	Vectren Grant	Energize Indiana Grant
Cash and investments - beginning	\$ 187	\$ 11,939	\$ -	\$ 307	\$ 1,683	\$ -	\$ -	\$ 412	\$ 100
Receipts:									
Local sources	3,112	-	-	-	4,178	500	-	-	100
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	3,112	-	-	-	4,178	500	-	-	100
Disbursements:									
Current:									
Instruction	-	-	-	-	2,929	500	-	412	-
Support services	-	-	-	226	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	226	2,929	500	-	412	-
Excess (deficiency) of receipts over disbursements	3,112	-	-	(226)	1,249	-	-	(412)	100
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	3,112	-	-	(226)	1,249	-	-	(412)	100
Cash and investments - ending	\$ 3,299	\$ 11,939	\$ -	\$ 81	\$ 2,932	\$ -	\$ -	\$ -	\$ 200

METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Fine Arts Academy	Abell Scholarship	Bolger Scholarship	Frye/ Love Trust	Bostick- Steinmetz	Gallucci- Steinmetz	Pence Scholarship	PCCF - Grant	PCCF (Trauma)
Cash and investments - beginning	\$ 2,895	\$ 10,300	\$ 22,600	\$ 5,766	\$ 13,059	\$ 10,833	\$ 103,160	\$ 2,568	\$ -
Receipts:									
Local sources	274	107	225	80	2,623	527	1,020	-	3,000
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	<u>274</u>	<u>107</u>	<u>225</u>	<u>80</u>	<u>2,623</u>	<u>527</u>	<u>1,020</u>	<u>-</u>	<u>3,000</u>
Disbursements:									
Current:									
Instruction	500	-	-	-	-	-	-	2,568	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	60	100	-	-	500	600	-	-
Total disbursements	<u>500</u>	<u>60</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>600</u>	<u>2,568</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(226)</u>	<u>47</u>	<u>125</u>	<u>80</u>	<u>2,623</u>	<u>27</u>	<u>420</u>	<u>(2,568)</u>	<u>3,000</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	13	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>13</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>(226)</u>	<u>47</u>	<u>125</u>	<u>93</u>	<u>2,623</u>	<u>27</u>	<u>420</u>	<u>(2,568)</u>	<u>3,000</u>
Cash and investments - ending	<u>\$ 2,669</u>	<u>\$ 10,347</u>	<u>\$ 22,725</u>	<u>\$ 5,859</u>	<u>\$ 15,682</u>	<u>\$ 10,860</u>	<u>\$ 103,580</u>	<u>\$ -</u>	<u>\$ 3,000</u>

METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	PCCF- Robot	PCCF- Easter Seals	TMMI Grant	GE Star	State Fair Award	ED Partners	Facility Donation Fund	Tobacco Fund
Cash and investments - beginning	\$ -	\$ -	\$ 39	\$ 11	\$ -	\$ -	\$ 40,000	\$ 251
Receipts:								
Local sources	-	-	-	-	-	-	27,000	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	27,000	-
Disbursements:								
Current:								
Instruction	-	-	39	11	-	-	-	46
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	66,556	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	39	11	-	-	66,556	46
Excess (deficiency) of receipts over disbursements	-	-	(39)	(11)	-	-	(39,556)	(46)
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)	(11)	-	-	(39,556)	(46)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 444	\$ 205

METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Historical Library	G/T High Ability	High Ability 2013	Drug Free Communities	Secured Schools Safety Grant	Non-English Speaking Programs P.L. 273-1999	School Technology	Performance Based Awards
Cash and investments - beginning	\$ 50	\$ 2,555	\$ -	\$ -	\$ -	\$ -	\$ 147,210	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	35,433	-	-	-	-	155,863	3,539
Federal sources	-	-	-	-	50,000	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	35,433	-	-	50,000	-	155,863	3,539
Disbursements:								
Current:								
Instruction	-	36,502	-	-	-	-	-	-
Support services	-	-	-	-	50,000	-	192,494	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	36,502	-	-	50,000	-	192,494	-
Excess (deficiency) of receipts over disbursements	-	(1,069)	-	-	-	-	(36,631)	3,539
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,069)	-	-	-	-	(36,631)	3,539
Cash and investments - ending	\$ 50	\$ 1,486	\$ -	\$ -	\$ -	\$ -	\$ 110,579	\$ 3,539

METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Senator David Ford Technology	PL 107-110 ECIA Title I FY2014/FY2016	PL 107-110 ECIA Title I FY2015	PL 101-476 IDEA FY2013/FY2016	PL 101-476 IDEA FY2015	PL 101-476 IDEA FY2014	Technical Assistance	PL 99-457 Preschool Handicap FY2013/FY2016
Cash and investments - beginning	\$ 53	\$ (22,277)	\$ -	\$ (18,524)	\$ -	\$ (113,427)	\$ -	\$ (7,262)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	2,000	-	-	-	-	-	-	-
Federal sources	-	53,799	223,507	82,306	539,820	344,370	18,658	7,262
Other receipts	-	-	-	-	-	-	-	-
Total receipts	2,000	53,799	223,507	82,306	539,820	344,370	18,658	7,262
Disbursements:								
Current:								
Instruction	53	23,085	223,100	8,086	419,399	119,102	9,839	-
Support services	2,000	8,437	25,392	55,696	220,362	120,127	8,819	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	2,053	31,522	248,492	63,782	639,761	239,229	18,658	-
Excess (deficiency) of receipts over disbursements	(53)	22,277	(24,985)	18,524	(99,941)	105,141	-	7,262
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	(53)	22,277	(24,985)	18,524	(99,941)	105,141	-	7,262
Cash and investments - ending	\$ -	\$ -	\$ (24,985)	\$ -	\$ (99,941)	\$ (8,286)	\$ -	\$ -

METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	PL 99-457 Preschool Handicap FY2015	PL 99-457 Preschool Handicap FY2014	Monsanto Fund	21st Century Learning Center	Improving Teacher Quality, No Child Left, Title II, Part A	ELearn T2-A	Benson Frye Memorial	Totals
Cash and investments - beginning	\$ -	\$ (5,846)	\$ 1,434	\$ (650)	\$ (3,831)	\$ -	\$ 13	\$ 14,984,277
Receipts:								
Local sources	-	-	-	-	-	-	-	15,251,520
Intermediate sources	-	-	-	-	-	-	-	319
State sources	-	-	-	-	-	-	-	14,342,095
Federal sources	43,784	25,292	-	650	83,706	651	-	1,954,822
Other receipts	-	-	-	-	-	-	-	108,216
Total receipts	43,784	25,292	-	650	83,706	651	-	31,656,972
Disbursements:								
Current:								
Instruction	22,970	-	549	-	61,259	-	-	10,517,930
Support services	26,939	20,469	-	-	21,366	10,534	-	11,456,696
Noninstructional services	-	-	-	-	-	-	-	3,742,686
Facilities acquisition and construction	-	-	-	-	-	-	-	3,604,090
Debt service	-	-	-	-	-	-	-	2,932,335
Nonprogrammed charges	-	-	-	-	-	-	-	108,265
Total disbursements	49,909	20,469	549	-	82,625	10,534	-	32,362,002
Excess (deficiency) of receipts over disbursements	(6,125)	4,823	(549)	650	1,081	(9,883)	-	(705,030)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	11,149
Transfers in	-	-	-	-	-	-	-	1,431,482
Transfers out	-	-	-	-	-	-	(13)	(1,431,482)
Total other financing sources (uses)	-	-	-	-	-	-	(13)	11,149
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,125)	4,823	(549)	650	1,081	(9,883)	(13)	(693,881)
Cash and investments - ending	\$ (6,125)	\$ (1,023)	\$ 885	\$ -	\$ (2,750)	\$ (9,883)	\$ -	\$ 14,290,396

METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016

	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	\$ 2,257,220	\$ 2,072,563	\$ 449,401	\$ 3,266,660	\$ 1,558,166	\$ 653,530	\$ 2,451,116	\$ -	\$ -
Receipts:									
Local sources	253,339	2,463,666	529,577	6,288,523	1,978,466	301,536	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	13,269,424	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	56,913	-	-	21,504	46,836	-	-	-	-
Total receipts	13,579,676	2,463,666	529,577	6,310,027	2,025,302	301,536	-	-	-
Disbursements:									
Current:									
Instruction	9,335,727	-	-	-	-	-	-	-	-
Support services	4,265,248	-	-	3,586,055	1,874,509	257,775	774,377	-	-
Noninstructional services	305,102	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	2,881,377	-	-	-	-	-
Debt service	-	2,236,000	696,100	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	13,906,077	2,236,000	696,100	6,467,432	1,874,509	257,775	774,377	-	-
Excess (deficiency) of receipts over disbursements	(326,401)	227,666	(166,523)	(157,405)	150,793	43,761	(774,377)	-	-
Other financing sources (uses):									
Sale of capital assets	12,040	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	900,000	-	-
Transfers out	(9,122)	-	-	(500,000)	(200,000)	(200,000)	(600,000)	-	-
Total other financing sources (uses)	2,918	-	-	(500,000)	(200,000)	(200,000)	300,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(323,483)	227,666	(166,523)	(657,405)	(49,207)	(156,239)	(474,377)	-	-
Cash and investments - ending	\$ 1,933,737	\$ 2,300,229	\$ 282,878	\$ 2,609,255	\$ 1,508,959	\$ 497,291	\$ 1,976,739	\$ -	\$ -

METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	School Lunch	Textbook Rental	Self-Insurance	Levy Excess	Educational License Plates	Alternative Education	Early Intervention Grant	ELearn Donations	United Way Grant
Cash and investments - beginning	\$ 763,736	\$ 26,761	\$ 574,420	\$ -	\$ 858	\$ 47,686	\$ -	\$ 10,911	\$ -
Receipts:									
Local sources	590,405	140,696	2,914,691	-	-	-	-	12,140	33,222
Intermediate sources	-	-	-	-	281	-	-	-	-
State sources	11,406	60,473	-	-	-	8,260	11,596	-	-
Federal sources	503,691	-	-	-	-	-	-	-	-
Other receipts	16,982	373	-	-	-	-	-	5,456	-
Total receipts	1,122,484	201,542	2,914,691	-	281	8,260	11,596	17,596	33,222
Disbursements:									
Current:									
Instruction	-	-	-	-	-	27,822	-	-	-
Support services	-	188,616	-	-	-	-	-	16,532	12,072
Noninstructional services	1,017,300	-	3,204,815	-	-	-	-	-	-
Facilities acquisition and construction	37,874	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	156,064	-	-	-	-	-	-	-	-
Total disbursements	1,211,238	188,616	3,204,815	-	-	27,822	-	16,532	12,072
Excess (deficiency) of receipts over disbursements	(88,754)	12,926	(290,124)	-	281	(19,562)	11,596	1,064	21,150
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	600,000	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	600,000	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(88,754)	12,926	309,876	-	281	(19,562)	11,596	1,064	21,150
Cash and investments - ending	\$ 674,982	\$ 39,687	\$ 884,296	\$ -	\$ 1,139	\$ 28,124	\$ 11,596	\$ 11,975	\$ 21,150

METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	ETFCU Card	Alt Program Grant	Black Twnshp - LOAS	SINE- Prof Dev	CFI Mini Grant	Walmart Grant	Dollar General Reading	Vectren Grant	Energize Indiana Grant
Cash and investments - beginning	\$ 3,299	\$ 11,939	\$ -	\$ 81	\$ 2,932	\$ -	\$ -	\$ -	\$ 200
Receipts:									
Local sources	5,024	-	100,000	-	3,736	-	50,000	-	50
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	5,024	-	100,000	-	3,736	-	50,000	-	50
Disbursements:									
Current:									
Instruction	-	-	74,716	-	2,934	-	-	-	-
Support services	-	-	8,977	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	83,693	-	2,934	-	-	-	-
Excess (deficiency) of receipts over disbursements	5,024	-	16,307	-	802	-	50,000	-	50
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	5,024	-	16,307	-	802	-	50,000	-	50
Cash and investments - ending	\$ 8,323	\$ 11,939	\$ 16,307	\$ 81	\$ 3,734	\$ -	\$ 50,000	\$ -	\$ 250

METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	Fine Arts Academy	Abell Scholarship	Bolger Scholarship	Frye/ Love Trust	Bostick- Steinmetz	Gallucci- Steinmetz	Pence Scholarship	PCCF - Grant	PCCF (Trauma)
Cash and investments - beginning	\$ 2,669	\$ 10,347	\$ 22,725	\$ 5,859	\$ 15,682	\$ 10,860	\$ 103,580	\$ -	\$ 3,000
Receipts:									
Local sources	300	28	75	-	1,100	490	580	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	<u>300</u>	<u>28</u>	<u>75</u>	<u>-</u>	<u>1,100</u>	<u>490</u>	<u>580</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	290	-	-	-	-	-	-	-	3,000
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	75	200	-	1,000	500	1,000	-	-
Total disbursements	<u>290</u>	<u>75</u>	<u>200</u>	<u>-</u>	<u>1,000</u>	<u>500</u>	<u>1,000</u>	<u>-</u>	<u>3,000</u>
Excess (deficiency) of receipts over disbursements	<u>10</u>	<u>(47)</u>	<u>(125)</u>	<u>-</u>	<u>100</u>	<u>(10)</u>	<u>(420)</u>	<u>-</u>	<u>(3,000)</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>10</u>	<u>(47)</u>	<u>(125)</u>	<u>-</u>	<u>100</u>	<u>(10)</u>	<u>(420)</u>	<u>-</u>	<u>(3,000)</u>
Cash and investments - ending	<u>\$ 2,679</u>	<u>\$ 10,300</u>	<u>\$ 22,600</u>	<u>\$ 5,859</u>	<u>\$ 15,782</u>	<u>\$ 10,850</u>	<u>\$ 103,160</u>	<u>\$ -</u>	<u>\$ -</u>

METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	PCCF- Robot	PCCF- Easter Seals	TMMI Grant	GE Star	State Fair Award	ED Partners	Facility Donation Fund	Tobacco Fund
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 444	\$ 205
Receipts:								
Local sources	2,098	5,000	-	-	100	500	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>2,098</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>500</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	2,086	3,104	-	-	-	-	-	205
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>2,086</u>	<u>3,104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>205</u>
Excess (deficiency) of receipts over disbursements	<u>12</u>	<u>1,896</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>500</u>	<u>-</u>	<u>(205)</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>12</u>	<u>1,896</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>500</u>	<u>-</u>	<u>(205)</u>
Cash and investments - ending	<u>\$ 12</u>	<u>\$ 1,896</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 500</u>	<u>\$ 444</u>	<u>\$ -</u>

METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	Historical Library	G/T High Ability	High Ability 2013	Drug Free Communities	Secured Schools Safety Grant	Non-English Speaking Programs P.L. 273-1999	School Technology	Performance Based Awards
Cash and investments - beginning	\$ 50	\$ 1,486	\$ -	\$ -	\$ -	\$ -	\$ 110,579	\$ 3,539
Receipts:								
Local sources	20	-	-	-	-	-	-	-
Intermediate sources	-	-	-	1,650	-	-	-	-
State sources	-	35,172	-	-	-	1,144	91,542	66,085
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	20	35,172	-	1,650	-	1,144	91,542	66,085
Disbursements:								
Current:								
Instruction	-	27,179	-	-	-	700	-	69,601
Support services	-	-	-	1,650	-	15	193,189	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	27,179	-	1,650	-	715	193,189	69,601
Excess (deficiency) of receipts over disbursements	20	7,993	-	-	-	429	(101,647)	(3,516)
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	20	7,993	-	-	-	429	(101,647)	(3,516)
Cash and investments - ending	\$ 70	\$ 9,479	\$ -	\$ -	\$ -	\$ 429	\$ 8,932	\$ 23

METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	Senator David Ford Technology	PL 107-110 ECIA Title I FY2014/FY2016	PL 107-110 ECIA Title I FY2015	PL 101-476 IDEA FY2013/FY2016	PL 101-476 IDEA FY2015	PL 101-476 IDEA FY2014	Technical Assistance	PL 99-457 Preschool Handicap FY2013/FY2016
Cash and investments - beginning	\$ -	\$ -	\$ (24,985)	\$ -	\$ (99,941)	\$ (8,286)	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	213,369	75,654	473,359	389,208	30,945	3,343	54,081
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	213,369	75,654	473,359	389,208	30,945	3,343	54,081
Disbursements:								
Current:								
Instruction	-	214,436	50,669	435,561	87,201	-	1,350	23,774
Support services	-	27,075	-	139,965	215,109	22,659	1,993	34,184
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	241,511	50,669	575,526	302,310	22,659	3,343	57,958
Excess (deficiency) of receipts over disbursements	-	(28,142)	24,985	(102,167)	86,898	8,286	-	(3,877)
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	-	(28,142)	24,985	(102,167)	86,898	8,286	-	(3,877)
Cash and investments - ending	\$ -	\$ (28,142)	\$ -	\$ (102,167)	\$ (13,043)	\$ -	\$ -	\$ (3,877)

METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	PL 99-457 Preschool Handicap FY2015	PL 99-457 Preschool Handicap FY2014	Monsanto Fund	21st Century Learning Center	Improving Teacher Quality, No Child Left, Title II, Part A	ELearn T2-A	Benson Frye Memorial	Totals
Cash and investments - beginning	\$ (6,125)	\$ (1,023)	\$ 885	\$ -	\$ (2,750)	\$ (9,883)	\$ -	\$ 14,290,396
Receipts:								
Local sources	-	-	-	-	-	-	-	15,675,362
Intermediate sources	-	-	-	-	-	-	-	1,931
State sources	-	-	-	-	-	-	-	13,555,102
Federal sources	27,864	1,343	-	-	79,287	14,349	-	1,866,493
Other receipts	-	-	-	-	-	-	-	148,064
Total receipts	27,864	1,343	-	-	79,287	14,349	-	31,246,952
Disbursements:								
Current:								
Instruction	1,536	-	885	-	55,019	-	-	10,417,795
Support services	20,542	320	-	-	23,685	17,397	-	11,681,944
Noninstructional services	-	-	-	-	-	-	-	4,527,217
Facilities acquisition and construction	-	-	-	-	-	-	-	2,919,251
Debt service	-	-	-	-	-	-	-	2,932,100
Nonprogrammed charges	-	-	-	-	-	-	-	158,839
Total disbursements	22,078	320	885	-	78,704	17,397	-	32,637,146
Excess (deficiency) of receipts over disbursements	5,786	1,023	(885)	-	583	(3,048)	-	(1,390,194)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	12,040
Transfers in	-	-	-	-	-	-	-	1,500,000
Transfers out	-	-	-	-	-	-	-	(1,509,122)
Total other financing sources (uses)	-	-	-	-	-	-	-	2,918
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,786	1,023	(885)	-	583	(3,048)	-	(1,387,276)
Cash and investments - ending	\$ (339)	\$ -	\$ -	\$ -	\$ (2,167)	\$ (12,931)	\$ -	\$ 12,903,120

METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2016

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 355,604</u>	<u>\$ 184,457</u>

METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
 SCHEDULE OF LEASES AND DEBT
 June 30, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Mt. Vernon of Posey County Multi-School Building Corporation	Lease rental payments for Farmersville and West Elementary Schools Remodeling Projects	\$ 2,236,000	1/15/2008	1/15/2019
Total of annual lease payments		<u>\$ 2,236,000</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities: General obligation bonds	School Severance Bonds		\$ 453,273	\$ 472,245
Totals			<u>\$ 453,273</u>	<u>\$ 472,245</u>

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METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
SCHEDULE OF CAPITAL ASSETS
June 30, 2016

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 567,521
Buildings	52,431,337
Machinery, equipment, and vehicles	<u>4,104,573</u>
Total capital assets	<u>\$ 57,103,431</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
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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 METROPOLITAN SCHOOL DISTRICT
OF MT. VERNON, POSEY COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Metropolitan School District of Mt. 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, 2014 to June 30, 2016. 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, 2014 to June 30, 2016.

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 a 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 a 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

May 3, 2017

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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.

METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2015 and 2016

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	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education						
School Breakfast Program FY15		10.553	FY15 65-6590	\$ -	\$ 95,651	\$ -	\$ -
School Breakfast Program FY16			FY16 65-6590	-	-	-	94,980
Total - School Breakfast Program				-	95,651	-	94,980
National School Lunch Program							
School Lunch Program FY15	Indiana Department of Education						
School Lunch Program FY16		10.555	FY15 65-6590	-	381,660	-	-
School Lunch Program - Commodities			FY16 65-6590	-	-	-	405,094
School Lunch Program - Commodities			FY15 65-6590	-	56,668	-	-
After School Snack Program FY15			FY16 65-6590	-	-	-	62,044
After School Snack Program FY16			FY15 65-6590	-	3,706	-	-
After School Snack Program FY16			FY16 65-6590	-	-	-	3,617
Total - National School Lunch Program				-	442,034	-	470,755
Total - Child Nutrition Cluster				-	537,685	-	565,735
Total - Department of Agriculture				-	537,685	-	565,735
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education						
Special Education FY13		84.027	14213-085-PN01	-	51,030	-	-
Special Education FY14			14214-085-PN01	-	173,695	-	19,177
Special Education FY15			14215-085-PN01	-	366,471	-	228,098
Special Education FY16			14216-078-PN01	-	-	-	325,010
Special Education FY14			99914-085-TA01	-	12,187	-	2,016
Total - Special Education Grants to States				-	603,383	-	574,301

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

METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2015 and 2016
(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	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
<u>Department of Education (continued)</u>							
Special Education Cluster (IDEA) (continued)							
Special Education_Preschool Grants	Indiana Department of Education						
Special Education FY13		84.173	45713-085-PN01	-	7,262	-	-
Special Education FY14			45714-085-PN01	-	25,093	-	1,343
Special Education FY15			45715-085-PN01	-	24,098	-	23,045
Special Education FY16			45716-078-PN01	-	-	-	30,339
Total - Special Education_Preschool Grants				-	56,453	-	54,727
Total - Special Education Cluster (IDEA)				-	659,836	-	629,028
Title I Grants to Local Educational Agencies							
Title I FY14	Indiana Department of Education	84.010	Project 14-6590 FY14	-	53,799	-	-
Title I FY15			Project 15-6590 FY15	-	223,507	-	75,654
Title I FY16			Project 16-6590 FY16	-	-	-	213,369
Total - Title I Grants to Local Educational Agencies				-	277,306	-	289,023
Twenty-First Century Community Learning Centers							
Twenty-First Century FY14	Indiana Department of Education	84.287	EDS A58-0-1-DL-115	-	650	-	-
Total - Twenty-First Century Community Learning Centers				-	650	-	-
Improving Teacher Quality State Grants							
Title IIA FY13	Indiana Department of Education		Project 13-6590 FY13	-	78,095	-	-
Title IIA FY14			Project 14-6590 FY14	-	5,611	-	79,287
Title IIA FY15		84.367	Project 15-6590 FY15	-	651	-	14,349
Total - Improving Teacher Quality State Grants				-	84,357	-	93,636
Total - Department of Education				-	1,022,149	-	1,011,687
Total federal awards expended				\$ -	\$ 1,559,834	\$ -	\$ 1,577,422

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

METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2015 and 2016. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

METROPOLITAN SCHOOL DISTRICT OF MT. 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; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weakness identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weakness identified?	no
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit finding 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

Child Nutrition Cluster
Special Education Cluster (IDEA)

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

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

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AUDITEE-PREPARED SCHEDULE

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

Dr. Thomas P. Kopatich
Superintendent

METROPOLITAN SCHOOL DISTRICT OF MT. VERNON
1000 WEST FOURTH STREET MT. VERNON, INDIANA 47620
TELEPHONE 812-838-4471 FAX 812-833-5179
www.mvschool.org

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
6590 MSD of Mt. Vernon
Indiana State Board of Accounts Audit
July 1, 2012 – June 30, 2014 (Prior Audit)

FINDING 2014-001 - SPECIAL TESTS AND PROVISION PARTICIPATION OF PRIVATE SCHOOL CHILDREN

Federal Agency: Department of Education
Federal Program: Twenty-First Century Community Learning Centers
CFDA Number: 84.287
Federal Award Number and Year: EDS A58-0-10DL-114, 2012-2013 and 2013-2014
Pass-Through Entity: Indiana Department of Education

Fiscal Year: 2012-2013 and 2013-2014
Contact Person: Loren E. Evans
Title: Director of Business and Technology
Phone Number: 812-833-5122

Status of Finding:

Federal program directors already have in place annual and periodic meetings with private/parochial school officials to consult on federal grant participation. Special education, Title I, and Title II consultations are taking place as scheduled, and parochial principals are participating and/or signing off for non-participation in each grant in each fiscal year. Documentation of consultations for each of these programs is maintained in the grant folders of the federal program director. The 21st Century Community Learning Centers grant program ended before the start of the current audit period, so there was no additional consultation needed for that grant for the current audit period. The additional controls below were implemented to help ensure future compliance.

A Post Award Checklist for Federal Grants was developed and is being used by federal program directors and Director of Business and Technology to document grant-specific deadlines and requirements. Copies of the Post Award Checklist for each federal grant period are maintained in the applicable grant folders for the federal program directors and Director of Business and Technology.

At the start of each federal grant period, federal program directors are reviewing the applicable OMB Circular A-133 Compliance Supplement and/or the Uniform Guidance for their specific federal grants to ensure that grant-specific requirements are identified and met each year. Copies of the applicable Compliance Supplements and/or Uniform Guidance are maintained in the applicable grant folders for the federal program directors and Director of Business and Technology.

FINDING 2014-002 - Period of Availability

Federal Agency: U.S. Department of Education
Federal Program: Twenty First Century Community Learning Centers
CFDA Number: 84.287
Federal Award Number and Year: EDS A58-0-10DL-114; 2012-2013
Pass-Through Entity: Indiana Department of Education

Fiscal Year: 2012-2013
Contact Person: Loren E. Evans
Title: Director of Business and Technology
Phone Number: 812-833-5122

Status of Finding:

Funds from Twenty First Century Community Learning Centers grant that were redeemed to the iTunes account were fully expended on applications and downloaded to tablets for use in the locally-funded after-school program at West Elementary for Fall 2015. This software installation was accomplished by October 7, 2015. Existing Apple Volume Purchasing Program (VPP) internal control procedures were updated to require downloading of software within the grant's period of availability. The additional controls below were implemented to help ensure future compliance.

A Post Award Checklist for Federal Grants was developed and is being used by federal program directors and Director of Business and Technology to document grant-specific deadlines and requirements. Copies of the Post Award Checklist for each federal grant period are maintained in the applicable grant folders for the federal program directors and Director of Business and Technology. Period of Availability for each grant is specified on the Checklist. In addition, purchasers and purchase reviewers, including federal program directors, Financial Systems Analyst, and Director of Business and Technology, have been instructed to document each grant's Period of Availability on the front of each grant folder for each program year.

At the start of each federal grant period, federal program directors are reviewing the applicable OMB Circular A-133 Compliance Supplement and/or the Uniform Guidance for their specific federal grants to ensure that grant-specific requirements are identified and met each year. Copies of the applicable Compliance Supplements and/or Uniform Guidance are maintained in the applicable grant folders for the federal program directors and Director of Business and Technology. The Compliance Supplement / Uniform Guidance provides the definition of "obligation" for each federal grant, and this has been reviewed with each federal program director by Director of Business.

FINDING 2014-003 - PROCUREMENT, SUSPENSION AND DEBARMENT

Federal Agency: U.S. Department of Education
Federal Program: Safe and Drug-Free Schools and Communities_National Programs
CFDA Number: 84.184
Federal Award Number and Year: Q184L080320, 2012-2013

Fiscal Year: 2012-2013
Contact Person: Loren E. Evans
Title: Director of Business and Technology
Phone Number: 812-833-5122

Status of Finding:

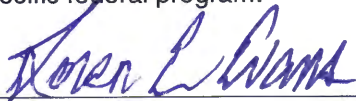
Additional Federal Programs Procurement Procedures were developed in response to this finding. Federal program directors are required to notify the Director of Business and Technology in advance of any contract award or procurement with expected cost more than \$25,000. Director of Business and Technology will review the federal System for Award Management (SAM) database to check status of the potential contractor or vendor. If the contractor is Excluded, the procurement will be cancelled. If the contractor is not Excluded, the procurement will be allowed to proceed. Copies of applicable contractor verifications in SAM will be maintained in the grant folder for the Director of Business and Technology and the federal program director. The additional controls below were implemented to help ensure future compliance.

A new approval form was developed for federal program directors to document the review and processing of Suspension and Debarment applicability at the start of the procurement process. The Advance Contract Approval for Suspension and Debarment form was discussed with federal program directors and is required as notification for any contract or procurement in excess of \$25,000 from federal funds.

In addition to requiring the Advance Contract Approval for Suspension and Debarment from federal program directors, the Director of Business and Technology, as part of the daily purchase order review, examines all potential purchases and flags any purchases from federal funds that may be subject to Suspension and Debarment review.

A Post Award Checklist for Federal Grants was developed and is being used by federal program directors and Director of Business and Technology to document grant-specific deadlines and requirements. Copies of the Post Award Checklist for each federal grant period are maintained in the applicable grant folders for the federal program directors and Director of Business and Technology. Suspension and Debarment review is included in the Checklist for each grant.

At the start of each federal grant period, federal program directors are reviewing the applicable OMB Circular A-133 Compliance Supplement and/or the Uniform Guidance for their specific federal grants to ensure that grant-specific requirements are identified and met each year. Copies of the applicable Compliance Supplements and/or Uniform Guidance are maintained in the applicable grant folders for the federal program directors and Director of Business and Technology. Review of the Compliance Supplement / Uniform Guidance includes a review of federal Suspension and Debarment requirements for the specific federal program.



Signature

Director of Business and Technology
Title



Date

OTHER REPORTS

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