

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

AUDIT REPORT

OF

ALEXANDRIA COMMUNITY SCHOOL CORPORATION

MADISON COUNTY, INDIANA

July 1, 2006 to June 30, 2008



FILED

05/13/2009

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis	7-8
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds	9-10
Proprietary Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Proprietary Funds	11-12
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds	13-14
Notes to Financial Statements	15-27
Required Supplementary Information:	
Schedule of Funding Progress	28
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds	29-42
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Pension Trust Funds	43-44
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds	45-46
Schedule of Capital Assets	47
Schedule of Long-Term Debt	48
Audit Results and Comments:	
Investments	49
Personal Expenses	49-50
Travel Policy	50
Federal and State Compliance – Title I Cash Management Requirement	51
Title I – Timely Reporting	51
Disbursements – Procedures, Documentation, and Approvals	51-52
Transaction Recording – Transfers and Loans	52
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	54-55
Schedule of Expenditures of Federal Awards	56-57
Notes to Schedule of Expenditures of Federal Awards	58
Schedule of Findings and Questioned Costs	59-60
Auditee Prepared Schedules:	
Summary Schedule of Prior Audit Findings	61
Corrective Action Plan	62
Exit Conference	63

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Business Manager/Treasurer	Cheryl D. Harvey	07-01-06 to 06-30-09
Superintendent of Schools	Dr. James Willey Dr. Alice Mehaffey (Interim)	07-01-06 to 01-02-09 01-03-09 to 06-30-09
President of the School Board	Dr. Thomas Gaunt, O.D. George McFerran Jeffrey Montgomery	07-01-06 to 06-30-07 07-01-07 to 06-30-08 07-01-08 to 06-30-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

TO: THE OFFICIALS OF THE ALEXANDRIA COMMUNITY
SCHOOL CORPORATION, MADISON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Alexandria Community School Corporation (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2007 and 2008, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated April 20, 2009, 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 audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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

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

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

STATE BOARD OF ACCOUNTS

April 20, 2009



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ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

TO: THE OFFICIALS OF THE ALEXANDRIA COMMUNITY
SCHOOL CORPORATION, MADISON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Alexandria Community School Corporation (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated April 20, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management in a separate letter dated April 20, 2009.

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

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

STATE BOARD OF ACCOUNTS

April 20, 2009

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 7,634,454	\$ -	\$ 137,268	\$ (7,497,186)
Support services	8,230,023	720,934	16,495	(7,492,594)
Community services	196,089	-	-	(196,089)
Nonprogrammed charges	222,983	-	-	(222,983)
Debt service	514,301	-	-	(514,301)
	<u>\$ 16,797,850</u>	<u>\$ 720,934</u>	<u>\$ 153,763</u>	<u>(15,923,153)</u>
General receipts:				
Property taxes				1,936,435
Other local sources				374,181
State aid				7,660,332
Grants and contributions not restricted to specific programs				3,989,444
Investment earnings				459,697
				<u>14,420,089</u>
Change in net assets				(1,503,064)
Net assets - beginning				<u>8,526,557</u>
Restated/reclassified - See Note III.C.				<u>(2,021)</u>
Net assets - beginning (restated)				<u>8,524,536</u>
Net assets - ending				<u>\$ 7,021,472</u>
<u>Assets</u>				
Cash and investments				\$ 5,823,777
Restricted assets:				
Cash and investments				<u>1,197,695</u>
Total assets				<u>\$ 7,021,472</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 53,460
Other purposes				1,144,235
Unrestricted				<u>5,823,777</u>
Total net assets				<u>\$ 7,021,472</u>

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 7,707,030	\$ -	\$ 187,430	\$ (7,519,600)
Support services	5,029,499	512,838	272,455	(4,244,206)
Community services	194,034	-	-	(194,034)
Nonprogrammed charges	308,949	-	-	(308,949)
Debt service	834,744	-	-	(834,744)
	<u>\$ 14,074,256</u>	<u>\$ 512,838</u>	<u>\$ 459,885</u>	<u>(13,101,533)</u>
General receipts:				
Property taxes				4,513,528
Other local sources				174,447
State aid				7,368,824
Grants and contributions not restricted to specific programs				1,105,364
Sale of property, adjustments, and refunds				29,350
Investment earnings				342,878
Transfers				12,000
				<u>13,546,391</u>
Total general receipts and transfers				<u>13,546,391</u>
Change in net assets				444,858
Net assets - beginning				<u>7,021,472</u>
Net assets - ending				<u>\$ 7,466,330</u>
<u>Assets</u>				
Cash and investments				\$ 6,286,012
Restricted assets:				
Cash and investments				<u>1,180,922</u>
Total assets				<u>\$ 7,466,934</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 6,161
Other purposes				1,174,761
Unrestricted				<u>6,286,012</u>
Total net assets				<u>\$ 7,466,934</u>

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	General	Transportation Operating	Rainy Day	Computer Consortium Advancements	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:									
Local sources	\$ 2,706,791	\$ 412,974	\$ -	\$ -	\$ 712,911	\$ 1,103,848	\$ 6,818	\$ 570,013	\$ 5,513,355
Intermediate sources	39	-	-	-	-	-	-	375	414
State sources	7,523,286	-	-	201,092	-	-	-	142,541	7,866,919
Federal sources	-	-	-	-	-	-	-	1,067,154	1,067,154
Sale of property, adjustments and refunds	29,350	-	-	-	-	-	-	-	29,350
Interfund loans	868,000	360,000	576,000	-	100,000	500,000	18,000	300,000	2,722,000
Total receipts	11,127,466	772,974	576,000	201,092	812,911	1,603,848	24,818	2,080,083	17,199,192
Disbursements:									
Current:									
Instruction	6,918,094	-	-	-	-	-	-	788,936	7,707,030
Support services	2,494,167	440,547	-	201,092	-	903,008	103,103	887,582	5,029,499
Community services	193,148	-	-	-	-	-	-	886	194,034
Nonprogrammed charges	80,503	11,894	-	-	8,691	-	1,100	206,761	308,949
Debt services	-	-	-	-	641,671	-	-	193,073	834,744
Interfund loans	868,000	360,000	410,000	-	225,000	635,000	8,000	216,000	2,722,000
Total disbursements	10,553,912	812,441	410,000	201,092	875,362	1,538,008	112,203	2,293,238	16,796,256
Excess (deficiency) of receipts over disbursements	573,554	(39,467)	166,000	-	(62,451)	65,840	(87,385)	(213,155)	402,936
Other financing sources (uses):									
Transfers in	12,000	-	-	-	-	-	-	218,858	230,858
Transfers out	-	-	-	-	-	-	-	(218,858)	(218,858)
Total other financing sources (uses)	12,000	-	-	-	-	-	-	-	12,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	585,554	(39,467)	166,000	-	(62,451)	65,840	(87,385)	(213,155)	414,936
Cash and investments - beginning (restated)	3,765,710	93,772	501,193	-	53,355	102,172	93,031	1,268,004	5,877,237
Cash and investments - ending	\$ 4,351,264	\$ 54,305	\$ 667,193	\$ -	\$ (9,096)	\$ 168,012	\$ 5,646	\$ 1,054,849	6,292,173
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:									
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.									
									1,174,761
Net assets of governmental activities									\$ 7,466,934
Cash and Investment Assets - Ending									
Cash and investments	\$ 4,351,264	\$ 54,305	\$ 667,193	\$ -	\$ (9,096)	\$ 168,012	\$ 5,646	\$ 1,048,688	\$ 6,286,012
Restricted assets:									
Cash and investments	-	-	-	-	-	-	-	6,161	6,161
Total cash and investment assets - ending	\$ 4,351,264	\$ 54,305	\$ 667,193	\$ -	\$ (9,096)	\$ 168,012	\$ 5,646	\$ 1,054,849	\$ 6,292,173
Cash and Investment Fund Balance - Ending									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,161	\$ 6,161
Unrestricted	4,351,264	54,305	667,193	-	(9,096)	168,012	5,646	1,048,688	6,286,012
Total cash and investment fund balance - ending	\$ 4,351,264	\$ 54,305	\$ 667,193	\$ -	\$ (9,096)	\$ 168,012	\$ 5,646	\$ 1,054,849	\$ 6,292,173

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	General	Transportation Operating	Rainy Day	Computer Consortium Advancements	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:									
Local sources	\$ 2,706,791	\$ 412,974	\$ -	\$ -	\$ 712,911	\$ 1,103,848	\$ 6,818	\$ 570,013	\$ 5,513,355
Intermediate sources	39	-	-	-	-	-	-	375	414
State sources	7,523,286	-	-	201,092	-	-	-	142,541	7,866,919
Federal sources	-	-	-	-	-	-	-	1,067,154	1,067,154
Sale of property, adjustments and refunds	29,350	-	-	-	-	-	-	-	29,350
Interfund loans	868,000	360,000	576,000	-	100,000	500,000	18,000	300,000	2,722,000
Total receipts	11,127,466	772,974	576,000	201,092	812,911	1,603,848	24,818	2,080,083	17,199,192
Disbursements:									
Current:									
Instruction	6,918,094	-	-	-	-	-	-	788,936	7,707,030
Support services	2,494,167	440,547	-	201,092	-	903,008	103,103	887,582	5,029,499
Community services	193,148	-	-	-	-	-	-	886	194,034
Nonprogrammed charges	80,503	11,894	-	-	8,691	-	1,100	206,761	308,949
Debt services	-	-	-	-	641,671	-	-	193,073	834,744
Interfund loans	868,000	360,000	410,000	-	225,000	635,000	8,000	216,000	2,722,000
Total disbursements	10,553,912	812,441	410,000	201,092	875,362	1,538,008	112,203	2,293,238	16,796,256
Excess (deficiency) of receipts over disbursements	573,554	(39,467)	166,000	-	(62,451)	65,840	(87,385)	(213,155)	402,936
Other financing sources (uses):									
Transfers in	12,000	-	-	-	-	-	-	218,858	230,858
Transfers out	-	-	-	-	-	-	-	(218,858)	(218,858)
Total other financing sources (uses)	12,000	-	-	-	-	-	-	-	12,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	585,554	(39,467)	166,000	-	(62,451)	65,840	(87,385)	(213,155)	414,936
Cash and investments - beginning	3,765,710	93,772	501,193	-	53,355	102,172	93,031	1,268,004	5,877,237
Cash and investments - ending	\$ 4,351,264	\$ 54,305	\$ 667,193	\$ -	\$ (9,096)	\$ 168,012	\$ 5,646	\$ 1,054,849	6,292,173
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:									
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.									
									1,174,761
Net assets of governmental activities									\$ 7,466,934
Cash and Investment Assets - Ending									
Cash and investments	\$ 4,351,264	\$ 54,305	\$ 667,193	\$ -	\$ (9,096)	\$ 168,012	\$ 5,646	\$ 1,048,688	\$ 6,286,012
Restricted assets:									
Cash and investments	-	-	-	-	-	-	-	6,161	6,161
Total cash and investment assets - ending	\$ 4,351,264	\$ 54,305	\$ 667,193	\$ -	\$ (9,096)	\$ 168,012	\$ 5,646	\$ 1,054,849	\$ 6,292,173
Cash and Investment Fund Balance - Ending									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,161	\$ 6,161
Unrestricted	4,351,264	54,305	667,193	-	(9,096)	168,012	5,646	1,048,688	6,286,012
Total cash and investment fund balance - ending	\$ 4,351,264	\$ 54,305	\$ 667,193	\$ -	\$ (9,096)	\$ 168,012	\$ 5,646	\$ 1,054,849	\$ 6,292,173

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
For the Year Ended June 30, 2007

	<u>Internal Service Fund</u>
Operating receipts:	
Miscellaneous	\$ 42,297
Change in net assets	42,297
Cash and investment fund balance - beginning	<u>1,101,938</u>
Cash and investment fund balance - ending	<u>\$ 1,144,235</u>
 <u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 1,144,235
Total cash and investment assets - ending	<u>\$ 1,144,235</u>
 <u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 1,144,235
Total cash and investment fund balance - ending	<u>\$ 1,144,235</u>

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
For the Year Ended June 30, 2008

	Internal Service Fund
Operating receipts:	
Miscellaneous	\$ 30,526
Change in net assets	30,526
Cash and investment fund balance - beginning	1,144,235
Cash and investment fund balance - ending	\$ 1,174,761
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 1,174,761
Total cash and investment assets - ending	\$ 1,174,761
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 1,174,761
Total cash and investment fund balance - ending	\$ 1,174,761

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2007

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 7,448	
Total additions	-	7,448	
Deductions:			
Administrative and general	-	5,213	
Total deductions	-	5,213	
Excess of total additions over total deductions	-	2,235	
Cash and investment fund balance - beginning	1,622,406	1,400	
Restatement/reclassification - See Note III.C.	-	2,021	
Cash and investment fund balance - beginning (restated)	1,622,406	3,421	
Cash and investment fund balance - ending	\$ 1,622,406	\$ 5,656	\$ 7,908
Net assets:			
Cash and investments	\$ 1,622,406	\$ 5,656	
Total net assets - cash and investment basis held in trust	\$ 1,622,406	\$ 5,656	

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2008

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ 501	\$ 14,000	
Investment earnings:			
Interest	96,338	-	
Total additions	96,839	14,000	
Deductions:			
Administrative and general	12,000	852	
Transfer out	12,000	-	
Total deductions	24,000	852	
Excess of total additions over total deductions	72,839	13,148	
Cash and investment fund balance - beginning	1,622,406	5,656	
Cash and investment fund balance - ending	\$ 1,695,245	\$ 18,804	\$ 8,989
Net assets:			
Cash and investments	\$ 1,695,245	\$ 18,804	
Total net assets - cash and investment basis held in trust	\$ 1,695,245	\$ 18,804	

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: Alexandria Community School Corporation

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

Joint Ventures

The primary government is a participant with other school corporations in a joint venture to operate East Central Educational Service Center (Service Center) which was created to increase the school corporations buying power when purchasing services, materials, supplies, and equipment. The primary government is obligated by contract to remit \$3.50 per student as a membership fee, annually. The primary government paid \$5,594.75 and \$5,542.25 to the Service Center in the 2006-2007 and 2007-2008 school years, respectively. The Service Center uses its surplus resources to undertake special projects for the participants. The Service Center's continued existence depends on continued funding by the primary government. Complete financial statements for the Service Center can be obtained from the East Central Educational Services Center, 1601 Indiana Avenue, Connersville, IN 47331.

The School Corporation is a participant with Anderson Community Schools, Blue River Valley School, and Elwood Community School in a joint venture to operate the Anderson Community School Special Education Cooperative which was created to provide special education services to eligible students. The Cooperative's continued existence depends on continued funding by the participating school corporations. Complete financial statements for the Cooperative can be obtained from the Anderson Community School Corporation, 1229 Lincoln Street, Anderson IN 46016.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

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

The School Corporation reports the following major governmental funds:

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

The transportation operating fund accounts for financial resources for the transportation of school children to and from school.

The rainy day fund is used to account for funds in accordance with Indiana Code 36-1-8-5.1 and the locally adopted resolution.

The computer consortium advancements fund is used to account for common school fund loan receipts and disbursements in planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

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

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

The school bus replacement fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for self-insurance plan established to pay for expenses for medical benefits to employees, retirees, and dependents.

The pension trust funds account for the activities of the retirement/severance bond fund and the post retirement/severance future benefit fund, which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the professional development of staff and specific student educational needs.

Agency funds account for assets held by the School Corporation as an agent for employees, federal and state agencies, and other insurance companies and serve as a control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Measurement Focus and Basis of Accounting

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

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the governmental funds and fiduciary funds. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. 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% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance).

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Capital Assets

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

4. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as receipts and payment of principal and interest reported as disbursements.

5. Equity Classification

Government-Wide Statements

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

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

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds and the similar discretely presented component unit result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

Government-Wide Financial Statements

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

1. Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

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

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2008, the School Corporation had deposit balances in the amount of \$7,637,412. Of this amount, the following was exposed to custodial credit risk:

	2008
Uninsured deposits collateralized with securities held by the pledging financial institution	\$ 6,992,414

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

2. Investments

As of June 30, 2008, the School Corporation had an investment of \$1,510,591 with TrustIndiana, a state and local investment pool.

Statutory Authorization for Investments

Indiana Code 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the School Corporation to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The School Corporation does not have a formal investment policy for custodial credit risk for investments.

The following investments held by the School Corporation were exposed to custodial credit risks because they are uninsured and unregistered with securities held by the counterparty, or the counterparty's trust department or agent, either in the government's name or not in the government's name:

Investment Type	2008 In the Government's Name
Government investment pool	\$ 1,510,591

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School Corporation must follow state statute and limit the stated final maturities of the investments to no more than two years.

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below. The School Corporation does not have a formal investment policy for credit risk for investments.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School Corporation does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

Foreign Currency Risk

The School Corporation does not have a formal policy in regards to foreign currency risk.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2007 and 2008, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2007</u>	<u>2008</u>
All others	General Fund	\$ -	\$ 12,000
Other governmental funds	Other governmental funds	<u>235,380</u>	<u>218,858</u>
Totals		<u>\$ 235,380</u>	<u>\$ 230,858</u>

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

C. Restatements and Reclassifications

For the year ended June 30, 2006, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit. Prior period adjustments represent reclassification of fund types.

<u>Opinion Unit</u>	<u>Balance as Reported June 30, 2006</u>	<u>Fund Reclassification</u>	<u>Balance as Restated July 1, 2006</u>
Government-wide	\$ 8,526,557	\$ (2,021)	\$ 8,524,536
Governmental Funds -			
Other Governmental Funds	7,424,619	(2,021)	7,422,598
Fiduciary Funds -			
Private-Purpose Trust Funds	1,400	2,021	3,421

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

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

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Medical Benefits to Employees, Retirees, and Dependents (Excluding Postemployment Benefits)

Through December 31, 2000, the School Corporation chose to establish a risk-financing fund for risk associated with medical benefits to employees, retirees, and dependents (excluding post-employment benefits). The risk financing fund is accounted for in the Self-Insurance Fund, an internal service fund, where assets were set aside for claim settlements. The School Corporation is no longer actively using the Self-Insurance Fund, but joined a risk pool with other governmental units.

During 2001, the School Corporation joined with other governmental entities to form the North Central Indiana School Insurance Consortium, a public entity risk pool currently operating as a common risk management and insurance program for six member governmental entities. This risk pool was formed in 2001. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to employees, retirees, and dependents (excluding post-employment benefits). The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$100,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$100,000 limit.

B. Subsequent Events

Construction with Energy Savings Contract

The School Corporation entered into a Guaranteed Energy Saving Contract on June 9, 2008, which included various energy savings measurers at the High School and Intermediate School. The cost estimate was \$3,878,121. On June 30, 2008, the School Corporation borrowed \$3,342,000 to pay for the construction. The interest rate was 3.43% and will be repaid over 10 years. The balance of funding will be from the Capital Projects Fund.

Construction started prior to and continued though the end of the school year with the certificate of substantial completion signed November 7, 2008. Similarly, funds were drawn down and paid to the contractor through that date.

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Termination Benefits

Early Retirement Incentive

In addition to the pension benefits described below, the School Corporation provides postemployment early retirement benefits, as authorized by Indiana Code 5-10-8, to qualifying employees who retire from the School Corporation on or after attaining age 55, and until they reach the age 65, with at least 12 years of service and meet the early retirement criteria as described in the Master Contract. Currently, 29 retirees meet these eligibility requirements. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2008, disbursements of \$341,806 were recognized for early retirement benefits.

D. Other Postemployment Benefits

Health Insurance

For those retirees meeting the early retirement criteria, the School Corporation provides postemployment health insurance benefits, as authorized by IC 5-10-8, for qualifying employees who retire from the School Corporation on or after attaining age 55, and until they reach age 65, with at least 12 years of service and meet the early retirement criteria as described in the Master Contract. Currently, 29 retirees meet these eligibility requirements. Each retiree pays \$1 per school year for this postemployment health insurance benefit. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2008, disbursements of \$151,196 were recognized for postemployment health insurance benefits.

E. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plans

a. Public Employees' Retirement Fund

Plan Description

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

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 60,710
Interest on net pension obligation	(3,589)
Adjustment to annual required contribution	4,090
Annual pension cost	61,211
Contributions made	55,053
Increase in net pension obligation	6,158
Net pension obligation, beginning of year	(49,500)
Net pension obligation, end of year	\$ (43,342)

	PERF
Contribution rates:	
School Corporation	6.75%
Plan members	3%
Actuarial valuation date	07-01-07
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions	PERF
Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-05	\$ 51,544	99%	\$ (59,604)
	06-30-06	59,824	83%	(49,500)
	06-30-07	61,211	90%	(43,342)

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

Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Costs

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.

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Plan members are required to contribute 3% of their salary which is paid by the School Corporation. The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2008, 2007, and 2006, were \$158,369, \$146,493, and \$151,837, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years, respectively.

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 989,489	\$ 1,138,143	\$ (148,654)	87%	\$ 911,137	(16%)
07-01-06	1,019,818	1,075,771	(55,953)	95%	942,109	(6%)
07-01-07	1,078,478	1,114,807	(36,329)	97%	940,535	(4%)

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007

	Pre-School Special Education	School Lunch	Textbook Rental	Levy Excess	Educational Plate Fee	Safe Haven FY 06
Receipts:						
Local sources	\$ 3,211	\$ 645,004	\$ 55,495	\$ 139,916	\$ -	\$ -
Intermediate sources	-	-	-	-	788	-
State sources	41,235	6,921	9,267	-	-	-
Federal sources	-	308	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	44,446	652,233	64,762	139,916	788	-
Disbursements:						
Current:						
Instruction	83,713	-	-	-	-	-
Support services	-	677,810	63,323	-	-	724
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	83,713	677,810	63,323	-	-	724
Excess (deficiency) of receipts over disbursements	(39,267)	(25,577)	1,439	139,916	788	(724)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(39,267)	(25,577)	1,439	139,916	788	(724)
Cash and investments - beginning	50,641	260,966	19,774	176,404	2,845	1,607
Cash and investments - ending	\$ 11,374	\$ 235,389	\$ 21,213	\$ 316,320	\$ 3,633	\$ 883
Cash and Investment Assets - Ending						
Cash and investments	\$ 11,374	\$ 235,389	\$ 21,213	\$ 316,320	\$ 3,633	\$ 883
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 11,374	\$ 235,389	\$ 21,213	\$ 316,320	\$ 3,633	\$ 883
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	11,374	235,389	21,213	316,320	3,633	883
Total cash and investment fund balance - ending	\$ 11,374	\$ 235,389	\$ 21,213	\$ 316,320	\$ 3,633	\$ 883

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	G/T Grant FY 05-06	Beginning Teacher Grant	GT Grant FY 06-07	Non Speaking English Grant	School Technology	Technology- Cyberlink
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	3,600	13,237	-	15,511	-
Federal sources	-	-	-	-	-	11,400
Interfund loans	-	-	-	-	-	-
Total receipts	-	3,600	13,237	-	15,511	11,400
Disbursements:						
Current:						
Instruction	5,758	-	555	-	-	-
Support services	-	1,916	-	-	-	11,304
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	5,758	1,916	555	-	-	11,304
Excess (deficiency) of receipts over disbursements	(5,758)	1,684	12,682	-	15,511	96
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,758)	1,684	12,682	-	15,511	96
Cash and investments - beginning	5,758	-	-	1,055	28,780	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,684</u>	<u>\$ 12,682</u>	<u>\$ 1,055</u>	<u>\$ 44,291</u>	<u>\$ 96</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 12,682	\$ 1,684	\$ -	\$ 1,055	\$ 44,291	\$ 96
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 12,682</u>	<u>\$ 1,684</u>	<u>\$ -</u>	<u>\$ 1,055</u>	<u>\$ 44,291</u>	<u>\$ 96</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	12,682	1,684	-	1,055	44,291	96
Total cash and investment fund balance - ending	<u>\$ 12,682</u>	<u>\$ 1,684</u>	<u>\$ -</u>	<u>\$ 1,055</u>	<u>\$ 44,291</u>	<u>\$ 96</u>

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Title I FY 06	Title I Improvement FY 06	Title I Regular FY 06-07	Title I Improvement FY 06-07	Title V Innov Educ Ends 06	Title V Part A FY 06-07
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	84,000	-	158,035	25,020	11,900	25,624
Interfund loans	-	-	-	-	-	-
Total receipts	<u>84,000</u>	<u>-</u>	<u>158,035</u>	<u>25,020</u>	<u>11,900</u>	<u>25,624</u>
Disbursements:						
Current:						
Instruction	9,343	300	69,051	-	-	-
Support services	2,940	13,625	65,525	25,020	13,296	11,005
Community services	-	1,947	-	-	393	-
Nonprogrammed charges	1,780	-	-	-	105	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>14,063</u>	<u>15,872</u>	<u>134,576</u>	<u>25,020</u>	<u>13,794</u>	<u>11,005</u>
Excess (deficiency) of receipts over disbursements	<u>69,937</u>	<u>(15,872)</u>	<u>23,459</u>	<u>-</u>	<u>(1,894)</u>	<u>14,619</u>
Other financing sources (uses):						
Transfers in	-	-	33,313	-	-	-
Transfers out	(33,313)	-	-	-	-	-
Total other financing sources (uses)	<u>(33,313)</u>	<u>-</u>	<u>33,313</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>36,624</u>	<u>(15,872)</u>	<u>56,772</u>	<u>-</u>	<u>(1,894)</u>	<u>14,619</u>
Cash and investments - beginning	<u>(36,624)</u>	<u>15,872</u>	<u>-</u>	<u>-</u>	<u>1,894</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,772</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,619</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ 56,772	\$ -	\$ -	\$ 14,619
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,772</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,619</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	56,772	-	-	14,619
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,772</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,619</u>

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Title I Migrant FY 06-07	Part B Carryover FY 06-07	Special Ed Part B FY 06-07	Sliver Grant FY 06	Special Ed Part B FY 06	Part B Carryover FY 06
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	50,000	-	355,595	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	50,000	-	355,595	-	-	-
Disbursements:						
Current:						
Instruction	49,545	174,187	77,297	965	51,792	1,377
Support services	455	2,279	-	-	2,585	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	50,000	176,466	77,297	965	54,377	1,377
Excess (deficiency) of receipts over disbursements	-	(176,466)	278,298	(965)	(54,377)	(1,377)
Other financing sources (uses):						
Transfers in	-	195,382	-	-	-	-
Transfers out	-	-	-	-	(195,382)	-
Total other financing sources (uses)	-	195,382	-	-	(195,382)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	18,916	278,298	(965)	(249,759)	(1,377)
Cash and investments - beginning	-	-	-	965	249,759	1,377
Cash and investments - ending	\$ -	\$ 18,916	\$ 278,298	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 18,916	\$ 278,298	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 18,916	\$ 278,298	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	18,916	278,298	-	-	-
Total cash and investment fund balance - ending	\$ -	\$ 18,916	\$ 278,298	\$ -	\$ -	\$ -

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Special Ed Preschool CO 06-07	Preschool Carryover FY 06	Special Ed Preschool FY 06	Special Ed Preschool FY 06-07	Title IV Drug Free Ends 06	Title IV Safe & Drug Free FY 06-07
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	16,612	1,018	8,086
Interfund loans	-	-	-	-	-	-
Total receipts	-	-	-	16,612	1,018	8,086
Disbursements:						
Current:						
Instruction	6,585	184	2,046	12,438	122	249
Support services	-	-	-	-	1,038	6,877
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	6,585	184	2,046	12,438	1,160	7,126
Excess (deficiency) of receipts over disbursements	(6,585)	(184)	(2,046)	4,174	(142)	960
Other financing sources (uses):						
Transfers in	6,685	-	-	-	-	-
Transfers out	-	-	(6,685)	-	-	-
Total other financing sources (uses)	6,685	-	(6,685)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	100	(184)	(8,731)	4,174	(142)	960
Cash and investments - beginning	-	184	8,731	-	142	-
Cash and investments - ending	\$ 100	\$ -	\$ -	\$ 4,174	\$ -	\$ 960
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 100	\$ -	\$ -	\$ 4,174	\$ -	\$ 960
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 100	\$ -	\$ -	\$ 4,174	\$ -	\$ 960
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	100	-	-	4,174	-	960
Total cash and investment fund balance - ending	\$ 100	\$ -	\$ -	\$ 4,174	\$ -	\$ 960

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Title IIA (Class Size) Ends 06	Title II A FY 06-07 CFDA 84.367	Title IID FY 06-07	Title IID Ends 06	Ed Tech Project 1:1	Ed Tech Grant FY 06-07
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	60,136	4,162	-	-	74,000
Interfund loans	-	-	-	-	-	-
Total receipts	-	60,136	4,162	-	-	74,000
Disbursements:						
Current:						
Instruction	7,070	-	-	-	-	966
Support services	35,136	30,000	75	1,883	-	51,896
Community services	-	-	-	-	-	-
Nonprogrammed charges	800	-	-	-	-	100
Debt services	-	-	-	-	-	-
Total disbursements	43,006	30,000	75	1,883	-	52,962
Excess (deficiency) of receipts over disbursements	(43,006)	30,136	4,087	(1,883)	-	21,038
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(43,006)	30,136	4,087	(1,883)	-	21,038
Cash and investments - beginning	43,006	-	-	1,883	3,659	-
Cash and investments - ending	\$ -	\$ 30,136	\$ 4,087	\$ -	\$ 3,659	\$ 21,038
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 30,136	\$ 4,087	\$ -	\$ 3,659	\$ 21,038
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 30,136	\$ 4,087	\$ -	\$ 3,659	\$ 21,038
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	30,136	4,087	-	3,659	21,038
Total cash and investment fund balance - ending	\$ -	\$ 30,136	\$ 4,087	\$ -	\$ 3,659	\$ 21,038

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Title III FY 06	Title III FY 06-07	Ed Tech Grant FY 05-06	Retirement/ Severance Bond	Repair and Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 175,970	\$ -	\$ 1,019,596
Intermediate sources	-	-	-	-	-	788
State sources	-	-	-	-	-	89,771
Federal sources	-	2,699	-	-	-	888,595
Interfund loans	-	-	-	16,000	-	16,000
Total receipts	-	2,699	-	191,970	-	2,014,750
Disbursements:						
Current:						
Instruction	41	2,246	601	-	-	556,431
Support services	-	-	25,816	-	-	1,044,528
Community services	-	-	-	-	-	2,340
Nonprogrammed charges	-	-	-	-	-	2,785
Debt services	-	-	-	188,422	-	188,422
Total disbursements	41	2,246	26,417	188,422	-	1,794,506
Excess (deficiency) of receipts over disbursements	(41)	453	(26,417)	3,548	-	220,244
Other financing sources (uses):						
Transfers in	-	-	-	-	-	235,380
Transfers out	-	-	-	-	-	(235,380)
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(41)	453	(26,417)	3,548	-	220,244
Cash and investments - beginning	3,692	-	26,417	(3,443)	182,416	1,047,760
Cash and investments - ending	\$ 3,651	\$ 453	\$ -	\$ 105	\$ 182,416	\$ 1,268,004
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 3,651	\$ 453	\$ -	\$ -	\$ 182,416	\$ 1,267,899
Restricted assets:						
Cash and investments	-	-	-	105	-	105
Total cash and investment assets - ending	\$ 3,651	\$ 453	\$ -	\$ 105	\$ 182,416	\$ 1,268,004
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 105	\$ -	\$ 105
Unrestricted	3,651	453	-	-	182,416	1,267,899
Total cash and investment fund balance - ending	\$ 3,651	\$ 453	\$ -	\$ 105	\$ 182,416	\$ 1,268,004

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008

	Pre-School Special Education	School Lunch	Textbook Rental	Levy Excess	Educational Plate Fee	Safe Haven FY 06
Receipts:						
Local sources	\$ 15,365	\$ 390,265	\$ 48,629	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	375	-
State sources	53,581	5,847	20,617	-	-	-
Federal sources	-	244,689	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	68,946	640,801	69,246	-	375	-
Disbursements:						
Current:						
Instruction	47,422	-	-	-	-	-
Support services	-	612,746	48,481	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	215	-	-	139,916	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	47,637	612,746	48,481	139,916	-	-
Excess (deficiency) of receipts over disbursements	21,309	28,055	20,765	(139,916)	375	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	21,309	28,055	20,765	(139,916)	375	-
Cash and investments - beginning	11,374	235,389	21,213	316,320	3,633	883
Cash and investments - ending	\$ 32,683	\$ 263,444	\$ 41,978	\$ 176,404	\$ 4,008	\$ 883
Cash and Investment Assets - Ending						
Cash and investments	\$ 32,683	\$ 263,444	\$ 41,978	\$ 176,404	\$ 4,008	\$ 883
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 32,683	\$ 263,444	\$ 41,978	\$ 176,404	\$ 4,008	\$ 883
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	32,683	263,444	41,978	176,404	4,008	883
Total cash and investment fund balance - ending	\$ 32,683	\$ 263,444	\$ 41,978	\$ 176,404	\$ 4,008	\$ 883

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	High Ability Grant	Beginning Teacher Grant	GT Grant FY 06-07	Non Speaking English Grant	School Technology	Access Indiana
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	32,324	-	-	1,946	25,726	2,500
Federal sources	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	<u>32,324</u>	<u>-</u>	<u>-</u>	<u>1,946</u>	<u>25,726</u>	<u>2,500</u>
Disbursements:						
Current:						
Instruction	32,324	-	12,682	-	-	-
Support services	-	-	-	-	18,750	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>32,324</u>	<u>-</u>	<u>12,682</u>	<u>-</u>	<u>18,750</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>(12,682)</u>	<u>1,946</u>	<u>6,976</u>	<u>2,500</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<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>-</u>	<u>-</u>	<u>(12,682)</u>	<u>1,946</u>	<u>6,976</u>	<u>2,500</u>
Cash and investments - beginning	<u>-</u>	<u>1,684</u>	<u>12,682</u>	<u>1,055</u>	<u>44,291</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,684</u>	<u>\$ -</u>	<u>\$ 3,001</u>	<u>\$ 51,267</u>	<u>\$ 2,500</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 1,684	\$ -	\$ 3,001	\$ 51,267	\$ 2,500
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 1,684</u>	<u>\$ -</u>	<u>\$ 3,001</u>	<u>\$ 51,267</u>	<u>\$ 2,500</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	1,684	-	3,001	51,267	2,500
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 1,684</u>	<u>\$ -</u>	<u>\$ 3,001</u>	<u>\$ 51,267</u>	<u>\$ 2,500</u>

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Technology- Cyberlink	Title I Regular FY 06-07	Title I FY 07-08	Title V Part A FY 07-08	Title V Part A FY 06-07	Migrant FY 07
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	38,000	33,384	206,297	2,862	-	50,000
Interfund loans	-	-	-	-	-	-
Total receipts	38,000	33,384	206,297	2,862	-	50,000
Disbursements:						
Current:						
Instruction	-	11,453	168,799	-	-	41,186
Support services	37,680	5,906	21,784	8,719	13,705	8,814
Community services	-	270	-	-	302	-
Nonprogrammed charges	-	65,156	-	-	612	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	37,680	82,785	190,583	8,719	14,619	50,000
Excess (deficiency) of receipts over disbursements	320	(49,401)	15,714	(5,857)	(14,619)	-
Other financing sources (uses):						
Transfers in	-	-	7,371	-	-	-
Transfers out	-	(7,371)	-	-	-	-
Total other financing sources (uses)	-	(7,371)	7,371	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	320	(56,772)	23,085	(5,857)	(14,619)	-
Cash and investments - beginning	96	56,772	-	-	14,619	-
Cash and investments - ending	<u>\$ 416</u>	<u>\$ -</u>	<u>\$ 23,085</u>	<u>\$ (5,857)</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 416	\$ -	\$ 23,085	\$ (5,857)	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 416</u>	<u>\$ -</u>	<u>\$ 23,085</u>	<u>\$ (5,857)</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	416	-	23,085	(5,857)	-	-
Total cash and investment fund balance - ending	<u>\$ 416</u>	<u>\$ -</u>	<u>\$ 23,085</u>	<u>\$ (5,857)</u>	<u>\$ -</u>	<u>\$ -</u>

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Part B Carryover FY 06-07	Special Ed Part B FY 06-07	Special Ed Part B FY 07-08	Sp. Ed Part B SY 07-08	Special Ed Preschool CO 06-07	Special Ed Preschool FY 06-07
Receipts:						
Local sources	\$ -	\$ 21	\$ -	\$ -	\$ -	\$ 604
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	358,280	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	-	21	-	358,280	-	604
Disbursements:						
Current:						
Instruction	4,489	78,090	191,758	143,244	-	-
Support services	14,427	-	-	-	100	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	18,916	78,090	191,758	143,244	100	-
Excess (deficiency) of receipts over disbursements	(18,916)	(78,069)	(191,758)	215,036	(100)	604
Other financing sources (uses):						
Transfers in	-	-	199,948	-	-	-
Transfers out	-	(199,948)	-	-	-	(4,778)
Total other financing sources (uses)	-	(199,948)	199,948	-	-	(4,778)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(18,916)	(278,017)	8,190	215,036	(100)	(4,174)
Cash and investments - beginning	18,916	278,298	-	-	100	4,174
Cash and investments - ending	\$ -	\$ 281	\$ 8,190	\$ 215,036	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 281	\$ 8,190	\$ 215,036	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 281	\$ 8,190	\$ 215,036	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	281	8,190	215,036	-	-
Total cash and investment fund balance - ending	\$ -	\$ 281	\$ 8,190	\$ 215,036	\$ -	\$ -

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Preschool Carryover	Preschool Carryover 07-08	Title IV 07-08 Safe & Drug Free	Title IV Safe & Drug Free FY 06-07	Title II A FY 06-07
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	16,360	7,202	-	-
Interfund loans	-	-	-	-	-
Total receipts	<u>-</u>	<u>16,360</u>	<u>7,202</u>	<u>-</u>	<u>-</u>
Disbursements:					
Current:					
Instruction	4,778	6,286	1,598	46	27,422
Support services	-	-	7,145	600	2,714
Community services	-	-	-	314	-
Nonprogrammed charges	-	-	862	-	-
Debt services	-	-	-	-	-
Interfund loans	-	-	-	-	-
Total disbursements	<u>4,778</u>	<u>6,286</u>	<u>9,605</u>	<u>960</u>	<u>30,136</u>
Excess (deficiency) of receipts over disbursements	<u>(4,778)</u>	<u>10,074</u>	<u>(2,403)</u>	<u>(960)</u>	<u>(30,136)</u>
Other financing sources (uses):					
Transfers in	4,778	-	6,761	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>4,778</u>	<u>-</u>	<u>6,761</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	10,074	4,358	(960)	(30,136)
Cash and investments - beginning	-	-	-	960	30,136
Cash and investments - ending	<u>\$ -</u>	<u>\$ 10,074</u>	<u>\$ 4,358</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ 10,074	\$ 4,358	\$ -	\$ -
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 10,074</u>	<u>\$ 4,358</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	10,074	4,358	-	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 10,074</u>	<u>\$ 4,358</u>	<u>\$ -</u>	<u>\$ -</u>

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Title II Part A SY 07-08	Title IID FY 06-07	Ed Tech Project 1:1	Ed Tech Grant FY 06-07	Ed Tech Grant 07-08
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	72,000	-	-	-	38,080
Interfund loans	-	-	-	-	-
Total receipts	72,000	-	-	-	38,080
Disbursements:					
Current:					
Instruction	17,355	-	-	4	-
Support services	39,274	4,087	-	21,034	21,163
Community services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
Interfund loans	-	-	-	-	-
Total disbursements	56,629	4,087	-	21,038	21,163
Excess (deficiency) of receipts over disbursements	15,371	(4,087)	-	(21,038)	16,917
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	(6,761)	-	-	-	-
Total other financing sources (uses)	(6,761)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,610	(4,087)	-	(21,038)	16,917
Cash and investments - beginning	-	4,087	3,659	21,038	-
Cash and investments - ending	<u>\$ 8,610</u>	<u>\$ -</u>	<u>\$ 3,659</u>	<u>\$ -</u>	<u>\$ 16,917</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 8,610	\$ -	\$ 3,659	\$ -	\$ 16,917
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 8,610</u>	<u>\$ -</u>	<u>\$ 3,659</u>	<u>\$ -</u>	<u>\$ 16,917</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	8,610	-	3,659	-	16,917
Total cash and investment fund balance - ending	<u>\$ 8,610</u>	<u>\$ -</u>	<u>\$ 3,659</u>	<u>\$ -</u>	<u>\$ 16,917</u>

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Title III FY 06	Title III FY 06-07	Retirement/ Severance Bond	Repair and Replacement	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ 115,129	\$ -	\$ 570,013
Intermediate sources	-	-	-	-	375
State sources	-	-	-	-	142,541
Federal sources	-	-	-	-	1,067,154
Interfund loans	-	-	300,000	-	300,000
Total receipts	-	-	415,129	-	2,080,083
Disbursements:					
Current:					
Instruction	-	-	-	-	788,936
Support services	-	453	-	-	887,582
Community services	-	-	-	-	886
Nonprogrammed charges	-	-	-	-	206,761
Debt services	-	-	193,073	-	193,073
Interfund loans	-	-	216,000	-	216,000
Total disbursements	-	453	409,073	-	2,293,238
Excess (deficiency) of receipts over disbursements	-	(453)	6,056	-	(213,155)
Other financing sources (uses):					
Transfers in	-	-	-	-	218,858
Transfers out	-	-	-	-	(218,858)
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(453)	6,056	-	(213,155)
Cash and investments - beginning	3,651	453	105	182,416	1,268,004
Cash and investments - ending	<u>\$ 3,651</u>	<u>\$ -</u>	<u>\$ 6,161</u>	<u>\$ 182,416</u>	<u>\$ 1,054,849</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 3,651	\$ -	\$ -	\$ 182,416	\$ 1,048,688
Restricted assets:					
Cash and investments	-	-	6,161	-	6,161
Total cash and investment assets - ending	<u>\$ 3,651</u>	<u>\$ -</u>	<u>\$ 6,161</u>	<u>\$ 182,416</u>	<u>\$ 1,054,849</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ 6,161	\$ -	\$ 6,161
Unrestricted	3,651	-	-	182,416	1,048,688
Total cash and investment fund balance - ending	<u>\$ 3,651</u>	<u>\$ -</u>	<u>\$ 6,161</u>	<u>\$ 182,416</u>	<u>\$ 1,054,849</u>

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2007

	<u>Retirement/ Severance Bond</u>	<u>Post-Retirement/ Severance Future Benefit</u>	<u>Totals</u>
Cash and investment fund balance - beginning	\$ 1,562,406	\$ 60,000	\$ 1,622,406
Cash and investment fund balance - ending	<u>\$ 1,562,406</u>	<u>\$ 60,000</u>	<u>\$ 1,622,406</u>
Net assets:			
Cash and investments	<u>\$ 1,562,406</u>	<u>\$ 60,000</u>	<u>\$ 1,622,406</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,562,406</u>	<u>\$ 60,000</u>	<u>\$ 1,622,406</u>

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2008

	Retirement/ Severance Bond	Post-Retirement/ Severance Future Benefit	Totals
Additions:			
Contributions:			
Other	\$ 501	\$ -	\$ 501
Investment earnings:			
Interest	96,338	-	96,338
Total additions	96,839	-	96,839
Deductions:			
Administrative and general	-	12,000	12,000
Transfer out	-	12,000	12,000
Total deductions	-	24,000	24,000
Excess (deficiency) of total additions over total deductions	96,839	(24,000)	72,839
Cash and investment fund balance - beginning	1,562,406	60,000	1,622,406
Cash and investment fund balance - ending	\$ 1,659,245	\$ 36,000	\$ 1,695,245
Net assets:			
Cash and investments	\$ 1,659,245	\$ 36,000	\$ 1,695,245
Total net assets - cash and investment basis held in trust	\$ 1,659,245	\$ 36,000	\$ 1,695,245

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007

	<u>Cape Grant Lilly</u>	<u>R. Burden - Elem Music Program</u>	<u>Career Explor- ation Grant - MS</u>	<u>Loves Donation</u>	<u>INSAI</u>	<u>Totals</u>
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ 200	\$ 7,248	\$ -	\$ 7,448
Total additions	<u>-</u>	<u>-</u>	<u>200</u>	<u>7,248</u>	<u>-</u>	<u>7,448</u>
Deductions:						
Administrative and general	<u>2</u>	<u>66</u>	<u>-</u>	<u>5,145</u>	<u>-</u>	<u>5,213</u>
Excess (deficiency) of total additions over total deductions	(2)	(66)	200	2,103	-	2,235
Cash and investment fund balance - beginning	<u>1,955</u>	<u>66</u>	<u>-</u>	<u>-</u>	<u>1,400</u>	<u>3,421</u>
Cash and investments - ending	<u>\$ 1,953</u>	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 2,103</u>	<u>\$ 1,400</u>	<u>\$ 5,656</u>
Net assets:						
Cash and investments	<u>\$ 1,953</u>	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 2,103</u>	<u>\$ 1,400</u>	<u>\$ 5,656</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,953</u>	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 2,103</u>	<u>\$ 1,400</u>	<u>\$ 5,656</u>

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	Cape Grant Lilly	Career Explor- ation Grant - MS	Lowe's Donation	Frat Order Eagles Donation	INSAI	Totals
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ -	\$ 14,000	\$ -	\$ 14,000
Deductions:						
Administrative and general	-	-	852	-	-	852
Excess (deficiency) of total additions over total deductions	-	-	(852)	14,000	-	13,148
Cash and investment fund balance - beginning	1,953	200	2,103	-	1,400	5,656
Cash and investment fund balance - ending	<u>\$ 1,953</u>	<u>\$ 200</u>	<u>\$ 1,251</u>	<u>\$ 14,000</u>	<u>\$ 1,400</u>	<u>\$ 18,804</u>
Net assets:						
Cash and investments	\$ 1,953	\$ 200	\$ 1,251	\$ 14,000	\$ 1,400	\$ 18,804
Total net assets - cash and investment basis held in trust	<u>\$ 1,953</u>	<u>\$ 200</u>	<u>\$ 1,251</u>	<u>\$ 14,000</u>	<u>\$ 1,400</u>	<u>\$ 18,804</u>

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended June 30, 2008

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.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 442,425
Infrastructure	20,003
Buildings	32,549,900
Improvements other than buildings	327,009
Machinery and equipment	<u>537,554</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 33,876,891</u>

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2008

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Common School Loans	\$ 5,286,843	\$ 551,578
Bonds payable:		
General obligation bonds:		
Pension Bond	<u>1,050,000</u>	<u>187,860</u>
Total governmental activities debt	<u>\$ 6,336,843</u>	<u>\$ 739,438</u>

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

INVESTMENTS

There were some errors in recording the sale of investments in the correct funds. The first instance, the sale of a \$1.5 million certificate of deposit (CD) which was bought by the Pension Bond Fund was confused with a \$1 million CD bought by the General Fund. When the time came for the two CDs to mature, the monies were placed in the wrong funds. The same mistake occurred between a Debt Service Fund investment of \$50,000 and a Self-Insurance Fund investment of \$850,000.

The School Corporation did not maintain the Register of Investments (Form 350) or an approved record.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

The form (Register of Investments, General Form 350) is designed to record investment transactions as they occur. It will reflect investments purchased and sold and the cost of those remaining on hand in each fund. The record will support the entries in the Clearing Account-Investments which controls investments from all funds.

The current inventory at any time must be represented either by a safekeeping receipt from a duly designated depository or actual physical custody of the securities. The Register of Investments is to be kept by the treasurer since that officer is the custodian of the securities. A separate line should be used for recording each security and a separate sheet should be used for each fund from which investments are made. A separate sheet should also be used for recording investments from "Total Monies on Deposit." The sheets for all investments may be kept in the same post binder.

Entries will be made as investments are purchased or sold. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 2)

PERSONAL EXPENSES

Some travel expenses paid by the School Corporation for two School Board members to attend the National School Board Association Conference were personal in nature. During the audit period, one School Board member attended two of the annual conferences and the other member attended one conference. Both members attended the April 2007 conference. They did not present receipts for food purchases, but presented credit card slips which did not identify the food or drink purchases. We noted that each Board member was travelling with other family members based on evidence reimbursing airfares. In 2008, the member attending the conference presented receipts for his food purchases. Airfare and meal reimbursements indicated another family member traveled with the Board member. We noted one instance where the School Corporation had reimbursed an alcohol purchase and several times when the receipt included two meals.

The 2007 meeting was held in San Francisco from April 13 to April 17. Costs submitted for meal reimbursements in 2007 were excessive and appear to include the Board member and other family member(s); we could not determine if any alcohol may have been included in the meal reimbursement amounts. The first Board member was reimbursed \$671.60 for meal purchases which included three meals costing over \$100 each. The most expensive meal cost was \$181.01. The second Board member was reimbursed \$731.43 for meal purchases which included three meals costing over \$100 each. The most expensive meal cost was \$191.38.

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

In 2008, the Board member was reimbursed for meals \$288.92, which included \$16.75 for alcohol. The receipts indicated that meals were for two people.

The reimbursed food costs for 2007 were excessive and would appear to include meals of other family members which are considered personal expenses. The receipts in 2008 identified the personal expenses paid for another family member, as well as, the alcohol purchase. A reimbursement is being requested for the personal expenses.

Dr. Thomas E. Gaunt, O.D. and Mr. George Mc Ferran, former School Board members, were requested to repay \$488.64 and \$487.86, respectively, for personal expenses. They reimbursed the School Corporation on April 10, 2009.

Every effort should be made by the governmental unit to avoid unreasonable or excessive costs. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Purchases of alcoholic beverages may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

TRAVEL POLICY

A statement of the travel policy was approved in the School Board minutes on May 7, 2001. The policy was never adopted into a resolution. The statement in the minutes approved "up to \$25 per diem for meals". Changes to the mileage rate reimbursement have been approved in various School Board minutes over the years. The practice has been to reimburse the actual amount for travel related meals. We noted that some amounts exceeded the \$25 per diem allowed, but many did not.

There is no clear written directive as to when an employee or official is on travel status. Other expenditures related to travel status; lodging, etc were not covered by any policy.

Each governmental unit should adopt a written travel policy in conformity with applicable statutes. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Reimbursement for lodging and meals should be based upon actual receipts for amounts paid unless otherwise authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

FEDERAL AND STATE COMPLIANCE - TITLE I CASH MANAGEMENT REQUIREMENT

We noted Title I grant funds for the "07-5265" and "08-5265" award periods had large cash balances in 7 out of 12 months and 6 out of 12 months, respectively. A balance was considered large if the month-end balance was greater than the total of 2 months of average expenditures. The "Cash on Hand" balance ranged in surplus from \$53,671.72 to \$34,342.85 for grant "07-5265" in the months of December 2006 to June 2007 and \$63,158.09 to \$16,567.41 for grant "08-5265" in the months of November 2007 to April 2008.

EDGAR 80.20(b)(7) states in part: "Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and sub-grantees must be followed whenever advance payment procedures are used . . . Grantees must monitor cash draw downs by their sub-grantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

The IASA, Title I Quarterly Monitoring Report states in part: "The Federal Government requires that the amount of Cash-on-Hand at each Local Educational Agency (LEA) be as near '0' as possible at the end of each month . . . Your cash balance at the end of each quarter should be zero (0) or as near (0) as possible."

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

TITLE I - TIMELY REPORTING

The Title I Quarterly Reports submitted for 2005-2006 and 2006-2007 were not submitted timely. The 2nd and 3rd quarters were submitted 7 days and 3 days late, respectively for Fund 413. Annual Report for the period 2005-2006 was submitted 64 days late for Fund 414. Also, the 2nd and 4th quarter reports for 2006-2007 were submitted 6 days and 8 days late, respectively for Fund 415.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

DISBURSEMENTS - PROCEDURES, DOCUMENTATION, AND APPROVALS

We noted some problems with the usage of the accounts payable voucher (Form 523). The first involved receipt of goods or services when we could not determine, in some instances, that an item was received. The second and third deficiencies involved failure to authorize or approve the disbursement by signing the Accounts Payable Voucher. Two of the Accounts Payable Voucher Registers (Form 364) were not presented for audit, so we did not observe any approvals for these disbursements.

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

The following deficiencies were noted on the accounts payable vouchers during the audit period:

- (1) Claims or invoices or bills were not approved by the officer or persons receiving the goods or services.
- (2) Claims were not certified by the fiscal officer before payment that the invoice or bill is true and correct.
- (3) All claims did not have board approval.
- (4) Some credit card payments were made without supporting invoices or bills.

IC 5-11-10-1.6 states in part:

"(b) As used in this section, "claim" means a bill or an invoice submitted to a governmental entity for goods or services."

"(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

TRANSACTION RECORDING - TRANSFERS AND LOANS

Sometimes loans between funds were incorrectly recorded and reported as transfers. Additionally, one instance was noted where a loan between funds was recorded and then reversed. It was reversed with a negative posting when the loan was repaid.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

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)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

TO: THE OFFICIALS OF THE ALEXANDRIA COMMUNITY
SCHOOL CORPORATION, MADISON COUNTY, INDIANA

Compliance

We have audited the compliance of the Alexandria Community School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2007 and 2008. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2007 and 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2008-01.

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

Internal Control Over Compliance

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

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

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

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

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

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

STATE BOARD OF ACCOUNTS

April 20, 2009

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2007 and 2008

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-07	Total Federal Awards Expended 06-30-08
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	FY 06-07	\$ 50,500	\$ -
		FY 07-08	-	57,584
National School Lunch Program	10.555	FY 06-07	224,760	-
		FY 07-08	-	235,613
Total for federal grantor agency and cluster			<u>275,260</u>	<u>293,197</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Anderson Community School Corporation				
Special Education Cluster				
Special Education - Grants to States	84.027			
		14205-002-PY02	249,385	-
		14205-PY02	1,377	-
		14206-002-PY02	176,467	18,915
		14207-PN01	77,297	278,038
		14207-002-PY02	-	191,758
		14208-PN01	-	143,244
Total for program			<u>504,526</u>	<u>631,955</u>
Special Education - Preschool Grants	84.173			
		45705-PY02	184	-
		45706-PY01	8,731	-
		45706-PY02	6,585	100
		45707-PY01	12,439	4,173
		45707-PY02	-	4,778
		45708-PY01	-	6,286
Total for program			<u>27,939</u>	<u>15,337</u>
Total for Cluster			<u>532,465</u>	<u>647,292</u>
Pass-Through Indiana Department of Education				
Title I, Grants to Local Educational Agencies				
Regular	84.010	06-5265	47,376	-
Improvement		06-5265	15,872	-
Regular		07-5265	134,576	90,156
Improvement		07-5265	25,020	-
Regular		08-5265	-	190,583
Total for program			<u>222,844</u>	<u>280,739</u>
Migrant Education - State Grant Program	84.011			
		FY06-07/RM-7	50,000	-
		FY07-08/RM-3	-	50,000
Total for program			<u>50,000</u>	<u>50,000</u>
Safe and Drug Free School and Communities State Grants	84.186			
		04-257	1,160	-
		05-257	7,126	960
		5265-06	-	9,604
Total for program			<u>8,286</u>	<u>10,564</u>
State Grant for Innovative Programs	84.298			
		04-250	12,594	-
		05-243	11,005	14,619
		06-5265	-	8,719
Total for program			<u>23,599</u>	<u>23,338</u>

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2007 and 2008
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-07	Total Federal Awards Expended 06-30-08
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
Education Technology State Grants	84.318			
		FY 04-06	1,883	-
		FY 05-07	75	4,087
		FY 05-06	26,417	-
		FY 06-07	52,692	21,037
		FY 07-08	-	21,164
Total for program			<u>81,067</u>	<u>46,288</u>
Pass-Through Elwood Community School Corporation				
English Language Acquisition Grants	84.365			
		05-06	41	-
		06-07	2,246	453
Total for program			<u>2,287</u>	<u>453</u>
Pass-Through Indiana Department of Education				
Improving Teacher Quality State Grants	84.367			
		FY 04-06	31,106	-
		FY-05-07	30,000	30,136
		06-5265	-	63,390
Total for program			<u>61,106</u>	<u>93,526</u>
Total for federal grantor agency			<u>1,514,119</u>	<u>1,799,492</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Pass-Through Indiana Department of Homeland Security				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036			
		EM 3274	-	4,005
Total for federal grantor agency			<u>-</u>	<u>4,005</u>
Total federal awards expended			<u>\$ 1,256,914</u>	<u>\$ 1,449,402</u>

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

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

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Alexandria Community School Corporation (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2007 and 2008. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2007	2008
School Breakfast Program	10.553	\$ 599	\$ 6,434
National School Lunch Program	10.555	17,272	11,889

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Child Nutrition Cluster Title I Grants to Local Educational Agencies

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

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

Section III – Federal Award Findings and Questioned Costs

2008-1 INTERNAL CONTROL REPORTABLE CONDITION / CASH MANAGEMENT

Federal Agency: U.S. Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
State Award Numbers: 07-5265, 08-5265
Pass-Through Entity: Indiana Department of Education

We noted during our audit period that seven out of the twelve months (58%) of the 07-5265 grant award and six out of the twelve months (50%) of the 08-5265 grant award had month-end balances greater than two months' average expenditures. The Cash-on-Hand balances ranged in surplus of \$53,671.72 to \$34,342.85 for the 07-5265 grant in the months of December to June and \$63,158.09 to 16,567.41 for the 08-5265 grant in the months of November to April. Surplus cash indicates noncompliance with the Cash Management requirement as set forth by the grant agreement and the A-102 Common Rule.

EDGAR 80.20 (b)(7) states in part: "Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and sub-grantees must be followed whenever advance payment procedures are used . . . Grantees must monitor cash draw downs by their sub-grantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

The IASA, Title I Quarterly Monitoring Report states in part: "The Federal Government requires that the amount of Cash-on-Hand at each Local Educational Agency (LEA) be as near '0' as possible at the end of each month . . . Your cash balance at the end of each quarter should be zero (0) or as near (0) as possible."

Failure to minimize the cash on hand as determined by the grant agreement and the CFR has caused noncompliance with the grant requirements and may cause future funding to be reduced by the pass-through agency.

We recommended that the School Officials initiate procedures to establish controls over the timing of grant fund requests in comparison to the timing of when grant fund expenditures will be made and properly monitor those controls to ensure that cash balances are kept at a minimum and the unit is in compliance with the cash management requirements.

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

Alexandria Community School Corporation

202 EAST WASHINGTON STREET
ALEXANDRIA, INDIANA 46001

Telephone: (765) 724-4496;

Fax: (765) 724-5049

Cheryl Harvey
Business Manager/Treasurer

February 9, 2009

FINDING NO. 2008-1

Federal Agency: U.S. Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 07-5265, 08-5265
Pass-Through Entity: Indiana Department of Education

Corrective Action Planned:

We will monitor more closely the balances on hand each month, in order to reduce cash requests if the need arises. The Business Manager will work more closely with the Title I director in order to more closely match the cash requests with the timing of the expenditures.



Cheryl Harvey
Business Manager/Treasurer
Ph: 765-298-6508
Fax: 765-724-5049
Email: charvey@alex.k12.in.us

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on April 20, 2009, with Cheryl D. Harvey, Business Manager/Treasurer; Dr. Alice Mehaffey, Interim Superintendent of Schools; and Jeffrey Montgomery, President of the School Board.