

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

ALEXANDRIA COMMUNITY SCHOOL CORPORATION  
MADISON COUNTY, INDIANA

July 1, 2010 to June 30, 2012



**FILED**  
03/19/2013



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Business Manager/Treasurer	Cheryl Harvey	07-01-10 to 06-30-13
Superintendent of Schools	Dr. Alice Johnson	07-01-10 to 06-30-13
President of the School Board	Warren Brown Tina Stanley Gary Libler	07-01-10 to 06-30-11 07-01-11 to 06-30-12 07-01-12 to 12-31-13



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

In accordance with Government Auditing Standards, we have also issued a report dated March 5, 2013, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

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

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

STATE BOARD OF ACCOUNTS

March 5, 2013



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

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

We have audited the financial statement of the Alexandria Community School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated March 5, 2013, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1 to be material weaknesses.

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

Compliance and Other Matters

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

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

STATE BOARD OF ACCOUNTS

March 5, 2013

## FINANCIAL STATEMENT

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

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

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
General	\$ 4,834,819	\$ 10,866,764	\$ 11,081,761	\$ (19,736)	\$ 4,600,086	\$ 10,408,763	\$ 10,677,465	\$ 13,974	\$ 4,345,358
Debt Service	189,581	698,336	725,131	11,436	174,222	472,010	244,614	-	401,618
Retirement/Severance Bond Debt Service	89,032	275,546	318,617	(4,343)	41,618	184,185	231,717	-	(5,914)
Capital Projects	492,270	1,372,650	1,663,445	4,343	205,818	905,335	934,885	-	176,268
School Transportation	4,123	967,392	959,650	8,300	20,165	556,262	504,039	126	72,514
School Bus Replacement	49,385	333,635	231,292	-	151,728	136,354	161,354	500	127,228
Rainy Day	187,193	1,590,000	700,000	-	1,077,193	175,000	175,000	-	1,077,193
Retirement/Severance Bond	1,659,245	-	15,068	-	1,644,177	-	250,580	-	1,393,597
Post-Retirement/Severance Future Benefits	12,000	-	12,000	-	-	-	-	-	-
School Lunch	208,978	702,574	589,653	-	321,899	692,441	630,962	-	383,378
Textbook Rental	17,944	64,086	42,575	-	39,455	81,161	107,173	-	13,443
Repair and Replacement	182,416	-	-	-	182,416	-	-	-	182,416
Self-Insurance	1,175,641	125	-	-	1,175,766	69	105	-	1,175,730
Levy Excess	-	11,942	-	-	11,942	-	-	(11,942)	-
Educational License Plates	5,114	356	711	-	4,759	338	-	-	5,097
Alternative Education	-	-	-	-	-	578	-	-	578
Cape Grant - Lilly	3,719	1,000	3,315	-	1,404	1,000	1,366	-	1,038
Scholarship Donation - Purdue	-	-	-	-	-	150	150	-	-
Scholarship Donation - Higgins	-	-	-	-	-	1,000	1,000	-	-
Donnie Adams Memorial	200	-	200	-	-	-	-	-	-
Lowes Donation	-	1,000	1,000	-	-	-	-	-	-
Eagles Donation	7,107	2,219	5,679	-	3,647	1,830	3,061	-	2,416
Tiger Reader Donation	-	3,300	1,782	-	1,518	-	-	-	1,518
Eagles - Donation	-	-	-	-	-	8,400	8,115	-	285
High Ability 09-10	10,657	-	10,657	-	-	-	-	-	-
High Ability 2010-11	-	31,248	25,354	-	5,894	-	5,894	-	-
The Making a Difference Grant	-	-	-	-	-	12,423	12,423	-	-
High Ability 2011-12	-	-	-	-	-	30,421	26,715	-	3,706
Begininning Teacher Grant	1,684	-	-	-	1,684	-	-	(1,684)	-
Education Technology	-	-	-	-	-	30,420	30,420	-	-
Non-English Speaking Grant 09-10	198	-	197	-	1	-	-	(1)	-
Non-English Speaking Grant 10-11	-	10,525	10,525	-	-	-	-	-	-
School Technology	66,706	30,643	29,993	(3,352)	64,004	34,336	32,657	-	65,683
Access Indiana	2,500	-	2,497	-	3	-	3	-	-
Technology Planning Grant	(3,352)	-	-	3,352	-	-	-	-	-
Miscellaneous Programs	13,596	19,001	25,240	-	7,357	18,965	18,870	-	7,452
NCISIS - Grant from Health Consortium	(19,375)	19,375	-	-	-	-	-	-	-
Physical Education Grant	-	500	500	-	-	-	-	-	-
Title I SY09-10	35,979	16,088	60,507	8,440	-	-	(8,440)	(8,440)	-
Title I SY 2010-11	-	156,328	176,869	(8,440)	(28,981)	65,767	42,880	6,094	-
Title I 2011-2012	-	-	-	-	-	139,143	149,323	-	(10,180)
Migrant-Title I Part C 2010-11	-	244,432	254,308	-	(9,876)	11,543	4,013	2,346	-
Migrant-Title I PartC 2011-12	-	-	-	-	-	340,898	350,195	-	(9,297)
Special Ed Part B 06-07	281	-	-	-	281	-	-	(281)	-
Spec Ed Part B SY 10-11	-	286,032	340,198	-	(54,166)	84,125	29,959	-	-
Spec Ed Part B 2011-12SY	-	-	-	-	-	290,406	322,419	-	(32,013)
Federal Assistance Educational Preschool Handicapped	6,728	-	6,728	-	-	-	-	-	-
Spec Ed Preschl -SY 10-11	-	10,887	13,170	-	(2,283)	4,307	2,024	-	-
Spec Ed Preschol-SY11-12	-	-	-	-	-	13,174	13,529	-	(355)
Title IV Safe & Drug Free Grant 08-09	3,998	-	3,998	-	-	-	-	-	-
Title IV -SY09-10 Safe&Drug Free	19	3,138	4,396	-	(1,239)	2,245	1,006	-	-
Title II A 2009-2010	8,398	22,768	30,681	-	485	60,152	60,637	-	-
Title II, Part A 2010-11	-	-	-	-	-	64,895	65,038	-	(143)
Title IIA Sy08-09	(15,030)	22,449	7,419	-	-	-	-	-	-
ITQ, Enhanced Education Through Technology, Title II, Part D	1	-	-	-	1	-	-	(1)	-
Title III SY 09-10	7,221	-	7,221	-	-	-	-	-	-
Title I - Grants to LEAs	21,281	13,668	41,009	-	(6,060)	51,852	45,792	-	-
Special Education - Part B	(4,841)	92,041	85,879	-	1,321	-	1,321	-	-
Special Education - Part B - Preschool	(3,272)	3,409	137	-	-	-	-	-	-
Education Jobs	-	-	-	-	-	335,199	335,199	-	-
Payroll Clearing	8,824	2,154,212	2,161,463	-	1,573	2,183,312	2,183,460	-	1,425
<b>Totals</b>	<b>\$ 9,260,968</b>	<b>\$ 20,027,669</b>	<b>\$ 19,650,825</b>	<b>\$ -</b>	<b>\$ 9,637,812</b>	<b>\$ 17,398,459</b>	<b>\$ 17,656,923</b>	<b>\$ 691</b>	<b>\$ 9,380,039</b>

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

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

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

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

*B. Basis of Accounting*

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

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

*C. Cash and Investments*

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

*D. Receipts*

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

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

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

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

*E. Disbursements*

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

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

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

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

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

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

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, funds held temporarily for an authorized recipient, and self-insurance payments.

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

*F. Other Financing Sources and Uses*

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

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

*G. Fund Accounting*

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

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

**Note 4. Deposits and Investments**

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

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. Teacher's Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

**Note 7. Cash Balance Deficits**

The financial statement contains funds with deficits in cash. The deficits were primarily related to reimbursable grant funds. According to grant agreements, these funds were required to disburse monies before requesting reimbursements. Some reimbursements of expenditures made by the School Corporation were not received by year end which resulted in the negative cash balances. Additionally, the Retirement/Severance Bond Debt Service fund reported a cash deficit at June 30, 2012. The fund did not receive adequate receipts to cover the required debt payment due during the school year which resulted in the negative balance. The fund remained negative until the December 2012 tax draw from the County was received.

## SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post Retirement/ Severance Future Benefits
Cash and investments - beginning	\$ 4,834,819	\$ 189,581	\$ 89,032	\$ 492,270	\$ 4,123	\$ 49,385	\$ 187,193	\$ 1,659,245	\$ 12,000
Receipts:									
Local sources	109,375	688,225	255,546	972,650	687,392	333,635	-	-	-
Intermediate sources	214	-	-	-	-	-	-	-	-
State sources	10,387,025	10,111	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	370,000	-	20,000	400,000	280,000	-	1,590,000	-	-
Other	150	-	-	-	-	-	-	-	-
Total receipts	<u>10,866,764</u>	<u>698,336</u>	<u>275,546</u>	<u>1,372,650</u>	<u>967,392</u>	<u>333,635</u>	<u>1,590,000</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	7,392,755	-	-	-	-	-	-	14,704	-
Support services	3,403,995	-	-	222,848	419,650	181,292	-	364	12,000
Noninstructional services	234,208	-	-	-	-	-	-	-	-
Facilities acquisition and construction	50,803	-	-	440,597	-	-	-	-	-
Debt services	-	485,131	188,617	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	240,000	130,000	1,000,000	540,000	50,000	700,000	-	-
Total disbursements	<u>11,081,761</u>	<u>725,131</u>	<u>318,617</u>	<u>1,663,445</u>	<u>959,650</u>	<u>231,292</u>	<u>700,000</u>	<u>15,068</u>	<u>12,000</u>
Excess (deficiency) of receipts over disbursements	<u>(214,997)</u>	<u>(26,795)</u>	<u>(43,071)</u>	<u>(290,795)</u>	<u>7,742</u>	<u>102,343</u>	<u>890,000</u>	<u>(15,068)</u>	<u>(12,000)</u>
Other financing sources (uses):									
Transfers in	-	11,436	-	4,343	8,300	-	-	-	-
Transfers out	(19,736)	-	(4,343)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(19,736)</u>	<u>11,436</u>	<u>(4,343)</u>	<u>4,343</u>	<u>8,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(234,733)</u>	<u>(15,359)</u>	<u>(47,414)</u>	<u>(286,452)</u>	<u>16,042</u>	<u>102,343</u>	<u>890,000</u>	<u>(15,068)</u>	<u>(12,000)</u>
Cash and investments - ending	<u>\$ 4,600,086</u>	<u>\$ 174,222</u>	<u>\$ 41,618</u>	<u>\$ 205,818</u>	<u>\$ 20,165</u>	<u>\$ 151,728</u>	<u>\$ 1,077,193</u>	<u>\$ 1,644,177</u>	<u>\$ -</u>

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

	School Lunch	Textbook Rental	Repair and Replacement	Self- Insurance	Levy Excess	Educational License Plates	Alternative Education	Cape Grant - Lilly	Scholarship Donation - Purdue
Cash and investments - beginning	\$ 208,978	\$ 17,944	\$ 182,416	\$ 1,175,641	\$ -	\$ 5,114	\$ -	\$ 3,719	\$ -
Receipts:									
Local sources	305,018	46,657	-	125	11,942	-	-	1,000	-
Intermediate sources	-	-	-	-	-	356	-	-	-
State sources	5,793	17,429	-	-	-	-	-	-	-
Federal sources	391,763	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>702,574</u>	<u>64,086</u>	<u>-</u>	<u>125</u>	<u>11,942</u>	<u>356</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	37	-	-	-	-	711	-	1,707	-
Support services	(18,784)	42,575	-	-	-	-	-	1,608	-
Noninstructional services	608,400	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>589,653</u>	<u>42,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>711</u>	<u>-</u>	<u>3,315</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>112,921</u>	<u>21,511</u>	<u>-</u>	<u>125</u>	<u>11,942</u>	<u>(355)</u>	<u>-</u>	<u>(2,315)</u>	<u>-</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>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>112,921</u>	<u>21,511</u>	<u>-</u>	<u>125</u>	<u>11,942</u>	<u>(355)</u>	<u>-</u>	<u>(2,315)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 321,899</u>	<u>\$ 39,455</u>	<u>\$ 182,416</u>	<u>\$ 1,175,766</u>	<u>\$ 11,942</u>	<u>\$ 4,759</u>	<u>\$ -</u>	<u>\$ 1,404</u>	<u>\$ -</u>

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

	Scholarship Donation - Higgins	Donnie Adams Memorial	Lowes Donation	Eagles Donation	Tiger Read Donation	Eagles - Donation	High Ability 09-10	High Ability 2010-11	The Making a Difference Grant
Cash and investments - beginning	\$ -	\$ 200	\$ -	\$ 7,107	\$ -	\$ -	\$ 10,657	\$ -	\$ -
Receipts:									
Local sources	-	-	1,000	2,219	3,300	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	31,248	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	1,000	2,219	3,300	-	-	31,248	-
Disbursements:									
Current:									
Instruction	-	200	1,000	3,955	1,782	-	10,657	25,354	-
Support services	-	-	-	1,724	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	200	1,000	5,679	1,782	-	10,657	25,354	-
Excess (deficiency) of receipts over disbursements	-	(200)	-	(3,460)	1,518	-	(10,657)	5,894	-
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	-	(200)	-	(3,460)	1,518	-	(10,657)	5,894	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 3,647	\$ 1,518	\$ -	\$ -	\$ 5,894	\$ -

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

	High Ability 2011-12	Begining Teacher Grant	Education Technology	Non-English Speaking Grant 09-10	Non-English Speaking Grant 10-11	School Technology	Access Indiana	Technology Planning Grant	Miscellaneous Programs
Cash and investments - beginning	\$ -	\$ 1,684	\$ -	\$ 198	\$ -	\$ 66,706	\$ 2,500	\$ (3,352)	\$ 13,596
Receipts:									
Local sources	-	-	-	-	-	-	-	-	19,001
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	10,525	30,643	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	10,525	30,643	-	-	19,001
Disbursements:									
Current:									
Instruction	-	-	-	197	10,525	-	-	-	-
Support services	-	-	-	-	-	-	2,497	-	25,240
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	29,993	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	197	10,525	29,993	2,497	-	25,240
Excess (deficiency) of receipts over disbursements	-	-	-	(197)	-	650	(2,497)	-	(6,239)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	3,352	-
Transfers out	-	-	-	-	-	(3,352)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(3,352)	-	3,352	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(197)	-	(2,702)	(2,497)	3,352	(6,239)
Cash and investments - ending	\$ -	\$ 1,684	\$ -	\$ 1	\$ -	\$ 64,004	\$ 3	\$ -	\$ 7,357

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

	NCISIS - Grant from Health Consortium	Physical Education Grant	Title I SY09-10	Title I SY 2010-11	Title I 2011-2012	Migrant-Title I Part C 2010-11	Migrant-Title I PartC 2011-12	Special Ed Part B 06-07	Spec Ed Part B SY 10-11
Cash and investments - beginning	\$ (19,375)	\$ -	\$ 35,979	\$ -	\$ -	\$ -	\$ -	\$ 281	\$ -
Receipts:									
Local sources	19,375	500	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	16,088	156,328	-	244,432	-	-	286,032
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	19,375	500	16,088	156,328	-	244,432	-	-	286,032
Disbursements:									
Current:									
Instruction	-	500	50,979	160,471	-	243,440	-	-	259,034
Support services	-	-	9,528	15,411	-	10,868	-	-	81,164
Noninstructional services	-	-	-	987	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	500	60,507	176,869	-	254,308	-	-	340,198
Excess (deficiency) of receipts over disbursements	19,375	-	(44,419)	(20,541)	-	(9,876)	-	-	(54,166)
Other financing sources (uses):									
Transfers in	-	-	8,921	481	-	-	-	-	-
Transfers out	-	-	(481)	(8,921)	-	-	-	-	-
Total other financing sources (uses)	-	-	8,440	(8,440)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	19,375	-	(35,979)	(28,981)	-	(9,876)	-	-	(54,166)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (28,981)	\$ -	\$ (9,876)	\$ -	\$ 281	\$ (54,166)

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

	Spec Ed Part B 2011-12SY	Federal Assistance Educational Preschool Handicapped	Spec Ed Preschl -SY 10-11	Special Ed Preschol-SY11-12	Title IV Safe & Drug Free Grant 08-09	Title IV- SY09-10 Safe&Drug Free	Title II A 2009-2010	Title II, Part A 2010-11	Title IIA Sy08-09
Cash and investments - beginning	\$ -	\$ 6,728	\$ -	\$ -	\$ 3,998	\$ 19	\$ 8,398	\$ -	\$ (15,030)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	10,887	-	-	3,138	22,768	-	22,449
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	10,887	-	-	3,138	22,768	-	22,449
Disbursements:									
Current:									
Instruction	-	6,728	11,827	-	-	-	-	-	(97)
Support services	-	-	1,343	-	3,440	4,396	30,681	-	7,516
Noninstructional services	-	-	-	-	558	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	6,728	13,170	-	3,998	4,396	30,681	-	7,419
Excess (deficiency) of receipts over disbursements	-	(6,728)	(2,283)	-	(3,998)	(1,258)	(7,913)	-	15,030
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	-	(6,728)	(2,283)	-	(3,998)	(1,258)	(7,913)	-	15,030
Cash and investments - ending	\$ -	\$ -	\$ (2,283)	\$ -	\$ -	\$ (1,239)	\$ 485	\$ -	\$ -

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

	ITQ Enhanced Education Through Technology Title II, Part D	Title III SY 09-10	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Education Jobs	Payroll Clearing	Totals
Cash and investments - beginning	\$ 1	\$ 7,221	\$ 21,281	\$ (4,841)	\$ (3,272)	\$ -	\$ 8,824	\$ 9,260,968
Receipts:								
Local sources	-	-	-	-	-	-	-	3,456,960
Intermediate sources	-	-	-	-	-	-	-	570
State sources	-	-	-	-	-	-	-	10,492,774
Federal sources	-	-	13,668	92,041	3,409	-	-	1,263,003
Interfund loans	-	-	-	-	-	-	-	2,660,000
Other	-	-	-	-	-	-	2,154,212	2,154,362
Total receipts	-	-	13,668	92,041	3,409	-	2,154,212	20,027,669
Disbursements:								
Current:								
Instruction	-	-	49,370	70,622	137	-	-	8,316,595
Support services	-	7,221	(9,336)	15,257	-	-	-	4,472,498
Noninstructional services	-	-	975	-	-	-	-	845,128
Facilities acquisition and construction	-	-	-	-	-	-	-	521,393
Debt services	-	-	-	-	-	-	-	673,748
Nonprogrammed charges	-	-	-	-	-	-	2,161,463	2,161,463
Interfund loans	-	-	-	-	-	-	-	2,660,000
Total disbursements	-	7,221	41,009	85,879	137	-	2,161,463	19,650,825
Excess (deficiency) of receipts over disbursements	-	(7,221)	(27,341)	6,162	3,272	-	(7,251)	376,844
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	36,833
Transfers out	-	-	-	-	-	-	-	(36,833)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(7,221)	(27,341)	6,162	3,272	-	(7,251)	376,844
Cash and investments - ending	\$ 1	\$ -	\$ (6,060)	\$ 1,321	\$ -	\$ -	\$ 1,573	\$ 9,637,812

ALEXANDRIA COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post Retirement/ Severance Future Benefits
Cash and investments - beginning	\$ 4,600,086	\$ 174,222	\$ 41,618	\$ 205,818	\$ 20,165	\$ 151,728	\$ 1,077,193	\$ 1,644,177	\$ -
Receipts:									
Local sources	86,730	472,010	144,185	905,335	419,907	136,354	-	-	-
Intermediate sources	78	-	-	-	-	-	-	-	-
State sources	10,321,955	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	40,000	-	135,000	-	175,000	-	-
Other	-	-	-	-	1,355	-	-	-	-
Total receipts	<u>10,408,763</u>	<u>472,010</u>	<u>184,185</u>	<u>905,335</u>	<u>556,262</u>	<u>136,354</u>	<u>175,000</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	7,180,160	-	-	-	-	-	-	250,580	-
Support services	3,234,085	-	-	339,854	504,039	161,354	-	-	-
Noninstructional services	227,443	-	-	-	-	-	-	-	-
Facilities acquisition and construction	35,777	-	-	460,031	-	-	-	-	-
Debt services	-	244,614	191,717	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	40,000	135,000	-	-	175,000	-	-
Total disbursements	<u>10,677,465</u>	<u>244,614</u>	<u>231,717</u>	<u>934,885</u>	<u>504,039</u>	<u>161,354</u>	<u>175,000</u>	<u>250,580</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(268,702)</u>	<u>227,396</u>	<u>(47,532)</u>	<u>(29,550)</u>	<u>52,223</u>	<u>(25,000)</u>	<u>-</u>	<u>(250,580)</u>	<u>-</u>
Other financing sources (uses):									
Sale of capital assets	191	-	-	-	-	500	-	-	-
Transfers in	13,783	-	-	-	11,942	-	-	-	-
Transfers out	-	-	-	-	(11,816)	-	-	-	-
Total other financing sources (uses)	<u>13,974</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(254,728)</u>	<u>227,396</u>	<u>(47,532)</u>	<u>(29,550)</u>	<u>52,349</u>	<u>(24,500)</u>	<u>-</u>	<u>(250,580)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 4,345,358</u>	<u>\$ 401,618</u>	<u>\$ (5,914)</u>	<u>\$ 176,268</u>	<u>\$ 72,514</u>	<u>\$ 127,228</u>	<u>\$ 1,077,193</u>	<u>\$ 1,393,597</u>	<u>\$ -</u>

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

	School Lunch	Textbook Rental	Repair and Replacement	Self- Insurance	Levy Excess	Educational License Plates	Alternative Education	Cape Grant - Lilly	Scholarship Donation - Purdue
Cash and investments - beginning	\$ 321,899	\$ 39,455	\$ 182,416	\$ 1,175,766	\$ 11,942	\$ 4,759	\$ -	\$ 1,404	\$ -
Receipts:									
Local sources	296,496	53,322	-	69	-	-	-	1,000	150
Intermediate sources	-	-	-	-	-	338	-	-	-
State sources	-	27,839	-	-	-	-	578	-	-
Federal sources	395,945	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>692,441</u>	<u>81,161</u>	<u>-</u>	<u>69</u>	<u>-</u>	<u>338</u>	<u>578</u>	<u>1,000</u>	<u>150</u>
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	1,000	150
Support services	16,849	107,173	-	105	-	-	-	-	-
Noninstructional services	614,113	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	366	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>630,962</u>	<u>107,173</u>	<u>-</u>	<u>105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,366</u>	<u>150</u>
Excess (deficiency) of receipts over disbursements	<u>61,479</u>	<u>(26,012)</u>	<u>-</u>	<u>(36)</u>	<u>-</u>	<u>338</u>	<u>578</u>	<u>(366)</u>	<u>-</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(11,942)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,942)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>61,479</u>	<u>(26,012)</u>	<u>-</u>	<u>(36)</u>	<u>(11,942)</u>	<u>338</u>	<u>578</u>	<u>(366)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 383,378</u>	<u>\$ 13,443</u>	<u>\$ 182,416</u>	<u>\$ 1,175,730</u>	<u>\$ -</u>	<u>\$ 5,097</u>	<u>\$ 578</u>	<u>\$ 1,038</u>	<u>\$ -</u>

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

	Scholarship Donation - Higgins	Donnie Adams Memorial	Lowes Donation	Eagles Donation	Tiger Read Donation	Eagles - Donation	High Ability 09-10	High Ability 2010-11	The Making a Difference Grant
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 3,647	\$ 1,518	\$ -	\$ -	\$ 5,894	\$ -
Receipts:									
Local sources	1,000	-	-	1,830	-	8,400	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	12,423
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	1,000	-	-	1,830	-	8,400	-	-	12,423
Disbursements:									
Current:									
Instruction	1,000	-	-	3,061	-	8,115	-	5,894	12,423
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	1,000	-	-	3,061	-	8,115	-	5,894	12,423
Excess (deficiency) of receipts over disbursements	-	-	-	(1,231)	-	285	-	(5,894)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(1,231)	-	285	-	(5,894)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 2,416	\$ 1,518	\$ 285	\$ -	\$ -	\$ -

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

	High Ability 2011-12	Begining Teacher Grant	Education Technology	Non-English Speaking Grant 09-10	Non-English Speaking Grant 10-11	School Technology	Access Indiana	Technology Planning Grant	Miscellaneous Programs
Cash and investments - beginning	\$ -	\$ 1,684	\$ -	\$ 1	\$ -	\$ 64,004	\$ 3	\$ -	\$ 7,357
Receipts:									
Local sources	-	-	-	-	-	-	-	-	18,965
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	30,421	-	30,420	-	-	34,336	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	30,421	-	30,420	-	-	34,336	-	-	18,965
Disbursements:									
Current:									
Instruction	26,715	-	-	-	-	-	-	-	-
Support services	-	-	30,420	-	-	-	3	-	18,870
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	32,657	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	26,715	-	30,420	-	-	32,657	3	-	18,870
Excess (deficiency) of receipts over disbursements	3,706	-	-	-	-	1,679	(3)	-	95
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(1,684)	-	(1)	-	-	-	-	-
Total other financing sources (uses)	-	(1,684)	-	(1)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,706	(1,684)	-	(1)	-	1,679	(3)	-	95
Cash and investments - ending	\$ 3,706	\$ -	\$ -	\$ -	\$ -	\$ 65,683	\$ -	\$ -	\$ 7,452

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

	NCISIS - Grant From Health Consortium	Physical Education Grant	Title I SY09-10	Title I SY 2010-11	Title I 2011-2012	Migrant-Title I Part C 2010-11	Migrant-Title I PartC 2011-12	Special Ed Part B 06-07	Spec Ed Part B SY 10-11
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (28,981)	\$ -	\$ (9,876)	\$ -	\$ 281	\$ (54,166)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	65,767	139,143	11,543	340,898	-	84,125
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	65,767	139,143	11,543	340,898	-	84,125
Disbursements:									
Current:									
Instruction	-	-	(7,805)	37,284	130,575	3,710	336,061	-	19,624
Support services	-	-	(635)	5,596	16,714	303	14,134	-	10,335
Noninstructional services	-	-	-	-	2,034	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	(8,440)	42,880	149,323	4,013	350,195	-	29,959
Excess (deficiency) of receipts over disbursements	-	-	8,440	22,887	(10,180)	7,530	(9,297)	-	54,166
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	8,440	-	2,346	-	-	-
Transfers out	-	-	(8,440)	(2,346)	-	-	-	(281)	-
Total other financing sources (uses)	-	-	(8,440)	6,094	-	2,346	-	(281)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	28,981	(10,180)	9,876	(9,297)	(281)	54,166
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (10,180)	\$ -	\$ (9,297)	\$ -	\$ -

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

	Spec Ed Part B 2011-12SY	Federal Assistance Educational Preschool Handicapped	Spec Ed Preschl -SY 10-11	Special Ed Preschol-SY11-12	Title IV Safe & Drug Free Grant 08-09	Title IV- SY09-10 Safe&Drug Free	Title II A 2009-2010	Title II, Part A 2010-11	Title IIA Sy08-09
Cash and investments - beginning	\$ -	\$ -	\$ (2,283)	\$ -	\$ -	\$ (1,239)	\$ 485	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	290,406	-	4,307	13,174	-	2,245	60,152	64,895	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>290,406</u>	<u>-</u>	<u>4,307</u>	<u>13,174</u>	<u>-</u>	<u>2,245</u>	<u>60,152</u>	<u>64,895</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	257,963	-	1,526	13,529	-	-	-	-	-
Support services	64,456	-	498	-	-	1,006	60,637	65,038	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>322,419</u>	<u>-</u>	<u>2,024</u>	<u>13,529</u>	<u>-</u>	<u>1,006</u>	<u>60,637</u>	<u>65,038</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(32,013)</u>	<u>-</u>	<u>2,283</u>	<u>(355)</u>	<u>-</u>	<u>1,239</u>	<u>(485)</u>	<u>(143)</u>	<u>-</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(32,013)</u>	<u>-</u>	<u>2,283</u>	<u>(355)</u>	<u>-</u>	<u>1,239</u>	<u>(485)</u>	<u>(143)</u>	<u>-</u>
Cash and investments - ending	<u>\$ (32,013)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (355)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (143)</u>	<u>\$ -</u>

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

	ITQ Enhanced Education Through Technology Title II, Part D	Title III SY 09-10	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Education Jobs	Payroll Clearing	Totals
Cash and investments - beginning	\$ 1	\$ -	\$ (6,060)	\$ 1,321	\$ -	\$ -	\$ 1,573	\$ 9,637,812
Receipts:								
Local sources	-	-	-	-	-	-	-	2,545,753
Intermediate sources	-	-	-	-	-	-	-	416
State sources	-	-	-	-	-	-	-	10,457,972
Federal sources	-	-	51,852	-	-	335,199	-	1,859,651
Interfund loans	-	-	-	-	-	-	-	350,000
Other	-	-	-	-	-	-	2,183,312	2,184,667
Total receipts	-	-	51,852	-	-	335,199	2,183,312	17,398,459
Disbursements:								
Current:								
Instruction	-	-	39,963	1,321	-	335,199	-	8,658,048
Support services	-	-	5,829	-	-	-	-	4,656,663
Noninstructional services	-	-	-	-	-	-	-	843,590
Facilities acquisition and construction	-	-	-	-	-	-	-	528,831
Debt services	-	-	-	-	-	-	-	436,331
Nonprogrammed charges	-	-	-	-	-	-	2,183,460	2,183,460
Interfund loans	-	-	-	-	-	-	-	350,000
Total disbursements	-	-	45,792	1,321	-	335,199	2,183,460	17,656,923
Excess (deficiency) of receipts over disbursements	-	-	6,060	(1,321)	-	-	(148)	(258,464)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	691
Transfers in	-	-	-	-	-	-	-	36,511
Transfers out	(1)	-	-	-	-	-	-	(36,511)
Total other financing sources (uses)	(1)	-	-	-	-	-	-	691
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1)	-	6,060	(1,321)	-	-	(148)	(257,773)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,425	\$ 9,380,039

ALEXANDRIA COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

***INTERNAL CONTROLS OVER CASH RECEIPTS***

We noted a deficiency in the internal control system of the School Corporation related to cash receipts. We believe the following deficiency constituted a material weakness:

Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the School Corporation to reduce risks to the achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts. The failure to establish these controls could enable material misstatements or irregularities to remain undetected. During the audit period, there were two individuals that issued receipts for money collected, posted those receipts to the records, and deposited those receipts at the bank. However, those two individuals completed all of the receipting activities for their respective areas. One individual completed all of those activities for the food service receipts, while the other individual completed all receipting activities for all other receipts. Subsequent to the audit period, the School Corporation has only one individual conducting all the receipting activities for the School Corporation.

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

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

***PUBLIC RECORDS RETENTION***

The applications for free and reduced price meals for the school year 2011-2012 were not presented for audit. It was noted by school personnel that these records were inadvertently shredded. In May of 2012, the Indiana Department of Education performed a review and at that time all applications were on file.

Indiana Code 5-15-6-3(f) states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

ALEXANDRIA COMMUNITY SCHOOL CORPORATION  
 AUDIT RESULTS AND COMMENTS  
 (Continued)

**TEMPORARY INTERFUND LOANS AND TRANSFERS**

In three instances, the repayment of temporary interfund loans were incorrectly recorded and reported as transfers. The following adjustments to the financial statements were necessary for them to be materially accurate:

	<u>2010 - 2011</u>	<u>2011 - 2012</u>
<b>Transfers In adjusted to Interfund Loan Receipts:</b>		
100 - General	370,000	-
610 - Rainy Day	890,000	175,000
<b>Transfers Out adjusted to Interfund Loan Disbursements:</b>		
200 - Debt Service	240,000	-
250 - Retirement/Severance Bond Debt Service	110,000	40,000
350 - Capital Projects	600,000	135,000
410 - School Transportation	260,000	-
420 - School Bus Replacement	50,000	-

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)

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

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

Compliance

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

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

In our opinion, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012. 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 item 2012-2.

Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and

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

report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies, or material weaknesses and therefore, there is no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2012-2 to be material weaknesses.

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 the response.

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

STATE BOARD OF ACCOUNTS

March 5, 2013

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## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2011 and 2012

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	FY 10-11 FY 11-12	\$ 80,325 -	\$ - 81,816
Total for program			<u>80,325</u>	<u>81,816</u>
National School Lunch Program	10.555	FY 10-11 FY 11-12	344,796 -	- 354,706
Total for program			<u>344,796</u>	<u>354,706</u>
Total for cluster and federal grantor agency			<u>425,121</u>	<u>436,522</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I, Grants to Local Educational Agencies	84.010			
Regular Grant		10-5265	25,009	-
Regular Grant		11-5265	156,328	65,767
Regular Grant		12-5265	-	139,143
Total for program			<u>181,337</u>	<u>204,910</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	FY 10-11	<u>13,668</u>	<u>51,852</u>
Total for cluster			<u>195,005</u>	<u>256,762</u>
Special Education Cluster				
Pass-Through Anderson Community School Corporation				
Special Education - Grants to States	84.027	14207-PY01	-	281
Pass-Through Indiana Department of Education				
Special Education - Grants to States		14211-094-PN01 14212-094-PN01	286,032 -	84,125 290,406
Total for program			<u>286,032</u>	<u>374,812</u>
Pass-Through Anderson Community School Corporation				
Special Education - Preschool Grants	84.173	45710 PN01	6,728	-
Pass-Through Indiana Department of Education				
Special Education - Preschool Grants		45711-094-PN01 45712-094-PN01	10,887 -	4,307 13,174
Total for program			<u>17,615</u>	<u>17,481</u>
Pass-Through Anderson Community School Corporation				
ARRA - Special Education Grants to States, Recovery Act	84.391		<u>92,041</u>	-
ARRA - Special Education - Preschool Grants, Recovery Act	84.392		<u>3,409</u>	-
Total for cluster			<u>399,097</u>	<u>392,293</u>

ALEXANDRIA COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2011 and 2012  
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education Educational Technology State Grants Cluster Education Technology State Grants	84.318	FY 07-08	-	1
Total for cluster			-	1
Migrant Education - State Grant Program Title 1, Part C Migrant Education	84.011			
		5265-F10-11	244,432	13,889
		5265-F11-12	-	340,898
Total for program			244,432	354,787
Safe and Drug Free Schools and Communities - State Grants Title IV, Part A, Safe and Drug Free Schools	84.186			
		5265-08	3,998	-
		5265-09	4,396	1,006
Total for program			8,394	1,006
English Language Acquisition State Grants	84.365			
		FY 09-10	7,221	-
Improving Teacher Quality State Grants	84.367			
		09-5265	30,681	60,637
		10-5265	-	64,895
		11-5265	22,449	-
Total for program			53,130	125,532
Education Jobs Fund Education Jobs Fund	84.410	FY 10-11	-	335,199
Total for federal grantor agency			907,279	1,465,580
Total federal awards expended			<u>\$ 1,332,400</u>	<u>\$ 1,902,102</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

**Note 1. 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 cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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

**Note 2. Noncash Assistance**

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

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>2011</u>	<u>2012</u>
School Lunch Program	10.555	<u>\$ 33,373</u>	<u>\$ 40,577</u>

ALEXANDRIA COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I – Summary of Auditor's Results**

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
--	Child Nutrition Cluster
84.410	Education Jobs Fund
84.011	Migrant Education – State Grant Program

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

Auditee qualified as low-risk auditee? no

**Section II – Financial Statement Findings**

**FINDING 2012-1 - INTERNAL CONTROLS OVER CASH RECEIPTS**

We noted a deficiency in the internal control system of the School Corporation related to cash receipts. We believe the following deficiency constituted a material weakness:

Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the School Corporation to reduce risks to the achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts. The failure to establish these controls could enable material misstatements or irregularities to remain undetected. During the audit period, there were two individuals that issued receipts for money

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

collected, posted those receipts to the records, and deposited those receipts at the bank. However, those two individuals completed all of the receipting activities for their respective areas. One individual completed all receipting activities for the food service receipts, while the other individual completed all receipting activities for all other receipts. Subsequent to the audit period, the School Corporation has only one individual conducting all the receipting activities for the School Corporation.

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

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

***Section III – Federal Award Findings and Questioned Costs***

***FINDING 2012-2 - ELIGIBILITY***

Federal Agency: U.S. Department of Agriculture  
Federal Program: National School Lunch and School Breakfast  
CFDA Number: 10.555 and 10.553  
Federal Award Number and Year (or Other Identifying Number): FY 10-11 and FY 11-12  
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation did not establish an effective internal control system related to the eligibility compliance requirement that has a direct and material effect to the program listed above. The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the compliance requirements.

Only 36 of the 231 of the Free and Reduced Price Applications for the 2011-2012 school year could be located for audit. Based on inquiry to the Food Service Director, it was determined that these applications were shredded, due to a breakdown in communication, on January 22, 2013, by an outside individual responsible for shredding documents. However, during the Indiana Department of Education (IDOE) Coordinated Review, which took place from May 21-22, 2012, all of the 231 applications were presented to IDOE and the review did not cite any issues pertaining to these applications.

OMB Circular A-133, Subpart C, section .300 (b) states:

"The auditee shall: (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Non-compliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

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

7 CFR 245.6 (e) states:

"The local educational agency must maintain documentation substantiating eligibility determinations on file for 3 years after the date of the fiscal year to which they pertain, except that if audit findings have not been resolved, the documentation must be maintained as long as required for resolution of the issues raised by the audit."

We recommended that the School Corporation's management establish controls related to eligibility requirements that will ensure compliance with the federal program compliance requirements.

# Alexandria Community School Corporation

202 E. Washington Street, Alexandria, IN 46001 (765) 724-4496 Fax (765) 724-5049

Dr. Alice Johnson, Superintendent

Cheryl Harvey, Business Mgr./Treasurer

## FINDING 2012-1 – INTERNAL CONTROLS OVER CASH RECEIPTS

Contact Person: Cheryl Harvey  
Anticipated Correction Date: March 5, 2013

Alexandria Community Schools will implement a policy regarding cash receipts. The Deputy Treasurer will collect the funds that are paid at the Central Office and write a receipt. She will then enter the individual receipts into our accounting system. After those steps have been completed the Business Manager or a designee of the Business Manager (not including the Deputy Treasurer) will finish the process by posting the actions into the accounting system. This will put in a check in the process of receipting in the cash.

## FINDING 2012-2 – ELIGIBILITY

Federal Agency: United States Department of Agriculture  
Federal Program: National School Lunch and School Breakfast  
CFDA Number: 10.555 and 10.553  
Federal Award Number and Year: FY 2011 and FY 2012  
Pass-Through Entity: Indiana Department of Education  
Contact Person: Cheryl Harvey  
Anticipated Correction Date: March 5, 2013

### Central Office Shredding Procedures

Each Central Office Employee is responsible for all record retention that falls under their job description.

They will be responsible to follow the record retention schedule and record disposal procedures as dictated by the Indiana Commission on Public Records.

There will be one designated area at the Central Office for all files and/or records that are to be destroyed. When it is the appropriate time to dispose of the records, they will be moved to the designated area.

The Board Secretary will be responsible for scheduling the shredding company to come for the records. ONLY the records in the designated area will be given to the shredding company for destruction.



Cheryl Harvey  
Business Manager  
03/07/13

ALEXANDRIA COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on March 5, 2013, with Dr. Alice Johnson, Superintendent of Schools; Cheryl Harvey, Business Manager/Treasurer; and Gary Libler, President of the School Board. The officials concurred with our audit findings.