

**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, 2012 to June 30, 2014



**FILED**  
04/24/2015



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#### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Cheryl Harvey	07-01-12 to 06-30-15
Superintendent of Schools	Dr. Alice Johnson	07-01-12 to 06-30-15
President of the School Board	Gary Libler Larry Lipps Warren Brown	07-01-12 to 12-31-13 01-01-14 to 12-31-14 01-01-15 to 12-31-15



**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](http://www.in.gov/sboa)

**INDEPENDENT AUDITOR'S REPORT**

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

***Report on the Financial Statement***

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

***Management's Responsibility for the Financial Statement***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

As discussed in Note 1 of the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2012 to June 30, 2014.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2012 to June 30, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

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


*Other Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated March 5, 2015, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

March 5, 2015



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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
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Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Alexandria Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement, and have issued our report thereon dated March 5, 2015, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

***Internal Control Over Financial Reporting***

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

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

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



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

***Compliance and Other Matters***

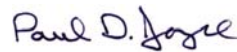
As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001.

***Alexandria Community School Corporation's Response to Findings***

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

***Purpose of This Report***

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

  
Paul D. Joyce, CPA  
State Examiner

March 5, 2015

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#### FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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, 2013 and 2014

Fund	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
General	\$ 4,345,358	\$ 10,698,611	\$ 11,287,788	\$ (101,906)	\$ 3,654,275	\$ 10,037,544	\$ 9,918,573	\$ 101,905	\$ 3,875,151
Debt Service	401,618	454,539	676,789	-	179,368	464,000	439,604	-	203,764
Retirement/Severance Bond Debt Service	(5,914)	184,145	189,189	29,404	18,446	226,859	191,056	(29,403)	24,846
Capital Projects	176,268	927,503	1,001,642	135,000	237,129	924,992	929,374	-	232,747
School Transportation	72,514	441,995	419,751	(62,498)	32,260	431,355	389,044	(72,502)	2,069
School Bus Replacement	127,228	64,984	133,230	-	58,982	53,394	73,710	-	38,666
Rainy Day	1,077,193	-	-	-	1,077,193	-	30,000	-	1,047,193
Retirement/Severance Bond	1,393,597	-	247,600	-	1,145,997	-	380,658	-	765,339
School Lunch	383,378	686,224	671,010	-	398,592	693,210	680,344	-	411,458
Textbook Rental	13,443	68,921	22,215	-	60,149	74,105	37,462	-	96,792
Repair and Replacement	182,416	-	-	-	182,416	-	-	-	182,416
Self-Insurance	1,175,730	62	1,442	-	1,174,350	39	1,491	-	1,172,898
Educational License Plates	5,097	263	2,112	-	3,248	188	-	-	3,436
Alternative Education	578	2,643	-	-	3,221	2,214	-	-	5,435
CAPE Grant - Lilly	1,038	5,935	1,000	-	5,973	1,000	4,000	-	2,973
Scholarship Donation - Purdue	-	100	100	-	-	-	-	-	-
Memorial Donation	-	1,000	1,000	-	-	1,000	1,000	-	-
Farm Bureau Scholarship	-	1,000	1,000	-	-	-	-	-	-
Special Ed Donations	-	500	-	-	500	-	500	-	-
Elementary Art	-	303	-	-	303	316	-	-	619
K Camp	-	-	299	-	(299)	3,126	3,212	-	(385)
Intermediate School Technology	-	3,250	-	-	3,250	250	3,125	-	375
Band Donation	-	-	-	-	-	6,500	6,500	-	-
Eagles Donation	2,416	3,633	1,422	-	4,627	1,500	2,067	-	4,060
Tiger Reader Donations	1,518	-	-	-	1,518	-	-	-	1,518
Eagles Alternative School	285	-	-	-	285	-	-	-	285
Indiana Youth Institute Grant	-	1,500	1,500	-	-	-	-	-	-
Community Hospital Health	-	-	-	-	-	3,000	2,455	-	545
Elementary Miscellaneous	-	450	-	-	450	-	240	-	210
High Ability 2011-12	3,706	-	3,714	-	(8)	8	-	-	-

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

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, 2013 and 2014  
(Continued)

Fund	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
High Ability 2012-13	-	30,755	29,173	-	1,582	-	1,582	-	-
High Ability 2013-14	-	-	-	-	-	30,243	15,825	-	14,418
Debt - Computer Common School Loan	-	24,532	24,532	-	-	191,147	191,147	-	-
Non-English Speaking 2012-13	-	1,131	-	-	1,131	-	1,131	-	-
School Technology	65,683	50,489	31,213	-	84,959	21,033	33,057	-	72,935
Wellness Program Grant	7,452	19,645	15,424	-	11,673	36,612	12,178	-	36,107
Senator David Ford Technology	-	1,300	1,300	-	-	12,000	15,000	-	(3,000)
Title I 2011-12	(10,180)	86,366	76,186	-	-	-	-	-	-
Title I 2012-13	-	202,646	245,151	-	(42,505)	78,408	35,903	-	-
Title I 2013-14	-	-	-	-	-	219,774	242,429	-	(22,655)
Migrant Title I Part C 2011-12	(9,297)	76,355	67,208	-	(150)	150	-	-	-
Migrant Title I Part C 2012-13	-	175,200	191,825	-	(16,625)	122,345	105,720	-	-
Migrant 2013 Materials Refresh	-	-	-	-	-	746,615	746,615	-	-
Migrant Title I Part C 2013-14	-	-	-	-	-	589,741	661,520	-	(71,779)
Special Ed Part B 2011-12	(32,013)	89,911	57,898	-	-	-	-	-	-
Special Ed Part B 2012-13	-	312,623	337,843	-	(25,220)	62,097	36,877	-	-
Special Ed Part B 2013-14	-	-	-	-	-	284,873	322,467	-	(37,594)
Special Ed Improvement Award 2012	-	69,921	69,921	-	-	-	-	-	-
TA Grant FY 2014 Part B	-	-	-	-	-	7,085	7,085	-	-
Special Ed Preschool 2011-12	(355)	3,087	2,732	-	-	-	-	-	-
Special Ed Preschool 2012-13	-	10,411	11,563	-	(1,152)	5,794	4,642	-	-
Special Ed Preschool 2013-14	-	-	-	-	-	11,494	12,619	-	(1,125)
Title II Part A 2010-11	(143)	24,300	24,157	-	-	-	-	-	-
Title II Part A 2011-12	-	55,201	55,439	-	(238)	19,700	19,462	-	-
Title II Part A 2012-13	-	7,473	7,473	-	-	70,604	70,604	-	-
Title II Part A 2013-14	-	-	-	-	-	10,044	16,164	-	(6,120)
Education Jobs	-	6,844	6,844	-	-	-	-	-	-
Payroll Clearing	1,425	2,202,649	2,202,032	-	2,042	2,215,869	2,216,114	-	1,797
<b>Totals</b>	<b>\$ 9,380,039</b>	<b>\$ 16,998,400</b>	<b>\$ 18,120,717</b>	<b>\$ -</b>	<b>\$ 8,257,722</b>	<b>\$ 17,660,228</b>	<b>\$ 17,862,556</b>	<b>\$ -</b>	<b>\$ 8,055,394</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 Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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

**C. Cash and Investments**

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

**D. Receipts**

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

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

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

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

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

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

*E. Disbursements*

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

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

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

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

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

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

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

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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:

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.



ALEXANDRIA COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 4. *Deposits and Investments***

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

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

**Note 5. *Risk Management***

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

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

**Note 6. *Pension Plans***

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

ALEXANDRIA COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

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

**B. Teachers' Retirement Fund**

*Plan Description*

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

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

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 286-3544

*Funding Policy and Annual Pension Cost*

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

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of funds being established for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30.

#### OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's Office. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

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

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, 2013

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 4,345,358	\$ 401,618	\$ (5,914)	\$ 176,268	\$ 72,514	\$ 127,228	\$ 1,077,193	\$ 1,393,597
Receipts:								
Local sources	80,884	454,539	184,145	927,503	441,995	64,984	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	10,617,527	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	200	-	-	-	-	-	-	-
Total receipts	10,698,611	454,539	184,145	927,503	441,995	64,984	-	-
Disbursements:								
Current:								
Instruction	7,807,978	-	-	-	-	-	-	247,600
Support services	3,222,926	-	-	516,631	419,751	133,230	-	-
Noninstructional services	223,140	-	-	-	-	-	-	-
Facilities acquisition and construction	33,744	-	-	485,011	-	-	-	-
Debt services	-	676,789	189,189	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	11,287,788	676,789	189,189	1,001,642	419,751	133,230	-	247,600
Excess (deficiency) of receipts over disbursements	(589,177)	(222,250)	(5,044)	(74,139)	22,244	(68,246)	-	(247,600)
Other financing sources (uses):								
Transfers in	-	-	29,404	135,000	72,502	-	-	-
Transfers out	(101,906)	-	-	-	(135,000)	-	-	-
Total other financing sources (uses)	(101,906)	-	29,404	135,000	(62,498)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(691,083)	(222,250)	24,360	60,861	(40,254)	(68,246)	-	(247,600)
Cash and investments - ending	\$ 3,654,275	\$ 179,368	\$ 18,446	\$ 237,129	\$ 32,260	\$ 58,982	\$ 1,077,193	\$ 1,145,997

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, 2013  
(Continued)

	School Lunch	Textbook Rental	Repair and Replacement	Self- Insurance	Educational License Plates	Alternative Education	CAPE Grant - Lilly	Scholarship Donation - Purdue
Cash and investments - beginning	\$ 383,378	\$ 13,443	\$ 182,416	\$ 1,175,730	\$ 5,097	\$ 578	\$ 1,038	\$ -
Receipts:								
Local sources	679,178	68,921	-	62	-	-	5,935	100
Intermediate sources	-	-	-	-	263	-	-	-
State sources	7,046	-	-	-	-	2,643	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	686,224	68,921	-	62	263	2,643	5,935	100
Disbursements:								
Current:								
Instruction	-	-	-	-	2,112	-	1,000	100
Support services	22,365	22,215	-	1,442	-	-	-	-
Noninstructional services	648,645	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	671,010	22,215	-	1,442	2,112	-	1,000	100
Excess (deficiency) of receipts over disbursements	15,214	46,706	-	(1,380)	(1,849)	2,643	4,935	-
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	15,214	46,706	-	(1,380)	(1,849)	2,643	4,935	-
Cash and investments - ending	\$ 398,592	\$ 60,149	\$ 182,416	\$ 1,174,350	\$ 3,248	\$ 3,221	\$ 5,973	\$ -

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, 2013  
(Continued)

	Memorial Donation	Farm Bureau Scholarship	Special Ed Donations	Elementary Art	K Camp	Intermediate School Technology	Band Donation	Eagles Donation
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,416
Receipts:								
Local sources	1,000	1,000	500	303	-	3,250	-	3,633
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	1,000	1,000	500	303	-	3,250	-	3,633
Disbursements:								
Current:								
Instruction	1,000	1,000	-	-	299	-	-	1,422
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	1,000	1,000	-	-	299	-	-	1,422
Excess (deficiency) of receipts over disbursements	-	-	500	303	(299)	3,250	-	2,211
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	-	-	500	303	(299)	3,250	-	2,211
Cash and investments - ending	\$ -	\$ -	\$ 500	\$ 303	\$ (299)	\$ 3,250	\$ -	\$ 4,627

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, 2013  
(Continued)

	Tiger Reader Donations	Eagles Alternative School	Indiana Youth Institute Grant	Community Hospital Health	Elementary Miscellaneous	High Ability 2011-12	High Ability 2012-13
Cash and investments - beginning	\$ 1,518	\$ 285	\$ -	\$ -	\$ -	\$ 3,706	\$ -
Receipts:							
Local sources	-	-	-	-	450	-	-
Intermediate sources	-	-	1,500	-	-	-	-
State sources	-	-	-	-	-	-	30,755
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	-	1,500	-	450	-	30,755
Disbursements:							
Current:							
Instruction	-	-	-	-	-	3,714	29,173
Support services	-	-	1,500	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	1,500	-	-	3,714	29,173
Excess (deficiency) of receipts over disbursements	-	-	-	-	450	(3,714)	1,582
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	-	-	-	-	450	(3,714)	1,582
Cash and investments - ending	\$ 1,518	\$ 285	\$ -	\$ -	\$ 450	\$ (8)	\$ 1,582

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, 2013  
(Continued)

	High Ability 2013-14	Debt - Computer Common School Loan	Non-English Speaking 2012-13	School Technology	Wellness Program Grant	Senator David Ford Technology	Title I 2011-12
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 65,683	\$ 7,452	\$ -	\$ (10,180)
Receipts:							
Local sources	-	-	-	-	19,645	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	24,532	1,131	50,489	-	1,300	-
Federal sources	-	-	-	-	-	-	86,366
Other	-	-	-	-	-	-	-
Total receipts	-	24,532	1,131	50,489	19,645	1,300	86,366
Disbursements:							
Current:							
Instruction	-	-	-	-	-	1,300	71,054
Support services	-	24,532	-	-	15,424	-	4,885
Noninstructional services	-	-	-	-	-	-	247
Facilities acquisition and construction	-	-	-	31,213	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	24,532	-	31,213	15,424	1,300	76,186
Excess (deficiency) of receipts over disbursements	-	-	1,131	19,276	4,221	-	10,180
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	-	-	1,131	19,276	4,221	-	10,180
Cash and investments - ending	\$ -	\$ -	\$ 1,131	\$ 84,959	\$ 11,673	\$ -	\$ -



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, 2013  
(Continued)

	Title I 2012-13	Title I 2013-14	Migrant Title I Part C 2011-12	Migrant Title I Part C 2012-13	Migrant Title I Part C Materials Refresh	Migrant Title I Part C 2013-14	Special Ed Part B 2011-12
Cash and investments - beginning	\$ -	\$ -	\$ (9,297)	\$ -	\$ -	\$ -	\$ (32,013)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	202,646	-	76,355	175,200	-	-	89,911
Other	-	-	-	-	-	-	-
Total receipts	202,646	-	76,355	175,200	-	-	89,911
Disbursements:							
Current:							
Instruction	229,351	-	66,673	183,058	-	-	46,799
Support services	15,800	-	535	8,767	-	-	11,099
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	245,151	-	67,208	191,825	-	-	57,898
Excess (deficiency) of receipts over disbursements	(42,505)	-	9,147	(16,625)	-	-	32,013
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	(42,505)	-	9,147	(16,625)	-	-	32,013
Cash and investments - ending	\$ (42,505)	\$ -	\$ (150)	\$ (16,625)	\$ -	\$ -	\$ -

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, 2013  
(Continued)

	Special Ed Part B 2012-13	Special Ed Part B 2013-14	Special Ed Improvement Award 2012	TA Grant FY 2014 Part B	Special Ed Preschool 2011-12	Special Ed Preschool 2012-13	Special Ed Preschool 2013-14
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (355)	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	312,623	-	69,921	-	3,087	10,411	-
Other	-	-	-	-	-	-	-
Total receipts	312,623	-	69,921	-	3,087	10,411	-
Disbursements:							
Current:							
Instruction	247,668	-	69,921	-	2,732	11,563	-
Support services	90,175	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	337,843	-	69,921	-	2,732	11,563	-
Excess (deficiency) of receipts over disbursements	(25,220)	-	-	-	355	(1,152)	-
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	(25,220)	-	-	-	355	(1,152)	-
Cash and investments - ending	\$ (25,220)	\$ -	\$ -	\$ -	\$ -	\$ (1,152)	\$ -

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, 2013  
(Continued)

	Title II Part A 2010-11	Title II Part A 2011-12	Title II Part A 2012-13	Title II Part A 2013-14	Education Jobs	Payroll Clearing	Totals
Cash and investments - beginning	\$ (143)	\$ -	\$ -	\$ -	\$ -	\$ 1,425	\$ 9,380,039
Receipts:							
Local sources	-	-	-	-	-	-	2,938,027
Intermediate sources	-	-	-	-	-	-	1,763
State sources	-	-	-	-	-	-	10,735,423
Federal sources	24,300	55,201	7,473	-	6,844	-	1,120,338
Other	-	-	-	-	-	2,202,649	2,202,849
Total receipts	24,300	55,201	7,473	-	6,844	2,202,649	16,998,400
Disbursements:							
Current:							
Instruction	-	-	-	-	6,844	-	9,032,361
Support services	24,157	55,439	7,473	-	-	-	4,598,346
Noninstructional services	-	-	-	-	-	-	872,032
Facilities acquisition and construction	-	-	-	-	-	-	549,968
Debt services	-	-	-	-	-	-	865,978
Nonprogrammed charges	-	-	-	-	-	2,202,032	2,202,032
Total disbursements	24,157	55,439	7,473	-	6,844	2,202,032	18,120,717
Excess (deficiency) of receipts over disbursements	143	(238)	-	-	-	617	(1,122,317)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	236,906
Transfers out	-	-	-	-	-	-	(236,906)
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	143	(238)	-	-	-	617	(1,122,317)
Cash and investments - ending	\$ -	\$ (238)	\$ -	\$ -	\$ -	\$ 2,042	\$ 8,257,722

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, 2014

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 3,654,275	\$ 179,368	\$ 18,446	\$ 237,129	\$ 32,260	\$ 58,982	\$ 1,077,193	\$ 1,145,997
Receipts:								
Local sources	70,699	464,000	196,859	924,992	431,355	53,394	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	9,966,645	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	30,000	-	-	-	-	-
Other	200	-	-	-	-	-	-	-
Total receipts	10,037,544	464,000	226,859	924,992	431,355	53,394	-	-
Disbursements:								
Current:								
Instruction	6,617,046	-	-	-	-	-	-	204,757
Support services	3,043,363	-	-	421,314	389,044	73,710	-	175,901
Noninstructional services	243,168	-	-	-	-	-	-	-
Facilities acquisition and construction	14,996	-	-	508,060	-	-	-	-
Debt services	-	439,604	191,056	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	30,000	-
Total disbursements	9,918,573	439,604	191,056	929,374	389,044	73,710	30,000	380,658
Excess (deficiency) of receipts over disbursements	118,971	24,396	35,803	(4,382)	42,311	(20,316)	(30,000)	(380,658)
Other financing sources (uses):								
Transfers in	101,905	-	-	-	-	-	-	-
Transfers out	-	-	(29,403)	-	(72,502)	-	-	-
Total other financing sources (uses)	101,905	-	(29,403)	-	(72,502)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	220,876	24,396	6,400	(4,382)	(30,191)	(20,316)	(30,000)	(380,658)
Cash and investments - ending	\$ 3,875,151	\$ 203,764	\$ 24,846	\$ 232,747	\$ 2,069	\$ 38,666	\$ 1,047,193	\$ 765,339

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, 2014  
(Continued)

	School Lunch	Textbook Rental	Repair and Replacement	Self- Insurance	Educational License Plates	Alternative Education	CAPE Grant - Lilly	Scholarship Donation - Purdue
Cash and investments - beginning	\$ 398,592	\$ 60,149	\$ 182,416	\$ 1,174,350	\$ 3,248	\$ 3,221	\$ 5,973	\$ -
Receipts:								
Local sources	693,210	46,662	-	39	-	-	1,000	-
Intermediate sources	-	-	-	-	188	-	-	-
State sources	-	27,443	-	-	-	2,214	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	693,210	74,105	-	39	188	2,214	1,000	-
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	1,000	-
Support services	9,760	37,462	-	1,491	-	-	3,000	-
Noninstructional services	670,584	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	680,344	37,462	-	1,491	-	-	4,000	-
Excess (deficiency) of receipts over disbursements	12,866	36,643	-	(1,452)	188	2,214	(3,000)	-
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	12,866	36,643	-	(1,452)	188	2,214	(3,000)	-
Cash and investments - ending	\$ 411,458	\$ 96,792	\$ 182,416	\$ 1,172,898	\$ 3,436	\$ 5,435	\$ 2,973	\$ -

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, 2014  
(Continued)

	Memorial Donation	Farm Bureau Scholarship	Special Ed Donations	Elementary Art	K Camp	Intermediate School Technology	Band Donation	Eagles Donation
Cash and investments - beginning	\$ -	\$ -	\$ 500	\$ 303	\$ (299)	\$ 3,250	\$ -	\$ 4,627
Receipts:								
Local sources	1,000	-	-	316	3,126	250	6,500	1,500
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	1,000	-	-	316	3,126	250	6,500	1,500
Disbursements:								
Current:								
Instruction	1,000	-	500	-	3,212	-	6,500	2,067
Support services	-	-	-	-	-	3,125	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	1,000	-	500	-	3,212	3,125	6,500	2,067
Excess (deficiency) of receipts over disbursements	-	-	(500)	316	(86)	(2,875)	-	(567)
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	-	-	(500)	316	(86)	(2,875)	-	(567)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 619	\$ (385)	\$ 375	\$ -	\$ 4,060

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, 2014  
(Continued)

	Tiger Reader Donations	Eagles Alternative School	Indiana Youth Institute Grant	Community Hospital Health	Elementary Miscellaneous	High Ability 2011-12	High Ability 2012-13
Cash and investments - beginning	\$ 1,518	\$ 285	\$ -	\$ -	\$ 450	\$ (8)	\$ 1,582
Receipts:							
Local sources	-	-	-	3,000	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	8	-
Total receipts	-	-	-	3,000	-	8	-
Disbursements:							
Current:							
Instruction	-	-	-	-	240	-	1,582
Support services	-	-	-	2,455	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	-	-	2,455	240	-	1,582
Excess (deficiency) of receipts over disbursements	-	-	-	545	(240)	8	(1,582)
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	-	-	-	545	(240)	8	(1,582)
Cash and investments - ending	\$ 1,518	\$ 285	\$ -	\$ 545	\$ 210	\$ -	\$ -

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, 2014  
(Continued)

	High Ability 2013-14	Debt - Computer Common School Loan	Non-English Speaking 2012-13	School Technology	Wellness Program Grant	Senator David Ford Technology	Title I 2011-12
Cash and investments - beginning	\$ -	\$ -	\$ 1,131	\$ 84,959	\$ 11,673	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	36,612	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	30,243	191,147	-	21,033	-	12,000	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	30,243	191,147	-	21,033	36,612	12,000	-
Disbursements:							
Current:							
Instruction	15,825	-	1,086	-	-	-	-
Support services	-	191,147	45	-	12,178	15,000	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	33,057	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	15,825	191,147	1,131	33,057	12,178	15,000	-
Excess (deficiency) of receipts over disbursements	14,418	-	(1,131)	(12,024)	24,434	(3,000)	-
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	14,418	-	(1,131)	(12,024)	24,434	(3,000)	-
Cash and investments - ending	\$ 14,418	\$ -	\$ -	\$ 72,935	\$ 36,107	\$ (3,000)	\$ -



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, 2014  
(Continued)

	Title I 2012-13	Title I 2013-14	Migrant Title I Part C 2011-12	Migrant Title I Part C 2012-13	Migrant Title I Part C Materials Refresh	Migrant Title I Part C 2013-14	Special Ed Part B 2011-12
Cash and investments - beginning	\$ (42,505)	\$ -	\$ (150)	\$ (16,625)	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	78,408	219,774	-	122,345	746,615	589,741	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	150	-	-	-	-
Total receipts	78,408	219,774	150	122,345	746,615	589,741	-
Disbursements:							
Current:							
Instruction	23,883	230,619	-	100,881	746,615	577,450	-
Support services	12,020	7,666	-	4,839	-	58,400	-
Noninstructional services	-	4,144	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	25,670	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	35,903	242,429	-	105,720	746,615	661,520	-
Excess (deficiency) of receipts over disbursements	42,505	(22,655)	150	16,625	-	(71,779)	-
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	42,505	(22,655)	150	16,625	-	(71,779)	-
Cash and investments - ending	\$ -	\$ (22,655)	\$ -	\$ -	\$ -	\$ (71,779)	\$ -

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, 2014  
(Continued)

	Special Ed Part B 2012-13	Special Ed Part B 2013-14	Special Ed Improvement Award 2012	TA Grant FY 2014 Part B	Special Ed Preschool 2011-12	Special Ed Preschool 2012-13	Special Ed Preschool 2013-14
Cash and investments - beginning	\$ (25,220)	\$ -	\$ -	\$ -	\$ -	\$ (1,152)	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	62,097	284,873	-	7,085	-	5,794	11,494
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	62,097	284,873	-	7,085	-	5,794	11,494
Disbursements:							
Current:							
Instruction	28,850	248,271	-	7,085	-	4,642	12,619
Support services	8,027	74,196	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	36,877	322,467	-	7,085	-	4,642	12,619
Excess (deficiency) of receipts over disbursements	25,220	(37,594)	-	-	-	1,152	(1,125)
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	25,220	(37,594)	-	-	-	1,152	(1,125)
Cash and investments - ending	\$ -	\$ (37,594)	\$ -	\$ -	\$ -	\$ -	\$ (1,125)

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, 2014  
(Continued)

	Title II Part A 2010-11	Title II Part A 2011-12	Title II Part A 2012-13	Title II Part A 2013-14	Education Jobs	Payroll Clearing	Totals
Cash and investments - beginning	\$ -	\$ (238)	\$ -	\$ -	\$ -	\$ 2,042	\$ 8,257,722
Receipts:							
Local sources	-	-	177	-	-	-	2,934,691
Intermediate sources	-	-	-	-	-	-	188
State sources	-	-	-	-	-	-	10,250,725
Federal sources	-	19,700	70,427	10,044	-	-	2,228,397
Interfund loans	-	-	-	-	-	-	30,000
Other	-	-	-	-	-	2,215,869	2,216,227
Total receipts	-	19,700	70,604	10,044	-	2,215,869	17,660,228
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	8,835,730
Support services	-	19,462	70,604	16,164	-	-	4,650,373
Noninstructional services	-	-	-	-	-	-	917,896
Facilities acquisition and construction	-	-	-	-	-	-	556,113
Debt services	-	-	-	-	-	-	630,660
Nonprogrammed charges	-	-	-	-	-	2,216,114	2,241,784
Interfund loans	-	-	-	-	-	-	30,000
Total disbursements	-	19,462	70,604	16,164	-	2,216,114	17,862,556
Excess (deficiency) of receipts over disbursements	-	238	-	(6,120)	-	(245)	(202,328)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	101,905
Transfers out	-	-	-	-	-	-	(101,905)
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	238	-	(6,120)	-	(245)	(202,328)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (6,120)	\$ -	\$ 1,797	\$ 8,055,394

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

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 142,601</u>	<u>\$ 6,333</u>

ALEXANDRIA COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF DEBT  
June 30, 2014

Description of Debt		Ending	Principal and
Type	Purpose	Principal	Interest Due
		Balance	Within One
			Year
Governmental activities:			
Notes and Loans Payable	High School construction	\$ 1,277,883	\$ 138,364
Notes and Loans Payable	Elementary construction	1,226,820	146,237
Notes and Loans Payable	Elementary construction	1,080,448	125,498
Notes and Loans Payable	Technology	27,476	18,546
General Obligation Bonds	Pension Bond	185,000	192,161
Notes and Loans Payable	Technology	142,500	30,307
Notes and Loans Payable	Technology	130,200	13,780
Notes and Loans Payable	Copiers	90,000	25,352
Totals		<u>\$ 4,160,327</u>	<u>\$ 690,245</u>

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

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

	Ending Balance
Governmental activities:	
Land	\$ 5,000,000
Infrastructure	1,308,630
Buildings	27,046,410
Machinery, equipment, and vehicles	<u>1,603,438</u>
Total governmental activities	<u>34,958,478</u>
Total capital assets	<u><u>\$ 34,958,478</u></u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

***Report on Compliance for Each Major Federal Program***

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, 2012 to June 30, 2014. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2012 to June 30, 2014.

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

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, 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 2014-002, 2014-004, and 2014-006. Our opinion on each major federal program is not modified with respect to these matters.

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

***Report on Internal Control Over Compliance***


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

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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not 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 over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-002, 2014-003, 2014-004, 2014-005, and 2014-006 to be material weaknesses.

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

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

  
Paul D. Joyce, CPA  
State Examiner

March 5, 2015

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#### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY 12-13 FY 13-14	\$ 102,942 -	\$ - 81,193
Total - School Breakfast Program				102,942	81,193
National School Lunch Program	Indiana Department of Education	10.555	FY 12-13 FY 13-14	349,844 -	- 391,442
Total - National School Lunch Program				349,844	391,442
Total - Child Nutrition Cluster				452,786	472,635
Child and Adult Care Food Program	Indiana Department of Education	10.558	FY 13-14	-	4,443
Total - Child and Adult Care Food Program				-	4,443
Total - Department of Agriculture				452,786	477,078
<u>Department of Education</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	12-5265 13-5265 14-5265	86,366 202,645 -	- 78,408 219,774
Total - Title I, Part A Cluster				289,011	298,182
Migrant Education - State Grant Program					
Title I, Part C Migrant Education	Indiana Department of Education	84.011	38212-001-PN01 38213-010-PN01 38212-007-MR01 38214-010-PN01	76,355 175,199 - -	- 122,345 746,615 589,740
Total - Migrant Education - State Grant Program				251,554	1,458,700

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, 2013 and 2014  
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>Department of Education (continued)</u>					
Special Education Cluster (IDEA)					
Special Education - Grants to States	Indiana Department of Education	84.027	14212-094-PN01	89,911	-
			14213-094-PN01	312,623	62,097
			14214-094-PN01	-	284,873
			A583-13DL-0079	69,921	-
			99914-094-TZ01	-	7,085
Total - Special Education Grants to States				<u>472,455</u>	<u>354,055</u>
Special Education - Preschool Grants	Indiana Department of Education	84.173	45712-094-PN01	3,087	-
			45713-094-PN01	10,411	5,794
			45714-094-PN01	-	11,494
Total - Special Education Preschool Grants				<u>13,498</u>	<u>17,288</u>
Total - Special Education Cluster (IDEA)				<u>485,953</u>	<u>371,343</u>
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	11-2815	24,300	19,701
			12-2815	55,201	70,604
			13-2815	7,473	10,044
Total - Improving Teacher Quality State Grants				<u>86,974</u>	<u>100,349</u>
Education Jobs Fund	Indiana Department of Education	84.410	11-2815	6,844	-
Total - Education Jobs Fund				<u>6,844</u>	<u>-</u>
Total - Department of Education				<u>1,120,336</u>	<u>2,228,574</u>
Total federal awards expended				<u>\$ 1,573,122</u>	<u>\$ 2,705,652</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 School Corporation and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

**Note 2. Noncash Assistance**

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

Program Title	Federal CFDA Number	2013	2014
Child Nutrition Cluster:			
Food Commodities:			
National School Lunch Program	10.555	\$ 48,537	\$ 48,623



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; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

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

Identification of Major Programs:

Name of Federal Program or Cluster

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

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

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

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

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

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

During the audit of the SEFA, we noted that total federal expenditures for fiscal years 2013 and 2014 were incorrectly reported with expenditures being overstated by \$41,033 in 2013 and understated by \$477,079 in 2014. The net expenditures were understated in 2014 due to the omission of funding from the Department of Agriculture for the Child Nutrition Cluster and the Child and Adult Care Food Program. Additionally, the following deficiencies were noted when verifying the SEFA: (a) a special education grant award was reported under an improper Catalog of Federal Domestic Assistance (CFDA) number; and (b) the pass-through entity for special education awards was not properly identified.

We believe the deficiencies discussed above constitute a material weakness. The errors and omissions on the SEFA were partially caused by a lack of sufficient internal controls over the preparation of the SEFA and due to insufficient familiarity with some of the required elements of the SEFA. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

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

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

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

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

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

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide the total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.

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

- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

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

***FINDING 2014-002 - ALLOWABLE COSTS/COST PRINCIPLES -  
INTERNAL CONTROLS/COMPLIANCE REQUIREMENTS***

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Number and Year (or Other Identifying Number): 12-5265, 13-5265, 14-5265;  
FY 12-13, FY 13-14

Pass-Through Entity: Indiana Department of Education

Federal Agency: Department of Education

Federal Program: Special Education - Grants to States, Special Education - Preschool Grants

CFDA Number: 84.027, 84.173

Federal Award Number and Year (or Other Identifying Number): 14212-094-PN01, 14213-094-PN01,  
14214-094-PN01, A583-13DL-0079,  
99914-094-TZ01, 45712-094-PN01,  
45713-094-PN01, 45714-094-PN01;  
FY 12-13, FY 13-14

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to its grant agreements and the Allowable Costs/Cost Principles compliance requirements.

The failure to establish an effective internal control system resulted in the School Corporation being in noncompliance with Allowable Costs/Cost Principles compliance requirements related to its Title I Grants to Local Educational Agencies. School Corporation officials did not prepare the Semi-Annual Certification Activity Report listing all employees paid solely from Title I funds as required.

The failure to establish an effective internal control system resulted in the School Corporation being in noncompliance with Allowable Costs/Cost Principles compliance requirements related to its Special Education and Special Education Preschool Grants. The School Corporation failed to keep the necessary documentation relating to time and effort. For those employees that were paid entirely from Special Education funds, the School Corporation should have included their names on a Semi-Annual Certification Activity Report. For employees that were paid partially from Special Education funds, there should have been Time and Effort Logs maintained to help ensure that payments were properly allocated between federal and nonfederal funds as required.

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

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-87, Attachment B, paragraph 8.h in part states:

- "(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.
- (4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards. . . . Such documentary support will be required where employees work on: (a) more than one Federal award, (b) A Federal award and a non-Federal award, . . ."

OMB Circular A-133, Subpart C, section .300 states in part:

"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 enabled material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

***FINDING 2014-003 - ACTIVITIES ALLOWED OR UNALLOWED, ALLOWABLE COSTS/  
COST PRINCIPLES, CASH MANAGEMENT, REPORTING - INTERNAL CONTROLS***

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Number and Year (or Other Identifying Number): 12-5265, 13-5265, 14-5265;  
FY 2012-13, FY 2013-14

Pass-Through Entity: Indiana Department of Education

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

Federal Agency: Department of Education

Federal Program: Special Education - Grants to States, Special Education - Preschool Grants

CFDA Number: 84.027, 84.173

Federal Award Number and Year (or Other Identifying Number): 14212-094-PN01, 14213-094-PN01,  
14214-094-PN01, A583-13DL-0079,  
99914-094-TZ01, 45712-094-PN01,  
45713-094-PN01, 45714-094-N01,  
FY 12-13, FY 13-14

Pass-Through Entity: Indiana Department of Education

For the purpose of Activities Allowed or Unallowed, and Allowable Costs/Cost Principles, the controls that are currently in place have not been consistently implemented. The Business Manager reviews the Check Register for each payroll period to ensure that only employees that should be paid from the Title I or Special Education Funds are, and she signs the Check Register to provide documentation of review. However, the Check Register was not signed by the Business Manager on a consistent basis.

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to their grant agreements and the Cash Management and Reporting compliance requirements.

There was a lack of segregation of duties related to the Cash Management and Reporting compliance requirements. The Treasurer/Business Manager was the sole person responsible for the preparation and submission of the monthly Request for Reimbursement and the Annual Expenditure Reports. There was no oversight or review of the Cash Management and Reporting functions.

The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"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 could result in the loss of federal funds to the School Corporation.

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

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

***FINDING 2014-004 - CASH MANAGEMENT, PROCUREMENT, SUSPENSION,  
AND DEBARMENT - INTERNAL CONTROLS/COMPLIANCE REQUIREMENTS***

Federal Agency: Department of Agriculture

Federal Program: School Breakfast Program, National School Lunch Program

CFDA Number: 10.553, 10.555

Federal Award Number and Year (or Other Identifying Number): FY 12-13, FY 13-14

Pass-Through Entity: Indiana Department of Education

The School Corporation had no controls in place to ensure compliance with Cash Management requirements. The cash balance in the School Lunch fund was greater than three months average expenditures at the end of each of the 24 months of the audit period. The cash balance exceeded the allowed balance of three months average expenditures by an average of approximately \$169,000 per month during the audit period.

OMB Circular A-133, Subpart C, section .300 states in part:

"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."

7 CFR 210.9(b) states in part:

"Each school food authority approved to participate in the program shall . . . (2) Limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount as may be approved in accordance with section 210.19(a)."

The School Corporation had no controls over the Suspension and Debarment compliance requirements. In fact, the School Corporation had no process in place by which vendors were reviewed to determine that they were not suspended or debarred prior to the School Corporation contracting with them.

7 CFR 3016.35 states:

"Grantees and subgrantees must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, 'Debarment and Suspension.'"

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

We recommended that the School Corporation's management establish controls, including segregation of duties, related to their grant agreements and compliance requirements as listed above.

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

***FINDING 2014-005 - ACTIVITIES ALLOWED OR UNALLOWED, ALLOWABLE COSTS/COST PRINCIPLES, ELIGIBILITY, REPORTING, SPECIAL TESTS AND PROVISIONS - VERIFICATION OF FREE AND REDUCED PRICE APPLICATIONS, PAID LUNCH EQUITY - INTERNAL CONTROLS***

Federal Agency: Department of Agriculture  
Federal Program: School Breakfast Program, National School Lunch Program  
CFDA Number: 10.553, 10.555  
Federal Award Number and Year (or Other Identifying Number): FY 12-13, FY 13-14  
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to its grant agreements and the Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Reporting, and Special Tests and Provisions compliance requirements.

For the purpose of Activities Allowed or Unallowed and Allowable Costs/Cost Principles, the controls that are currently in place have not been consistently implemented. The Business Manager reviews the Check Register for each payroll period to ensure that only employees that should be paid from the School Lunch fund are, and she signs the Check Register to provide documentation of review. However, the Check Register was not signed by the Business Manager on a consistent basis.

In determining eligibility, the Food Service Director enters the majority of free and reduced lunch applications into the School Corporation's food service software. The remaining applications are entered by the Superintendent of Schools' Secretary. In both cases, these persons were the sole School Corporation officials to process and review school lunch free and reduced applications. There was no second individual checking the information entered by either the Superintendent of Schools' Secretary or the Food Service Director to verify accuracy of the data entered.

For the purpose of reporting, the procedure of the School Corporation was for the Business Manager to review the reimbursement requests and annual financial reports. However, there was no evidence that a review of the reports had been performed as required.

For school year 2012-2013, the controls over the review of free and reduced price applications subject to verification were not functioning in accordance with the School Corporation's procedures. There was no evidence of a second individual reviewing the information subject to verification.

For school year 2013-2014, there was no evidence of the review of the paid lunch equity calculation. There was no documented approval of the meal prices as implemented based on the calculations.

The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to

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

have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"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 could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

***FINDING 2014-006 - EQUIPMENT AND REAL PROPERTY MANAGEMENT -  
INTERNAL CONTROLS/COMPLIANCE REQUIREMENTS***

Federal Agency: Department of Education

Federal Program: Title I Grant to Local Educational Agencies

CFDA Number: 84.010

Federal Award Number and Year (or Other Identifying Number): 12-5265, 13-5265, 14-5265;  
FY 12-13, FY 13-14

Pass-Through Entity: Indiana Department of Education

Federal Agency: Department of Education

Federal Program: Special Education Cluster (IDEA)

CFDA Number: 84.027, 84.173

Federal Award Number and Year (or Other Identifying Number): 14212-094-PN01, 14213-094-PN01,  
14214-094-PN01, A583-13DL-0079,  
99914-094-TZ01, 45712-094-PN01,  
45713-094-PN01, 45714-094-N01,  
FY 12-13, FY 13-14

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to its grant agreements and the Equipment and Real Property Management compliance requirements.

During the audit, we noted that the equipment inventory records were not being properly maintained as required. Equipment records, as presented for audit, did not include a serial number or other identifying number, an acquisition date, cost, or date of disposal.



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

34CFR 80.32(d)(1) states:

"Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property."

The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"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 maintain proper equipment records could result in the misplacement of assets. Non-compliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above to ensure compliance with applicable requirements.

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#### AUDITEE PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.

# 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 Manager/Treasurer

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### FEDERAL FINDING 2012-2 – ELIGIBILITY

Original Assigned SBA Audit Report Number: **B41997**

Report Period: **7-1-2010 TO 6-30-2012**

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**

#### Status of Audit Finding:

In March of 2013 we established a designated area for shredding. Only the person responsible for the documents is to put them in the shred area. The reason we did not have required documents is because they were accidentally shredded by another employee.

Cheryl Harvey  
(Signature)

Bus Mgr / Treasurer  
(Title)

2-10-15  
(Date)

# 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 Manager/Treasurer

## CORRECTIVE ACTION PLAN

### FEDERAL FINDING 2014-001

Contact Person Responsible for Corrective Action: **Cheryl Harvey**

Contact Phone Number: **765-724-4496**

#### Description of Corrective Action Plan

Due to the changes in reporting of the Federal Awards in Gateway there were errors in the procedure in 2014. The Business Manager will look over the instructions and any other guidance to become more familiar with the process. She will also bring the Deputy Treasurer in to the procedures concerning the Federal Awards in order to have a second person to verify the information.

Anticipated Completion Date: **08-01-2015**

### FEDERAL FINDING 2014-002

Contact Person Responsible for Corrective Action: **Cheryl Harvey**

Contact Phone Number: **765-724-4496**

#### Description of Corrective Action Plan

We were not aware of the complete requirements regarding the Semi-Annual Certification Activity Reporting for the Title I and Special Ed Federal Grants. We are aware now and will be doing this correctly. Title I and Special Ed Directors were brought in for consultation during the Audit and now understand the requirements. Both Directors will notify the Business Manager and Human Resource Director of which employees will be paid from their specific grant and the percent of their salary. During Payroll the Human Resource Director will notify the Directors of the Grant as to what employees were paid from the grant. The Directors will look over for accuracy. The Business Manager will also verify that only the employees listed in the grant are being paid from the grant. The two grant directors will complete the reports and the Human Resource director will verify for accuracy.

Anticipated Completion Date: **08-01-2015**

### FEDERAL FINDING 2014-003

Contact Person Responsible for Corrective Action: **Cheryl Harvey**

Contact Phone Number: **765-724-4496**

#### Description of Corrective Action Plan

We will continue to prepare and submit continue to submit monthly Request for Reimbursement and the Annual Expenditure Report for the Title I Federal Grant. Then the Director of Title I will verify the information and sign the report.

Anticipated Completion Date: **04-01-2015**

#### **FEDERAL FINDING 2014-004**

Contact Person Responsible for Corrective Action: **Cheryl Harvey**

Contact Phone Number: **765-724-4496**

#### Description of Corrective Action Plan

The corporation has several updates to individual cafeterias that will use some of the cash balance. These projects will take place starting this year and finish in 2015-2016 school year. Also with the new requirements to the kinds of food allowed to be served for the meals, the cost of each meal will be increasing, therefore depleting the cash balance further. The Business Manager will continue to monitor the cash balance. With the cooperation of the Cafeteria Director we will work on getting in compliance with the amount acceptable to have as a cash balance.

To prevent having a contract with a vendor that is in suspension or debarment, the Sam's website will be incorporated in to the process. The Cafeteria will report to the Business Manager if there is a contract being considered. The Business Manager will check the Sam's website to verify that the vendor is not listed on the exclusion list. If they are on the list the contract will be stopped.

Anticipated Completion Date: **08-01-2015**

#### **FEDERAL FINDING 2014-005**

Contact Person Responsible for Corrective Action: **Cheryl Harvey**

Contact Phone Number: **765-724-4496**

#### Description of Corrective Action Plan

The Business Manager will continue to look over the check register to verify that only employees that are supposed to be paid from the cafeteria fund are actually being paid from that fund. The signature of the Business Manager will be placed on the check register to document that it was verified.

The Cafeteria Director and the Superintendent's secretary will be responsible for the free and reduced applications. This includes the ones that required to be verified. The process will change so that both employees will actually check every application. One will enter the information from the application in to the verification system and the other will verify that the correct information was entered. Both signatures will be required on each application.

The Business Manager will begin looking more closely at the state reimbursement claims and verifying the accuracy of them and then comparing to the amount received. The signature of the Business Manager will be required on the reimbursement form.

The Cafeteria Director and Business Manager both work on the calculation of the paid lunch equity formula each year. They will both sign to verify their knowledge that the calculation is correct. The calculation will be presented to the School board members with any required price increase. The School board will acknowledge in the board minutes that they saw the calculation and agree with it.

Anticipated Completion Date: **08-01-2015**

#### **FEDERAL FINDING 2014-006**

Contact Person Responsible for Corrective Action: **Cheryl Harvey**

Contact Phone Number: **765-724-4496**

#### **Description of Corrective Action Plan**

The corporation has software used for inventory that we will be looking at as a device to help record and track the inventory or equipment purchased with Title I and Special Education grants. We will have the Special Education secretary have the responsibility of the Special Education equipment. The elementary secretary will have the responsibility of the Title I equipment. They will enter the equipment as it is received and record any equipment being discarded and explain why. The Directors of each grant will be responsible for letting the secretaries know of any movement of the equipment while it is in use.

Anticipated Completion Date: **08-01-2015**

Cheryl Harvey  
(Signature)

Bus Mgr / Treasurer  
(Title)

3-4-2015  
(Date)

#### OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the School Corporation. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.