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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, 2014 to June 30, 2016

FILED
05/04/2018

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SCHEDULE OF OFFICIALS

Office	Official	Term
Treasurer	Cheryl Harvey	07-01-14 to 06-30-18
Superintendent of Schools	Dr. Alice Johnson	07-01-14 to 06-30-16
	Dr. Melissa Brisco	07-01-16 to 06-30-18
President of the School Board	Larry Lipps	01-01-14 to 12-31-14
	Warren Brown	01-01-15 to 12-31-15
	Larry Oliver	01-01-16 to 12-31-16
	Kyle Williams	01-01-17 to 12-31-17
	Penny Stevens	01-01-18 to 12-31-18

STATE OF INDIANA
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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, 2014 to June 30, 2016, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2014 to June 30, 2016.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2014 to June 30, 2016, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

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

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 21, 2018, 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 solely 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 effectiveness of the School Corporation's 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
Paul D. Joyce, CPA
State Examiner

March 21, 2018

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

TO: THE OFFICIALS OF THE 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, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated March 21, 2018, 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 a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001 to be a material weakness.

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

Compliance and Other Matters

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

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
Paul D. Joyce, CPA
State Examiner

March 21, 2018

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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.

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ALEXANDRIA COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2015 and 2016

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
General	$ 3,875,151	$ 10,356,421	$ 10,457,665	$ 33,144	$ 3,807,051	$ 9,946,888	$ 10,768,117	$ 15,212	$ 3,001,034
Debt Service	203,764	481,151	457,318	-	227,597	460,533	444,171	-	243,959
Retirement/Severance Bond Debt Service	24,846	141,521	166,236	-	131	20,805	18,000	-	2,936
Capital Projects	232,747	998,057	1,099,875	-	130,929	916,853	1,018,712	-	29,070
School Transportation	2,069	470,105	473,278	-	(1,104)	451,267	429,178	-	20,985
School Bus Replacement	38,666	75,984	10,805	-	103,845	121,114	66,378	-	158,581
Rainy Day	1,047,193	-	18,000	-	1,029,193	18,000	99,271	-	947,922
Retirement/Severance Bond	765,339	-	174,738	-	590,601	-	121,480	-	469,121
School Lunch	411,458	727,884	774,281	-	365,061	740,397	846,216	-	259,242
Textbook Rental	96,792	126,302	72,494	-	150,600	123,530	141,318	-	132,812
Repair and Replacement	182,416	-	-	-	182,416	-	-	-	182,416
Self-Insurance	1,172,898	24	694	-	1,172,228	125	149,815	-	1,022,538
Educational License Plates	3,436	363	2	-	3,797	150	1,634	-	2,313
Alternative Education	5,435	1,950	-	-	7,385	3,251	65	-	10,571
CAPE Grant - Lilly	1,038	-	-	-	1,038	-	155	-	883
Lowes Donation - Technology	1,935	-	-	-	1,935	-	-	-	1,935
Henry Libler Scholarship	-	1,000	1,000	-	-	1,000	1,000	-	-
Higgins Scholarship	-	325	218	-	107	-	107	-	-
Special Education Donation	-	-	-	-	-	500	-	-	500
Elementary Art	619	428	619	-	428	287	458	-	257
K Camp	(385)	3,172	3,331	-	(544)	3,345	3,981	-	(1,180)
Intermediate School Technology	375	-	-	-	375	-	-	-	375
Band Donation	-	10,000	3,853	-	6,147	-	5,803	-	344
Don Dick Scholarship	-	1,000	1,000	-	-	1,000	1,000	-	-
Eagles Donation	4,060	1,500	1,180	-	4,380	1,518	1,934	-	3,964
Tiger Reader Donations	1,518	-	-	-	1,518	-	-	-	1,518
Eagles Alternative School	285	-	137	-	148	-	50	-	98
Community Hospital	545	5,700	1,508	-	4,737	3,670	4,416	-	3,991
Elementary Miscellaneous	210	250	210	-	250	-	28	-	222
Formative Assessment	-	-	-	-	-	15,600	10,653	-	4,947
High Ability 2013-14	14,418	-	14,418	-	-	-	-	-	-
High Ability 2014-15	-	30,672	29,171	-	1,501	-	1,501	-	-
High Ability 2015-16	-	-	-	-	-	31,598	31,118	-	480
Computer Consortium/Ed Tech Advance	-	269,507	269,507	-	-	138,894	138,894	-	-
Non-English Speaking 2015-16	-	-	-	-	-	1,515	1,515	-	-
School Technology	72,935	29,788	33,218	-	69,505	26,273	36,710	-	59,068
Wellness Program	36,107	-	21,899	-	14,208	-	2,704	-	11,504
Senator David Ford Technology	(3,000)	18,000	15,467	-	(467)	59,767	91,319	-	(32,019)
Title I 2013-14	(22,655)	60,994	38,339	-	-	-	-	-	-
Title I 2014-15	-	205,169	238,940	-	(33,771)	59,338	25,567	-	-
Title I 2015-16	-	-	-	-	-	292,522	301,216	-	(8,694)
Migrant Title I Part C 2013-14	(71,779)	557,112	485,333	-	-	-	-	-	-
Migrant Title I Part C 2014-15	-	473,769	512,413	(33,144)	(71,788)	664,180	592,392	-	-
Migrant Title I Part C 2015-16	-	-	-	-	-	219,037	277,799	-	(58,762)
Special Ed Part B 2013-14	(37,594)	57,701	20,107	-	-	-	-	-	-
Special Ed Part B 2014-15	-	329,093	353,955	-	(24,862)	49,214	24,352	-	-
IDEA	-	1,447	1,447	-	-	-	-	-	-
Special Ed Part B 2015-16	-	-	-	-	-	338,658	344,902	-	(6,244)
Special Ed Preschool 2013-14	(1,125)	3,898	2,773	-	-	-	-	-	-
Special Ed Preschool 2014-15	-	12,331	13,703	-	(1,372)	3,397	2,025	-	-
Special Ed Preschool 2015-16	-	-	-	-	-	13,260	13,662	-	(402)
Title II Part A 2013-14	(6,120)	62,567	56,447	-	-	-	-	-	-
Title II Part A 2014-15	-	16,069	24,966	-	(8,897)	57,188	33,291	(15,000)	-
Title II Part A 2015-16	-	-	-	-	-	31,484	31,484	-	-
Payroll Clearing	1,797	2,307,452	2,307,815	-	1,434	2,357,099	2,357,660	-	873
Totals	$ 8,055,394	$ 17,838,706	$ 18,158,360	$ -	$ 7,735,740	$ 17,173,257	$ 18,442,051	$ 212	$ 6,467,158

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

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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

C. Cash and Investments

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

D. Receipts

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

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

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

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

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

Interfund loans. Amounts 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. Amounts received from various sources, including, but not limited to, the following: return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

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

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

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

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

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

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

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

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

F. Other Financing Sources and Uses

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

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

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

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 grant expenditure reimbursements not being received by the end of the fiscal year. For the School Transportation and K Camp funds, this is a result of disbursements exceeding available funds.

Note 8. Other Postemployment Benefits

The School Corporation provides to eligible retirees and their spouses the following benefits: health insurance and 403(b) Early Retirement for Pre-1995 eligible employees. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

Note 9. Combined Funds

The CAPE Grant - Lilly fund and Lowes Donation - Technology fund were reported individually in the current financial statement, but were combined into one fund for the prior financial statement.

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OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: http://www.doe.in.gov/finance/school-financial-reports. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the Indiana Gateway for Government Units website: https://gateway.ifionline.org/.

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

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

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, 2015

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	$ 3,875,151	$ 203,764	$ 24,846	$ 232,747	$ 2,069	$ 38,666	$ 1,047,193
Receipts:							
Local sources	96,503	481,151	123,521	998,057	470,105	75,984	-
Intermediate sources	-	-	-	-	-	-	-
State sources	10,259,918	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	18,000	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	10,356,421	481,151	141,521	998,057	470,105	75,984	-
Disbursements:							
Instruction	6,871,164	-	-	-	-	-	-
Support services	3,249,260	-	-	563,111	473,278	10,805	-
Noninstructional services	248,449	-	-	-	-	-	-
Facilities acquisition and construction	73,378	-	-	536,764	-	-	-
Debt service	15,414	457,318	166,236	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	18,000
Total disbursements	10,457,665	457,318	166,236	1,099,875	473,278	10,805	18,000
Excess (deficiency) of receipts over disbursements	(101,244)	23,833	(24,715)	(101,818)	(3,173)	65,179	(18,000)
Other financing sources (uses):							
Transfers in	33,144	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	33,144	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(68,100)	23,833	(24,715)	(101,818)	(3,173)	65,179	(18,000)
Cash and investments - ending	$ 3,807,051	$ 227,597	$ 131	$ 130,929	$ (1,104)	$ 103,845	$ 1,029,193

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, 2015

	Retirement/ Severance Bond	School Lunch	Textbook Rental	Repair and Replacement	Self-Insurance	Educational License Plates	Alternative Education
Cash and investments - beginning	$ 765,339	$ 411,458	$ 96,792	$ 182,416	$ 1,172,898	$ 3,436	$ 5,435
Receipts:							
Local sources	-	258,316	84,411	-	24	-	-
Intermediate sources	-	-	-	-	-	363	-
State sources	-	6,335	41,891	-	-	-	1,950
Federal sources	-	463,233	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	727,884	126,302	-	24	363	1,950
Disbursements:							
Instruction	174,738	-	-	-	-	2	-
Support services	-	34,200	72,494	-	694	-	-
Noninstructional services	-	740,081	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	174,738	774,281	72,494	-	694	2	-
Excess (deficiency) of receipts over disbursements	(174,738)	(46,397)	53,808	-	(670)	361	1,950
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	(174,738)	(46,397)	53,808	-	(670)	361	1,950
Cash and investments - ending	$ 590,601	$ 365,061	$ 150,600	$ 182,416	$ 1,172,228	$ 3,797	$ 7,385

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, 2015

	CAPE Grant - Lilly	Lowes Donation - Technology	Henry Libler Scholarship	Higgins Scholarship	Special Education Donation	Elementary Art	K Camp
Cash and investments - beginning	$ 1,038	$ 1,935	$ -	$ -	$ -	$ 619	$ (385)
Receipts:							
Local sources	-	-	1,000	325	-	428	3,172
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	1,000	325	-	428	3,172
Disbursements:							
Instruction	-	-	1,000	218	-	619	3,331
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	-	1,000	218	-	619	3,331
Excess (deficiency) of receipts over disbursements	-	-	-	107	-	(191)	(159)
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	-	-	-	107	-	(191)	(159)
Cash and investments - ending	$ 1,038	$ 1,935	$ -	$ 107	$ -	$ 428	$ (544)

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, 2015

	Intermediate School Technology	Band Donation	Don Dick Scholarship	Eagles Donation	Tiger Reader Donations	Eagles Alternative School	Community Hospital
Cash and investments - beginning	$ 375	$ -	$ -	$ 4,060	$ 1,518	$ 285	$ 545
Receipts:							
Local sources	-	10,000	1,000	1,500	-	-	5,700
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	10,000	1,000	1,500	-	-	5,700
Disbursements:							
Instruction	-	3,853	1,000	1,180	-	137	-
Support services	-	-	-	-	-	-	1,508
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	3,853	1,000	1,180	-	137	1,508
Excess (deficiency) of receipts over disbursements	-	6,147	-	320	-	(137)	4,192
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	6,147	-	320	-	(137)	4,192
Cash and investments - ending	$ 375	$ 6,147	$ -	$ 4,380	$ 1,518	$ 148	$ 4,737

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, 2015

	Elementary Miscellaneous	Formative Assessment	High Ability 2013-14	High Ability 2014-15	High Ability 2015-16	Computer Consortium/ Ed Tech Advance	Non-English Speaking 2015-16
Cash and investments - beginning	$ 210	$ -	$ 14,418	$ -	$ -	$ -	$ -
Receipts:							
Local sources	250	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	30,672	-	269,507	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	250	-	-	30,672	-	269,507	-
Disbursements:							
Instruction	210	-	13,574	29,171	-	-	-
Support services	-	-	844	-	-	269,507	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	210	-	14,418	29,171	-	269,507	-
Excess (deficiency) of receipts over disbursements	40	-	(14,418)	1,501	-	-	-
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	40	-	(14,418)	1,501	-	-	-
Cash and investments - ending	$ 250	$ -	$ -	$ 1,501	$ -	$ -	$ -

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, 2015

	School Technology	Wellness Program	Senator David Ford Technology	Title I 2013-14	Title I 2014-15	Title I 2015-16	Migrant Title I Part C 2013-14
Cash and investments - beginning	$ 72,935	$ 36,107	$ (3,000)	$ (22,655)	$ -	$ -	$ (71,779)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	29,788	-	18,000	-	-	-	-
Federal sources	-	-	-	60,994	205,169	-	557,112
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	29,788	-	18,000	60,994	205,169	-	557,112
Disbursements:							
Instruction	-	-	-	21,617	229,719	-	470,011
Support services	-	21,899	15,467	15,384	8,113	-	15,322
Noninstructional services	-	-	-	1,338	1,108	-	-
Facilities acquisition and construction	33,218	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	33,218	21,899	15,467	38,339	238,940	-	485,333
Excess (deficiency) of receipts over disbursements	(3,430)	(21,899)	2,533	22,655	(33,771)	-	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	(3,430)	(21,899)	2,533	22,655	(33,771)	-	71,779
Cash and investments - ending	$ 69,505	$ 14,208	$ (467)	$ -	$ (33,771)	$ -	$ -

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, 2015

	Migrant Title I Part C 2014-15	Migrant Title I Part C 2015-16	Special Ed Part B 2013-14	Special Ed Part B 2014-15	IDEA	Special Ed Part B 2015-16	Special Ed Preschool 2013-14
Cash and investments - beginning	$ -	$ -	$ (37,594)	$ -	$ -	$ -	$ (1,125)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	473,769	-	57,701	329,093	1,447	-	3,898
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	473,769	-	57,701	329,093	1,447	-	3,898
Disbursements:							
Instruction	470,192	-	19,080	259,910	1,447	-	1,983
Support services	42,221	-	1,027	94,045	-	-	790
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	512,413	-	20,107	353,955	1,447	-	2,773
Excess (deficiency) of receipts over disbursements	(38,644)	-	37,594	(24,862)	-	-	1,125
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(33,144)	-	-	-	-	-	-
Total other financing sources (uses)	(33,144)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(71,788)	-	37,594	(24,862)	-	-	1,125
Cash and investments - ending	$ (71,788)	$ -	$ -	$ (24,862)	$ -	$ -	$ -

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, 2015

	Special Ed Preschool 2014-15	Special Ed Preschool 2015-16	Title II Part A 2013-14	Title II Part A 2014-15	Title II Part A 2015-16	Payroll Clearing	Totals
Cash and investments - beginning	$ -	$ -	$ (6,120)	$ -	$ -	$ 1,797	$ 8,055,394
Receipts:							
Local sources	-	-	-	-	-	-	2,611,447
Intermediate sources	-	-	-	-	-	-	363
State sources	-	-	-	-	-	-	10,658,061
Federal sources	12,331	-	62,567	16,069	-	-	2,243,383
Interfund loans	-	-	-	-	-	-	18,000
Other receipts	-	-	-	-	-	2,307,452	2,307,452
Total receipts	12,331	-	62,567	16,069	-	2,307,452	17,838,706
Disbursements:							
Instruction	13,703	-	-	-	-	-	8,587,859
Support services	-	-	56,447	24,966	-	-	4,971,382
Noninstructional services	-	-	-	-	-	-	990,976
Facilities acquisition and construction	-	-	-	-	-	-	643,360
Debt service	-	-	-	-	-	-	638,968
Nonprogrammed charges	-	-	-	-	-	2,307,815	2,307,815
Interfund loans	-	-	-	-	-	-	18,000
Total disbursements	13,703	-	56,447	24,966	-	2,307,815	18,158,360
Excess (deficiency) of receipts over disbursements	(1,372)	-	6,120	(8,897)	-	(363)	(319,654)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	33,144
Transfers out	-	-	-	-	-	-	(33,144)
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,372)	-	6,120	(8,897)	-	(363)	(319,654)
Cash and investments - ending	$ (1,372)	$ -	$ -	$ (8,897)	$ -	$ 1,434	$ 7,735,740

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, 2016

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	$ 3,807,051	$ 227,597	$ 131	$ 130,929	$ (1,104)	$ 103,845	$ 1,029,193
Receipts:							
Local sources	103,412	460,533	20,805	916,853	451,267	121,114	-
Intermediate sources	-	-	-	-	-	-	-
State sources	9,843,276	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	18,000
Other receipts	200	-	-	-	-	-	-
Total receipts	9,946,888	460,533	20,805	916,853	451,267	121,114	18,000
Disbursements:							
Instruction	7,283,441	-	-	-	-	-	-
Support services	3,130,657	-	-	526,385	429,178	66,378	45,271
Noninstructional services	232,858	-	-	-	-	-	-
Facilities acquisition and construction	84,455	-	-	492,327	-	-	54,000
Debt service	36,706	444,171	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	18,000	-	-	-	-
Total disbursements	10,768,117	444,171	18,000	1,018,712	429,178	66,378	99,271
Excess (deficiency) of receipts over disbursements	(821,229)	16,362	2,805	(101,859)	22,089	54,736	(81,271)
Other financing sources (uses):							
Sale of capital assets	212	-	-	-	-	-	-
Transfers in	15,000	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	15,212	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(806,017)	16,362	2,805	(101,859)	22,089	54,736	(81,271)
Cash and investments - ending	$ 3,001,034	$ 243,959	$ 2,936	$ 29,070	$ 20,985	$ 158,581	$ 947,922

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, 2016

	Retirement/ Severance Bond	School Lunch	Textbook Rental	Repair and Replacement	Self-Insurance	Educational License Plates	Alternative Education
Cash and investments - beginning	$ 590,601	$ 365,061	$ 150,600	$ 182,416	$ 1,172,228	$ 3,797	$ 7,385
Receipts:							
Local sources	-	269,304	88,974	-	125	-	-
Intermediate sources	-	-	-	-	-	150	-
State sources	-	8,275	34,556	-	-	-	3,251
Federal sources	-	462,818	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	740,397	123,530	-	125	150	3,251
Disbursements:							
Instruction	121,480	374	-	-	-	1,634	65
Support services	-	7,280	141,318	-	149,815	-	-
Noninstructional services	-	838,562	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	121,480	846,216	141,318	-	149,815	1,634	65
Excess (deficiency) of receipts over disbursements	(121,480)	(105,819)	(17,788)	-	(149,690)	(1,484)	3,186
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(121,480)	(105,819)	(17,788)	-	(149,690)	(1,484)	3,186
Cash and investments - ending	$ 469,121	$ 259,242	$ 132,812	$ 182,416	$ 1,022,538	$ 2,313	$ 10,571

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
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For the Year Ended June 30, 2016

	CAPE Grant - Lilly	Lowes Donation - Technology	Henry Libler Scholarship	Higgins Scholarship	Special Education Donation	Elementary Art	K Camp
Cash and investments - beginning	$ 1,038	$ 1,935	$ -	$ 107	$ -	$ 428	$ (544)
Receipts:							
Local sources	-	-	1,000	-	500	287	3,345
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	1,000	-	500	287	3,345
Disbursements:							
Instruction	6	-	1,000	107	-	458	3,981
Support services	-	-	-	-	-	-	-
Noninstructional services	149	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	155	-	1,000	107	-	458	3,981
Excess (deficiency) of receipts over disbursements	(155)	-	-	(107)	500	(171)	(636)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(155)	-	-	(107)	500	(171)	(636)
Cash and investments - ending	$ 883	$ 1,935	$ -	$ -	$ 500	$ 257	$ (1,180)

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, 2016

	Intermediate School Technology	Band Donation	Don Dick Scholarship	Eagles Donation	Tiger Reader Donations	Eagles Alternative School	Community Hospital
Cash and investments - beginning	$ 375	$ 6,147	$ -	$ 4,380	$ 1,518	$ 148	$ 4,737
Receipts:							
Local sources	-	-	1,000	1,518	-	-	3,670
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	1,000	1,518	-	-	3,670
Disbursements:							
Instruction	-	5,803	1,000	1,934	-	50	-
Support services	-	-	-	-	-	-	4,416
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	5,803	1,000	1,934	-	50	4,416
Excess (deficiency) of receipts over disbursements	-	(5,803)	-	(416)	-	(50)	(746)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(5,803)	-	(416)	-	(50)	(746)
Cash and investments - ending	$ 375	$ 344	$ -	$ 3,964	$ 1,518	$ 98	$ 3,991

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, 2016

	Elementary Miscellaneous	Formative Assessment	High Ability 2013-14	High Ability 2014-15	High Ability 2015-16	Computer Consortium/ Ed Tech Advance	Non-English Speaking 2015-16
Cash and investments - beginning	$ 250	$ -	$ -	$ 1,501	$ -	$ -	$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	15,600	-	-	31,598	138,894	1,515
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	15,600	-	-	31,598	138,894	1,515
Disbursements:							
Instruction	28	10,653	-	1,501	31,118	-	1,515
Support services	-	-	-	-	-	138,894	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	28	10,653	-	1,501	31,118	138,894	1,515
Excess (deficiency) of receipts over disbursements	(28)	4,947	-	(1,501)	480	-	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(28)	4,947	-	(1,501)	480	-	-
Cash and investments - ending	$ 222	$ 4,947	$ -	$ -	$ 480	$ -	$ -

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, 2016

	School Technology	Wellness Program	Senator David Ford Technology	Title I 2013-14	Title I 2014-15	Title I 2015-16	Migrant Title I Part C 2013-14
Cash and investments - beginning	$ 69,505	$ 14,208	$ (467)	$ -	$ (33,771)	$ -	$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	26,273	-	59,767	-	-	-	-
Federal sources	-	-	-	-	59,338	292,522	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	26,273	-	59,767	-	59,338	292,522	-
Disbursements:							
Instruction	-	-	-	-	15,864	298,575	-
Support services	-	2,704	91,319	-	9,703	2,000	-
Noninstructional services	-	-	-	-	-	641	-
Facilities acquisition and construction	36,710	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	36,710	2,704	91,319	-	25,567	301,216	-
Excess (deficiency) of receipts over disbursements	(10,437)	(2,704)	(31,552)	-	33,771	(8,694)	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,437)	(2,704)	(31,552)	-	33,771	(8,694)	-
Cash and investments - ending	$ 59,068	$ 11,504	$ (32,019)	$ -	$ -	$ (8,694)	$ -

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, 2016

	Migrant Title I Part C 2014-15	Migrant Title I Part C 2015-16	Special Ed Part B 2013-14	Special Ed Part B 2014-15	IDEA	Special Ed Part B 2015-16	Special Ed Preschool 2013-14
Cash and investments - beginning	$ (71,788)	$ -	$ -	$ (24,862)	$ -	$ -	$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	664,180	219,037	-	49,214	-	338,658	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	664,180	219,037	-	49,214	-	338,658	-
Disbursements:							
Instruction	584,169	272,988	-	21,958	-	283,152	-
Support services	8,223	4,811	-	2,394	-	61,750	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	592,392	277,799	-	24,352	-	344,902	-
Excess (deficiency) of receipts over disbursements	71,788	(58,762)	-	24,862	-	(6,244)	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	71,788	(58,762)	-	24,862	-	(6,244)	-
Cash and investments - ending	$ -	$ (58,762)	$ -	$ -	$ -	$ (6,244)	$ -

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, 2016

	Special Ed Preschool 2014-15	Special Ed Preschool 2015-16	Title II Part A 2013-14	Title II Part A 2014-15	Title II Part A 2015-16	Payroll Clearing	Totals
Cash and investments - beginning	$ (1,372)	$ -	$ -	$ (8,897)	$ -	$ 1,434	$ 7,735,740
Receipts:							
Local sources	-	-	-	-	-	-	2,443,707
Intermediate sources	-	-	-	-	-	-	150
State sources	-	-	-	-	-	-	10,163,005
Federal sources	3,397	13,260	-	57,188	31,484	-	2,191,096
Interfund loans	-	-	-	-	-	-	18,000
Other receipts	-	-	-	-	-	2,357,099	2,357,299
Total receipts	3,397	13,260	-	57,188	31,484	2,357,099	17,173,257
Disbursements:							
Instruction	2,025	13,662	-	-	-	-	8,958,541
Support services	-	-	-	33,291	31,484	-	4,887,271
Noninstructional services	-	-	-	-	-	-	1,072,210
Facilities acquisition and construction	-	-	-	-	-	-	667,492
Debt service	-	-	-	-	-	-	480,877
Nonprogrammed charges	-	-	-	-	-	2,357,660	2,357,660
Interfund loans	-	-	-	-	-	-	18,000
Total disbursements	2,025	13,662	-	33,291	31,484	2,357,660	18,442,051
Excess (deficiency) of receipts over disbursements	1,372	(402)	-	23,897	-	(561)	(1,268,794)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	212
Transfers in	-	-	-	-	-	-	15,000
Transfers out	-	-	-	(15,000)	-	-	(15,000)
Total other financing sources (uses)	-	-	-	(15,000)	-	-	212
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,372	(402)	-	8,897	-	(561)	(1,268,582)
Cash and investments - ending	$ -	$ (402)	$ -	$ -	$ -	$ 873	$ 6,467,158

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ALEXANDRIA COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2016

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	$ 248,092	$ 118,571

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Konica Minolta	Copiers	$ 34,065	05/30/2016	11/30/2019
Bank of America Leasing	Energy Savings Contract	408,927	07/01/2009	06/30/2019
Total of annual lease payments		$ 442,992		

Description of Debt			
Type	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Common School Loan	High School construction A0553	$ 1,101,623	$ 131,313
Common School Loan	Elementary construction A0527	914,225	118,849
Common School Loan	Elementary construction A0552	1,030,529	138,385
Common School Loan	Technology A1731	85,500	29,284
Common School Loan	Technology A1780	91,140	26,886
Common School Loan	Technology A1807	123,811	28,683
Common School Loan	Technology A1882	103,937	22,231
Common School Loan	Technology A1916	85,344	9,095
Totals		$ 3,536,109	$ 504,726

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2016

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

	Ending Balance
Governmental activities:	
Land	$ 5,000,000
Infrastructure	1,339,055
Buildings	27,074,377
Machinery, equipment, and vehicles	1,597,308
Total capital assets	$ 35,010,740

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SUPPLEMENTAL AUDIT OF

FEDERAL AWARDS

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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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, 2014 to June 30, 2016. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2014 to June 30, 2016.

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 item 2016-003. Our opinion on each major federal program is not modified with respect to these matters.

The School Corporation's response to the noncompliance finding 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2016-002, 2016-003, and 2016-004 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.

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

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
Paul D. Joyce, CPA
State Examiner

March 21, 2018

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, 2015 and 2016

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
			FY14-15	$ -	$ 77,682	$ -	$ -
			FY15-16	-	-	-	69,593
Total - School Breakfast Program				-	77,682	-	69,593
National School Lunch Program	Indiana Department of Education	10.555					
			FY14-15	-	378,653	-	-
			FY15-16	-	-	-	387,553
Commodities			FY14-15	-	46,029	-	-
			FY15-16	-	-	-	46,324
Total - National School Lunch Program				-	424,682	-	433,877
Summer Food Service Program for Children	Indiana Department of Education	10.559	FY14-15	-	6,899	-	-
			FY15-16	-	-	-	5,672
Total - Summer Food Service Program for Children				-	6,899	-	5,672
Total - Child Nutrition Cluster				-	509,263	-	509,142
Total - Department of Agriculture				-	509,263	-	509,142
Department of Education							
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
			14-5265	-	60,994	-	-
			15-5265	-	205,169	-	59,338
			16-5265	-	-	-	292,522
Total - Title I Grants to Local Educational Agencies				-	266,163	-	351,860

ALEXANDRIA COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2015 and 2016

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
Migrant Education State Grant Program	Indiana Department of Education	84.011					
			38213-010-PN01	-	557,112	-	-
			38214-010-PN01	-	473,769	-	664,180
			38215-001-PN02	-	-	-	219,037
Total - Migrant Education State Grant Program				-	1,030,881	-	883,217
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
			14214-094-PN01	-	57,701	-	-
			14215-094-PN01	-	329,093	-	49,214
			14216-094-PN01	-	-	-	338,658
			99914-094-TZ01	-	1,447	-	-
Total - Special Education Grants to State				-	388,241	-	387,872
Special Education Preschool Grants	Indiana Department of Education	84.173					
			45714-094-PN01	-	3,898	-	-
			45715-094-PN01	-	12,331	-	3,397
			45716-094-PN01	-	-	-	13,260
Total - Special Education Preschool Grants				-	16,229	-	16,657
Total - Special Education Cluster (IDEA)				-	404,470	-	404,529
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
			13-5265	-	62,567	-	-
			14-5265	-	16,069	-	57,188
			15-5265	-	-	-	31,484
Total - Supporting Effective Instruction State Grants				-	78,636	-	88,672
Total - Department of Education				-	1,780,150	-	1,728,278
Total federal awards expended				$ -	$ 2,289,413	$ -	$ 2,237,420

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

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

Note 2. Summary of Significant Accounting Policies

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

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 weakness identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	none reported

Federal Awards:

Internal control over major programs:	
Material weakness 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:

CFDA Number	Name of Federal Program or Cluster
	Child Nutrition Cluster
84.010	Title I Grants to Local Educational Agencies
84.011	Migrant Education State Grant Program
	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

Section II - Financial Statement Findings

FINDING 2016-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediate prior report. The prior audit finding number was 2014-001.

Condition

The School Corporation did not have a proper system of internal controls in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

The School Corporation had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway), which is a financial reporting system used to compile the School Corporation's SEFA. The Business Manager/Treasurer prepared the federal award information entered into Gateway without a control process in place to ensure its accuracy before submission.

Context

The lack of adequate internal controls was a systemic issue, which occurred throughout the audit period.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

> "Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.
>
> An integral part of the control activity component is segregation of duties. . . .
>
> There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Cause

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Effect

The failure to establish and properly implement controls could have enabled material misstatements of the SEFA to remain undetected.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the preparation of the SEFA.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

Section III - Federal Award Findings and Questioned Costs

FINDING 2016-002

Subject: Child Nutrition Cluster - Reporting
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY14-15, FY15-16
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediate prior report. The prior audit finding number was 2014-005.

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

The School Corporation had not designed or implemented adequate policies and procedures to ensure that the Monthly Sponsor Claims (claims for reimbursement), the Annual Financial Reports, and the School Food Authority (SFA) Verification Collection Reports were accurate prior to submission. The Food Service Director prepared and submitted the reports. There was no segregations of duties, such as an oversight, review, or approval process.

Context

The lack of controls was a systemic problem, which occurred throughout the audit period.

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Cause

Management of the School Corporation had not developed a system of internal controls to ensure compliance with the Reporting compliance requirement.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the Reporting compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2016-003

Subject: Child Nutrition Cluster - Program Income
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY14-15, FY15-16
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Program Income
Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Program Income compliance requirement. There were no procedures established to ensure that the receipts of the Child Nutrition Cluster programs were handled properly in accordance with the Program Income compliance requirement.

The School Corporation established a single fund, the School Lunch fund, to account for all activity of the food service programs.

The School Corporation also maintained individual accounts for students who prepaid for meals. When prepaid funds were received, they were receipted into the School Lunch fund as revenue, with no distinction between the prepaid accounts and the program income generated from the food service programs.

Context

The lack of controls was a systemic problem throughout the audit period. The School Corporation's procedures for recording revenues in the School Lunch fund prevented the ability to determine whether the School Corporation was in compliance with the Program Income compliance requirement.

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

7 CFR 210.14(c) states:

"*Financial assurances.* The school food authority shall meet the requirements of the State agency for compliance with § 210.19(a) including any separation of records of nonprofit school food service from records of any other food service which may be operated by the school food authority as provided in paragraph (a) of this section."

7 CFR 220.13(i) states in part: "Each State agency . . . shall establish a financial management system under which School Food Authorities shall account for all revenues and expenditures of their nonprofit school food service. . . ."

7 CFR 225.6(e) states in part:

"*State-Sponsor Agreement*. A sponsor approved for participation in the Program must enter into a permanent written agreement with the State agency. All sponsors must agree in writing to: . . .

(12) Maintain a financial management system as prescribed by the State agency; . . ."

2 CFR 200.302(b)(3) states:

"Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest, and be supported by documentation."

Cause

Management of the School Corporation had not developed a system of internal controls to ensure compliance with the Program Income compliance requirement.

Effect

The failure to establish an effective internal control system that would have ensured that program income was properly identified prevented the determination of the School Corporation's compliance with the Program Income compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with Program Income compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2016-004

Subject: Title I Grants to Local Educational Agencies - Reporting
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 14-5265, 15-5265, 16-5265
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediate prior report. The prior audit finding number was 2014-003.

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

The School Corporation had not designed or implemented adequate policies and procedures to ensure that the Final Expenditure Reports were accurate prior to submission. The Business Manager/Treasurer prepared and submitted the reports. There was no segregations of duties, such as an oversight, review, or approval process.

Context

The lack of controls was a systemic problem, which occurred throughout the audit period.

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Cause

Management of the School Corporation had not developed a system of internal controls to ensure compliance with the Reporting compliance requirement.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the Reporting compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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 East Washington Street
Alexandria, Indiana 46001
Telephone: (765) 724-4496; Fax: (765) 724-5049

Cheryl Harvey
Business Manager/Treasurer

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-001

Fiscal year in which the finding initially occurred: 2014
Contact Person Responsible for Corrective Action: Cheryl Harvey
Contact Phone Number: 765-724-4496

Status of Audit Finding:

The district implemented a corrective action that helped with the recording the SEFA but we fell short on getting the second review before submitting. The Business manager will gather the data and will have the deputy treasurer review for errors or missing requirements before submitting starting in 2018.

Cheryl Harvey
(Signature)

Business Manager
(Title)

3-7-18
(Date)

Alexandria Community School Corporation

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Cheryl Harvey
Business Manager/Treasurer

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-002

Fiscal year in which the finding initially occurred: 2014
Contact Person Responsible for Corrective Action: Cheryl Harvey
Contact Phone Number: 765-724-4496

Status of Audit Finding:

The district followed the corrective plan set in place after the 2014 audit. Created an appropriate amount of internal controls in order to become compliant in Cost/Cost Principles that was sighted in the audit.

Cheryl Harvey
(Signature)

Business Manager
(Title)

3-7-18
(Date)

Alexandria Community School Corporation

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Telephone: (765) 724-4496; Fax: (765) 724-5049

Cheryl Harvey
Business Manager/Treasurer

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-003

Fiscal year in which the finding initially occurred: 2014
Contact Person Responsible for Corrective Action: Cheryl Harvey
Contact Phone Number: 765-724-4496

Status of Audit Finding:

The district implemented a corrective action plan that eliminated some of the errors but did not have a second review of the Title I reimbursement requests and reports until after the audit period. The district started in July of 2016 having the Deputy Treasurer involved in the process.

Cheryl Harvey
(Signature)

Business Manager
(Title)

3-7-18
(Date)

Alexandria Community School Corporation

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Cheryl Harvey
Business Manager/Treasurer

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-004

Fiscal year in which the finding initially occurred: 2014
Contact Person Responsible for Corrective Action: Cheryl Harvey
Contact Phone Number: 765-724-4496

Status of Audit Finding:

The District implemented the corrective action created after the 2014 audit. The result was no continued finding. The lunch cash management has become compliant.

Cheryl Harvey
(Signature)

Business Manager
(Title)

3-7-18
(Date)

Alexandria Community School Corporation

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Cheryl Harvey
Business Manager/Treasurer

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-005

Fiscal year in which the finding initially occurred: 2014
Contact Person Responsible for Corrective Action: Cheryl Harvey
Contact Phone Number: 765-724-4496

Status of Audit Finding:

The district added the extra internal controls written in the corrective action for the 2014 audit. The results were no repeated finding.

Cheryl Harvey
(Signature)

Business Manager
(Title)

3-7-18
(Date)

Alexandria Community School Corporation

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Cheryl Harvey
Business Manager/Treasurer

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-006

Fiscal year in which the finding initially occurred: 2014
Contact Person Responsible for Corrective Action: Cheryl Harvey
Contact Phone Number: 765-724-4496

Status of Audit Finding:

The district added the extra internal controls written in the corrective action for the 2014 audit. The results were no repeated finding.

Cheryl Harvey
(Signature)

Business Manager
(Title)

3-7-18
(Date)

Alexandria Community School Corporation

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Dr. Melissa Brisco, Superintendent

Cheryl Harvey, Business Mgr./ Treasurer

CORRECTIVE ACTION PLAN

Finding 2016-001

Contact Person Responsible for Corrective Action: Cheryl Harvey
Contact Phone Number: 765-724-4496
Expected Completion Date: Immediately
Views of Responsible Official: We concur with the findings.

The district will have the Deputy Treasurer and/or AP clerk review and sign the reports that the Business Manager has created in order to follow the statute of submitting school data in the Gateway system. The district is in the process of creating a full internal control policy and procedure handbook and this will be addressed in that.

Cheryl Harvey
(Signature)

Business Manager
(Title)

3-21-18

Alexandria Community School Corporation

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Dr. Melissa Brisco, Superintendent

Cheryl Harvey, Business Mgr./ Treasurer

CORRECTIVE ACTION PLAN

Finding 2016-002

Contact Person Responsible for Corrective Action: Cheryl Harvey
Contact Phone Number: 765-724-4496
Expected Completion Date: Immediately
Views of Responsible Official: We concur with the findings.

The District plans to have the Business Manager and the Deputy Treasurer to work with the Food Director and review all her reports and reimbursements requests. We will require a second review signature to be included with the reports. We have been working with the Food Director on many of her reports but failed to add the signature, so will correct at this time.

Cheryl Harvey
(Signature)

Business Manager
(Title)

3-21-18

Alexandria Community School Corporation

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Dr. Melissa Brisco, Superintendent

Cheryl Harvey, Business Mgr./ Treasurer

CORRECTIVE ACTION PLAN

Finding 2016-003

Contact Person Responsible for Corrective Action: Cheryl Harvey
Contact Phone Number: 765-724-4496
Expected Completion Date: Was corrected 08/01/16
Views of Responsible Official: We concur with the findings.

The District created fund 8400 at the beginning of the 16/17 school year after the 2014 audit was completed in 2015. We waited until the beginning of the next school year in order to start from a clean slate. It is being used at this time but didn't make it during the audit period.

Cheryl Harvey
(Signature)

Business Manager
(Title)

3-21-18

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Dr. Melissa Brisco, Superintendent

Cheryl Harvey, Business Mgr./ Treasurer

CORRECTIVE ACTION PLAN

Finding 2016-004

Contact Person Responsible for Corrective Action: Cheryl Harvey
Contact Phone Number: 765-724-4496
Expected Completion Date: Corrected 08/01/16
Views of Responsible Official: We concur with the findings.

The District started having the Deputy Treasurer review and sign a copy of the Title I reimbursement requests as sited as a finding in the prior audit but did not correct prior to the current audit period. We will continue to have all the documents reviewed and the person reviewing will put their signature on the report to verify the review.

Cheryl Harvey
(Signature)

Business Manager
(Title)

3-21-18

OTHER REPORTS

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