

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

AUDIT REPORT  
OF  
SCHOOL CITY OF HAMMOND  
LAKE COUNTY, INDIANA  
July 1, 2005 to June 30, 2007



**FILED**

05/19/2008



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	3
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards.....	4-5
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards .....	6-7
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets - Cash and Investment Basis.....	8-9
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances - Cash and Investment Basis – Governmental Funds .....	10-11
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds .....	12-13
Notes to Financial Statements .....	14-23
Required Supplementary Information:	
Schedule of Funding Progress .....	24
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	25-67
Schedule of Capital Assets.....	68
Schedule of Long-Term Debt .....	69
Other Report .....	70
Audit Results and Comments:	
Internal Control Over Error Correction .....	71
Computerized Accounting System .....	71-72
School Nutrition Program Controls.....	72-74
Credit Cards.....	74-75
Negative Account Balances.....	75
Overdrawn Cash Balances.....	75
Optical Images of Checks.....	75-76
Deposit Composition .....	76

TABLE OF CONTENTS  
(Continued)

<u>Description</u>	<u>Page</u>
Audit Results and Comments (continued):	
Deposits.....	76-78
Bank Account Reconciliations .....	78
Condition of Records .....	78-79
Overdrawn Cash Balances.....	79
Textbook Rental and Educational Fees .....	79-80
Federal and State Agencies – Compliance Requirements .....	80
Public Records Retention .....	80
Donations.....	81
Cash Collections.....	81
Prescribed Forms .....	81-82
Vending Sales.....	82
Disbursements.....	82-83
Inaccurate Deposits in Transit.....	83-84
ECA Fees Transferred to the Corporation.....	84
Textbook Rental Charges and Collections .....	84-85
Condition of Records .....	85-87
Supporting Documentation for Business Type Activities.....	87
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	90-91
Schedule of Expenditures of Federal Awards .....	92-93
Notes to Schedule of Expenditures of Federal Awards.....	94
Schedule of Findings and Questioned Costs .....	95-101
Auditee Prepared Schedules:	
Summary Schedule of Prior Audit Findings .....	102
Corrective Action Plan.....	103-105
Exit Conference.....	106

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Karen L. Wallisch	07-01-05 to 06-30-08
Superintendent of Schools	Dr. Walter J. Watkins	07-01-05 to 06-30-08
President of the School Board	James Hornak Anna Mamala	07-01-05 to 06-30-06 07-01-06 to 06-30-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE SCHOOL CITY OF HAMMOND, LAKE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School City of Hammond (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2006 and 2007, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated February 4, 2008, 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 and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

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

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

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

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

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

STATE BOARD OF ACCOUNTS

February 4, 2008



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE SCHOOL CITY OF HAMMOND, LAKE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School City of Hammond (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated February 4, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in items 2007-1 through 2007-3 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described above, we consider items 2007-1 and 2007-2 to be material weaknesses.

Compliance and Other Matters

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

We noted certain matters that we reported to management in a separate letter dated February 4, 2008.

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

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

STATE BOARD OF ACCOUNTS

February 4, 2008

SCHOOL CITY OF HAMMOND  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2006

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		Charges for Services	Operating Grants and Contributions	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 48,879,353	\$ -	\$ 789,895	\$ (48,089,458)
Support services	75,460,985	1,728,771	5,244,658	(68,487,556)
Community services	1,082,085	-	-	(1,082,085)
Nonprogrammed charges	575,715	-	-	(575,715)
Debt service	57,910,474	-	-	(57,910,474)
Total governmental activities	\$ 183,908,612	\$ 1,728,771	\$ 6,034,553	(176,145,288)
General receipts:				
Property taxes				49,162,829
Other local sources				6,199,228
State aid				71,264,343
Bonds and loans				28,598,098
Grants and contributions not restricted to specific programs				15,773,900
Sale of property, adjustments, and refunds				1,033,294
Investment earnings				359,838
Total general receipts				172,391,530
Change in net assets				(3,753,758)
Net assets - beginning				15,832,249
Net assets - ending				\$ 12,078,491
<u>Assets</u>				
Cash and investments				\$ 4,761,876
Restricted assets:				
Cash and investments				7,316,615
Total assets				\$ 12,078,491
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 7,316,615
Other purposes				6,603,634
Unrestricted				(1,841,758)
Total net assets				\$ 12,078,491

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

SCHOOL CITY OF HAMMOND  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				Net (Disbursement) Receipts and Changes in Net Assets
Instruction	\$ 48,908,106	\$ -	\$ 639,694	\$ (48,268,412)
Support services	73,922,335	1,842,886	5,357,139	(66,722,310)
Community services	1,113,776	-	-	(1,113,776)
Nonprogrammed charges	467,684	-	-	(467,684)
Debt service	46,832,141	-	-	(46,832,141)
Total governmental activities	\$ 171,244,042	\$ 1,842,886	\$ 5,996,833	(163,404,323)
General receipts:				
Property taxes				41,039,497
Other local sources				6,047,250
State aid				74,351,487
Bonds and loans				33,737,924
Grants and contributions not restricted to specific programs				12,912,282
Sale of property, adjustments, and refunds				1,841,828
Investment earnings				140,645
Total general receipts				170,070,913
Change in net assets				6,666,590
Net assets - beginning				12,078,491
Net assets - ending				\$ 18,745,081
<u>Assets</u>				
Cash and investments				\$ 9,541,167
Restricted assets:				
Cash and investments				9,203,914
Total assets				\$ 18,745,081
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 9,203,914
Other purposes				8,395,970
Unrestricted				1,145,197
Total net assets				\$ 18,745,081

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

SCHOOL CITY OF HAMMOND  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2006

	General	Transportation Operating	School Lunch	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>								
Local sources	\$ 22,679,108	\$ 5,322,028	\$ 1,427,329	\$ 18,384,029	\$ 6,517,127	\$ 623,997	\$ 2,020,679	\$ 56,974,297
Intermediate sources	476,369	-	-	-	-	-	-	476,369
State sources	71,564,036	-	24,317	-	-	-	8,890,744	80,479,097
Federal sources	-	-	4,497,065	-	-	-	8,096,634	12,593,699
Bonds and loans	13,554,421	2,200,594	-	8,731,571	3,756,544	354,968	-	28,598,098
Sale of property, adjustments and refunds	302,788	126,777	41,856	-	4,364	-	557,509	1,033,294
<b>Total receipts</b>	<b>108,576,722</b>	<b>7,649,399</b>	<b>5,990,567</b>	<b>27,115,600</b>	<b>10,278,035</b>	<b>978,965</b>	<b>19,565,566</b>	<b>180,154,854</b>
<b>Disbursements:</b>								
<b>Current:</b>								
Instruction	41,974,945	-	-	-	-	-	6,904,408	48,879,353
Support services	47,739,864	4,404,319	5,427,178	-	6,328,111	433,582	11,127,931	75,460,985
Community services	764,149	-	-	-	-	-	317,936	1,082,085
Nonprogrammed charges	51,153	-	-	-	-	-	524,562	575,715
Debt services	22,706,137	3,405,772	-	26,481,308	3,995,626	564,483	757,148	57,910,474
<b>Total disbursements</b>	<b>113,236,248</b>	<b>7,810,091</b>	<b>5,427,178</b>	<b>26,481,308</b>	<b>10,323,737</b>	<b>998,065</b>	<b>19,631,985</b>	<b>183,908,612</b>
Excess (deficiency) of receipts over disbursements	(4,659,526)	(160,692)	563,389	634,292	(45,702)	(19,100)	(66,419)	(3,753,758)
<b>Other financing sources (uses):</b>								
Transfers in	64,728	169,029	-	-	-	-	731,589	965,346
Transfers out	(227,898)	-	-	(169,029)	-	-	(568,419)	(965,346)
<b>Total other financing sources (uses)</b>	<b>(163,170)</b>	<b>169,029</b>	<b>-</b>	<b>(169,029)</b>	<b>-</b>	<b>-</b>	<b>163,170</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,822,696)	8,337	563,389	465,263	(45,702)	(19,100)	96,751	(3,753,758)
Cash and investments - beginning	6,757,168	1,386,048	997,171	6,581,614	(94,457)	(101,504)	306,209	15,832,249
Cash and investments - ending	\$ 1,934,472	\$ 1,394,385	\$ 1,560,560	\$ 7,046,877	\$ (140,159)	\$ (120,604)	\$ 402,960	\$ 12,078,491
<b>Cash and Investment Assets - Ending</b>								
Cash and investments	\$ 1,934,472	\$ 1,394,385	\$ 1,560,560	\$ -	\$ (140,159)	\$ (120,604)	\$ 133,222	\$ 4,761,876
Restricted assets:								
Cash and investments	-	-	-	7,046,877	-	-	269,738	7,316,615
<b>Total cash and investment assets - ending</b>	<b>\$ 1,934,472</b>	<b>\$ 1,394,385</b>	<b>\$ 1,560,560</b>	<b>\$ 7,046,877</b>	<b>\$ (140,159)</b>	<b>\$ (120,604)</b>	<b>\$ 402,960</b>	<b>\$ 12,078,491</b>
<b>Cash and Investment Fund Balance - Ending</b>								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 7,046,877	\$ -	\$ -	\$ 269,738	\$ 7,316,615
Other purposes	-	1,394,385	1,560,560	-	-	-	3,648,689	6,603,634
Unrestricted	1,934,472	-	-	-	(140,159)	(120,604)	(3,515,467)	(1,841,758)
<b>Total cash and investment fund balance - ending</b>	<b>\$ 1,934,472</b>	<b>\$ 1,394,385</b>	<b>\$ 1,560,560</b>	<b>\$ 7,046,877</b>	<b>\$ (140,159)</b>	<b>\$ (120,604)</b>	<b>\$ 402,960</b>	<b>\$ 12,078,491</b>

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

SCHOOL CITY OF HAMMOND  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2007

	General	Transportation Operating	School Lunch	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>								
Local sources	\$ 16,572,907	\$ 5,092,350	\$ 1,476,995	\$ 17,103,272	\$ 6,119,117	\$ 568,641	\$ 1,707,739	\$ 48,641,021
Intermediate sources	429,258	-	-	-	-	-	-	429,258
State sources	74,507,645	-	23,454	-	-	-	7,131,445	81,662,544
Federal sources	-	-	4,695,153	-	-	-	6,902,904	11,598,057
Bonds and loans	13,688,958	2,186,853	-	12,407,643	4,770,265	445,745	238,460	33,737,924
Sale of property, adjustments and refunds	438,427	153,717	36,914	-	847	-	1,211,923	1,841,828
<b>Total receipts</b>	<b>105,637,195</b>	<b>7,432,920</b>	<b>6,232,516</b>	<b>29,510,915</b>	<b>10,890,229</b>	<b>1,014,386</b>	<b>17,192,471</b>	<b>177,910,632</b>
<b>Disbursements:</b>								
<b>Current:</b>								
Instruction	41,847,923	293	-	-	-	-	7,059,890	48,908,106
Support services	46,080,806	4,373,864	5,539,556	-	6,320,754	281,048	11,326,307	73,922,335
Community services	838,535	-	-	-	-	-	275,241	1,113,776
Nonprogrammed charges	89,616	-	150,000	-	-	-	228,068	467,684
Debt services	12,964,421	2,192,707	-	27,234,960	3,506,544	331,368	602,141	46,832,141
<b>Total disbursements</b>	<b>101,821,301</b>	<b>6,566,864</b>	<b>5,689,556</b>	<b>27,234,960</b>	<b>9,827,298</b>	<b>612,416</b>	<b>19,491,647</b>	<b>171,244,042</b>
Excess (deficiency) of receipts over disbursements	3,815,894	866,056	542,960	2,275,955	1,062,931	401,970	(2,299,176)	6,666,590
<b>Other financing sources (uses):</b>								
Transfers in	55,768	-	-	-	-	-	1,381,374	1,437,142
Transfers out	(447,383)	-	-	(270,412)	-	-	(719,347)	(1,437,142)
<b>Total other financing sources (uses)</b>	<b>(391,615)</b>	<b>-</b>	<b>-</b>	<b>(270,412)</b>	<b>-</b>	<b>-</b>	<b>662,027</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,424,279	866,056	542,960	2,005,543	1,062,931	401,970	(1,637,149)	6,666,590
Cash and investments - beginning	1,934,472	1,394,385	1,560,560	7,046,877	(140,159)	(120,604)	402,960	12,078,491
<b>Cash and investments - ending</b>	<b>\$ 5,358,751</b>	<b>\$ 2,260,441</b>	<b>\$ 2,103,520</b>	<b>\$ 9,052,420</b>	<b>\$ 922,772</b>	<b>\$ 281,366</b>	<b>\$ (1,234,189)</b>	<b>\$ 18,745,081</b>
<b>Cash and Investment Assets - Ending</b>								
Cash and investments	\$ 5,358,751	\$ 2,260,441	\$ 2,103,520	\$ -	\$ 922,772	\$ 281,366	\$ (1,385,683)	\$ 9,541,167
Restricted assets:								
Cash and investments	-	-	-	9,052,420	-	-	151,494	9,203,914
<b>Total cash and investment assets - ending</b>	<b>\$ 5,358,751</b>	<b>\$ 2,260,441</b>	<b>\$ 2,103,520</b>	<b>\$ 9,052,420</b>	<b>\$ 922,772</b>	<b>\$ 281,366</b>	<b>\$ (1,234,189)</b>	<b>\$ 18,745,081</b>
<b>Cash and Investment Fund Balance - Ending</b>								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 9,052,420	\$ -	\$ -	\$ 151,494	\$ 9,203,914
Other purposes	-	2,260,441	2,103,520	-	922,772	281,366	2,827,871	8,395,970
Unrestricted	5,358,751	-	-	-	-	-	(4,213,554)	1,145,197
<b>Total cash and investment fund balance - ending</b>	<b>\$ 5,358,751</b>	<b>\$ 2,260,441</b>	<b>\$ 2,103,520</b>	<b>\$ 9,052,420</b>	<b>\$ 922,772</b>	<b>\$ 281,366</b>	<b>\$ (1,234,189)</b>	<b>\$ 18,745,081</b>

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

SCHOOL CITY OF HAMMOND  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND  
CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUND  
For the Year Ended June 30, 2006

	<u>Pension Trust Fund</u>
Additions:	
Investment earnings:	
Interest	\$ 135,440
Deductions:	
Benefits	<u>521,052</u>
Deficiency of total additions over total deductions	(385,612)
Cash and investment fund balance - beginning	<u>6,384,436</u>
Cash and investment fund balance - ending	<u>\$ 5,998,824</u>
Net assets:	
Cash and investments	<u>\$ 5,998,824</u>
Total net assets - cash and investment basis held in trust	<u>\$ 5,998,824</u>

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

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

	Pension Trust Funds	Agency Funds
Additions:		
Investment earnings:		
Interest	\$ 122,169	
Deductions:		
Benefits	<u>1,656,033</u>	
Deficiency of total additions over total deductions	(1,533,864)	
Cash and investment fund balance - beginning	<u>5,998,824</u>	
Cash and investment fund balance - ending	<u>\$ 4,464,960</u>	
Net assets:		
Cash and investments	<u>\$ 4,464,960</u>	<u>\$ 242,482</u>
Total net assets - cash and investment basis held in trust	<u>\$ 4,464,960</u>	<u>\$ 242,482</u>

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

SCHOOL CITY OF HAMMOND  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

The School Corporation's financial reporting entity is composed of the primary government. There are no significant component units which require inclusion.

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

Joint Venture

The School Corporation is a participant with twenty school corporations in Lake, Porter, and Jasper Counties in a joint venture to operate the Northwest Indiana Educational Services Center (NWIESC) which was created to provide cooperative purchasing, multi-media services, curriculum/staff development, technology services, and other educational services. The School Corporation is obligated by contract to remit \$3 per student enrolled in the School Corporation annually to supplement the NWIESC. Complete financial statements for the NWIESC can be obtained from NWIESC's administrative office at 2939 41<sup>st</sup> Street, Highland, Indiana, 46322-2790.

The School Corporation is a participant with seventeen school corporations in Indiana in a joint venture to operate the Indiana Urban Schools Association (IUSA) which was created to foster good communication among members and ensure that issues affecting urban schools are properly researched, reported and kept visible to its various publics. The IUSA's continued existence depends on continued funding by the School Corporation. Complete financial statements for the IUSA can be obtained from IUSA's administrative office at 120 East Walnut Street, Indianapolis, Indiana, 46204.

The School Corporation is a participant in the Northwest Indiana Public School Study Council (Study Council), a joint school services program established December 10, 1969, for the improvement of education and the study of problems and issues involved in public education. The Study Council is governed by a board composed of a member from each participating school corporation. The School Corporation pays \$1,000 annually to belong to the Study Council. Complete financial statements for the Study Council can be obtained from the Merrillville Community School Corporation, 8701 Delaware Street, Merrillville, Indiana, 46410.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statements of Activities and Net Assets – Cash and Investment Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

SCHOOL CITY OF HAMMOND  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Fund Financial Statements

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

The School Corporation reports the following major governmental funds:

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

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

The school lunch fund is used to account for the receipts and disbursements of the operation of the school's food service program.

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

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

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

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for the activities of the pension fund which accumulates resources for pension benefit payments.

The agency fund account for assets held by the School Corporation as an agent for various payroll taxing agencies.

C. Measurement Focus and Basis of Accounting

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

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

SCHOOL CITY OF HAMMOND  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

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

3. Compensated Absences

a. Sick Leave

Employees earn sick leave at the rate of 10 to 13 days per year. Unused sick leave may be accumulated indefinitely. Accumulated sick leave is paid to certified employees through cash payments upon retirement.

b. Vacation Leave

Nonteaching or administrative and noncertified School Corporation employees earn vacation leave at rates from 10 days to 25 days per year based upon the number of years of service. Vacation leave does not accumulate from year to year.

c. Personal Leave

School Corporation employees earn personal leave at the rate of 3 days per year. Unused personal leave accrues to accumulated sick leave at year end.

4. Capital Assets

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

SCHOOL CITY OF HAMMOND  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

5. Long-Term Debt

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

6. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are reported as reimbursements.

SCHOOL CITY OF HAMMOND  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

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

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis. The effects of interfund services between funds, if any, are not eliminated in the Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. Cash and Investment Balance Deficits

At June 30, 2006 and 2007, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	Fund No.	2006	2007
Capital Projects	35	\$ 140,159	\$ -
School Bus Replacement	42	120,604	-
Special Education Preschool	60	-	41,892
1998 GOB Proceeds	71	-	84,056

SCHOOL CITY OF HAMMOND  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Fund	Fund No.	2006	2007
2000 GOB Proceeds	72	\$ 5,054	\$ 14,559
Gavit High Cafeteria Construction	73	68,792	793,706
Common School Fund Loan 470	74	65,449	-
Textbook Rental	90	2,500,997	2,228,209
Job Link 2000	220	43,598	25,135
Safe Haven 2005-06	229	6,490	-
Robotics 2001-02	233	2,341	-
Common School Fund Loan 1159	302	54,657	-
Common School Fund Loan 1101	304	-	392,636
Common School Fund Loan 1102	308	-	109,956
Tech Prep Gavit	315	6,243	2,174
Common School Fund Loan 490	317	-	109,956
Medicaid	325	30,210	26,813
Adult Education 2005-06	328	356,767	-
ECA Activity	330	3,815	3,374
Migrant 2005-06	430	5,846	-
Summer Migrant 2004-05	495	70,772	-
Preschool 14207-026-PN01	547	-	122,119
Preschool 2005-06	558	9,482	-
Preschool 2006-07	559	-	29,676
Adult Education RAP	579	33,474	-
Title II 2002-03	591	3,747	-
Title II 2001-02	592	1,489	-
Morton TP-6A-44	634	-	18,802
Carl Perkins 2005-06	640	59,670	-
Carl Perkins 2006-07	641	-	153,321
Headstart 2006	649	186,574	-
Headstart 2007	650	-	167,126

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

SCHOOL CITY OF HAMMOND  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. As of June 30, 2007, the School Corporation had no investments.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2006 and 2007, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2006</u>	<u>2007</u>
General Fund	Other governmental funds	\$ 227,898	\$ 447,383
Debt Service Fund	Transportation Operating Fund	169,029	-
	Other governmental funds	-	270,412
Other governmental funds	General Fund	64,728	55,768
	Other governmental funds	<u>503,691</u>	<u>663,579</u>
Totals		<u>\$ 965,346</u>	<u>\$ 1,437,142</u>

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions and to transfer grant balances to the new grant fund.

IV. Other Information

A. Risk Management

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

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

B. Holding Corporation

The School Corporation has entered into various capital leases with the Hammond Multi-School Holding Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years ended June 30, 2006 and 2007, totaled \$12,197,000 and \$14,509,672, respectively.

SCHOOL CITY OF HAMMOND  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

C. Subsequent Events

1. Property tax rates and levies for 2006 taxes payable 2007 were not established by February 15, 2006, as required by state statute due to the delay in the completion of the reassessment of Lake County.

The 2006 taxes payable in 2007 tax bills were mailed by the Lake County Treasurer in December 2007, with a January 31, 2008, due date. Distribution to the taxing districts is expected by March 15, 2008.

2. The School Corporation has \$14,776,615 in 2007 Tax Anticipation Warrants unpaid at February 4, 2008. In January 2008, the School Corporation issued an additional \$38,116,000 in Tax Anticipation Warrants.

D. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

SCHOOL CITY OF HAMMOND  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 1,315,233
Interest on net pension obligation	(101,156)
Adjustment to annual required contribution	115,275
Annual pension cost	1,329,352
Contributions made	1,254,077
Increase in net pension obligation	75,275
Net pension obligation, beginning of year	(1,395,259)
Net pension obligation, end of year	\$ (1,319,984)
Contribution rates:	
School Corporation	6.75%
Plan members	3%
Actuarial valuation date	07-01-06
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 984,051	138%	\$ (1,181,490)
	06-30-05	1,082,208	120%	(1,395,259)
	06-30-06	1,329,352	116%	(1,319,984)

SCHOOL CITY OF HAMMOND  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Costs

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

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2005, 2006, and 2007, were \$1,107,747, \$1,321,663, and \$1,468,190, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

SCHOOL CITY OF HAMMOND  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 17,902,103	\$ 19,519,489	\$ (1,617,386)	92%	\$ 18,227,203	(9%)
07-01-05	18,930,267	22,592,405	(3,662,138)	84%	18,994,636	(19%)
07-01-06	21,025,175	23,356,047	(2,330,872)	90%	18,596,731	(13%)

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006

	Special Education Preschool	Textbook Rental	Educational License Plate	Early Intervention Maywood 2006-07	Early Intervention Harding 2004-05	Early Intervention Lafayette 2004-05	Early Intervention Maywood 2005-06
<b>Receipts:</b>							
Local sources	\$ 46,507	\$ 331,638	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	413,966	600,567	-	-	-	-	70,267
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	4,362	-	-	-	-	-
<b>Total receipts</b>	<b>460,473</b>	<b>936,567</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,267</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	228,512	-	-	16,323	5,622	8,435	14,920
Support services	165,729	1,953,987	-	21,231	9	-	51,006
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	18,170	-	-	-	-	-	-
<b>Total disbursements</b>	<b>412,411</b>	<b>1,953,987</b>	<b>-</b>	<b>37,554</b>	<b>5,631</b>	<b>8,435</b>	<b>65,926</b>
Excess (deficiency) of receipts over disbursements	48,062	(1,017,420)	-	(37,554)	(5,631)	(8,435)	4,341
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	48,062	(1,017,420)	-	(37,554)	(5,631)	(8,435)	4,341
Cash and investments - beginning	122,819	(1,483,577)	724	146,425	5,631	8,435	319
Cash and investments - ending	\$ 170,881	\$ (2,500,997)	\$ 724	\$ 108,871	\$ -	\$ -	\$ 4,660
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 170,881	\$ (2,500,997)	\$ 724	\$ 108,871	\$ -	\$ -	\$ 4,660
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 170,881</b>	<b>\$ (2,500,997)</b>	<b>\$ 724</b>	<b>\$ 108,871</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,660</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	170,881	-	724	108,871	-	-	4,660
Unrestricted	-	(2,500,997)	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 170,881</b>	<b>\$ (2,500,997)</b>	<b>\$ 724</b>	<b>\$ 108,871</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,660</b>

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Early Intervention Harding 2005-06	Early Intervention Lafayette 2005-06	Library Printed Material	Safe Haven 2002-03	ACC Internship	Safe Haven 2003-04
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	19,500	24,875	-	-	-	22,258
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	174	-	-	-	-	-
<b>Total receipts</b>	<b>19,674</b>	<b>24,875</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,258</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	17,702	23,679	-	-	200	-
Support services	1,240	-	2,345	-	15	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>18,942</b>	<b>23,679</b>	<b>2,345</b>	<b>-</b>	<b>215</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	732	1,196	(2,345)	-	(215)	22,258
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(8,468)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,468)</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	732	1,196	(2,345)	(8,468)	(215)	22,258
Cash and investments - beginning	-	-	2,345	8,468	1,475	(22,258)
Cash and investments - ending	<u>\$ 732</u>	<u>\$ 1,196</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,260</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 732	\$ 1,196	\$ -	\$ -	\$ 1,260	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 732</u>	<u>\$ 1,196</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,260</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	732	1,196	-	-	1,260	-
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ 732</u>	<u>\$ 1,196</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,260</u>	<u>\$ -</u>

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Donation	ESP City of Hammond	Partnerships 2002-03	Instructional Support	Leadership Academy	Everyday Math
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 4,101	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	1,000	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>4,101</b>	<b>-</b>	<b>1,000</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	22,310	-	-	-	-
Support services	-	-	34,400	-	8,294	9,117
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>22,310</b>	<b>34,400</b>	<b>-</b>	<b>8,294</b>	<b>9,117</b>
Excess (deficiency) of receipts over disbursements	-	(22,310)	(30,299)	-	(7,294)	(9,117)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(22,310)	(30,299)	-	(7,294)	(9,117)
Cash and investments - beginning	1,817	22,310	63,414	-	31,068	47,014
Cash and investments - ending	<u>\$ 1,817</u>	<u>\$ -</u>	<u>\$ 33,115</u>	<u>\$ -</u>	<u>\$ 23,774</u>	<u>\$ 37,897</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 1,817	\$ -	\$ 33,115	\$ -	\$ 23,774	\$ 37,897
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 1,817</u>	<u>\$ -</u>	<u>\$ 33,115</u>	<u>\$ -</u>	<u>\$ 23,774</u>	<u>\$ 37,897</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	1,817	-	33,115	-	23,774	37,897
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ 1,817</u>	<u>\$ -</u>	<u>\$ 33,115</u>	<u>\$ -</u>	<u>\$ 23,774</u>	<u>\$ 37,897</u>

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Job Link 2000	Urban Teachers	Great Race	Urban Teachers Caldwell	Special Education Summer	Safe Haven 2004-05
<b>Receipts:</b>						
Local sources	\$ 393,374	\$ 4,443	\$ -	\$ -	\$ 2,500	\$ -
State sources	-	-	-	-	-	1,917
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>393,374</b>	<b>4,443</b>	<b>-</b>	<b>-</b>	<b>2,500</b>	<b>1,917</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	301,562	3,958	1,149	-	2,500	-
Support services	76,653	416	-	220	-	673
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>378,215</b>	<b>4,374</b>	<b>1,149</b>	<b>220</b>	<b>2,500</b>	<b>673</b>
Excess (deficiency) of receipts over disbursements	15,159	69	(1,149)	(220)	-	1,244
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	15,159	69	(1,149)	(220)	-	1,244
Cash and investments - beginning	(58,757)	427	1,912	220	-	(1,244)
Cash and investments - ending	<u>\$ (43,598)</u>	<u>\$ 496</u>	<u>\$ 763</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ (43,598)	\$ 496	\$ 763	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ (43,598)</u>	<u>\$ 496</u>	<u>\$ 763</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	496	763	-	-	-
Unrestricted	(43,598)	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ (43,598)</u>	<u>\$ 496</u>	<u>\$ 763</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Non-English Speaking	Safe Haven 2005-06	Science Awards	Science Conference	Robotics 2001-02	Good Fellow
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 1,332	\$ 92,562	\$ 28,446	\$ -
State sources	-	22,259	-	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	9,065	-	145	-	-
<b>Total receipts</b>	<b>-</b>	<b>31,324</b>	<b>1,332</b>	<b>92,707</b>	<b>28,446</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	1,352	-	469	95,120	44,026	-
Support services	6,263	4,948	-	303	-	-
Community services	-	41,334	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>7,615</b>	<b>46,282</b>	<b>469</b>	<b>95,423</b>	<b>44,026</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(7,615)	(14,958)	863	(2,716)	(15,580)	-
<b>Other financing sources (uses):</b>						
Transfers in	-	8,468	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>8,468</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,615)	(6,490)	863	(2,716)	(15,580)	-
Cash and investments - beginning	8,221	-	3,165	37,120	13,239	6,016
Cash and investments - ending	\$ 606	\$ (6,490)	\$ 4,028	\$ 34,404	\$ (2,341)	\$ 6,016
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 606	\$ (6,490)	\$ 4,028	\$ 34,404	\$ (2,341)	\$ 6,016
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 606</b>	<b>\$ (6,490)</b>	<b>\$ 4,028</b>	<b>\$ 34,404</b>	<b>\$ (2,341)</b>	<b>\$ 6,016</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	606	-	4,028	34,404	-	6,016
Unrestricted	-	(6,490)	-	-	(2,341)	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 606</b>	<b>\$ (6,490)</b>	<b>\$ 4,028</b>	<b>\$ 34,404</b>	<b>\$ (2,341)</b>	<b>\$ 6,016</b>

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Survive Alive 2005-06	Junior Robotics	Survive Alive 2006-07	Operation Snowball	United Way Summer Camp 2005	United Way Summer Camp 2006
<b>Receipts:</b>						
Local sources	\$ 6,933	\$ 500	\$ 1,500	\$ -	\$ 22,843	\$ 22,363
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>6,933</b>	<b>500</b>	<b>1,500</b>	<b>-</b>	<b>22,843</b>	<b>22,363</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	4,628	-	100	-	16,713	-
Support services	92	-	8	-	208	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	13,424	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>4,720</b>	<b>-</b>	<b>108</b>	<b>-</b>	<b>30,345</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	2,213	500	1,392	-	(7,502)	22,363
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(2,104)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,104)</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,213	500	1,392	(2,104)	(7,502)	22,363
Cash and investments - beginning	3,835	500	7,173	2,104	8,144	-
Cash and investments - ending	<u>\$ 6,048</u>	<u>\$ 1,000</u>	<u>\$ 8,565</u>	<u>\$ -</u>	<u>\$ 642</u>	<u>\$ 22,363</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 6,048	\$ 1,000	\$ 8,565	\$ -	\$ 642	\$ 22,363
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 6,048</b>	<b>\$ 1,000</b>	<b>\$ 8,565</b>	<b>\$ -</b>	<b>\$ 642</b>	<b>\$ 22,363</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	6,048	1,000	8,565	-	642	22,363
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 6,048</b>	<b>\$ 1,000</b>	<b>\$ 8,565</b>	<b>\$ -</b>	<b>\$ 642</b>	<b>\$ 22,363</b>

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	United Way Summer Camp 2007	PBA Mueller	Student Behavior Maywood	City Gaming Grant	Partnership 2005-06	Homeless 2004-05
<b>Receipts:</b>						
Local sources	\$ 27,179	\$ -	\$ 6,000	\$ -	\$ 26,909	\$ 52,750
State sources	247,269	-	-	-	-	-
Federal sources	1,770	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>276,218</b>	<b>-</b>	<b>6,000</b>	<b>-</b>	<b>26,909</b>	<b>52,750</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	91,302	-	3,187	-	-	17,416
Support services	4,015	-	64	-	6,393	9,058
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>95,317</b>	<b>-</b>	<b>3,251</b>	<b>-</b>	<b>6,393</b>	<b>26,474</b>
Excess (deficiency) of receipts over disbursements	180,901	-	2,749	-	20,516	26,276
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(390,025)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(390,025)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(209,124)	-	2,749	-	20,516	26,276
Cash and investments - beginning	331,185	3,045	-	90,350	-	-
Cash and investments - ending	<u>\$ 122,061</u>	<u>\$ 3,045</u>	<u>\$ 2,749</u>	<u>\$ 90,350</u>	<u>\$ 20,516</u>	<u>\$ 26,276</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 122,061	\$ 3,045	\$ 2,749	\$ 90,350	\$ 20,516	\$ 26,276
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 122,061</u>	<u>\$ 3,045</u>	<u>\$ 2,749</u>	<u>\$ 90,350</u>	<u>\$ 20,516</u>	<u>\$ 26,276</u>
<b>Cash and Investment Fund Balance - Ending</b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	122,061	3,045	2,749	90,350	20,516	26,276
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ 122,061</u>	<u>\$ 3,045</u>	<u>\$ 2,749</u>	<u>\$ 90,350</u>	<u>\$ 20,516</u>	<u>\$ 26,276</u>

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Community Grant	Homeless 2003-04	Lever Environment	Instructional Activities	Gifted Talented 2004-05	ACC Internship
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 5,000	\$ 40,463	\$ -	\$ 25,374
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	68
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>5,000</b>	<b>40,463</b>	<b>-</b>	<b>25,442</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	50	6,217	41,113	-	25,576
Support services	-	530	-	-	5	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>580</b>	<b>6,217</b>	<b>41,113</b>	<b>5</b>	<b>25,576</b>
Excess (deficiency) of receipts over disbursements	-	(580)	(1,217)	(650)	(5)	(134)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(2)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2)	(580)	(1,217)	(650)	(5)	(134)
Cash and investments - beginning	2	580	14,137	7,035	5	30,587
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,920</u>	<u>\$ 6,385</u>	<u>\$ -</u>	<u>\$ 30,453</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ -	\$ 12,920	\$ 6,385	\$ -	\$ 30,453
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,920</u>	<u>\$ 6,385</u>	<u>\$ -</u>	<u>\$ 30,453</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	12,920	6,385	-	30,453
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,920</u>	<u>\$ 6,385</u>	<u>\$ -</u>	<u>\$ 30,453</u>

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Gifted Talented 2005-06	Common School Fund Loan 1159	Common School Fund Loan 1102	Common School Fund Loan 1139	Technical Assistance Harding	Tech Planning
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	36,417	202,791	747,812	1,223,523	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	2,744	-	18,045	-	-
<b>Total receipts</b>	<b>36,417</b>	<b>205,535</b>	<b>747,812</b>	<b>1,241,568</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	35,513	-	-	-	8,124	-
Support services	369	260,192	199,287	1,237,491	810	47,395
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>35,882</b>	<b>260,192</b>	<b>199,287</b>	<b>1,237,491</b>	<b>8,934</b>	<b>47,395</b>
Excess (deficiency) of receipts over disbursements	535	(54,657)	548,525	4,077	(8,934)	(47,395)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	535	(54,657)	548,525	4,077	(8,934)	(47,395)
Cash and investments - beginning	-	-	(548,525)	(4,077)	10,032	47,395
Cash and investments - ending	\$ 535	\$ (54,657)	\$ -	\$ -	\$ 1,098	\$ -
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 535	\$ (54,657)	\$ -	\$ -	\$ 1,098	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 535</b>	<b>\$ (54,657)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,098</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	535	-	-	-	1,098	-
Unrestricted	-	(54,657)	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 535</b>	<b>\$ (54,657)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,098</b>	<b>\$ -</b>

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Common School Fund Loan 1126	Common School Fund Loan 1189	Tech Prep Gavit	Biotech Gavit	Medicaid 2004-05	Adult Education 2001-02
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	457,132	353,407	6,053	-	-	1,230
Federal sources	-	-	-	2,700	32,767	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>457,132</b>	<b>353,407</b>	<b>6,053</b>	<b>2,700</b>	<b>32,767</b>	<b>1,230</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	11,906	1,200	-	241,709
Support services	76,722	353,407	390	-	-	20,665
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>76,722</b>	<b>353,407</b>	<b>12,296</b>	<b>1,200</b>	<b>-</b>	<b>262,374</b>
Excess (deficiency) of receipts over disbursements	380,410	-	(6,243)	1,500	32,767	(261,144)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	390,025
Transfers out	-	-	-	-	(62,523)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(62,523)</b>	<b>390,025</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	380,410	-	(6,243)	1,500	(29,756)	128,881
Cash and investments - beginning	(380,410)	-	-	-	(454)	(485,648)
Cash and investments - ending	\$ -	\$ -	\$ (6,243)	\$ 1,500	\$ (30,210)	\$ (356,767)
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ -	\$ (6,243)	\$ 1,500	\$ (30,210)	\$ (356,767)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (6,243)</b>	<b>\$ 1,500</b>	<b>\$ (30,210)</b>	<b>\$ (356,767)</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	-	1,500	-	-
Unrestricted	-	-	(6,243)	-	(30,210)	(356,767)
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (6,243)</b>	<b>\$ 1,500</b>	<b>\$ (30,210)</b>	<b>\$ (356,767)</b>

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	ECA Activity	Impact 45-02-EA-2954	Impact 1998-99	School Improvement 2002-03	Non-English Speaking 2004-05	School Technology
<b>Receipts:</b>						
Local sources	\$ 16,048	\$ -	\$ -	\$ 69	\$ -	\$ -
State sources	-	-	-	165,348	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	691	-	186,526
<b>Total receipts</b>	<b>16,048</b>	<b>-</b>	<b>-</b>	<b>166,108</b>	<b>-</b>	<b>186,526</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	1,006	1,272	116,797	15,587	-
Support services	2,608	1,048	-	6,317	3,406	80,906
Community services	16,061	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>18,669</b>	<b>2,054</b>	<b>1,272</b>	<b>123,114</b>	<b>18,993</b>	<b>80,906</b>
Excess (deficiency) of receipts over disbursements	(2,621)	(2,054)	(1,272)	42,994	(18,993)	105,620
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	222,997	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>222,997</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,621)	(2,054)	(1,272)	265,991	(18,993)	105,620
Cash and investments - beginning	(1,194)	2,577	1,272	(30,244)	32,572	303,898
Cash and investments - ending	<u>\$ (3,815)</u>	<u>\$ 523</u>	<u>\$ -</u>	<u>\$ 235,747</u>	<u>\$ 13,579</u>	<u>\$ 409,518</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ (3,815)	\$ 523	\$ -	\$ 235,747	\$ 13,579	\$ 409,518
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ (3,815)</u>	<u>\$ 523</u>	<u>\$ -</u>	<u>\$ 235,747</u>	<u>\$ 13,579</u>	<u>\$ 409,518</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	523	-	235,747	13,579	409,518
Unrestricted	(3,815)	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ (3,815)</u>	<u>\$ 523</u>	<u>\$ -</u>	<u>\$ 235,747</u>	<u>\$ 13,579</u>	<u>\$ 409,518</u>

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Non English Speaking 2005-06	Non-English Speaking	Professional Development	HEF Type C	McKinney Vento 2005-06	McKinney Vento 2006-07
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ 5,724	\$ -	\$ 10,000
State sources	39,938	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>39,938</b>	<b>-</b>	<b>-</b>	<b>5,724</b>	<b>-</b>	<b>10,000</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	5,013	-	-	4,865	-	-
Support services	595	370	-	411	10,000	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>5,608</b>	<b>370</b>	<b>-</b>	<b>5,276</b>	<b>10,000</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	34,330	(370)	-	448	(10,000)	10,000
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	34,330	(370)	-	448	(10,000)	10,000
Cash and investments - beginning	-	506	9,782	-	10,000	-
Cash and investments - ending	<u>\$ 34,330</u>	<u>\$ 136</u>	<u>\$ 9,782</u>	<u>\$ 448</u>	<u>\$ -</u>	<u>\$ 10,000</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 34,330	\$ 136	\$ 9,782	\$ 448	\$ -	\$ 10,000
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 34,330</u>	<u>\$ 136</u>	<u>\$ 9,782</u>	<u>\$ 448</u>	<u>\$ -</u>	<u>\$ 10,000</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	34,330	136	9,782	448	-	10,000
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ 34,330</u>	<u>\$ 136</u>	<u>\$ 9,782</u>	<u>\$ 448</u>	<u>\$ -</u>	<u>\$ 10,000</u>

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	IASIP Clark	2001 GOB	High Schools That Work Gavit	Biotech Gavit	Title V 2005-06	Title V 2004-05
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	-	5,300	16,115	45,000
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,300</b>	<b>16,115</b>	<b>45,000</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	5,300	-	-
Support services	-	23,936	-	-	61,159	500
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>23,936</b>	<b>-</b>	<b>5,300</b>	<b>61,159</b>	<b>500</b>
Excess (deficiency) of receipts over disbursements	-	(23,936)	-	-	(45,044)	44,500
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	10,246	-
Transfers out	(99)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(99)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,246</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(99)	(23,936)	-	-	(34,798)	44,500
Cash and investments - beginning	99	23,936	5,479	-	74,721	-
Cash and investments - ending	\$ -	\$ -	\$ 5,479	\$ -	\$ 39,923	\$ 44,500
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ -	\$ 5,479	\$ -	\$ 39,923	\$ 44,500
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,479</b>	<b>\$ -</b>	<b>\$ 39,923</b>	<b>\$ 44,500</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	5,479	-	39,923	44,500
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,479</b>	<b>\$ -</b>	<b>\$ 39,923</b>	<b>\$ 44,500</b>

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Texas Migrant Headstart	Migrant 2005-06	District Improvement 2004-05	Title I 2004-05	Title I 2005-06	Title III A 2004-05
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	119,137	-	400,000	3,598,519	-
Sale of property, adjustments and refunds	-	-	-	1,057	257	-
<b>Total receipts</b>	<b>-</b>	<b>119,137</b>	<b>-</b>	<b>401,057</b>	<b>3,598,776</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	116	86,419	76,146	185,997	1,515,753	33,354
Support services	1,432	38,564	19,571	145,643	1,353,795	6,781
Community services	-	-	-	35,856	224,685	-
Nonprogrammed charges	-	-	-	391,914	-	4,796
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,548</b>	<b>124,983</b>	<b>95,717</b>	<b>759,410</b>	<b>3,094,233</b>	<b>44,931</b>
Excess (deficiency) of receipts over disbursements	(1,548)	(5,846)	(95,717)	(358,353)	504,543	(44,931)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,548)	(5,846)	(95,717)	(358,353)	504,543	(44,931)
Cash and investments - beginning	13,432	-	95,717	358,353	-	44,931
Cash and investments - ending	\$ 11,884	\$ (5,846)	\$ -	\$ -	\$ 504,543	\$ -
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 11,884	\$ (5,846)	\$ -	\$ -	\$ 504,543	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 11,884</b>	<b>\$ (5,846)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 504,543</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	11,884	-	-	-	504,543	-
Unrestricted	-	(5,846)	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 11,884</b>	<b>\$ (5,846)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 504,543</b>	<b>\$ -</b>

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Title III A 2005-06	District Improvement	CSRD Wallace 2004-05	American Student Achievement	Summer Migrant 2004-05	Bi-Lingual
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,200
State sources	-	-	-	-	-	-
Federal sources	363,041	393,816	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>363,041</b>	<b>393,816</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,200</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	185,589	199,121	33,288	-	60,461	18,905
Support services	47,734	127,743	23,220	-	31,627	5,292
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	2,253	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>233,323</b>	<b>326,864</b>	<b>56,508</b>	<b>-</b>	<b>94,341</b>	<b>24,197</b>
Excess (deficiency) of receipts over disbursements	129,718	66,952	(56,508)	-	(94,341)	1,003
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	129,718	66,952	(56,508)	-	(94,341)	1,003
Cash and investments - beginning	-	-	56,508	534	23,569	-
Cash and investments - ending	\$ 129,718	\$ 66,952	\$ -	\$ 534	\$ (70,772)	\$ 1,003
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 129,718	\$ 66,952	\$ -	\$ 534	\$ (70,772)	\$ 1,003
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 129,718</b>	<b>\$ 66,952</b>	<b>\$ -</b>	<b>\$ 534</b>	<b>\$ (70,772)</b>	<b>\$ 1,003</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	129,718	66,952	-	534	-	1,003
Unrestricted	-	-	-	-	(70,772)	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 129,718</b>	<b>\$ 66,952</b>	<b>\$ -</b>	<b>\$ 534</b>	<b>\$ (70,772)</b>	<b>\$ 1,003</b>

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Summer Migrant 2006-07	Hurricane Relief 2005-06	Hurricane Relief 2004-05	Preschool 45705-026-PN01	Preschool 14205-026-SN01	Preschool 14205-026-PN01
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	8,148	569,900	-
Federal sources	51,372	29,000	7,500	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<u>51,372</u>	<u>29,000</u>	<u>7,500</u>	<u>8,148</u>	<u>569,900</u>	<u>-</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	59	189,830	-
Support services	-	-	-	19,547	274,988	5
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	78,569	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,606</u>	<u>543,387</u>	<u>5</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>51,372</u>	<u>29,000</u>	<u>7,500</u>	<u>(11,458)</u>	<u>26,513</u>	<u>(5)</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(75,435)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,435)</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>51,372</u>	<u>29,000</u>	<u>7,500</u>	<u>(11,458)</u>	<u>(48,922)</u>	<u>(5)</u>
<b>Cash and investments - beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,458</u>	<u>48,922</u>	<u>5</u>
<b>Cash and investments - ending</b>	<u>\$ 51,372</u>	<u>\$ 29,000</u>	<u>\$ 7,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 51,372	\$ 29,000	\$ 7,500	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 51,372</u>	<u>\$ 29,000</u>	<u>\$ 7,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	51,372	29,000	7,500	-	-	-
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ 51,372</u>	<u>\$ 29,000</u>	<u>\$ 7,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Preschool 45706-026-PN01	Preschool 14206-026-PN01	Preschool 14205-026-DY01	Preschool 14204-026-PN01	Preschool 2004-05	Preschool 2005-06
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	95,000	2,508,000	37,966	-	-	155,450
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<u>95,000</u>	<u>2,508,000</u>	<u>37,966</u>	<u>-</u>	<u>-</u>	<u>155,450</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	61,320	1,287,645	-	-	6	109,797
Support services	33,561	1,073,430	34,057	-	773	130,570
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	13,272	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<u>94,881</u>	<u>2,361,075</u>	<u>34,057</u>	<u>-</u>	<u>14,051</u>	<u>240,367</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>119</u>	<u>146,925</u>	<u>3,909</u>	<u>-</u>	<u>(14,051)</u>	<u>(84,917)</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	75,435
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,435</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>119</u>	<u>146,925</u>	<u>3,909</u>	<u>-</u>	<u>(14,051)</u>	<u>(9,482)</u>
<b>Cash and investments - beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,051</u>	<u>-</u>
<b>Cash and investments - ending</b>	<u>\$ 119</u>	<u>\$ 146,925</u>	<u>\$ 3,909</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,482)</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 119	\$ 146,925	\$ 3,909	\$ -	\$ -	\$ (9,482)
<b>Restricted assets:</b>						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 119</u>	<u>\$ 146,925</u>	<u>\$ 3,909</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,482)</u>
<b>Cash and Investment Fund Balance - Ending</b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	119	146,925	3,909	-	-	-
Unrestricted	-	-	-	-	-	(9,482)
<b>Total cash and investment fund balance - ending</b>	<u>\$ 119</u>	<u>\$ 146,925</u>	<u>\$ 3,909</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,482)</u>

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Adult Education 2001-02	Adult Education 2005-06	Adult Education 2002-03	Adult Education 2003-04	Adult Education 2004-05	Title V Part A 2004-05
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	279,839	9,632	12,003	67,578	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>279,839</b>	<b>9,632</b>	<b>12,003</b>	<b>67,578</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	69,980	156,040	-	-	2,206	-
Support services	11,345	52,182	-	-	1,573	117,804
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	3,460
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>81,325</b>	<b>208,222</b>	<b>-</b>	<b>-</b>	<b>3,779</b>	<b>121,264</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(81,325)</b>	<b>71,617</b>	<b>9,632</b>	<b>12,003</b>	<b>63,799</b>	<b>(121,264)</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	4,845	-	-	13,690
Transfers out	-	-	-	-	(5,827)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>4,845</b>	<b>-</b>	<b>(5,827)</b>	<b>13,690</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(81,325)</b>	<b>71,617</b>	<b>14,477</b>	<b>12,003</b>	<b>57,972</b>	<b>(107,574)</b>
<b>Cash and investments - beginning</b>	<b>81,325</b>	<b>-</b>	<b>(14,477)</b>	<b>(12,003)</b>	<b>(57,972)</b>	<b>107,574</b>
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ 71,617</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ 71,617	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 71,617</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	71,617	-	-	-	-
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 71,617</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Adult Education RAP	Project Peace Scott	Drug Free Communities and Schools 2004-05	Drug Free Communities and Schools 2005-06	Title II 2002-03	Title II 2001-02
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	22,593	-	-	101,147	-	-
Sale of property, adjustments and refunds	-	-	-	336	-	-
<b>Total receipts</b>	<b>22,593</b>	<b>-</b>	<b>-</b>	<b>101,483</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	46,705	148	12,897	-	-	-
Support services	15,189	-	26,769	45,431	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	2,460	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>61,894</b>	<b>148</b>	<b>42,126</b>	<b>45,431</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(39,301)	(148)	(42,126)	56,052	-	-
<b>Other financing sources (uses):</b>						
Transfers in	5,827	-	-	-	-	-
Transfers out	-	-	(13,690)	(10,246)	-	-
<b>Total other financing sources (uses)</b>	<b>5,827</b>	<b>-</b>	<b>(13,690)</b>	<b>(10,246)</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(33,474)	(148)	(55,816)	45,806	-	-
Cash and investments - beginning	-	148	55,816	-	(3,747)	(1,489)
Cash and investments - ending	<u>\$ (33,474)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,806</u>	<u>\$ (3,747)</u>	<u>\$ (1,489)</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ (33,474)	\$ -	\$ -	\$ 45,806	\$ (3,747)	\$ (1,489)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ (33,474)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,806</u>	<u>\$ (3,747)</u>	<u>\$ (1,489)</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	-	45,806	-	-
Unrestricted	(33,474)	-	-	-	(3,747)	(1,489)
<b>Total cash and investment fund balance - ending</b>	<u>\$ (33,474)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,806</u>	<u>\$ (3,747)</u>	<u>\$ (1,489)</u>

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Indiana Mathematics Initiative	Adult Education 2002	Training Quality Teachers	Enhanced Education Technology 2004-05	Enhanced Education Technology 2005-06	Carl Perkins 2003-04
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	76,699	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76,699</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	2,096	-	-	-	-
Support services	-	-	8,799	40,228	41,262	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	2,414	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>2,096</b>	<b>8,799</b>	<b>42,642</b>	<b>41,262</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	-	(2,096)	(8,799)	(42,642)	35,437	-
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	56
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2,096)	(8,799)	(42,642)	35,437	56
Cash and investments - beginning	931	2,096	8,799	42,642	-	(56)
Cash and investments - ending	<u>\$ 931</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,437</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 931	\$ -	\$ -	\$ -	\$ 35,437	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 931</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,437</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	931	-	-	-	35,437	-
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ 931</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,437</u>	<u>\$ -</u>

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Carl Perkins 2004-05	Carl Perkins 2005-06	Medicaid 2003-04	Headstart 2005	Headstart 2006	Title II A 2005-06
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	53,442	-	-	-
Federal sources	107,616	326,574	-	787,517	262,305	552,094
Sale of property, adjustments and refunds	-	-	67	500	26	-
<b>Total receipts</b>	<b>107,616</b>	<b>326,574</b>	<b>53,509</b>	<b>788,017</b>	<b>262,331</b>	<b>552,094</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	30,430	280,130	10,228	440,774	323,590	42,076
Support services	4,904	94,114	122,707	232,350	125,315	568,397
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	12,000	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>35,334</b>	<b>386,244</b>	<b>132,935</b>	<b>673,124</b>	<b>448,905</b>	<b>610,473</b>
Excess (deficiency) of receipts over disbursements	72,282	(59,670)	(79,426)	114,893	(186,574)	(58,379)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	72,282	(59,670)	(79,426)	114,893	(186,574)	(58,379)
Cash and investments - beginning	(72,282)	-	113,300	(74,127)	-	162,846
Cash and investments - ending	\$ -	\$ (59,670)	\$ 33,874	\$ 40,766	\$ (186,574)	\$ 104,467
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ (59,670)	\$ 33,874	\$ 40,766	\$ (186,574)	\$ 104,467
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ (59,670)</b>	<b>\$ 33,874</b>	<b>\$ 40,766</b>	<b>\$ (186,574)</b>	<b>\$ 104,467</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	33,874	40,766	-	104,467
Unrestricted	-	(59,670)	-	-	(186,574)	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ (59,670)</b>	<b>\$ 33,874</b>	<b>\$ 40,766</b>	<b>\$ (186,574)</b>	<b>\$ 104,467</b>

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Title II A 2004-05	Laura Bush Foundation	Retirement Severance	1998 GOB	2000 GOB	Gavit High Cafeteria Construction
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 675,281	\$ 35,730	\$ -	\$ 9,800
State sources	-	-	-	-	-	-
Federal sources	425,000	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	20	9,026	75,616	197,611
<b>Total receipts</b>	<b>425,000</b>	<b>-</b>	<b>675,301</b>	<b>44,756</b>	<b>75,616</b>	<b>207,411</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	420	-
Support services	16,829	4,979	-	22,021	80,250	555,719
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	738,978	-	-	-
<b>Total disbursements</b>	<b>16,829</b>	<b>4,979</b>	<b>738,978</b>	<b>22,021</b>	<b>80,670</b>	<b>555,719</b>
Excess (deficiency) of receipts over disbursements	408,171	(4,979)	(63,677)	22,735	(5,054)	(348,308)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	408,171	(4,979)	(63,677)	22,735	(5,054)	(348,308)
Cash and investments - beginning	-	5,000	333,415	(1,199)	-	279,516
Cash and investments - ending	<u>\$ 408,171</u>	<u>\$ 21</u>	<u>\$ 269,738</u>	<u>\$ 21,536</u>	<u>\$ (5,054)</u>	<u>\$ (68,792)</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 408,171	\$ 21	\$ -	\$ 21,536	\$ (5,054)	\$ (68,792)
Restricted assets:						
Cash and investments	-	-	269,738	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 408,171</b>	<b>\$ 21</b>	<b>\$ 269,738</b>	<b>\$ 21,536</b>	<b>\$ (5,054)</b>	<b>\$ (68,792)</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ 269,738	\$ -	\$ -	\$ -
Other purposes	408,171	21	-	21,536	-	-
Unrestricted	-	-	-	-	(5,054)	(68,792)
<b>Total cash and investment fund balance - ending</b>	<b>\$ 408,171</b>	<b>\$ 21</b>	<b>\$ 269,738</b>	<b>\$ 21,536</b>	<b>\$ (5,054)</b>	<b>\$ (68,792)</b>

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Common School Fund Loan 470	Common School Fund Loan 421	Eggers Construction	2007 Lease Rental Construction	Repair and Replacement	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 110	\$ -	\$ 100,000	\$ 2,020,679
State sources	806,309	-	-	-	-	8,890,744
Federal sources	-	-	-	-	-	8,096,634
Sale of property, adjustments and refunds	-	3,340	-	46,833	-	557,509
<b>Total receipts</b>	<b>806,309</b>	<b>3,340</b>	<b>110</b>	<b>46,833</b>	<b>100,000</b>	<b>19,565,566</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	449	6,904,408
Support services	637,796	-	110	50,582	137,737	11,127,931
Community services	-	-	-	-	-	317,936
Nonprogrammed charges	-	-	-	-	-	524,562
Debt services	-	-	-	-	-	757,148
<b>Total disbursements</b>	<b>637,796</b>	<b>-</b>	<b>110</b>	<b>50,582</b>	<b>138,186</b>	<b>19,631,985</b>
Excess (deficiency) of receipts over disbursements	168,513	3,340	-	(3,749)	(38,186)	(66,419)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	731,589
Transfers out	-	-	-	-	-	(568,419)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>163,170</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	168,513	3,340	-	(3,749)	(38,186)	96,751
Cash and investments - beginning	(233,962)	-	-	61,423	318,065	306,209
Cash and investments - ending	<u>\$ (65,449)</u>	<u>\$ 3,340</u>	<u>\$ -</u>	<u>\$ 57,674</u>	<u>\$ 279,879</u>	<u>\$ 402,960</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ (65,449)	\$ 3,340	\$ -	\$ 57,674	\$ 279,879	\$ 133,222
Restricted assets:						
Cash and investments	-	-	-	-	-	269,738
<b>Total cash and investment assets - ending</b>	<b><u>\$ (65,449)</u></b>	<b><u>\$ 3,340</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 57,674</u></b>	<b><u>\$ 279,879</u></b>	<b><u>\$ 402,960</u></b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 269,738
Other purposes	-	3,340	-	57,674	279,879	3,648,689
Unrestricted	(65,449)	-	-	-	-	(3,515,467)
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ (65,449)</u></b>	<b><u>\$ 3,340</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 57,674</u></b>	<b><u>\$ 279,879</u></b>	<b><u>\$ 402,960</u></b>

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

	Special Education Preschool	Textbook Rental	Educational License Plates	Early Intervention Maywood 2006-07	Early Intervention Maywood 2005-06	Early Intervention Harding 2005-06	Early Intervention Lafayette 2005-06
<b>Receipts:</b>							
Local sources	\$ 33,686	\$ 372,675	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	482,502	596,903	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	26,293	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	8,507	-	-	-	-	-
<b>Total receipts</b>	<b>542,481</b>	<b>978,085</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	411,872	-	-	45,287	4,154	722	1,141
Support services	287,704	975,709	-	16,962	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	10	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>699,576</b>	<b>975,709</b>	<b>-</b>	<b>62,249</b>	<b>4,154</b>	<b>732</b>	<b>1,141</b>
Excess (deficiency) of receipts over disbursements	(157,095)	2,376	-	(62,249)	(4,154)	(732)	(1,141)
<b>Other financing sources (uses):</b>							
Transfers in	90	270,412	-	-	-	-	-
Transfers out	(55,768)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(55,678)</b>	<b>270,412</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(212,773)	272,788	-	(62,249)	(4,154)	(732)	(1,141)
Cash and investments - beginning	170,881	(2,500,997)	724	108,871	4,660	732	1,196
Cash and investments - ending	<u>\$ (41,892)</u>	<u>\$ (2,228,209)</u>	<u>\$ 724</u>	<u>\$ 46,622</u>	<u>\$ 506</u>	<u>\$ -</u>	<u>\$ 55</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ (41,892)	\$ (2,228,209)	\$ 724	\$ 46,622	\$ 506	\$ -	\$ 55
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ (41,892)</u></b>	<b><u>\$ (2,228,209)</u></b>	<b><u>\$ 724</u></b>	<b><u>\$ 46,622</u></b>	<b><u>\$ 506</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 55</u></b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	724	46,622	506	-	55
Unrestricted	(41,892)	(2,228,209)	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ (41,892)</u></b>	<b><u>\$ (2,228,209)</u></b>	<b><u>\$ 724</u></b>	<b><u>\$ 46,622</u></b>	<b><u>\$ 506</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 55</u></b>

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

	Acc Internship	Donation	Partnerships 2002-03	Leadership Academy	Everyday Math	Job Link 2000	Urban Teachers
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 402,953	\$ 2,376
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	940	280	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>940</u>	<u>280</u>	<u>-</u>	<u>402,953</u>	<u>2,376</u>
Disbursements:							
Current:							
Instruction	1,129	-	-	-	-	304,289	1,110
Support services	99	-	12,684	1,507	7,947	80,201	154
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	<u>1,228</u>	<u>-</u>	<u>12,684</u>	<u>1,507</u>	<u>7,947</u>	<u>384,490</u>	<u>1,264</u>
Excess (deficiency) of receipts over disbursements	<u>(1,228)</u>	<u>-</u>	<u>(11,744)</u>	<u>(1,227)</u>	<u>(7,947)</u>	<u>18,463</u>	<u>1,112</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,228)</u>	<u>-</u>	<u>(11,744)</u>	<u>(1,227)</u>	<u>(7,947)</u>	<u>18,463</u>	<u>1,112</u>
Cash and investments - beginning	<u>1,260</u>	<u>1,817</u>	<u>33,115</u>	<u>23,774</u>	<u>37,897</u>	<u>(43,598)</u>	<u>496</u>
Cash and investments - ending	<u>\$ 32</u>	<u>\$ 1,817</u>	<u>\$ 21,371</u>	<u>\$ 22,547</u>	<u>\$ 29,950</u>	<u>\$ (25,135)</u>	<u>\$ 1,608</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 32	\$ 1,817	\$ 21,371	\$ 22,547	\$ 29,950	\$ (25,135)	\$ 1,608
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 32</u>	<u>\$ 1,817</u>	<u>\$ 21,371</u>	<u>\$ 22,547</u>	<u>\$ 29,950</u>	<u>\$ (25,135)</u>	<u>\$ 1,608</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	32	1,817	21,371	22,547	29,950	-	1,608
Unrestricted	-	-	-	-	-	(25,135)	-
Total cash and investment fund balance - ending	<u>\$ 32</u>	<u>\$ 1,817</u>	<u>\$ 21,371</u>	<u>\$ 22,547</u>	<u>\$ 29,950</u>	<u>\$ (25,135)</u>	<u>\$ 1,608</u>

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

	Great Race	Non-English Speaking	Safe Haven 2005-06	Science Awards	Science Conference	ECA	Robotics 2001-02
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ 450	\$ 3,060	\$ 87,666	\$ -	\$ 59,837
State sources	-	-	6,990	-	-	37,524	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	1,069	-	2,898
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>7,440</b>	<b>3,060</b>	<b>88,735</b>	<b>37,524</b>	<b>62,735</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	609	306	-	-	115,154	-	58,165
Support services	-	300	950	-	177	2,726	-
Community services	-	-	-	-	-	19,710	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>609</b>	<b>606</b>	<b>950</b>	<b>-</b>	<b>115,331</b>	<b>22,436</b>	<b>58,165</b>
Excess (deficiency) of receipts over disbursements	(609)	(606)	6,490	3,060	(26,596)	15,088	4,570
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(609)	(606)	6,490	3,060	(26,596)	15,088	4,570
Cash and investments - beginning	763	606	(6,490)	4,028	34,404	-	(2,341)
Cash and investments - ending	\$ 154	\$ -	\$ -	\$ 7,088	\$ 7,808	\$ 15,088	\$ 2,229
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 154	\$ -	\$ -	\$ 7,088	\$ 7,808	\$ 15,088	\$ 2,229
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 154</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,088</b>	<b>\$ 7,808</b>	<b>\$ 15,088</b>	<b>\$ 2,229</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	154	-	-	7,088	7,808	15,088	2,229
Unrestricted	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 154</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,088</b>	<b>\$ 7,808</b>	<b>\$ 15,088</b>	<b>\$ 2,229</b>

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

	Good Fellow	Survive Alive 2005-06	Junior Robotics	Survive Alive 2006-07	Lever at Risk	IMI
<b>Receipts:</b>						
Local sources	\$ 850	\$ 1,033	\$ 1,060	\$ 1,500	\$ 6,564	\$ 13,300
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>850</b>	<b>1,033</b>	<b>1,060</b>	<b>1,500</b>	<b>6,564</b>	<b>13,300</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	2,816	2,560	649	-	1,901	-
Support services	-	4,521	-	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>2,816</b>	<b>7,081</b>	<b>649</b>	<b>-</b>	<b>1,901</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(1,966)</b>	<b>(6,048)</b>	<b>411</b>	<b>1,500</b>	<b>4,663</b>	<b>13,300</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(1,966)</b>	<b>(6,048)</b>	<b>411</b>	<b>1,500</b>	<b>4,663</b>	<b>13,300</b>
Cash and investments - beginning	6,016	6,048	1,000	8,565	-	-
Cash and investments - ending	<u>\$ 4,050</u>	<u>\$ -</u>	<u>\$ 1,411</u>	<u>\$ 10,065</u>	<u>\$ 4,663</u>	<u>\$ 13,300</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 4,050	\$ -	\$ 1,411	\$ 10,065	\$ 4,663	\$ 13,300
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ 4,050</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,411</u></b>	<b><u>\$ 10,065</u></b>	<b><u>\$ 4,663</u></b>	<b><u>\$ 13,300</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	4,050	-	1,411	10,065	4,663	13,300
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 4,050</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,411</u></b>	<b><u>\$ 10,065</u></b>	<b><u>\$ 4,663</u></b>	<b><u>\$ 13,300</u></b>

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

	United Way Summer Camp 2005	United Way Summer Camp 2006	Welfare Activities	United Way Summer Camp 2007	PBA Mueller	Student Behavior Maywood
<b>Receipts:</b>						
Local sources	\$ 340	\$ 22,363	\$ 22,363	\$ 33,112	\$ -	\$ 8,600
State sources	-	-	-	246,310	-	-
Federal sources	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>340</b>	<b>22,363</b>	<b>22,363</b>	<b>279,422</b>	<b>-</b>	<b>8,600</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	642	16,027	-	84,920	2,421	4,239
Support services	-	211	-	20,072	-	64
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	28,488	14,342	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>642</b>	<b>44,726</b>	<b>14,342</b>	<b>104,992</b>	<b>2,421</b>	<b>4,303</b>
Excess (deficiency) of receipts over disbursements	(302)	(22,363)	8,021	174,430	(2,421)	4,297
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(241,000)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(241,000)</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(302)	(22,363)	8,021	(66,570)	(2,421)	4,297
Cash and investments - beginning	642	22,363	-	122,061	3,045	2,749
Cash and investments - ending	\$ 340	\$ -	\$ 8,021	\$ 55,491	\$ 624	\$ 7,046
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 340	\$ -	\$ 8,021	\$ 55,491	\$ 624	\$ 7,046
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 340</b>	<b>\$ -</b>	<b>\$ 8,021</b>	<b>\$ 55,491</b>	<b>\$ 624</b>	<b>\$ 7,046</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	340	-	8,021	55,491	624	7,046
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 340</b>	<b>\$ -</b>	<b>\$ 8,021</b>	<b>\$ 55,491</b>	<b>\$ 624</b>	<b>\$ 7,046</b>

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

	City Gaming Grant	Partnership 2005-06	Gifted Talented 2006-07	Technology Kenwood	Homeless	Lever Environment
<b>Receipts:</b>						
Local sources	\$ -	\$ 28,445	\$ -	\$ 3,200	\$ 55,403	\$ 5,043
State sources	-	-	36,417	-	-	-
Federal sources	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>28,445</b>	<b>36,417</b>	<b>3,200</b>	<b>55,403</b>	<b>5,043</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	36,212	-	47,846	7,830
Support services	-	4,737	186	3,171	17,555	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>4,737</b>	<b>36,398</b>	<b>3,171</b>	<b>65,401</b>	<b>7,830</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>-</b>	<b>23,708</b>	<b>19</b>	<b>29</b>	<b>(9,998)</b>	<b>(2,787)</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>-</b>	<b>23,708</b>	<b>19</b>	<b>29</b>	<b>(9,998)</b>	<b>(2,787)</b>
Cash and investments - beginning	90,350	20,516	-	-	26,276	12,920
Cash and investments - ending	<u>\$ 90,350</u>	<u>\$ 44,224</u>	<u>\$ 19</u>	<u>\$ 29</u>	<u>\$ 16,278</u>	<u>\$ 10,133</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 90,350	\$ 44,224	\$ 19	\$ 29	\$ 16,278	\$ 10,133
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ 90,350</u></b>	<b><u>\$ 44,224</u></b>	<b><u>\$ 19</u></b>	<b><u>\$ 29</u></b>	<b><u>\$ 16,278</u></b>	<b><u>\$ 10,133</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	90,350	44,224	19	29	16,278	10,133
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 90,350</u></b>	<b><u>\$ 44,224</u></b>	<b><u>\$ 19</u></b>	<b><u>\$ 29</u></b>	<b><u>\$ 16,278</u></b>	<b><u>\$ 10,133</u></b>

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

	Instructional Activities	ACC Internship	Gifted Talented 2005-06	Common School Fund Loan 1159	Common School Fund Loan 1212	Common School Fund Loan 1001
<b>Receipts:</b>						
Local sources	\$ 66,651	\$ 16,972	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	1,052,009	1,281,100	-
Federal sources	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	27,643	12,979
<b>Total receipts</b>	<b>66,651</b>	<b>16,972</b>	<b>-</b>	<b>1,052,009</b>	<b>1,308,743</b>	<b>12,979</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	72,027	36,154	535	-	-	-
Support services	78	-	-	997,352	1,306,707	405,615
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>72,105</b>	<b>36,154</b>	<b>535</b>	<b>997,352</b>	<b>1,306,707</b>	<b>405,615</b>
Excess (deficiency) of receipts over disbursements	(5,454)	(19,182)	(535)	54,657	2,036	(392,636)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,454)	(19,182)	(535)	54,657	2,036	(392,636)
Cash and investments - beginning	6,385	30,453	535	(54,657)	-	-
Cash and investments - ending	\$ 931	\$ 11,271	\$ -	\$ -	\$ 2,036	\$ (392,636)
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 931	\$ 11,271	\$ -	\$ -	\$ 2,036	\$ (392,636)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 931</b>	<b>\$ 11,271</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,036</b>	<b>\$ (392,636)</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	931	11,271	-	-	2,036	-
Unrestricted	-	-	-	-	-	(392,636)
<b>Total cash and investment fund balance - ending</b>	<b>\$ 931</b>	<b>\$ 11,271</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,036</b>	<b>\$ (392,636)</b>

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

	Technical Assistance Harding	Tech Prep Gavit	Biotech Gavit	Common School Fund Loan 1002	Medicaid 2004-05	Adult Education 2004-05
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 602
State sources	-	14,339	-	-	-	-
Federal sources	-	-	-	-	3,397	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	400	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>14,739</b>	<b>-</b>	<b>-</b>	<b>3,397</b>	<b>602</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	8,814	1,170	-	-	218,294
Support services	-	681	-	109,956	-	38,508
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	1,175	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>10,670</b>	<b>1,170</b>	<b>109,956</b>	<b>-</b>	<b>256,802</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>-</b>	<b>4,069</b>	<b>(1,170)</b>	<b>(109,956)</b>	<b>3,397</b>	<b>(256,200)</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	637,967
Transfers out	-	-	-	-	-	(25,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>612,967</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>-</b>	<b>4,069</b>	<b>(1,170)</b>	<b>(109,956)</b>	<b>3,397</b>	<b>356,767</b>
Cash and investments - beginning	1,098	(6,243)	1,500	-	(30,210)	(356,767)
Cash and investments - ending	<u>\$ 1,098</u>	<u>\$ (2,174)</u>	<u>\$ 330</u>	<u>\$ (109,956)</u>	<u>\$ (26,813)</u>	<u>\$ -</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 1,098	\$ (2,174)	\$ 330	\$ (109,956)	\$ (26,813)	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ 1,098</u></b>	<b><u>\$ (2,174)</u></b>	<b><u>\$ 330</u></b>	<b><u>\$ (109,956)</u></b>	<b><u>\$ (26,813)</u></b>	<b><u>\$ -</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	1,098	-	330	-	-	-
Unrestricted	-	(2,174)	-	(109,956)	(26,813)	-
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 1,098</u></b>	<b><u>\$ (2,174)</u></b>	<b><u>\$ 330</u></b>	<b><u>\$ (109,956)</u></b>	<b><u>\$ (26,813)</u></b>	<b><u>\$ -</u></b>

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

	Common School Fund Loan 1085	ECA Activity	Impact 45-02-EA-2954	School Improvement 2002-03	Non-English Speaking 2004-05	School Technology
<b>Receipts:</b>						
Local sources	\$ 1,975	\$ 24,487	\$ -	\$ 36	\$ -	\$ -
State sources	-	-	-	166,261	-	-
Federal sources	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	166,776
<b>Total receipts</b>	<b>1,975</b>	<b>24,487</b>	<b>-</b>	<b>166,297</b>	<b>-</b>	<b>166,776</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	169,789	426	-
Support services	-	3,400	523	12,052	-	91,826
Community services	-	23,404	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>26,804</b>	<b>523</b>	<b>181,841</b>	<b>426</b>	<b>91,826</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>1,975</b>	<b>(2,317)</b>	<b>(523)</b>	<b>(15,544)</b>	<b>(426)</b>	<b>74,950</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	2,758	-	-	-	-
Transfers out	-	-	-	-	(13,152)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>2,758</b>	<b>-</b>	<b>-</b>	<b>(13,152)</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>1,975</b>	<b>441</b>	<b>(523)</b>	<b>(15,544)</b>	<b>(13,578)</b>	<b>74,950</b>
Cash and investments - beginning	-	(3,815)	523	235,747	13,579	409,518
Cash and investments - ending	\$ 1,975	\$ (3,374)	\$ -	\$ 220,203	\$ 1	\$ 484,468
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 1,975	\$ (3,374)	\$ -	\$ 220,203	\$ 1	\$ 484,468
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 1,975</b>	<b>\$ (3,374)</b>	<b>\$ -</b>	<b>\$ 220,203</b>	<b>\$ 1</b>	<b>\$ 484,468</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	1,975	-	-	220,203	1	484,468
Unrestricted	-	(3,374)	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 1,975</b>	<b>\$ (3,374)</b>	<b>\$ -</b>	<b>\$ 220,203</b>	<b>\$ 1</b>	<b>\$ 484,468</b>

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

	Non-English Speaking 2005-06	Non-English Speaking	Professional Development	Non-English 2006-07	HEF Type C	McKinney Vento 2006-07
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 8,277	\$ -
State sources	-	-	-	34,848	-	-
Federal sources	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,848</b>	<b>8,277</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	14,272	136	-	3,911	7,035	-
Support services	3,596	-	9,782	-	890	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>17,868</b>	<b>136</b>	<b>9,782</b>	<b>3,911</b>	<b>7,925</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(17,868)</b>	<b>(136)</b>	<b>(9,782)</b>	<b>30,937</b>	<b>352</b>	<b>-</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(17,868)</b>	<b>(136)</b>	<b>(9,782)</b>	<b>30,937</b>	<b>352</b>	<b>-</b>
<b>Cash and investments - beginning</b>	<b>34,330</b>	<b>136</b>	<b>9,782</b>	<b>-</b>	<b>448</b>	<b>10,000</b>
<b>Cash and investments - ending</b>	<b>\$ 16,462</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,937</b>	<b>\$ 800</b>	<b>\$ 10,000</b>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 16,462	\$ -	\$ -	\$ 30,937	\$ 800	\$ 10,000
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 16,462</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,937</b>	<b>\$ 800</b>	<b>\$ 10,000</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	16,462	-	-	30,937	800	10,000
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 16,462</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,937</b>	<b>\$ 800</b>	<b>\$ 10,000</b>

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

	High Schools That Work Gavit	Title I 2006-07	Title I Improvement 2006-07	Title V 2005-06	Title V 2004-05	Texas Migrant Headstart
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	3,424,129	285,424	-	15,893	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	4,465	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>3,428,594</b>	<b>285,424</b>	<b>-</b>	<b>15,893</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	3,990	1,367,647	162,428	-	-	-
Support services	-	1,166,461	47,898	59,083	45,835	-
Community services	-	205,297	-	-	-	-
Nonprogrammed charges	-	-	-	10,508	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>3,990</b>	<b>2,739,405</b>	<b>210,326</b>	<b>69,591</b>	<b>45,835</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(3,990)	689,189	75,098	(69,591)	(29,942)	-
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	29,668	9,818	-
Transfers out	-	-	-	-	-	(11,884)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,668</b>	<b>9,818</b>	<b>(11,884)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,990)	689,189	75,098	(39,923)	(20,124)	(11,884)
Cash and investments - beginning	5,479	-	-	39,923	44,500	11,884
Cash and investments - ending	\$ 1,489	\$ 689,189	\$ 75,098	\$ -	\$ 24,376	\$ -
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 1,489	\$ 689,189	\$ 75,098	\$ -	\$ 24,376	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 1,489</b>	<b>\$ 689,189</b>	<b>\$ 75,098</b>	<b>\$ -</b>	<b>\$ 24,376</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	1,489	689,189	75,098	-	24,376	-
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 1,489</b>	<b>\$ 689,189</b>	<b>\$ 75,098</b>	<b>\$ -</b>	<b>\$ 24,376</b>	<b>\$ -</b>

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

	Migrant 2005-06	Migrant 2006-07	Summer Migrant 2006-07	Title I 2005-06	Title II A	Title III A 2005-06
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	100,000	95,000	-	548,110	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	1,165	-	-
<b>Total receipts</b>	<b>-</b>	<b>100,000</b>	<b>95,000</b>	<b>1,165</b>	<b>548,110</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	66,527	700	334,155	250,549	74,070
Support services	23,013	42,000	54	140,256	133,070	30,446
Community services	-	-	-	26,830	-	-
Nonprogrammed charges	2,460	2,733	-	4,467	16,532	9,922
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>25,473</b>	<b>111,260</b>	<b>754</b>	<b>505,708</b>	<b>400,151</b>	<b>114,438</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(25,473)</b>	<b>(11,260)</b>	<b>94,246</b>	<b>(504,543)</b>	<b>147,959</b>	<b>(114,438)</b>
<b>Other financing sources (uses):</b>						
Transfers in	31,319	13,126	15,618	-	-	17,857
Transfers out	-	-	-	-	(28,744)	(33,137)
<b>Total other financing sources (uses)</b>	<b>31,319</b>	<b>13,126</b>	<b>15,618</b>	<b>-</b>	<b>(28,744)</b>	<b>(15,280)</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>5,846</b>	<b>1,866</b>	<b>109,864</b>	<b>(504,543)</b>	<b>119,215</b>	<b>(129,718)</b>
<b>Cash and investments - beginning</b>	<b>(5,846)</b>	<b>-</b>	<b>-</b>	<b>504,543</b>	<b>-</b>	<b>129,718</b>
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ 1,866</b>	<b>\$ 109,864</b>	<b>\$ -</b>	<b>\$ 119,215</b>	<b>\$ -</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ 1,866	\$ 109,864	\$ -	\$ 119,215	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 1,866</b>	<b>\$ 109,864</b>	<b>\$ -</b>	<b>\$ 119,215</b>	<b>\$ -</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	1,866	109,864	-	119,215	-
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 1,866</b>	<b>\$ 109,864</b>	<b>\$ -</b>	<b>\$ 119,215</b>	<b>\$ -</b>

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

	District Improvement 2005-06	American Student Achievement	Summer Migrant 2004-05	Bi Lingual	Summer Migrant 2006-07	Hurricane Relief 2005-06
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	47,137	-	-	25,000
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>47,137</b>	<b>-</b>	<b>-</b>	<b>25,000</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	37,629	-	-	-	83,712	-
Support services	22,581	-	-	-	19,474	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	6,742	-	-	-	1,883	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>66,952</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>105,069</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(66,952)	-	47,137	-	(105,069)	25,000
<b>Other financing sources (uses):</b>						
Transfers in	-	-	23,635	-	53,697	-
Transfers out	-	-	-	(1,003)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>23,635</b>	<b>(1,003)</b>	<b>53,697</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(66,952)	-	70,772	(1,003)	(51,372)	25,000
Cash and investments - beginning	66,952	534	(70,772)	1,003	51,372	29,000
Cash and investments - ending	\$ -	\$ 534	\$ -	\$ -	\$ -	\$ 54,000
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ 534	\$ -	\$ -	\$ -	\$ 54,000
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 534</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 54,000</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	534	-	-	-	54,000
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 534</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 54,000</b>

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

	Hurricane Relief 2004-05	Preschool 45706-026-PN01	Preschool 14206-026-PN01	Preschool 14205-026-DY01	Preschool 14207-026-PN01	Preschool 2006-07
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	13,906	628,000	-	2,305,000	111,022
Federal sources	7,500	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>7,500</b>	<b>13,906</b>	<b>628,000</b>	<b>-</b>	<b>2,305,000</b>	<b>111,022</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	3,921	200,531	-	1,295,186	67,216
Support services	-	7,616	249,967	3,907	1,131,933	34,204
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	2,488	79,012	2	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>14,025</b>	<b>529,510</b>	<b>3,909</b>	<b>2,427,119</b>	<b>101,420</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>7,500</b>	<b>(119)</b>	<b>98,490</b>	<b>(3,909)</b>	<b>(122,119)</b>	<b>9,602</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(245,173)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(245,173)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>7,500</b>	<b>(119)</b>	<b>(146,683)</b>	<b>(3,909)</b>	<b>(122,119)</b>	<b>9,602</b>
Cash and investments - beginning	7,500	119	146,925	3,909	-	-
Cash and investments - ending	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ 242</u>	<u>\$ -</u>	<u>\$ (122,119)</u>	<u>\$ 9,602</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 15,000	\$ -	\$ 242	\$ -	\$ (122,119)	\$ 9,602
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ 242</u>	<u>\$ -</u>	<u>\$ (122,119)</u>	<u>\$ 9,602</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	15,000	-	242	-	-	9,602
Unrestricted	-	-	-	-	(122,119)	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ 242</u>	<u>\$ -</u>	<u>\$ (122,119)</u>	<u>\$ 9,602</u>

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

	Preschool 2005-06	Preschool 2007-08	Adult Education 2005-06	Adult Education 2006-07	Adult Education RAP	Drug Free Communities and Schools 2005-06
Receipts:						
Local sources	\$ -	\$ 244	\$ -	\$ -	\$ 2,940	\$ -
State sources	46,004	-	-	-	-	-
Federal sources	-	18,223	-	314,632	36,109	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>46,004</b>	<b>18,467</b>	<b>-</b>	<b>314,632</b>	<b>39,049</b>	<b>-</b>
Disbursements:						
Current:						
Instruction	6,077	159,911	51,629	187,055	2,500	-
Support services	25,351	133,405	19,988	82,402	3,075	42,752
Community services	-	-	-	-	-	-
Nonprogrammed charges	5,094	-	-	-	-	3,054
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>36,522</b>	<b>293,316</b>	<b>71,617</b>	<b>269,457</b>	<b>5,575</b>	<b>45,806</b>
Excess (deficiency) of receipts over disbursements	9,482	(274,849)	(71,617)	45,175	33,474	(45,806)
Other financing sources (uses):						
Transfers in	-	245,173	-	25,000	-	-
Transfers out	-	-	-	(25,000)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>245,173</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,482	(29,676)	(71,617)	45,175	33,474	(45,806)
Cash and investments - beginning	(9,482)	-	71,617	-	(33,474)	45,806
Cash and investments - ending	<u>\$ -</u>	<u>\$ (29,676)</u>	<u>\$ -</u>	<u>\$ 45,175</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ (29,676)	\$ -	\$ 45,175	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ (29,676)</u>	<u>\$ -</u>	<u>\$ 45,175</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	-	45,175	-	-
Unrestricted	-	(29,676)	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ (29,676)</u>	<u>\$ -</u>	<u>\$ 45,175</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Drug Free Communities and Schools 2006-07	Title II 2002-03	Title II 2001-02	Indiana Mathematics Initiative	Enhanced Education Technology 2005-06	Enhanced Education Technology 2006-07
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	95,040	-	-	-	-	58,059
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>95,040</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,059</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	-	-
Support services	51,299	-	-	-	33,121	26,867
Community services	-	-	-	-	-	-
Nonprogrammed charges	2,670	-	-	-	2,316	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>53,969</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,437</b>	<b>26,867</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>41,071</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(35,437)</b>	<b>31,192</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	3,747	1,489	-	-	-
Transfers out	(9,818)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(9,818)</b>	<b>3,747</b>	<b>1,489</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>31,253</b>	<b>3,747</b>	<b>1,489</b>	<b>-</b>	<b>(35,437)</b>	<b>31,192</b>
Cash and investments - beginning	-	(3,747)	(1,489)	931	35,437	-
<b>Cash and investments - ending</b>	<b>\$ 31,253</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 931</b>	<b>\$ -</b>	<b>\$ 31,192</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 31,253	\$ -	\$ -	\$ 931	\$ -	\$ 31,192
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 31,253</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 931</b>	<b>\$ -</b>	<b>\$ 31,192</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	31,253	-	-	931	-	31,192
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 31,253</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 931</b>	<b>\$ -</b>	<b>\$ 31,192</b>

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

	High Schools That Work	High Schools That Work	Morton TP-6A-44	Carl Perkins 2005-06	Carl Perkins 2006-07	Medicaid 2005-06
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	5,861
Federal sources	4,000	7,500	-	108,259	210,424	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>4,000</b>	<b>7,500</b>	<b>-</b>	<b>108,259</b>	<b>210,424</b>	<b>5,861</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	3,341	-	18,756	44,204	256,855	4,611
Support services	-	-	46	4,385	94,890	4,059
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	12,000	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>3,341</b>	<b>-</b>	<b>18,802</b>	<b>48,589</b>	<b>363,745</b>	<b>8,670</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>659</b>	<b>7,500</b>	<b>(18,802)</b>	<b>59,670</b>	<b>(153,321)</b>	<b>(2,809)</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>659</b>	<b>7,500</b>	<b>(18,802)</b>	<b>59,670</b>	<b>(153,321)</b>	<b>(2,809)</b>
Cash and investments - beginning	-	-	-	(59,670)	-	33,874
<b>Cash and investments - ending</b>	<b>\$ 659</b>	<b>\$ 7,500</b>	<b>\$ (18,802)</b>	<b>\$ -</b>	<b>\$ (153,321)</b>	<b>\$ 31,065</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 659	\$ 7,500	\$ (18,802)	\$ -	\$ (153,321)	\$ 31,065
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 659</b>	<b>\$ 7,500</b>	<b>\$ (18,802)</b>	<b>\$ -</b>	<b>\$ (153,321)</b>	<b>\$ 31,065</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	659	7,500	-	-	-	31,065
Unrestricted	-	-	(18,802)	-	(153,321)	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 659</b>	<b>\$ 7,500</b>	<b>\$ (18,802)</b>	<b>\$ -</b>	<b>\$ (153,321)</b>	<b>\$ 31,065</b>

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

	Headstart 2005	Headstart 2006	Headstart 2007	Title II A 2005-06	Title II A 2004-05	Title II A 2006-07
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 146	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	830,632	248,760	-	379,676	40,000
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	267	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>830,899</b>	<b>248,906</b>	<b>-</b>	<b>379,676</b>	<b>40,000</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	391,225	274,338	4,602	7,232	-
Support services	6,534	252,913	141,694	48,048	688,489	26,341
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	22,149	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>6,534</b>	<b>644,138</b>	<b>416,032</b>	<b>74,799</b>	<b>695,721</b>	<b>26,341</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(6,534)</b>	<b>186,761</b>	<b>(167,126)</b>	<b>(74,799)</b>	<b>(316,045)</b>	<b>13,659</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(29,668)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(29,668)</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(6,534)</b>	<b>186,761</b>	<b>(167,126)</b>	<b>(104,467)</b>	<b>(316,045)</b>	<b>13,659</b>
Cash and investments - beginning	40,766	(186,574)	-	104,467	408,171	-
Cash and investments - ending	<u>\$ 34,232</u>	<u>\$ 187</u>	<u>\$ (167,126)</u>	<u>\$ -</u>	<u>\$ 92,126</u>	<u>\$ 13,659</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 34,232	\$ 187	\$ (167,126)	\$ -	\$ 92,126	\$ 13,659
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 34,232</u>	<u>\$ 187</u>	<u>\$ (167,126)</u>	<u>\$ -</u>	<u>\$ 92,126</u>	<u>\$ 13,659</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	34,232	187	-	-	92,126	13,659
Unrestricted	-	-	(167,126)	-	-	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ 34,232</u>	<u>\$ 187</u>	<u>\$ (167,126)</u>	<u>\$ -</u>	<u>\$ 92,126</u>	<u>\$ 13,659</u>

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

	Laura Bush Foundation	Retirement Severance	1998 GOB	2000 GOB	Gavit High Cafeteria Construction	Common School Loan 470
<b>Receipts:</b>						
Local sources	\$ -	\$ 271,730	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	65,449
Federal sources	-	-	-	-	-	-
Bonds and loans	-	212,167	-	-	-	-
Sale of property, adjustments and refunds	-	-	22,641	79,983	881,910	-
<b>Total receipts</b>	<b>-</b>	<b>483,897</b>	<b>22,641</b>	<b>79,983</b>	<b>881,910</b>	<b>65,449</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	12,039	1,701	-	-
Support services	-	-	116,194	87,787	1,606,824	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	21	-	-	-	-	-
Debt services	-	602,141	-	-	-	-
<b>Total disbursements</b>	<b>21</b>	<b>602,141</b>	<b>128,233</b>	<b>89,488</b>	<b>1,606,824</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(21)	(118,244)	(105,592)	(9,505)	(724,914)	65,449
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(21)	(118,244)	(105,592)	(9,505)	(724,914)	65,449
Cash and investments - beginning	21	269,738	21,536	(5,054)	(68,792)	(65,449)
Cash and investments - ending	<u>\$ -</u>	<u>\$ 151,494</u>	<u>\$ (84,056)</u>	<u>\$ (14,559)</u>	<u>\$ (793,706)</u>	<u>\$ -</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ -	\$ (84,056)	\$ (14,559)	\$ (793,706)	\$ -
Restricted assets:						
Cash and investments	-	151,494	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ 151,494</u>	<u>\$ (84,056)</u>	<u>\$ (14,559)</u>	<u>\$ (793,706)</u>	<u>\$ -</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ 151,494	\$ -	\$ -	\$ -	\$ -
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	(84,056)	(14,559)	(793,706)	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ 151,494</u>	<u>\$ (84,056)</u>	<u>\$ (14,559)</u>	<u>\$ (793,706)</u>	<u>\$ -</u>

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

	Common School Fund Loan 490	Common School Fund Loan 421	2007 Lease Rental Construction	Repair Replacement	Gender Equity	Totals
<b>Receipts:</b>						
Local sources	\$ 50	\$ -	\$ -	\$ 147,750	\$ -	\$ 1,707,739
State sources	-	-	-	-	1,000	7,131,445
Federal sources	-	-	-	-	-	6,902,904
Bonds and loans	-	-	-	-	-	238,460
Sale of property, adjustments and refunds	-	-	-	-	-	1,211,923
<b>Total receipts</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>147,750</b>	<b>1,000</b>	<b>17,192,471</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	989	7,059,890
Support services	-	-	21,306	232,136	-	11,326,307
Community services	-	-	-	-	-	275,241
Nonprogrammed charges	-	-	-	-	-	228,068
Debt services	-	-	-	-	-	602,141
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>21,306</b>	<b>232,136</b>	<b>989</b>	<b>19,491,647</b>
Excess (deficiency) of receipts over disbursements	50	-	(21,306)	(84,386)	11	(2,299,176)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	1,381,374
Transfers out	-	-	-	-	-	(719,347)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>662,027</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	50	-	(21,306)	(84,386)	11	(1,637,149)
Cash and investments - beginning	-	3,340	57,674	279,879	-	402,960
Cash and investments - ending	\$ 50	\$ 3,340	\$ 36,368	\$ 195,493	\$ 11	\$ (1,234,189)
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 50	\$ 3,340	\$ 36,368	\$ 195,493	\$ 11	\$ (1,385,683)
Restricted assets:						
Cash and investments	-	-	-	-	-	151,494
<b>Total cash and investment assets - ending</b>	<b>\$ 50</b>	<b>\$ 3,340</b>	<b>\$ 36,368</b>	<b>\$ 195,493</b>	<b>\$ 11</b>	<b>\$ (1,234,189)</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 151,494
Other purposes	50	3,340	36,368	195,493	11	2,827,871
Unrestricted	-	-	-	-	-	(4,213,554)
<b>Total cash and investment fund balance - ending</b>	<b>\$ 50</b>	<b>\$ 3,340</b>	<b>\$ 36,368</b>	<b>\$ 195,493</b>	<b>\$ 11</b>	<b>\$ (1,234,189)</b>

SCHOOL CITY OF HAMMOND  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended June 30, 2007

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 22,231,760
Buildings	266,820,625
Improvements other than buildings	6,586,614
Machinery and equipment	<u>22,663,217</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 318,302,216</u>

SCHOOL CITY OF HAMMOND  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2007

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
School buildings	\$ 205,290,000	\$ 7,320,000
School buses	265,500	265,500
Notes and loans payable	24,258,742	2,433,734
Bonds payable:		
General obligation bonds:		
Pension Bond	<u>6,745,000</u>	<u>290,000</u>
Total governmental activities debt	<u>\$ 236,559,242</u>	<u>\$ 10,309,234</u>

SCHOOL CITY OF HAMMOND  
OTHER REPORT

The audit report presented herein was prepared in addition to the other official report prepared for the individual School Corporation office listed below:

Irving Elementary School

SCHOOL CITY OF HAMMOND  
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROL OVER ERROR CORRECTION

The following deficiencies were noted:

1. The Financial Reports (Form 9's) included negative receipts and disbursements. The negative amounts were due to error corrections and transfers between banks.
2. Corrections were for prior periods which had already been reported.
3. A check or receipt was not always used to create the audit trail for corrections to the record.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Receipt and disbursement corrections or other errors should be corrected by memorandum entry with the issuance of a check and receipt to document the flow of the transactions. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

COMPUTERIZED ACCOUNTING SYSTEM

The School Corporation processes financial information using computer software application systems. The computer application systems are then to interact or interface with one another so that information from one system agrees to information in the other system. The payroll application system for example generates payroll distribution reports which document amounts to be posted to the various funds and accounts of the ledger (financial application system).

We selected a payroll distribution report to verify that the application systems are interacting or interfacing correctly, which the payroll department printed for the Title I (410) fund for the check date of March 16, 2007. The report was requested and printed on November 15, 2007. When we reviewed the transactions posted to the ledger for the Title I (410) Fund, we noticed amounts posted in certain accounts within the fund which were not included in the payroll distribution report. A payroll distribution report printed on November 29, 2007, for the March 16, 2007, check date for the Title I School Improvement (411) Fund reported the amounts posted to the Title I (410) Fund totaling \$23,764.92, which were not found on the Title I (410) payroll distribution report. Nothing was posted to the Title I School Improvement (411) Fund for payroll. The payroll distribution report used by the system to post to the funds ledger for Title I (410) was printed on March 15, 2007. The report was retained by Title I personnel and supported the amounts posted to Title I (410) Fund. There was not a payroll distribution report as of March 16, 2007, for Title I School Improvement (411) Fund.

Officials explained that with this computer software, a user can retroactively change the location of "printed" or posted activity. (The word "printed" is because in this case the activity was not posted to the fund to which the change was made.) The payroll department made a change within the payroll application system which retroactively changed the payroll distribution reports; however, the change was not

SCHOOL CITY OF HAMMOND  
AUDIT RESULTS AND COMMENTS  
(Continued)

applied consistently to the financial application system. We could not determine when the change was made, because the system does not document such changes. The original activity is simply changed, with no indication that the information was revised. Additionally, there is no record of the original activity or the reason for the change.

Overall, in this instance, the funds were correctly posted based upon the original payroll distribution report, as this had been the report reviewed and approved by Officials; however, the source documentation had been changed without an explanation or an audit trail. Officials also explained that such changes can occur after closing a financial period. The changes can be made, in either or both of the payroll application and/or financial application systems.

When computerized software allows such changes to be made officials risk reporting inaccurate and/or unsupported fund financial information.

The following is a general outline of steps to follow when contemplating the purchase of data processing hardware and/or software. The State Board of Accounts has an Information Technology Services Division (ITS) available to assist in evaluating ITS requirements. . . .

Software.

1. Should provide extensive editing of data and change capability upon input and before a transaction is posted to an account, but no ability to change data after it is posted. If an error is discovered after the transaction is posted, a separate correcting transaction must be made.
2. Capable of providing hard copy of entire file or of selected screens.
3. A detailed transaction history (similar to a manually posted ledger page) should be maintained supporting each account. We would generally recommend a twelve month history.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 10)

SCHOOL NUTRITION PROGRAM CONTROLS

The School Corporation uses a computerized program to record the sale of free, reduced price, full pay, and adult meals, as well as other food type items. The computer software tracks the meal counts, cash transactions and the individual account balances of each student or staff member. All transactions are posted to the individual accounts through an identification card which is scanned at the point of sale. Several reports can be generated from the system including:

Account Balances Reports: Report by pay type (free, reduced price, full pay, and adult) of the total of the account balances maintained at the end of a given period. The School Corporation Food Service Department prints these reports monthly and maintains them in the Food Service office.

Cash Reconciliation Reports: Are generated at the end of each meal service period and report, by computer terminal, activity entered such as cash collected, sales, and cash distributed. The number of meals sold by meal type (breakfast or lunch) is also reported. The schools print these reports daily and attach the deposit tickets and "Coin and Currency Breakdown" reports. These reports are maintained by the Food Service Manager at each school.

SCHOOL CITY OF HAMMOND  
AUDIT RESULTS AND COMMENTS  
(Continued)

No attempts are made by the Food Service Department to reconcile the Account Balances Reports to the Cash Reconciliation Reports. We computed expected account balances and compared the results to the reports to verify the amounts reported on the April 2007 Cash Balances Report. The computed balances agreed to the balances reported on the April Account Balances Reports for only 3 of the 20 schools. Differences from our computed balances ranged from \$16 more to \$150 less than the Account Balances Reports.

We asked whether or not adjustments could be made to an account balance without the transactions being reported on a Cash Reconciliation Report. Officials indicated that all corrections and/or adjustments must be processed through the system and would be reported on a Cash Reconciliation Report. However, we noted a \$4,500 error for which we could not find a correcting entry reported. We determined that updated reports are not always printed after corrections are made.

Officials did not ensure that all transactions are properly accounted for in the accounting system. Reports were not balanced and reconciled on a regular basis to ensure complete and accurate reporting. Additionally, corrections of errors and other adjustments should be properly posted and identified.

The Food Service Managers at each school prepare the deposit tickets from "Coin and Currency Breakdowns" prepared by each cashier. Collections are deposited into a separate food service bank account. Receipts are posted to the School Lunch Fund in the School Corporation's records based on bank deposits, not the Cash Reconciliation Reports. Cash longs and shorts are not identified separately because no one at the Food Service Department reviews the Cash Reconciliation Reports on a regular basis, but are included in the food sales totals in the School Lunch Fund of the School Corporation.

The Food Service Managers are required to monitor cash longs and shorts; however, comparisons of the Cash Reconciliation Reports, Coin and Currency Breakdowns, and deposit tickets for April, 2007 indicated some inconsistencies in compliance with the set procedures. Some schools did not attach the Coin and Currency Breakdowns to the Cash Reconciliation Reports; some schools attached a total Coin and Currency Breakdown instead of reporting by cashier as required. Most differences in cash collections were less than \$5; however, one school consistently reported daily longs and shorts and then reported \$152.35 cash long for April 2007. The majority of the differences were traced to one employee, who was removed from cash collection duties when Food Service Department officials became aware of the problem. However, upon review of one month in the current school year, cash longs and shorts in excess of \$5 per meal period are still occurring and \$131.97 cash long was reported for that month. We could not determine if cash longs were the result of payments on account not posted or of food sales not recorded.

Cash Reconciliation Reports at some schools reported "cash pay-out" amounts. The "cash pay-outs" can be refunds of account balances given by a cashier or corrections to collection entries. A form, signed by a parent or adult, is required to be attached to the Cash Reconciliation Reports for refunds; corrections do not require special documentation. Most of the "cash pay-outs" reviewed were not documented. We could not determine if the cash was distributed or if an error was corrected. Cash refunds were not paid through the School Corporation's accounts payable system to ensure that all cash collected is deposited in the same form as received. Additionally, there is no evidence that the Food Service Managers had knowledge of, or had approved, the corrections. Documentation of the reason for the correction, the person performing the correction, and the person approving the correction were not maintained.

Receipts are not issued for cash received on account. Additionally, parents do not receive a report of the student's transactions or account balances. The numerous cash variances, and recording collections based on bank deposits instead of actual receipts decreased the accountability for cash received by the food service program.

SCHOOL CITY OF HAMMOND  
AUDIT RESULTS AND COMMENTS  
(Continued)

All cashiers at each school share the same user identification and password for access to the computerized cash collection system. Each employee with computer access did not have a unique user identification and password so that the School Corporation can restrict access to certain accounting functions and better monitor transactions.

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

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

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Persons, companies or governmental units that have overpaid amounts to a governmental unit are entitled to a repayment or refund by check or warrant. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Access to information stored on the computer must be protected through the use of user identification codes and confidential passwords. These passwords must meet the following criteria: Each user must have a unique user identification code and password . . . User identification codes and passwords may not be shared. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 10)

### CREDIT CARDS

School Board members and certain administrators of the School Corporation hold American Express credit cards. The credit cards are in the name of the individual and the School City of Hammond. The following deficiencies were noted:

1. The School Corporation has not designated a custodian for the credit cards. Instead, credit cards are kept by the individual account holder.
2. Payments have been made without supporting documentation (i.e., the original charge slip, receipt or invoice).
3. The receipts for the Superintendent and Board Members were kept separately from the actual claim; therefore, verification of the validity of the purchases at the time of payment was not made. Many of the receipts for disbursements were never filed with the claim.

SCHOOL CITY OF HAMMOND  
AUDIT RESULTS AND COMMENTS  
(Continued)

School City of Hammond Board Policy BP 3531-Use of Credit Cards states:

"The Assistant Superintendent for Business is authorized by the Board of School Trustees to issue a limited number of credit cards for the purchase of fuel for School City of Hammond vehicles and for authorized travel-related expenses. Use of a School City of Hammond credit card for personal purchases is expressly prohibited and will be grounds for revocation of credit card.

All persons issued a School City of Hammond credit card are required to submit receipts for each and every purchase. The receipt should include the purpose of the charge and the name(s) of all persons to which the charges apply."

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

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

NEGATIVE ACCOUNT BALANCES

The Account Balances Reports printed by the Food Service Department report balances by payment type (i.e., paid, free, reduced, adult). The Account Balances Report printed as of April 30, 2007, showed that adults are allowed to maintain negative account balances. Adult negative account balances ranged from \$0.50 to \$71.35. We reviewed the negative Account Balances Report as of June 7, 2007, the close of the school year, to determine if the negative accounts were paid by the end of the school year. We found 32 adults had negative account balances representing amounts owed to the school.

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OVERDRAWN CASH BALANCES

The School Corporation had 22 and 17 overdrawn funds at June 30, 2006 and 2007, respectively, totaling \$3,776,230 and \$4,213,554, respectively.

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OPTICAL IMAGES OF CHECKS (Applies to Morton High, Gavit Junior Senior High, Area Career Center, Caldwell, Franklin, Harding, Jefferson, Lafayette, Lincoln, Maywood, Orchard Drive, and Lew Wallace Elementary Schools)

The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned an optical image of only the front side of the checks.

SCHOOL CITY OF HAMMOND  
AUDIT RESULTS AND COMMENTS  
(Continued)

Indiana Code 5-15-6-3(a) concerning optical imaging of checks, states in part:

". . . 'original records' includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . ."

Furthermore, Indiana Code 26-2-8-111 states in part:

"(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

DEPOSIT COMPOSITION (Applies to Clark High, Morton High, Gavit Junior Senior High, and Lafayette Elementary Schools)

The amount of receipts indicating cash did not always agree to the bank deposit indication of cash.

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

DEPOSITS (Applies to Clark High, Gavit Junior Senior High, Eggers Middle, Adult Education, Columbia, Franklin, Jefferson, Lincoln, and Lew Wallace Elementary Schools)

Clark High School:

The athletic collections were not always remitted timely to the Extra-Curricular Treasurer. Some collections were remitted up to seventeen days after the date of the athletic event.

Gavit Junior Senior High School:

1. Deposits were not always timely; deposits were made up to 12 days after the receipt date.
2. Deposits did not always agree to the total receipts collected. Two of the deposits reviewed showed that both deposits were greater than the receipts written.
3. The composition of the cash and checks on the receipts did not agree to the composition on the bank deposit slips.
4. One deposit for textbook rental receipts represented six weeks of collections.

SCHOOL CITY OF HAMMOND  
AUDIT RESULTS AND COMMENTS  
(Continued)

Eggers Middle School:

Receipts were not always deposited within a reasonable time. Textbook rental receipts, in some instances, were held for periods in excess of six weeks before a deposit was made. A similar comment appeared in the prior report.

Adult Education:

1. Receipts are deposited one and two times per month.
2. Receipts were written after the deposit was made. Four checks were receipted on June 21, 2007, but were deposited on June 19, 2007. Also, receipts issued from June 2 to June 23, 2006, were deposited on June 14, 2006, and consisted of both cash and checks.
3. Receipts could not always be matched to a deposit, as the receipts do not indicate the date deposited and the deposit tickets do not indicate the correlating receipt numbers.
4. Seven receipts were not posted to the ledger. Four of the receipts not posted were also not deposited timely. Also, one receipt was written in the amount of \$60, but was posted in the amount of \$12. None of the posted errors were detected or corrected by officials.
5. Composition was not always indicated on the receipt.
6. Instances were noted where the duplicate receipt amount was changed after the original receipt was issued.

Columbia Elementary School:

Textbook rental receipts, as well as other general receipts, were not always deposited within a reasonable time. Some receipts were held for periods in excess of five months before being depositing.

Franklin Elementary School:

Receipts were not always deposited within a reasonable time. Textbook rental receipts, in some instances, were held for up to three weeks before being deposited.

Jefferson Elementary School:

Textbook rental receipts were deposited up to 98 days after received.

Lincoln Elementary School:

Textbook rental receipts were not always deposited within a reasonable time. Some receipts were held for periods in excess of 35 days.

SCHOOL CITY OF HAMMOND  
AUDIT RESULTS AND COMMENTS  
(Continued)

Lew Wallace Elementary School:

Receipts were not always deposited within a reasonable time. Receipts, in some instances, accumulated to over \$685 before a deposit was made.

Indiana Code 20-41-1-9 stated in part: ". . . receipts shall be deposited without unreasonable delay."

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

BANK ACCOUNT RECONCILIATIONS (Applies to Columbia Elementary School and Adult Education)

Columbia Elementary School:

Depository reconciliations of the fund balances to the bank account balances were not presented for audit. A review of the depository balance compared to the ledger balances indicated that the bank balance exceeded the ledger balance \$557.46 and \$784.64 as of June 30, 2006 and 2007, respectively.

Adult Education:

The bank reconcilements that were performed simply noted the bank balances without any adjustments. Outstanding checks were observed which should have been included in the reconcilements. The bank balances were not compared to the record balances.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

CONDITION OF RECORDS (Applies to Scott Middle, Caldwell, Columbia, Harding)

Caldwell Elementary School:

The records were closed on June 14, 2006, for the 2005-2006 school year. However, the records for the 2006-2007 school year began as of June 1, 2006. \$1,859.72 in receipts and \$3,237.49 in disbursements were recorded in both school years. Additionally, the beginning balances of the 2006-2007 school year accounts did not agree with the ending balances from the prior year.

SCHOOL CITY OF HAMMOND  
AUDIT RESULTS AND COMMENTS  
(Continued)

Columbia Elementary School:

The beginning fund balances reported on the Financial Reports (form SA-5) did not agree to the prior fiscal year ending cash balances. The differences for both school years were small and were due to interest and other infrequent transactions occurring after the last day of school, generally the middle of June, but before the beginning of the next year. Additionally, the 2006-2007 school year reports presented were prepared as of June 14, 2007; however, the reports did not include \$2,175.94 in disbursements dated June 11, 2007, which were back-dated when eventually recorded.

Scott Middle, Harding, and Orchard Drive Elementary Schools:

Some items such as June interest and any transactions between the closing date of one school year and July 1 were not included in the Financial Reports.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

OVERDRAWN CASH BALANCES (Applies to Columbia Elementary School)

The cash balances of the Extra-Curricular Account Fund 058 and 2nd Graders Take Pride Fund 021 were overdrawn as of June 30, 2006 and 2007.

The cash balance of any fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

TEXTBOOK RENTAL AND EDUCATIONAL FEES (Applies to Columbia Elementary School)

The textbook rental and educational fees receipted into the extra-curricular funds were not transferred to the School Corporation Central Office on a timely and/or regular basis as required by School Board policy. The balance of the Textbook Rental - Current Fund was \$3,138.60 at June 30, 2007; \$1,240.93 of which was collected in the 2005-2006 school year and \$1,889.70 of which was collected in the 2006-2007 school year.

Indiana Code 20-26-4-1 concerning duties of the School Corporation Treasurer, states in part: "The treasurer is the official custodian of all funds of the school corporation and is responsible for the proper safeguarding and accounting for all the funds . . ." Therefore, all grant monies and properly authorized fees at an individual building should be transferred to the School Corporation Central Office on a timely and regular basis for receipting into the appropriate school corporation fund. The School Corporation Attorney should provide written guidance concerning whether fees are appropriate in regards to Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 6)

SCHOOL CITY OF HAMMOND  
AUDIT RESULTS AND COMMENTS  
(Continued)

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS  
(Applies to Eggers Middle, Columbia, and Lincoln Elementary Schools)

Some schools did not comply with directives of the Indiana Department of Education by failing to properly document the verification of information provided on General Form 521, Applications for Free or Reduced Priced Meals and Other Benefits. Three of the four verified applications reviewed for Lincoln Elementary School were not signed by the principal, the verifying official. None of the verified applications reviewed for Columbia Elementary School and Eggers Middle School were properly completed. The verification section of the applications did not indicate when the notices of verification were sent, what the approval was based on, the verification results, reason for change in status, if any; and none were signed by a verifying official.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

PUBLIC RECORDS RETENTION (Applies to Morton High, Area Career Center, Columbia, and Elementary Schools)

Morton High School:

Athletic game ticket stubs were not presented for audit.

Area Career Center:

Fourteen duplicate checks were not presented for audit.

Columbia Elementary School:

Bank statements for June through September 2005 and duplicate official receipts for the 2005-2006 school year were not presented for audit.

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

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

SCHOOL CITY OF HAMMOND  
AUDIT RESULTS AND COMMENTS  
(Continued)

DONATIONS (Applies to Columbia Elementary School)

Evidence was not provided for audit indicating the school obtained School Board approval for donations received.

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

CASH COLLECTIONS (Applies to Eggers Middle, and Lafayette Elementary Schools)

Eggers Middle School:

Cash receipts were not always deposited in the same form as the collections. Cash receipts were withheld from deposits and used to cash personal checks for the Extra-Curricular Treasurer as well as checks from third parties. Additionally, cash textbook rental collections were withheld to make cash disbursements for the Community Based Education Program. The expenses were later reimbursed from the School Corporation Fund 559, Special Education.

Lafayette Elementary School:

Cash of \$196 was withheld from a deposit and distributed to students as sales awards.

Disbursements, other than properly authorized petty cash disbursements, shall be made by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

PRESCRIBED FORMS (Applies to Area Career Center, Eggers and Scott Middle Schools)

Area Career Center:

The prescribed receipt (SA-3) was not always in use. Receipts which were not prescribed, nor approved as an alternate form, were used at outside offices such as the cosmetology school, auto technology, and at other cash collection points.

Eggers Middle School:

Prescribed or approved official receipts were not always used for the collection of textbook rental.

Scott Middle School:

The prescribed receipt (SA-3) was not always in use. Receipts which were not prescribed or approved as alternative forms were used for band instrument rental and summer programs.

SCHOOL CITY OF HAMMOND  
AUDIT RESULTS AND COMMENTS  
(Continued)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

VENDING SALES (Applies to Gavit Junior Senior High School)

A review of the vending machine sales through the Pride Fund, noted the following:

1. Year 2005-2006 receipts from vending sales of \$10,654; Disbursements for vending inventory \$8,398. This resulted in a net profit on sales of \$2,256.
2. Year 2006-2007 receipts from vending sales of \$4,321; Disbursements for vending inventory \$12,614. This resulted in a net loss on sales of \$8,293.

School officials provided the following information:

1. No large amounts of free refreshments were given to students or faculty.
2. Vending inventory included outdated sodas that were subsequently disposed of in the trash. No record was made of the quantity of the inventory disposed.
3. Pride Fund vending inventory was occasionally used for the Athletic Concession sales. However, the Athletic Concession Fund purchased sales inventory, and kept the inventory in a separate area.
4. Collections from vending machines were remitted to the Extra-Curricular Treasurer as seldom as every four to eight weeks.
5. Written inventory records that would have recorded purchases, machine fills, disposals, returns to vendor, free disbursements to student and faculty, and balances on hand were not maintained.

Internal controls over vending operations, concessions or other sales should include, at a minimum, a regular reconciliation of the beginning inventory, purchases, distributions, items sold and ending inventory to the amount received. Any discrepancies noted should be immediately documented in writing to proper officials. The reconciliation should provide an accurate accounting. Persons with access to vending should be properly designated and access should be limited to those designated. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts Chapter 7)

DISBURSEMENTS (Applies to Gavit Junior Senior High, Area Career Center, Harding, and Maywood Elementary Schools)

Gavit Junior Senior High School:

1. There were multiple claims which could not be located.
2. There were multiple claims that were incomplete.
3. There were multiple claims that had no invoices or proof of service attached.
4. A School Board member was compensated to be a graduation speaker.

SCHOOL CITY OF HAMMOND  
AUDIT RESULTS AND COMMENTS  
(Continued)

5. A payment was made to Border's Books of \$3,518.46 for a \$35.54 invoice. The total amount of refunds received from Border's Books, for overpayments, was \$3,974.
6. An over payment to the School Corporation Treasurer for textbook rental in October 2007 totaled \$18,317.59.

Area Career Center:

Thirty-seven percent of the payments observed did not contain adequate supporting documentation such as receipts and invoices.

Due to the lack of supporting documentation, the validity and accountability for some money disbursed could not be established.

Harding Elementary School:

A payment of \$252 was observed in which the purchase order indicated supplies were being purchased; however, the invoice was for a "holiday gift card." Information indicated that the card would be used by the teacher for the subsequent purchase of supplies for the third grade class. No additional documentation was provided to identify the purchases made with the gift card.

Maywood Elementary School:

Claim for Payment (SA-7) was not used for all disbursements.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts Chapter 7)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts Chapter 7)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts Chapter 7)

Supporting documentation such as receipts, cancelled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts Chapter 7)

INACCURATE DEPOSITS IN TRANSIT (Applies to Jefferson Elementary School)

Nonsufficient funds checks, returned by the bank, are being treated as deposits in transit instead of being posted to the ledger as a disbursement from the proper fund account.

SCHOOL CITY OF HAMMOND  
AUDIT RESULTS AND COMMENTS  
(Continued)

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

ECA FEES TRANSFERRED TO THE CORPORATION (Applies to Adult Education)

Adult education fees are received through an extra-curricular account. The fees are periodically remitted to the School Corporation for deposit into a School Corporation Fund. During the audit period, 58 checks were issued from the Adult Education Extra-Curricular Fund to the School Corporation. Of these 58 checks, 29 were held from 8 to 34 days prior to being remitted to the School Corporation.

Indiana Code 20-26-4-1 concerning duties of the School Corporation Treasurer, states in part: "The treasurer is the official custodian of all funds of the school corporation and is responsible for the proper safeguarding and accounting for all the funds . . ." Therefore, all grant monies and properly authorized fees at an individual building should be transferred to the School Corporation Central Office on a timely and regular basis for receipting into the appropriate school corporation fund. The School Corporation Attorney should provide written guidance concerning whether fees are appropriate in regards to Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 6)

TEXTBOOK RENTAL CHARGES AND COLLECTIONS (Applies to Area Career Center)

Textbook rental charges and collections were handled through a computer software program (STI) for the 2005-2006 school year. As a student registered for a class, the Office Manager put the information into the STI program as to the courses being taken. The fees were then posted to the student account and an "Official Receipts Individual Textbook Rental List" (Official Receipt) for each student is generated showing the fees billed and the balance due. The same form was then used by the Treasurer to record payments received from students. This form has three parts (white, yellow, and pink), and when a student paid, this form served as a receipt.

The Official Receipts (SA-3) were printed after all fees were put into the system. A student making a payment was recorded with an ink pen on the Official Receipt. The white copy or top copy was given to the student and the remaining two copies (yellow and pink) were retained by the Treasurer. The Treasurer would then enter the payments received into the STI system and generate a "Fee Payment Report by Student" to support the "Receipt School Extra-Curricular Account" (ECA Receipt) written and used to post the receipts to the fund ledger.

The "Received from" indicated "Student Fees" for ECA Receipt 17448 dated September 9, 2005, but the "For the Deposit to the Credit of" indicated the receipt was for payments received from sales of Entertainment Books, which is a fund raising activity. The receipt was posted to the Fundraiser Fund. When the deposit composition was reviewed, the majority of the checks included in the deposit indicated that the payments were for student fees. Since we did not have the "Fee Payment Report by Student" we looked at the "Student Fee Roster for All Fees," which was printed for the period of August 24, 2005 to July 19, 2006, an alphabetical listing of all students, courses, fees, and payments by date. We were able to verify almost all payments posted to the report using the checks included in the deposit. Attached to the "Student Fee Roster for All Fees" were some "Official Receipts" which were printed from the system. We were also able to trace the payments to an attached "Official Receipt" for most of the checks traced to the "Student Roster for All Fees." The attached "Official Receipts" did not have the payments indicated in ink as was the procedure indicated to us. The "Official Receipts" had the receipt information as would have been generated by the computer program, and indicated a "Receipt" number of 17449.

SCHOOL CITY OF HAMMOND  
AUDIT RESULTS AND COMMENTS  
(Continued)

The final page of the "Student Fee Roster for All Fees" shows totals of all charges, and fees received. We compared the "Receipts" which were for Student Fees to the total of the payments received per the "Student Fee Roster for All Fees." Overall, the "Receipts" exceeded the total payments received per the "Student Fee Roster for All Fees" by \$1,102.47.

Entertainment books are sold at cost. The vendor sends the books for the students to sell, then the School returns the unsold books and the vendor invoices the school for the books sold. Since they are sold at cost, if 100 books are sold at \$25 each, the invoice shows \$2,500 should have been collected, then the school may retain 30% profit, so the net due to the vendor would be \$1,750. We compared the "Receipts" for the Entertainment books to the invoice from the vendor and found that if we included "Receipt 17448" the school exceeded the sales indicated by the vendor; however, when we excluded that receipt, the school fell short by \$3,150.

The software program was still in use for the 2006-2007 school year, but officials are also using the textbook rental receipts. The Treasurer indicated that the textbook rental receipt numbers are entered into the STI Program to document payments received.

Tickets, goods for sale, billings, and other collections, are considered accountable items for which a corresponding deposit must be made in the bank accounts of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Governmental units which conduct fund raising events should have the express permission of the governing body for conducting the fundraiser as well as procedures in place concerning the internal controls and the responsibility of employees or officials. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

CONDITION OF RECORDS (Applies to Area Career Center)

Formal or accurate bank reconcilements are not prepared. An outstanding checklist is prepared, but no listing is made of deposits in transit. An adding machine tape is stapled to the bank statement as the bank reconciliation. Nothing is written on the adding machine tape to indicate what the numbers are.

When errors are noted when reconciling the bank, correcting entries are made by changing the original source documents or posted transactions; i.e., in the 2005-2006 school year, receipt numbers 17504 to 17524 made up one deposit. The receipts as written totaled \$5,952.97. The deposit ticket prepared by the Treasurer was long by \$0.50, but the deposit posted on the bank statement showed only \$5,858.47 was deposited. Subsequently, receipt 17506 was changed from \$1,494 to \$1,400. Another receipt 17527 was originally issued on the amount of \$2,578, but the deposit was for \$2,478, so again the receipt was changed to agree to the deposit amount. Also, in the 2005-2006 school year, receipt number 17448 was issued in the amount of \$5,489.50; however, the deposit was in the amount of \$5,628.50. In this instance, the receipt was not changed, but the posting indicated \$5,628.50 was received on receipt number 17448.

Receipts are not issued for all transactions; i.e., in the 2005-2006 school year, an investment was sold. The cash received from the sale was simply deposited. No receipt was written to record the sale.

Deposit tickets were not available for all deposits. The school held a fundraiser in the 2005-2006 school year for the Katrina victims for which a deposit ticket could not be located for audit.

SCHOOL CITY OF HAMMOND  
AUDIT RESULTS AND COMMENTS  
(Continued)

Deposit composition could not be verified in either school year audited due to lack of information on the receipt. Receipts did not always indicate the method of payment, or in some cases both cash and check were noted, but a breakdown was not provided on the receipt so verification to the deposit ticket could not be made.

Receipts are not deposited timely. Based upon the dates of checks contained in the deposits, cash and checks are being held from 15 to 30 days before a deposit is being made.

A disbursement in the amount of \$2,700 was made without a purchase order or check being drawn against the bank account. A "Preauthorized Debit" in the amount of \$2,700 appeared on the bank statement on June 22, 2006. The amount was posted to the fund ledger as a negative receipt. A purchase order or other supporting documentation could not be provided for audit to support the dollar amount of this transaction. The Treasurer provided two invoices and an "E-Check Confirmation" as documentation. The explanation was that a vendor had overcharged the school for some supplies, so the Treasurer was not paying them. Then an agreement was reached to settle the dispute for the \$2,700. The two invoices provided were in the amount of the original and disputed charges. Both invoices indicated that they were reproduced on March 9, 2006. The first invoice was dated May 14, 2004, in the amount of \$1,086. The second was dated June 15, 2005, in the amount of \$2,268. The "E-Check Confirmation" indicates "This notice is to confirm your recent payment in the amount of \$2,700 using check number 13168. This transaction should appear on your bank statement . . ."

Checks for disbursements are computer generated. The checks are prenumbered in the upper right hand corner of the check. On the upper left hand corner of the check, is a computer generated or assigned check number. The two numbers agree in some cases, but for a large number of checks issued the two numbers do not agree. The Treasurer may post the check number as the prenumbered check number, but in other cases, posts the computer generated or assigned check number to the ledger. We also observed instances of the same check number being posted more than once. There are not any computer software controls in place to prevent such errors from occurring.

We noted difficulty tracing checks to purchase orders or to trace purchase orders to checks, once again due to the errors noted in the check numbering systems.

A significant amount of additional audit time was spent auditing the receipt and disbursement transactions of this extra-curricular account.

The ledger forms prescribed for use by school extra-curricular account treasurers include a control account, "Extra-Curricular Account," in which to record all receipts, all disbursements and the balance of all activity funds combined. Posting to the control should be made each day from the receipt and check registers in individual amounts or accumulated by receipt and check number. There shall also be kept a record of the transactions of each activity, showing each receipt, each disbursement and the balance of each particular fund. Posting to the fund of each individual activity should be made from the receipt and check registers by recording each transaction separately or by grouping receipts with consecutive serial numbers and checks with consecutive serial numbers if such are issued for the same source or purpose respectively. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

The treasurer shall deposit without unreasonable delay, all receipts in one bank account to be known as the "**(name of school)** School Extra-Curricular Account." Accordingly, when funds are lawfully deposited, all disbursements must necessarily be made by check. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

SCHOOL CITY OF HAMMOND  
AUDIT RESULTS AND COMMENTS  
(Continued)

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received." (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

Receipt and disbursement corrections or other errors should be corrected by memorandum entry with the issuance of a check and receipt to document the flow of the transactions. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Audit costs or other costs incurred because of poor records, nonexistent records or other inadequate bookkeeping practices may be the personal obligation of the responsible official or employee of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

SUPPORTING DOCUMENTATION FOR BUSINESS-TYPE ACTIVITIES (Applies to Area Career Center)

The Area Career Center runs business-type activities; i.e., students at the Cosmetology School perform services, such as giving a haircut, for which patrons pay a fee. Several other vocational functions such as automobile technician or mechanics, print shop, welding shop, and culinary school have similar charges. Work orders are prepared for some functions such as welding and auto technology, but such forms are not always prenumbered, and when they are prenumbered they are not used in consecutive order.

Prescribed or prenumbered receipts are not issued at these various locations for fees received. Receipts are not written until the money is turned over to the Treasurer.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

(This page intentionally left blank.)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE SCHOOL CITY OF HAMMOND, LAKE COUNTY, INDIANA

Compliance

We have audited the compliance of the School City of Hammond (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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

As described in items 2007-4 and 2007-5 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Cash Management and Reporting that are applicable to its Title I Grants to Local Educational Agencies. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the School Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its other major federal programs for the years ended June 30, 2006 and 2007. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2007-6.

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

Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in a School Corporation's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in items 2007-4 and 2007-5 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs, we consider items 2007-4 and 2007-5, to be material weaknesses.

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

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

STATE BOARD OF ACCOUNTS

February 4, 2008

SCHOOL CITY OF HAMMOND  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2006 and 2007

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-06	Total Federal Awards Expended 06-30-07
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 842,487	\$ 941,679
National School Lunch Program	10.555		3,500,416	3,869,710
Summer Food Service Program for Children	10.559		<u>336,374</u>	<u>303,872</u>
Total for federal grantor agency			<u>4,679,277</u>	<u>5,115,261</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Special Education Cluster				
Special Education - Grants to States	84.027			
		14205-026-DY01	34,057	3,909
		14205-026-PN01	543,386	-
		14206-026-PN01	2,361,075	529,510
		14207-026-PN01	-	2,427,119
		14204-026-PY02	14,051	-
		14205-026-PY01	240,368	36,522
		14206-026-PY01	-	293,315
		14205-026-SN01	<u>5</u>	<u>-</u>
Total for program			<u>3,192,942</u>	<u>3,290,375</u>
Special Education - Preschool Grants	84.173			
		45705-026-PN01	19,606	-
		45706-026-PN01	94,881	14,025
		45707-026-PN01	<u>-</u>	<u>101,420</u>
Total for program			<u>114,487</u>	<u>115,445</u>
Total for cluster			<u>3,307,429</u>	<u>3,405,820</u>
Adult Education- State Grant Program	84.002			
		94057	2,096	-
		V002A040014	81,325	-
		V002A050014	208,222	71,617
		V002A060014	<u>-</u>	<u>269,458</u>
Total for program			<u>291,643</u>	<u>341,075</u>
Title I Grants to Local Educational Agencies	84.010			
		05-4710	759,410	-
		06-4710	3,094,234	508,708
		07-4710	-	2,739,406
		School District Improvement 04-05	95,717	-
		School District Improvement 05-06	326,864	66,952
		School District Improvement 06-07	<u>-</u>	<u>210,326</u>
Total for program			<u>4,276,225</u>	<u>3,525,392</u>
Migrant Education - State Grant Program	84.011			
		FY05-06-RM26	124,984	-
		FY06-07-RM25	-	111,260
		FY03-04-SM12	1,548	-
		FY05-06-SM9	94,340	-
		FY06-07-SM13	-	105,068
		FY07-08-SM10	<u>-</u>	<u>754</u>
Total for program			<u>220,872</u>	<u>217,082</u>
Vocational Education - Basic Grants to States	84.048			
		WIA-04-SCH	3,779	-
		WIA-05-SCH	61,895	5,574
		05-4700-4710	35,334	-
		06-4700-4710	386,244	48,589
		07-4700-4710	-	363,745
		04-1303-4710	-	3,990
		06-1303-4710	<u>-</u>	<u>3,341</u>
Total for program			<u>487,252</u>	<u>425,239</u>

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

SCHOOL CITY OF HAMMOND  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2006 and 2007  
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-06	Total Federal Awards Expended 06-30-07
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
Safe and Drug Free Schools and Communities - State Grants	84.186			
		03-2311	148	-
		S186A030015	42,126	-
		Q186A040015	45,432	45,806
		Q186A050015	-	53,969
Total for program			<u>87,706</u>	<u>99,775</u>
Education for Homeless Children and Youth	84.196			
		FY 04-05	580	-
		FY 05-06	26,474	26,276
		FY 06-07	-	39,125
Total for program			<u>27,054</u>	<u>65,401</u>
Tech-Prep Education	84.243	Morton TP-6A-44	-	18,802
State Grants for Innovative Programs	84.298			
		S298A030014	121,264	-
		S298A040014	61,159	69,591
		S298A050014	500	45,835
Total for program			<u>182,923</u>	<u>115,426</u>
Education Technology State Grants	84.318			
		S318X030014	42,642	-
		S318X040014	41,262	35,437
		S318X050014	-	26,867
Total for program			<u>83,904</u>	<u>62,304</u>
Comprehensive School Reform Demonstration	84.332	CSR D Wallace 04-05	56,508	-
English Language Acquisition Grants	84.365			
		PL107-110 04-05	44,931	-
		PL107-110 05-06	233,323	114,438
		PL107-110 06-07	-	400,151
Total for program			<u>278,254</u>	<u>514,589</u>
Improving Teacher Quality State Grants	84.367			
		S376A030013	8,799	-
		S376A040013	610,473	74,799
		S367A050013	16,829	695,720
		S367A060013	-	26,341
Total for program			<u>636,101</u>	<u>796,860</u>
Total for federal grantor agency			<u>9,935,871</u>	<u>9,587,765</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass-Through Geminus Corporation				
Head Start	93.600			
		05CH7080-2005-06	673,124	6,534
		05CH7080-2006-07	448,905	644,138
		05CH7080-2007-08	-	416,032
Total for federal grantor agency			<u>1,122,029</u>	<u>1,066,704</u>
Total federal awards expended			<u>\$ 15,737,177</u>	<u>\$ 15,769,730</u>

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

SCHOOL CITY OF HAMMOND  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

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

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2006 and 2007. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2006	2007
Child Nutrition Cluster:			
School Breakfast Program	10.553	\$ 30,288	\$ 78,600
National School Lunch Program	10.555	117,727	305,744

SCHOOL CITY OF HAMMOND  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	yes
Significant deficiencies identified that are not considered to be material weaknesses?	yes

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	yes
Significant deficiencies identified that are not considered to be material weaknesses?	no

Type of auditor's report issued on compliance for major programs: Unqualified for all programs except Title I Grants to Local Educational Agencies, which was qualified.

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

Identification of Major Programs:

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

Dollar threshold used to distinguish between Type A and Type B programs: \$945,207

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2007-1, INTERNAL CONTROL OVER ERROR CORRECTION

The Financial Reports (Form 9's) included negative receipts and disbursements. These negative amounts were due to error corrections and transfers between banks.

The following deficiencies were noted:

1. Corrections were for prior periods which had already been reported.
2. The adjustments caused misstatement of the current fund activity. Previously reported transactions were reported as a receipt or disbursement in the current period even though no cash transaction actually occurred.

SCHOOL CITY OF HAMMOND  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

3. No check or receipt was used to create the audit trail for the corporation.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Receipt and disbursement corrections or other errors should be corrected by memorandum entry with the issuance of a check and receipt to document the flow of the transactions. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

We recommended School Corporation Officials revise procedures for correcting errors in the financial system.

FINDING 2007-2, COMPUTERIZED ACCOUNTING SYSTEM

The School Corporation processes financial information using computer software application systems. The computer application systems are then to interact or interface with one another so that information from one system agrees to information in the other system. The payroll application system, for example, generates payroll distribution reports which document amounts to be posted to the various funds and accounts of the ledger (financial application system).

We selected a payroll distribution report to verify that the application systems are interacting or interfacing correctly which the payroll department printed for the Title I (410) Fund for the check date of March 16, 2007. The report was requested and printed on November 15, 2007. When we reviewed the transactions posted to the ledger for the Title I (410) Fund, we noticed amounts posted in certain accounts within the fund which were not included in the payroll distribution report. A payroll distribution report printed on November 29, 2007, for the March 16, 2007, check date for the Title I School Improvement (411) Fund reported the amounts posted to the Title I (410) Fund totaling \$23,764.92, which were not found on the Title I (410) payroll distribution report. Nothing was posted to the Title I School Improvement (411) Fund for payroll. The payroll distribution report used by the system to post to the funds ledger for Title I (410) was printed on March 15, 2007. The report was retained by Title I personnel and supported the amounts posted to Title I (410) Fund. There was not a payroll distribution report as of March 16, 2007, for Title I School Improvement (411) Fund.

Officials explained that with the computer software, a user can retroactively change the location of "printed" or posted activity. (The word "printed" is because in this case the activity was not posted to the fund to which the change was made.) The payroll department made a change within the payroll application system which retroactively changed the payroll distribution reports; however, the change was not applied consistently to the financial application system. We could not determine when the change was made, because the system does not document such changes. The original activity is simply changed, with no indication that the information was revised. Additionally, there is no record of the original activity or the reason for the change.

Overall, in this instance the funds were correctly posted based upon the original payroll distribution report, the report had been reviewed and approved by officials; however, the source documentation had been changed without an explanation or an audit trail. Officials also explained that such changes can occur after closing a financial period. The changes can be made, in either or both of the payroll application and/or financial application systems.

SCHOOL CITY OF HAMMOND  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

When computerized software allows such changes to be made, Officials risk reporting inaccurate and/or unsupported fund financial information.

The following is a general outline of steps to follow when contemplating the purchase of data processing hardware and/or software. The State Board of Accounts has an Information Technology Services Division (ITS) available to assist in evaluating ITS requirements. . . .

Software.

1. Should provide extensive editing of data and change capability upon input and before a transaction is posted to an account, but no ability to change data after it is posted. If an error is discovered after the transaction is posted, a separate correcting transaction must be made.
2. Capable of providing hard copy of entire file or of selected screens.
3. A detailed transaction history (similar to a manually posted ledger page) should be maintained supporting each account. We would generally recommend a 12 month history.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 10)

We recommended Officials contact the software vendor to determine if the software can be modified to eliminate the ability to make retroactive changes to posted and approved financial records and/or source documents. If such modifications cannot be made, Officials should establish controls to limit the number of persons who are able to make these types of changes and to document the reasons for such changes.

FINDING 2007-3, SCHOOL NUTRITION PROGRAM CONTROLS

The School Corporation uses a computerized program to record the sale of free, reduced price, full pay, and adult meals, as well as other food type items. The computer software tracks the meal counts, cash transactions and the individual account balances of each student or staff member. All transactions are posted to the individual accounts through an identification card which is scanned at the point of sale. Several reports can be generated from the system including:

Account Balances Reports: Report by pay type (free, reduced price, full pay, and adult) of the total of the account balances maintained at the end of a given period. The School Corporation Food Service Department prints these reports monthly and maintains them in the Food Service office.

Cash Reconciliation Reports: Are generated at the end of each meal service period and report, by computer terminal, activity entered such as cash collected, sales, and cash distributed. The number of meals sold by meal type (breakfast or lunch) is also reported. The schools print these reports daily and attach the deposit tickets and "Coin and Currency Breakdown" reports. These reports are maintained by the Food Service Manager at each school.

SCHOOL CITY OF HAMMOND  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

No attempts are made by the Food Service Department to reconcile the Account Balances Reports to the Cash Reconciliation Reports. We computed expected account balances and compared the results to the reports to verify the amounts reported on the April 2007 Cash Balances Report. The computed balances agreed to the balances reported on the April Account Balances Reports for only 3 of the 20 schools. Differences from our computed balances ranged from \$16 more to \$150 less than the Account Balances Reports.

We asked whether or not adjustments could be made to an account balance without the transactions being reported on a Cash Reconciliation Report. Officials indicated that all corrections and/or adjustments must be processed through the system and would be reported on a Cash Reconciliation Report. However, we noted a \$4,500 error for which we could not find a correcting entry reported. We determined that updated reports are not always printed after corrections are made.

Officials did not ensure that all transactions are properly accounted for in the accounting system. Reports were not balanced and reconciled on a regular basis to ensure complete and accurate reporting. Additionally, corrections of errors and other adjustments should be properly posted and identified.

The Food Service Managers at each school prepare the deposit tickets from "Coin and Currency Breakdowns" prepared by each cashier. Collections are deposited into a separate food service bank account. Receipts are posted to the School Lunch Fund in the School Corporation's records based on bank deposits, not the Cash Reconciliation Reports. Cash longs and shorts are not identified separately because no one at the Food Service Department reviews the Cash Reconciliation Reports on a regular basis, but are included in the food sales totals in the School Lunch Fund of the School Corporation.

The Food Service Managers are required to monitor cash longs and shorts; however, comparisons of the Cash Reconciliation Reports, Coin and Currency Breakdowns, and deposit tickets for April 2007 indicated some inconsistencies in compliance with the set procedures. Some schools did not attach the Coin and Currency Breakdowns to the Cash Reconciliation Reports; some schools attached a total Coin and Currency Breakdown instead of reporting by cashier as required. Most differences in cash collections were less than \$5; however, one school consistently reported daily longs and shorts and then reported \$152.35 cash long for April 2007. The majority of the differences were traced to one employee, who was removed from cash collection duties when Food Service Department officials became aware of the problem. However, upon review of one month in the current school year, cash longs and shorts in excess of \$5 per meal period are still occurring and \$131.97 cash long was reported for that month. We could not determine if cash longs were the result of payments on account not posted or of food sales not recorded.

Cash Reconciliation Reports at some schools reported "cash pay-out" amounts. The "cash pay-outs" can be refunds of account balances given by a cashier or corrections to collection entries. A form, signed by a parent or adult, is required to be attached to the Cash Reconciliation Reports for refunds; corrections do not require special documentation. Most of the "cash pay-outs" reviewed were not documented. We could not determine if the cash was distributed or if an error was corrected. Cash refunds were not paid through the School Corporation's accounts payable system to ensure that all cash collected is deposited in the same form as received. Additionally, there is no evidence that the Food Service Managers had knowledge of, or had approved, the corrections. Documentation of the reason for the correction, the person performing the correction, and the person approving the correction were not maintained.

Receipts are not issued for cash received on account. Additionally, parents do not receive a report of the student's transactions or account balances. The numerous cash variances and recording collections based on bank deposits instead of actual receipts decreased the accountability for cash received by the food service program.

SCHOOL CITY OF HAMMOND  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

All cashiers at each school share the same user identification and password for access to the computerized cash collection system. Each employee with computer access did not have a unique user identification and password so that the School Corporation can restrict access to certain accounting functions and better monitor transactions.

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

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

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Persons, companies or governmental units that have overpaid amounts to a governmental unit are entitled to a repayment or refund by check or warrant. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Access to information stored on the computer must be protected through the use of user identification codes and confidential passwords. These passwords must meet the following criteria: Each user must have a unique user identification code and password . . . User identification codes and passwords may not be shared. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 10)

We recommended that Officials post based upon the computer generated reports of collections. Officials should monitor excessive cash longs and shorts, so appropriate corrective action can be taken. Reports should be balanced and reconciled on a regular basis to ensure complete and accurate reporting. Officials should issue receipts for all cash collections. Finally, Officials should ensure that all computer users have unique user identifications and passwords.

Section III – Federal Award Findings and Questioned Costs

FINDING 2007-4, CASH MANAGEMENT CONTROLS AND COMPLIANCE

Federal Agency: U.S. Department of Education  
Pass-Through: Indiana Department of Education  
Federal Programs: Title I Grants to Local Educational Agencies  
CFDA Number: 84.010  
Award Number: 07-4710

Amounts received by the School Corporation for the Title I grant award are drawn in advance. Officials are required to estimate expenditures and draw funds as needed. Drawdown requests are included as part of the grant application process. The procedure used by the School Corporation is to estimate salaries and other expenses to be paid on monthly basis and divide the grant award based upon

SCHOOL CITY OF HAMMOND  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

those estimates; however, records are not maintained on how the calculations are made. They must also consider that the Indiana Department of Education will not allow more than 20% of the Title I award to be drawn in each of the first three months of the grant period, which covers July through September.

The grant cash balance for the Title I grant for the fiscal year July 1, 2006 to June 30, 2007, exceeded the following month's expenditures for 5 out of 12 (August through July) months by amounts ranging from \$95,703.74 to \$502,859.43. The grant cash balance began exceeding the subsequent month's expenditures in March 2007. The School Corporation reported a cash balance of \$473,165.29 as of March 31, 2007, on the quarterly financial report to the Indiana Department of Education. The quarterly reports allow officials to request a reduction of the following month's drawdown request, but no such request was made.

Officials risk losing future funding by not complying with federal guidelines which require procedures to minimize the time elapsing between the receipt of funds and the subsequent disbursement of those funds.

EDGAR 80.20:

"(b) The financial management systems of other grantees and subgrantees must meet the following standards:

(7) Cash management. Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. . . . Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

We recommended that Officials implement procedures which will consider cash balances on hand, when determining cash needs on a monthly basis. Records should be maintained as to how cash requests are determined.

FINDING 2007-5, REPORTING CONTROLS AND COMPLIANCE

Federal Agency: U.S. Department of Education  
Pass-Through: Indiana Department of Education  
Federal Programs: Title I Grants to Local Educational Agencies  
CFDA Number: 84.010  
Award Number: 07-4710

The Indiana Department of Education requires School Corporations receiving Title I funding to submit quarterly financial reports. The reports document the grant award, receipts, disbursements, and ending cash balances. The fourth quarter report prepared by the School Corporation showed an ending cash balance of \$1,087,900.55 which was more than the fund cash balance of \$690,727.33 by \$397,173.22. The report was prepared and submitted to the Indiana Department of Education on July 3, 2007. Most of the difference was due to a posting error which was discovered when the School Corporation performed a bank reconciliation. The School Corporation discovered that a \$400,000 drawdown of Title I funds had been posted twice. The correction was posted on July 13, 2007, but with an effective date of June 21, 2007; therefore, the cash balance changed. The Title I personnel compare the drawdowns requested to the copies of the receipts they receive from the School Corporation, but do not compare drawdowns to the postings in the ledger.

SCHOOL CITY OF HAMMOND  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

A final expenditure report is required to be prepared and submitted to the Indiana Department of Education at the close of the grant period. The final expenditure report prepared by the School Corporation in total was accurate, but individual amounts reported could not be traced to the ledger. The fund ledger is set up with more accounts than the final expenditure report shows; therefore, Officials combined some categories, but the documentation of the combined categories was not retained for audit.

The Indiana Department of Education uses the financial reports to assist in monitoring subrecipients. The cash balances are monitored to help ensure that funds in excess of needs are not being drawn.

EDGAR 80.20 states in part: "(b) The financial management systems of other grantees and subgrantees must meet the following standards: (1) Financial reporting. Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant."

We recommended that Title I personnel review ledgers of posted activity to ensure information agrees. Additionally, reported cash balances should be compared to ledger balances after bank reconciliations are performed to ensure any material errors are correct prior to submission of the quarterly and final monitoring reports.

FINDING 2007-6, REPORTING OF FINANCIAL ACTIVITY FOR SCHOOL LUNCH

Federal Agency: U.S. Department of Agriculture  
Pass-Through: Indiana Department of Education  
Federal Programs: Child Nutrition Cluster  
CFDA Numbers: 10.553, 10.555, 10.559

An Annual Financial Report is required by the Indiana Department of Education. The information presented on the June 30, 2007, report did not agree to the financial activity posted to the School Lunch Fund (Fund 080). Overall, reported receipts were \$30 less and reported disbursements were \$46,938.62 less than the amounts posted to the fund. Most of the difference in disbursements was due to the underreporting of indirect costs of \$50,000. Inaccurate financial reports could result in the loss of future federal funding.

Additionally, the reports are due within 30 days following June 30, the close of each fiscal period. The reports were filed late for both school years. The report for the school year ended June 30, 2006, was filed August 11, 2006; the report for the school year ended June 30, 2007, was filed August 24, 2007. Late reporting could delay the receipt of subsequent reimbursements.

7 CFR § 210.15 states: "(a) Reporting Summary. Participating school food authorities are required to submit forms and reports to the State agency or the distributing agency, as appropriate, to demonstrate compliance with Program requirements."

We recommended that Officials ensure that all reports are filed timely. Additionally, reports should be reviewed prior to submission to ensure accuracy. Comparisons should be made to supporting documentation and such supporting documentation should be retained with a copy of the report for audit purposes.

# School City of Hammond

41 Williams Street • Hammond, IN 46320  
(219) 933-2400 • (219) 933-2495 FAX



Dr. Walter J. Watkins, Superintendent

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number: 2005-3 Eligibility  
Original SBA Audit Report Number: B27060  
Fiscal Year: July 1, 2003 to June 30, 2005  
Auditee Contact Person: Diane K. Schweitzer  
Title of Contact Person: Nutritional Services Director  
Phone Number: 219-933-2400, ext. 1056

### Status of Finding:

After the completion of the prior audit, the Nutritional Services Director met with the principals and secretaries of the schools where the problems occurred. The school officials were instructed on the importance of filling out the applications completely. Prior the 2006-2007 school year, the Nutritional Services Director met with the principals and secretaries of all of our schools and reminded them of the need to be careful and diligent when processing meal applications. Additionally, prior to the 2007-2008 school year, all of the school secretaries were provided the Eligibility Guidance for School Meals Manual, 2007, to assist with questions regarding application processing.

Finding Number: 2005-4 Earmarking  
Original SBA Audit Report Number: B27060  
Fiscal Year: July 1, 2003 to June 30, 2005  
Auditee Contact Person: Jana M. Abshire  
Title of Contact Person: Director of Title 1 Programs  
Phone Number: 219-933-2400, ext. 1062

### Status of Finding:

After the completion of the prior audit, the Director of Title 1 Programs received clarification from the Indiana Department of Education regarding how the 10% requirement for professional development was to be computed and subsequently spent. With this new knowledge, the Director of Title 1 Programs has been able to monitor professional development expenditures on a monthly basis through our financial system. Notices are sent to each Title 1 school throughout the year indicating the required expenditure amount and how much has been spent to date. By monitoring the expenditures in a timely manner, the Director of Title 1 Programs has been able to verify that the required 10% has been spent on professional development.

Robert K. James, CPA  
Director of Business Services  
November 15, 2007

#### *Board of School Trustees*

Albertine M. Dent  
Anna Mamala  
Cindy Murphy  
Rebecca Ward  
Deborah White

#### *Administration*

Ruth A. Mueller, *Chief Administrator for Academic Services*  
Eliza Vela, *Chief Administrator for Human Resource Services*  
Karen Wallisch, *Chief Administrator for Business Services*

# School City of Hammond

41 Williams Street • Hammond, IN 46320  
(219) 933-2400 • (219) 933-2495 FAX



Dr. Walter J. Watkins, Superintendent

## CORRECTIVE ACTION PLAN

### Section II – Financial Statement Findings

#### FINDING NO. 2007-1, INTERNAL CONTROL OVER ERROR CORRECTION

Auditee Contact Person: Karen Wallisch  
Title of Contact Person: Chief Administrator for Business Services  
Phone Number: 219-933-2400, ext. 1018

Internal controls will be placed into the financial software that will not allow adjustments to a prior reporting period.

Corrections to receipts and disbursements made by adjusting entries into the financial system will be supported by a receipt or check. This will provide a better audit trail and will result in more effective internal controls over error corrections.

#### FINDING NO. 2007-2, COMPUTERIZED ACCOUNTING SYSTEM

Auditee Contact Person: Karen Wallisch  
Title of Contact Person: Chief Administrator for Business Services  
Phone Number: 219-933-2400, ext. 1018

The software vendor was contacted regarding the interfacing of the payroll and financial systems. The vendor has assured us that adjustments will be made to the programming. The software system will be adjusted to eliminate the ability for someone to make a change after a payroll is completed without an audit record being created.

#### FINDING NO. 2007-3, SCHOOL NUTRITION PROGRAM CONTROLS

Auditee Contact Person: Diane Schweitzer  
Title of Contact Person: Nutritional Services Director  
Phone Number: 219-933-2400, ext. 1056

With regard to cash controls, the foodservice director will take under advisement every issue raised by the auditors and implement a plan of corrective action. Several of the issues may be corrected with the installation of a new point of sale system, planned for July of 2008 with many more accounting and accountability features including cash reconciliation availability.

At one school, errors (longs and shorts), attributable to one employee, were corrected in September with the addition of another POS terminal. Apparently, due to abundant transactions in a very short period of time at the snack bar location with one POS terminal (not adequate) an issue was created of what appeared to be careless cash handling. The addition of a second POS terminal substantially reduced errors in longs and shorts. Several meetings were held with the manager regarding the need to be more careful about cash handling practices.

#### Board of School Trustees

Albertine M. Dent  
Anna Mamala  
Cindy Murphy  
Rebecca Ward  
Deborah White

#### Administration

Ruth A. Mueller, *Chief Administrator for Academic Services*  
Eliza Vela, *Chief Administrator for Human Resource Services*  
Karen Wallisch, *Chief Administrator for Business Services*

There will be a meeting of all managers to discuss the findings and to plan for corrective action. There will be a meeting and training session with all cashiers prior to the opening of the new school year in August of 2008.

The new POS system will allow parents to prepay meals online, to view their child's transaction history with cash in, cash out, and meals purchased. The company that will provide a new POS system is developing a security system whereby each cashier has a security code, based upon recommendations from this audit. The request had not been made of this company (with national distribution) from existing customers.

Section III – Federal Award Findings

FINDING NO. 2007-4, CASH MANAGEMENT CONTROLS AND COMPLIANCE

Auditee Contact Person: Jana Abshire  
Title of Contact Person: Director of Title 1 Programs  
Phone Number: 219-933-2400, ext. 1062

This finding reported excess cash for the months of March thru September, 2006. During those months Title 1 schools are ordering materials and supplies to cover their summer programs. Additionally the salaries for summer programs are difficult to predict as those positions must be posted and may not be determined until May.

The Title 1 application only allows us to request dollars thru July. Some of our summer programs and professional development occurs throughout the summer, into August, so the dollars for stipends and additional salary must be available. All of School City of Hammond's Title 1 programs are schoolwide projects and the schools have the ability to spend 2006-07 dollars through September 30, 2007, even though July is the last opportunity to request dollars.

The Title 1 office has set narrower timelines for purchase of materials and supplies and will now monitor these monthly. A spreadsheet showing monthly salaries and benefits has been developed. These two systems, along with monitoring cash monthly, will enable us to more closely estimate expenditures and draw only those funds needed.

Requests to decrease drawdowns, should excess cash be needed, will be made through the quarterly monitoring report system.

FINDING NO. 2007-5, REPORTING CONTROLS AND COMPLIANCE

Auditee Contact Person: Jana Abshire  
Title of Contact Person: Director of Title 1 Programs  
Phone Number: 219-933-2400, ext. 1062

To prevent the reoccurrence of the issue in which our Title 1 monitoring report did not match the SCH ledger, the Title 1 office will more diligently scrutinize the ledger for errors before any further reports are completed. This will allow errors to be corrected before the Title 1 financial report is completed. If an error is discovered after the report is submitted, the Title 1 office will submit to IDOE an explanation and a corrected report to ensure that there is a match between the report and the ledger.

Due to the fact that our financial system and the format of the final Title 1 expenditure report do not match, the Title 1 Director will write a **key of information** to allow easier tracking of expenses. We follow the guidance of the IDOE in reporting expenditures for translators, babysitting, printing, and so on, which have a 300 account number in our financial system, in the "Other" 600 account on the report. This will be explained in our **key of information** document and will enable the auditor to better track where these expenses are charged.

FINDING NO. 2007-6, REPORTING OF FINANCIAL ACTIVITY FOR SCHOOL LUNCH

Auditee Contact Person: Diane Schweitzer  
Title of Contact Person: Nutritional Services Director  
Phone Number: 219-933-2400, ext. 1056

The annual financial report for 2006-2007 was prepared based upon the School City of Hammond financial report, July 1, 2006 to June 30, 2007. At the time the School City of Hammond financial report was obtained, the School City of Hammond Treasurer had not deducted \$50,000 in indirect expenses for the school foodservice program. I will submit a revised annual financial report to the Department of Education to reflect this charge.

The annual financial report was submitted timely in July; however, a revised report was submitted Aug. 24, the date the auditor used for this citing. The School City of Hammond operates a Summer Child Nutrition Program beginning in mid-June of each year. Expenses for the program operating in June are not paid until July. The timing of expenses paid and the Indiana Department of Education's requirement to have the annual financial report submitted is very restrictive. The Department of Child and Community Nutrition has indicated the annual financial report is due in September, October at the latest.



Robert K. James, CPA  
Director of Business Services  
February 4, 2008

SCHOOL CITY OF HAMMOND  
EXIT CONFERENCE

The contents of this report were discussed on February 4, 2008, with Dr. Walter J. Watkins, Superintendent of Schools; Anna Mamala, President of the School Board; Karen L. Wallisch, Treasurer; and Robert James, Director of Business Services.