

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

AUDIT REPORT
OF
FORT WAYNE COMMUNITY SCHOOLS
ALLEN COUNTY, INDIANA
July 1, 2005 to June 30, 2007



FILED
05/30/2008

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sherry Nidlinger	07-01-05 to 06-30-08
Superintendent of Schools	Dr. Wendy Robinson	07-01-05 to 06-30-08
President of the School Board	Carol J. Coen Geoff Paddock Stephen Corona Mark GiaQuinta	01-01-05 to 12-31-05 01-01-06 to 12-31-06 01-01-07 to 12-31-07 01-01-08 to 12-31-08



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

TO: THE OFFICIALS OF THE FORT WAYNE COMMUNITY SCHOOLS, ALLEN COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fort Wayne Community Schools (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 May 19, 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 Management's Discussion and Analysis, Schedule of Funding Progress, and Budgetary Comparison Schedules, as listed in the Table of Contents, are not required parts of the basic financial statements but are 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.

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

STATE BOARD OF ACCOUNTS

May 19, 2008



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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 FORT WAYNE COMMUNITY SCHOOLS, ALLEN COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fort Wayne Community Schools (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 May 19, 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.

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

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

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

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

Compliance and Other Matters

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

The School Corporation's response to the finding identified in our audit is described in the accompanying sections of the report entitled Official Response and 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 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

May 19, 2008

**Fort Wayne Community Schools
Management's Discussion and Analysis
June 30, 2007**

This discussion and analysis highlights the Fort Wayne Community Schools (FWCS) financial activities for the years ended June 30, 2006 and June 30, 2007. We hope you will find this discussion helpful in assessing FWCS financial condition. Please read it in conjunction with FWCS financial statements and accompanying notes, which follow this discussion and analysis.

Financial Highlights

Government-Wide

Government-wide funds include Governmental Funds and Proprietary Funds.

- The Governmental Activities net assets of FWCS at June 30, 2007 are \$43.3 million. Of this amount, \$23.3 is unrestricted and may be used to meet FWCS ongoing obligations.
- As of June 30, 2006, net assets were \$72.1 million with \$37.6 unrestricted.
- The decrease in unrestricted net assets from 2006 to 2007 is \$14.3 million. It should be noted that reassessment caused delays in property tax billings, collections and distributions during 2007. The majority of property tax distributions normally received by June 30, 2007 were not received in their entirety until September 2007. Receipts delayed beyond June 30, 2007 totaled \$49.7 million.

Governmental Funds

Governmental Funds include General, Transportation Operating, School Bus Replacement, Textbook Rental, Debt Service, and Capital Projects. Also included are sixty smaller funds including Food Service Operating and Equipment, Regional Vocational, Racial Balance, North Side Project, various grants and other miscellaneous funds.

- At June 30, 2006 and June 30, 2007, the school corporation's Governmental Funds reported ending cash and investments of \$45.9 million and \$25.1 million respectively.
- The combined governmental funds balance decreased by \$20.8 million from the prior year's ending balance.
 - As stated above, FWCS experienced a delay in property tax distributions of \$49.7 million at June 30, 2007.
 - The Governmental Funds ending cash balance included loans from the Health Insurance Fund of \$14,543,000 to offset delayed property tax receipts.
 - The difference in delayed property tax receipts and the interfund loan equals \$35.2 million. Had the delayed property tax distribution not occurred, the combined governmental funds balance would have been \$60.3 million, an increase of \$14.4 from the previous year.
 - The General Fund is included in the Governmental Funds. The school corporation's goal is to maintain a General Fund cash balance at December 31 that is at least 5% of next year's disbursements. At December 31, 2006 General Fund cash was about 13% of 2007 budgeted disbursements. The cash balance goal in other governmental funds varies depending on purpose and timing for each fund.

Proprietary

Proprietary Funds include two Internal Service Funds - the Self-Funded Worker's Compensation Fund and the Self-Funded Health Insurance Fund.

- As of June 30, 2006 and June 30, 2007 the school corporation's Proprietary Funds reported ending cash and investments of \$26.2 million and \$18.2 million respectively.
 - The Health Insurance Fund provided a loan on June 30, 2007 to Governmental Funds in the amount of \$14,543,000 due to delayed property tax receipts. If the loan had not been provided, the Proprietary Fund balance would have been \$32.7 million at June 30, 2007.
 - The Self-Insured Health Insurance Fund accounts for the majority of the Proprietary Funds. The fund continues to be financially healthy.

- For the plan year ended September 30, 2006 an 8% rate increase and enrollment growth resulted in 8.3% revenue increase while expenditures grew 6.5%.
- For the plan year ended September 30, 2007 a 4% rate increase and greater enrollment growth resulted in 7.1% revenue increase while expenditures grew 13.4%.

Fiduciary

Fiduciary Funds include a Pension Trust Fund and an Agency Fund.

- As of June 30, 2006 and June 30, 2007, the school corporation's Fiduciary Fund reported ending cash and investments of \$24.3 million and \$24.1 million respectively.
- The Pension Trust Fund balance as of June 30, 2006 and June 30, 2007 was \$7.2 million and \$6.2 million respectively. This fund was created at the same time the General Obligation Pension Bonds (see below) were issued. This fund provides the school corporation's annual match to employee contributions to their 403(b) retirement plans. This cash balance will continue to decline each year. Once the fund is depleted, any 403(b) matches will need to come from other funds.
- The Agency Fund balance as of June 30, 2006 and June 30, 2007 was \$17.1 million and \$17.9 million respectively. The Agency Fund is the Payroll Fund that accounts for payroll withholdings until such time they are disbursed to the proper entity.

Long-Term Debt

FWCS net long-term debt decreased by \$2.3 million during the two year period. In September of 2005, FWCS entered into a capital lease for the Nutrition Center, with a principal balance of \$11,540,000. Also during this time, increases in debt for technology equaled \$7.2 million. Total principal payments on all debt were \$21.1 million.

Basic Financial Statements

The Governmental Accounting Standards Board (GASB) requires FWCS to present its financial statements in accordance with GASB Statement No. 34. The basic financial statements of FWCS consist of two sets:

1. Government-wide statements
2. Fund financial statements

Government-wide statements include the Statement of Cash and Investments and the Statement of Cash Activities. Government-wide statements report on:

- Governmental activities, which encompass most of FWCS basic services that are provided to its citizens.
- Internal Service Fund activities, which include self-funded insurance programs.

Governmental activities include those that support educating students and the basic operations of FWCS. Governmental activities are presented on the *cash* basis of accounting; in other words, receipts and expenditures are recorded in the financial statements when cash is actually received or disbursed.

Internal Service Fund activities include FWCS two self-funded insurance programs – worker's compensation and health insurance. These activities are primarily funded through FWCS contributions from governmental funds and premiums paid by employees. These activities are also presented on the *cash* basis of accounting.

Fund financial statements are broadly categorized as governmental, fiduciary and proprietary. Separate financial statements are presented for each of these fund categories.

- Governmental fund types include the General, Special Revenue, Capital Projects, and Debt Service. These funds report what most people consider the basic government services. The Statement of Receipts, Disbursements, and Cash and Investment Balances – Governmental Funds reports the following major funds: General; Transportation Operating (Special Revenue);

Textbook Rental (Special Revenue); Debt Service (Debt Service); Capital Projects (Capital Projects); School Bus Replacement (Capital Projects); and Construction (Capital Projects). All other non-major funds are combined into one total. This statement provides a detailed short-term view of FWCS general government operations and the basic services it provides.

- Fiduciary funds include Pension Trust Funds and Agency Funds. The fiduciary fund statement is the Statement of Receipts, Disbursements, and Changes in Cash and Investments.
- Proprietary funds include two Internal Service Funds - the Self-Funded Worker's Compensation Fund and the Self-Funded Health Insurance Fund. The proprietary fund statement is prepared using the cash basis of accounting. The proprietary fund statement is the Statement of Receipts, Disbursements and Changes in Cash and Investments.

Condensed Financial Data

For the years ended June 30, 2006 and June 30, 2007, cash and investments changed as follows:

	Governmental Activities (000's omitted)	
	For the Year Ended June 30, 2006	For the Year Ended June 30, 2007
Receipts:		
<u>Program Receipts:</u>		
Charges for services	\$ 5,686	\$ 5,596
Operating grants and contributions	9,667	10,033
<u>General Receipts:</u>		
Property taxes	106,286	66,516
Other local sources	21,893	20,498
State aid adjustments and refunds	127,053	132,579
Grants and contributions, not restricted	27,804	27,920
Bonds and loans		
Sale of property, adjustments, and refunds	3,523	4,071
Investment earnings	3,683	4,801
Total receipts	<u>305,595</u>	<u>272,014</u>
Disbursements:		
Instruction	119,884	122,122
Support services	124,807	124,436
Community services	985	1,030
Nonprogrammed charges	33,647	36,551
Debt services	30,450	16,688
Total disbursements	<u>309,773</u>	<u>300,827</u>
Increase in net assets	(4,178)	(28,813)
Beginning net assets	<u>76,313</u>	<u>72,135</u>
Ending net assets	<u>\$ 72,135</u>	<u>\$ 43,322</u>

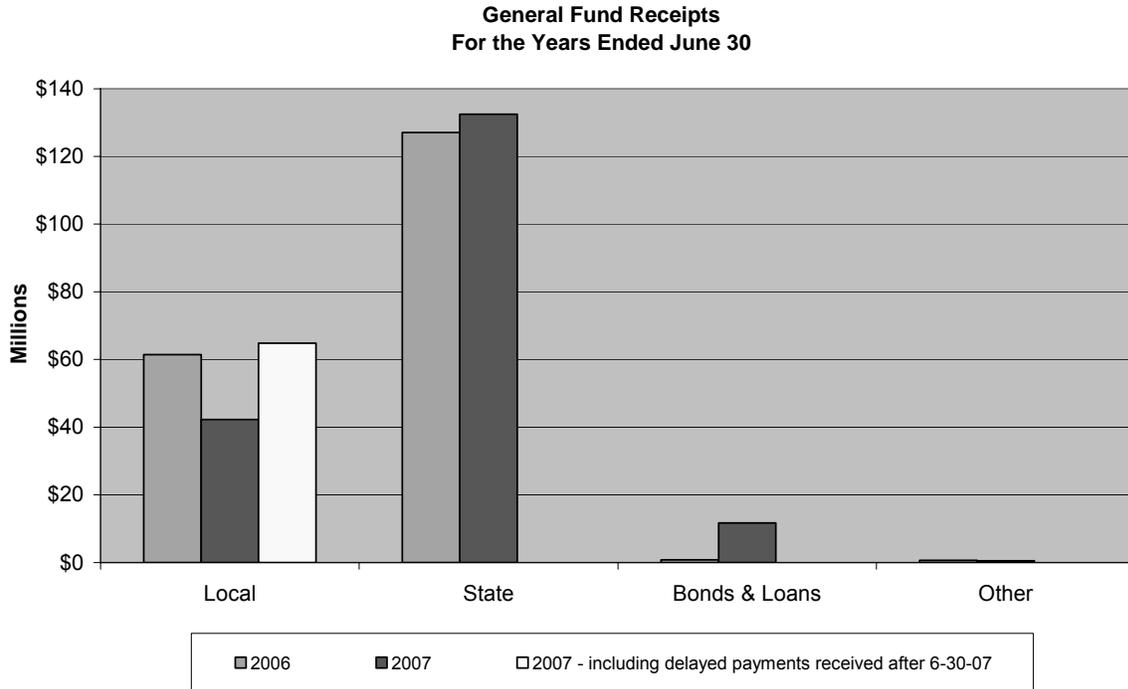
Note that the general receipt balances of "Property taxes" vary greatly between the two years. As of June 30, 2007, reassessment caused delays in property tax billings, collections and distributions during 2007. The majority of property tax distributions normally received by June 30, 2007 were not received in their entirety until September 2007. Receipts delayed beyond June 30, 2007 totaled \$49.7 million.

Fund Analysis

In reviewing the major funds of the governmental funds, the following observations were made.

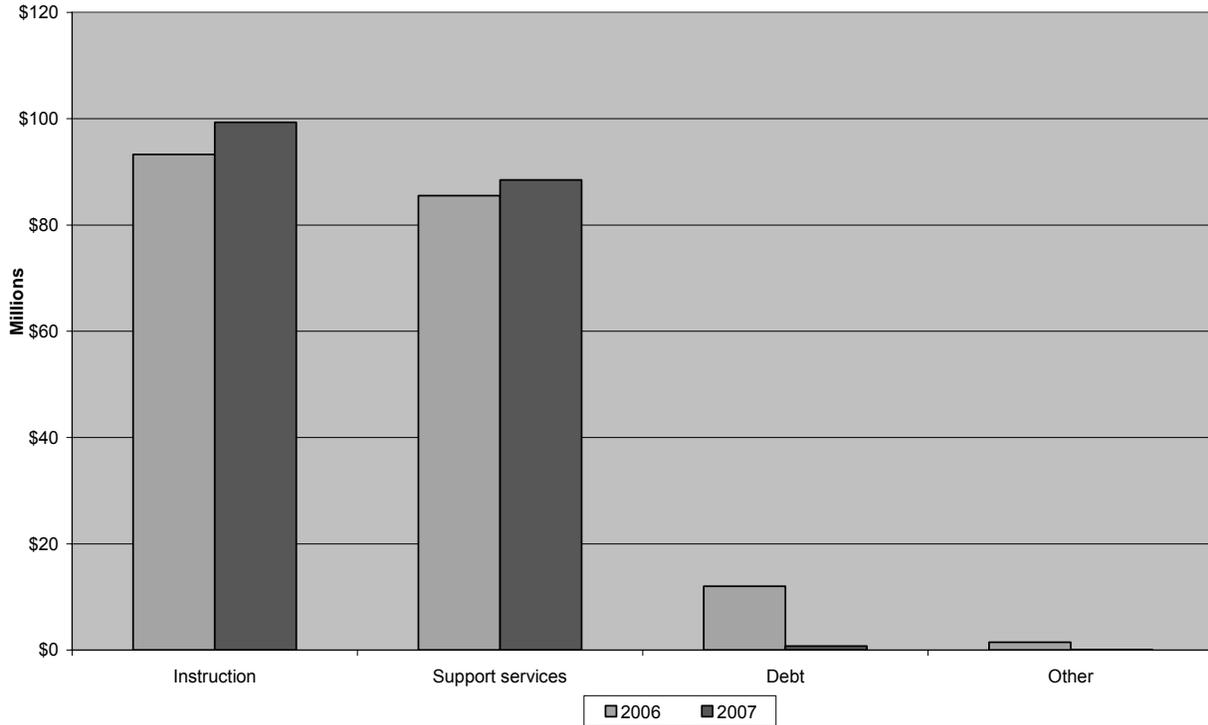
General Fund

The following chart displays General Fund receipts for the years ended June 30, 2006 and June 30, 2007. Total 2007 local sources appear lower than 2006 due to delays in property tax revenue. Adding a bar that shows what total receipts would have been June 30, 2007 presents a more accurate picture.



The following chart shows the allocation of General Fund disbursements for the years ended June 30, 2006 and June 30, 2007. Within “Instruction”, as defined by the Indiana standard school chart of accounts, all costs that directly support the classroom are not included. Some classroom costs are also included in the “Support services” section. General Fund debt represents short-term tax anticipation warrants and does not include debt service for major capital projects which are found in the Debt Service Fund.

**General Fund Disbursements
for the Years Ended June 30**



Transportation Operating

For the years ended June 30, 2006 and June 30, 2007 the transportation operating support services disbursements equaled \$14.5 million and \$14.1 million respectively. Total revenue for the years ended June 30, 2006 and June 30, 2007 was \$15.3 million and \$11.2 million. If property taxes were received on time, the June 30, 2007 revenue would have been \$17.9 million. FWCS operates about 340 school buses.

Capital Projects Fund

For the years ended June 30, 2006 and June 30, 2007, capital projects disbursements equaled \$24.4 million and \$25.2 million respectively. Disbursements from the Capital Projects Fund are for building construction and physical plant improvements, i.e. roofs, mechanical systems, electrical, HVAC replacement, at our 62 buildings. In addition, funds are spent on general repair, equipment purchases, technology and some utility costs. Total revenue for the years ended June 30, 2006 and June 30, 2007 was \$21.4 million and \$14.5 million. If property taxes were received on time, the June 30, 2007 revenue would have been \$24.2 million. The allowed revenue for the Capital Project Fund is not adequate to address all of the corporation's facility needs. The cash balance in the Capital Projects Fund is earmarked for projects in process.

Budgetary Highlights

Certain budgetary comparisons for General and Special Revenue Funds are required as supplemental information to the financial statements. Included in the financial report are the Budgetary Comparison Schedules for the General Fund and Transportation Operating Fund.

General Fund

Although the financial statements are presented on a fiscal year basis ending June 30, the budget is approved on a calendar year basis. The 2005 expenditure budget was adjusted once at the end of the year. The budgets for both years were adjusted for temporary loans and interfund loans. Following are schedules that summarize the budgets of the General Fund.

	<u>For the Year Ended December 31, 2005</u>			
Budget	Receipts	Disbursements	Net Change in Fund Balance	
Original	\$181,030,360	\$ 181,947,199	\$ (916,839)	
Final	\$193,763,083	\$ 194,745,634	\$ (982,551)	
Actual	\$193,674,007	\$ 187,450,361	\$ 6,223,646	
Variance	\$ (89,076)	\$ 7,295,273	\$ 7,206,197	

	<u>For the Year Ended December 31, 2006</u>			
Budget	Receipts	Disbursements	Net Change in Fund Balance	
Original	\$185,802,519	\$ 187,328,844	\$ (1,526,325)	
Final	\$186,462,723	\$ 188,004,823	\$ (1,542,100)	
Actual	\$189,972,413	\$ 185,846,826	\$ 4,125,587	
Variance	\$ 3,509,690	\$ 2,157,997	\$ 5,667,687	
Net Two Year Variance	\$ 3,420,614	\$ 9,453,270	\$ 12,873,884	

- Receipts for 2005 were slightly less than budgeted, a difference of less than \$100,000.
- Receipts for 2006 were \$3.5 million more than budgeted.
- Disbursements for 2005 were nearly \$7.3 million less than budgeted.
- Disbursements for 2006 were about \$2.2 million less than budgeted.
- Actual Fund Balance increased \$10.3 million as a result of the budget variances for the two years.

Transportation Operating Fund

Like the General Fund, the financial statements are presented on a fiscal year basis ending June 30 and the budget is approved on a calendar year basis. The budget for 2005 was adjusted for temporary loans.

Following are schedules that summarize the budgets of the Transportation Operating Fund.

	<u>For the Year Ended December 31, 2005</u>			
Budget	Receipts	Disbursements	Net Change in Fund Balance	
Original	\$ 14,658,976	\$ 15,468,000	\$ (809,024)	
Final	\$ 17,658,976	\$ 18,468,000	\$ (809,024)	
Actual	\$ 17,567,240	\$ 16,864,190	\$ 703,050	
Variance	\$ (91,736)	\$ 1,603,810	\$ 1,512,074	

	<u>For the Year Ended December 31, 2006</u>			
Budget	Receipts	Disbursements	Net Change in Fund Balance	
Original	\$ 16,164,731	\$ 17,120,575	\$ (955,844)	
Final	\$ 16,164,731	\$ 17,120,575	\$ (955,844)	
Actual	\$ 16,115,985	\$ 14,722,056	\$ 1,393,929	
Variance	\$ (48,746)	\$ 2,398,519	\$ 2,349,773	
Net Two Year Variance	\$ (140,482)	\$ 4,002,329	\$ 3,861,847	

- Receipts for 2005 were slightly less than budgeted, by less than \$100,000, and about \$50,000 for 2006.
- Disbursements were \$1.6 million under budget for 2005 and \$2.4 million under budget for 2006.
- Actual Fund Balance increased about \$4.1 million as a result of the budget variances.

Capital Asset and Long-Term Debt Activity

As of June 30, 2007, FWCS had \$311.1 million invested in capital assets, including buildings, stadiums, grounds, roads, and equipment. Many of our buildings and capital assets are over fifty years old. Since historical costs were not kept on some capital assets, we have used the Estimated Historical Cost approach of applying current replacement cost with an index to approximate the historical cost of some items. The following chart details the capital asset balance as of June 30, 2007.

	Balance <u>6/30/2007</u>
Governmental activities:	
Capital assets, not being depreciated	
Land	\$ 8,606,122
Buildings	242,227,392
Improvements other than buildings	21,491,631
Machinery and equipment	28,717,935
Construction in progress	<u>10,033,945</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 311,077,025</u>

Long-term Debt Activity:

As of June 30, 2007 FWCS outstanding debt totaled \$118.2 million and consisted of the following:

- Energy Capital Leases (end 2011)
- South Side High School Capital Lease (end 2012)
- North Side High School Capital Lease (end 2018)
- Pension Bonds (tax neutral and end in 2022)
- Nutrition Center (end 2018)
- Technology Loans (end 2010)
- Technology Capital Leases (end 2009)

In September of 2005, FWCS entered into a capital lease for the Nutrition Center, with a principal balance of \$11,540,000 and repayment over 12 years beginning in 2006. The new Center became in service January 2007, replacing a thirty year old building that was in need of repair and was often subject to flooding.

State sponsored, low interest, technology loans were borrowed in the amount of \$6,507,521 and are included in "Loans Payable". Also, "Capital Leases" for school computers increased by \$677,777.

Following are schedules of Changes in Long-Term Debt and Debt Requirements to Maturity.

CHANGES IN LONG-TERM DEBT

	<u>Fiscal Year 2005-2006</u>			<u>Balance June 30</u>
	<u>Balance July 1</u>	<u>Additions</u>	<u>Reductions</u>	
Governmental Activities:				
Bonds Payable	\$ 40,000,000		\$ 1,205,000	\$ 38,795,000
Capital Leases	74,279,194	12,217,777	5,225,845	81,271,126
Loans Payable	6,282,790	3,447,892	3,335,000	6,395,682
	<u>\$ 120,561,984</u>	<u>\$ 15,665,669</u>	<u>\$ 9,765,845</u>	<u>\$ 126,461,808</u>

	<u>Fiscal Year 2006-2007</u>			<u>Balance June 30</u>	<u>Due Within One Year</u>
	<u>Balance July 1</u>	<u>Additions</u>	<u>Reductions</u>		
Governmental Activities:					
Bonds Payable	\$ 38,795,000		\$ 1,665,000	\$ 37,130,000	\$ 1,944,270
Capital Leases	81,271,126		6,089,289	75,181,837	9,640,782
Loans Payable	6,395,682	3,056,629	3,545,862	5,906,449	2,744,736
	<u>\$ 126,461,808</u>	<u>\$ 3,056,629</u>	<u>\$ 11,300,151</u>	<u>\$ 118,218,286</u>	<u>\$ 14,329,788</u>

Other Currently Known Facts

Building Improvements

FWCS conducted an assessment of all of its aging buildings. In addition, a demographic study was completed. Following are some findings:

- Thirty-eight of the school corporation's buildings (61%) are more than 40 years old.
- Twenty-two (35%) are 26 to 40 years old.
- Only 17 (27%) of the buildings are fully air-conditioned.
- Only 15% of our buildings have adequate infrastructure.

In January 2007, the School Board of Trustees approved a \$500 million bond issue after many months of community dialogue. A petition for remonstrance was filed and the district entered into a signature drive during June 2007. The district was unsuccessful in gaining more signatures than the opposition. By law, the board may come back to the community after one year with a substantially different project. In January 2008, the board affirmed the need for building improvements by approving a goal to develop a sound long-range facilities plan in order to provide safe, clean, modern and well-equipped facilities acceptable to the community.

North Side Bond Refinancing

On September 24, 2007, the board approved a refinancing of the 2003 bonds of the North Side renovation project. The bonds refinanced included those scheduled to mature January 15, 2008 through January 15, 2018. The bonds were refinanced to take advantage of lower interest rates. As a result of the refinancing, FWCS received \$599,000. The funds will supplement the Capital Projects Fund budget to support a portion of the 2008 Lakeside Middle School project.

Expenditure Categories

Beginning with the 2007-2008 school year, the School Board of Trustees is required to establish goals for spending in each of four categories: academic achievement, instructional support, overhead and operational and non-operational. The state provided actual figures for these categories for 2005-2006. Fort Wayne Community Schools spent 68.8% in the first two categories compared to the state average of 62%. The board set a goal to strive to improve upon the current percentages between the expenditures for the student instructional categories and the other expenditure categories.

Pending Legislation

The legislature is in session and considering property tax relief. The bill in progress would shift the property tax portion of the General Fund to the state by increasing sales tax 1%. Further relief may come in the form of a circuit breaker that would limit the amount due from property tax payers. The circuit breaker would result in large reductions to governmental budgets. The estimated loss to FWCS is about \$3 million from Capital Projects Fund, Transportation, Racial Balance and Bus Replacement.

Contacting FWCS Financial Management

This financial report is designed to provide our citizens, taxpayers, patrons, and creditors with a general overview of FWCS finances and to show FWCS accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Chief Financial Officer
Fort Wayne Community Schools
1200 South Clinton Street (3rd Floor)
Fort Wayne, IN 46802
(260) 467-2000

FORT WAYNE COMMUNITY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2006

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net Disbursements and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 119,884,311	\$ -	\$ 901,296	\$ (118,983,015)
Support services	124,806,876	5,686,265	8,765,723	(110,354,888)
Community services	984,705	-	-	(984,705)
Nonprogrammed charges	33,646,625	-	-	(33,646,625)
Debt service	<u>30,450,366</u>	<u>-</u>	<u>-</u>	<u>(30,450,366)</u>
Total governmental activities	<u>\$ 309,772,883</u>	<u>\$ 5,686,265</u>	<u>\$ 9,667,019</u>	<u>(294,419,599)</u>
General receipts:				
Property taxes				106,285,563
Other local sources				21,892,951
State aid				127,053,125
Grants and contributions not restricted to specific programs				27,803,752
Sale of property, adjustments, and refunds				3,522,734
Investment earnings				<u>3,683,499</u>
Total general receipts				<u>290,241,624</u>
Change in net assets				(4,177,975)
Net assets - beginning				<u>76,313,393</u>
Net assets - ending				<u>\$ 72,135,418</u>
<u>Assets</u>				
Cash and investments				\$ 37,620,383
Restricted assets:				
Cash and investments				<u>34,515,035</u>
Total assets				<u>\$ 72,135,418</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 8,322,476
Other purposes				26,192,559
Unrestricted				<u>37,620,383</u>
Total net assets				<u>\$ 72,135,418</u>

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

FORT WAYNE COMMUNITY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net Disbursements and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 122,121,654	\$ -	\$ 785,237	\$ (121,336,417)
Support services	124,436,402	5,595,562	9,248,170	(109,592,670)
Community services	1,030,024	-	-	(1,030,024)
Nonprogrammed charges	36,551,307	-	-	(36,551,307)
Debt service	16,688,135	-	-	(16,688,135)
Total governmental activities	\$ 300,827,522	\$ 5,595,562	\$ 10,033,407	(285,198,553)
General receipts:				
Property taxes				66,516,391
Other local sources				20,498,005
State aid				132,578,499
Grants and contributions not restricted to specific programs				27,920,453
Sale of property, adjustments, and refunds				4,071,080
Investment earnings				4,800,588
Total general receipts				256,385,016
Change in net assets				(28,813,537)
Net assets - beginning				72,135,418
Net assets - ending				\$ 43,321,881
<u>Assets</u>				
Cash and investments				\$ 23,280,053
Restricted assets:				
Cash and investments				20,041,828
Total assets				\$ 43,321,881
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 1,796,270
Other purposes				18,245,558
Unrestricted				23,280,053
Total net assets				\$ 43,321,881

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

FORT WAYNE COMMUNITY SCHOOLS
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	Textbook Rental	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 61,389,347	\$ 15,161,805	\$ 1,172,000	\$ 12,245,887	\$ 21,319,343	\$ 1,545,943	\$ 24,704,687	\$ 137,539,012
Intermediate sources	547	-	-	-	-	-	8,719	9,266
State sources	127,045,355	-	695,708	-	-	-	6,515,952	134,257,015
Federal sources	3,790	-	-	-	-	-	30,263,091	30,266,881
Sale of property, adjustments and refunds	612,468	138,837	48,790	-	61,381	-	2,660,926	3,522,402
Interfund loans	798,434	-	-	-	-	193,549	466,655	1,458,638
Total receipts	189,849,941	15,300,642	1,916,498	12,245,887	21,380,724	1,739,492	64,620,030	307,053,214
Disbursements:								
Current:								
Instruction	93,263,282	-	-	-	-	-	26,621,029	119,884,311
Support services	85,507,481	14,491,979	3,185,686	-	24,379,514	2,097,501	34,617,376	164,279,537
Community services	816,030	-	-	-	-	-	168,675	984,705
Nonprogrammed charges	-	-	-	-	-	-	928,071	928,071
Debt services	12,000,000	3,000,000	-	11,526,441	-	450,000	3,473,925	30,450,366
Interfund loans	660,204	-	-	-	-	-	798,434	1,458,638
Total disbursements	192,246,997	17,491,979	3,185,686	11,526,441	24,379,514	2,547,501	66,607,510	317,985,628
Excess (deficiency) of receipts over disbursements	(2,397,056)	(2,191,337)	(1,269,188)	719,446	(2,998,790)	(808,009)	(1,987,480)	(10,932,414)
Other financing sources (uses):								
Transfers in	236,998	-	1,036,609	-	-	-	2,956,106	4,229,713
Transfers out	(1,110,600)	-	-	-	-	-	(3,119,113)	(4,229,713)
Total other financing sources (uses)	(873,602)	-	1,036,609	-	-	-	(163,007)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,270,658)	(2,191,337)	(232,579)	719,446	(2,998,790)	(808,009)	(2,150,487)	(10,932,414)
Cash and investments - beginning	10,058,660	5,481,758	4,575,254	4,484,560	15,414,416	808,009	16,052,616	56,875,273
Cash and investments - ending	\$ 6,788,002	\$ 3,290,421	\$ 4,342,675	\$ 5,204,006	\$ 12,415,626	\$ -	\$ 13,902,129	45,942,859
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:								
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.								
								26,192,559
Net assets of governmental activities								\$ 72,135,418
Cash and Investment Assets - Ending								
Cash and investments	\$ 6,788,002	\$ 3,290,421	\$ 4,342,675	\$ -	\$ 12,415,626	\$ -	\$ 10,783,659	\$ 37,620,383
Restricted assets:								
Cash and investments	-	-	-	5,204,006	-	-	3,118,470	8,322,476
Total cash and investment assets - ending	\$ 6,788,002	\$ 3,290,421	\$ 4,342,675	\$ 5,204,006	\$ 12,415,626	\$ -	\$ 13,902,129	\$ 45,942,859
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 5,204,006	\$ -	\$ -	\$ 3,118,470	\$ 8,322,476
Unrestricted	6,788,002	3,290,421	4,342,675	-	12,415,626	-	10,783,659	37,620,383
Total cash and investment fund balance - ending	\$ 6,788,002	\$ 3,290,421	\$ 4,342,675	\$ 5,204,006	\$ 12,415,626	\$ -	\$ 13,902,129	\$ 45,942,859

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

FORT WAYNE COMMUNITY SCHOOLS
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	Textbook Rental	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 42,240,252	\$ 10,397,166	\$ 1,136,854	\$ 8,793,592	\$ 14,406,124	\$ 844,036	\$ 19,582,971	\$ 97,400,995
Intermediate sources	1,094	-	-	-	-	-	8,456	9,550
State sources	132,445,832	-	725,154	-	-	-	6,038,039	139,209,025
Federal sources	2,179	-	-	-	-	-	31,321,156	31,323,335
Sale of property, adjustments and refunds	540,845	135,420	402,929	-	52,135	-	2,939,751	4,071,080
Interfund loans	11,675,979	630,000	-	-	-	1,320,000	1,674,486	15,300,465
Total receipts	186,906,181	11,162,586	2,264,937	8,793,592	14,458,259	2,164,036	61,564,859	287,314,450
Disbursements:								
Current:								
Instruction	99,329,064	-	-	-	-	-	22,792,590	122,121,654
Support services	88,445,085	14,148,422	1,527,099	-	25,180,381	1,964,159	35,450,508	166,715,654
Community services	719,495	-	-	-	-	-	310,529	1,030,024
Nonprogrammed charges	-	-	-	-	-	-	868,054	868,054
Debt services	-	-	-	12,804,400	-	-	3,883,735	16,688,135
Interfund loans	81,486	-	-	-	-	193,549	482,430	757,465
Total disbursements	188,575,130	14,148,422	1,527,099	12,804,400	25,180,381	2,157,708	63,787,846	308,180,986
Excess (deficiency) of receipts over disbursements	(1,668,949)	(2,985,836)	737,838	(4,010,808)	(10,722,122)	6,328	(2,222,987)	(20,866,536)
Other financing sources (uses):								
Transfers in	3,821	-	1,170,465	-	-	-	2,605,883	3,780,169
Transfers out	(1,256,774)	-	-	-	-	-	(2,523,395)	(3,780,169)
Total other financing sources (uses)	(1,252,953)	-	1,170,465	-	-	-	82,488	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,921,902)	(2,985,836)	1,908,303	(4,010,808)	(10,722,122)	6,328	(2,140,499)	(20,866,536)
Cash and investments - beginning	6,788,002	3,290,421	4,342,675	5,204,006	12,415,626	-	13,902,129	45,942,859
Cash and investments - ending	\$ 3,866,100	\$ 304,585	\$ 6,250,978	\$ 1,193,198	\$ 1,693,504	\$ 6,328	\$ 11,761,630	25,076,323
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:								
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.								
								18,245,558
Net assets of governmental activities								\$ 43,321,881
Cash and Investment Assets - Ending								
Cash and investments	\$ 3,866,100	\$ 304,585	\$ 6,250,978	\$ -	\$ 1,693,504	\$ 6,328	\$ 11,158,558	\$ 23,280,053
Restricted assets:								
Cash and investments	-	-	-	1,193,198	-	-	603,072	1,796,270
Total cash and investment assets - ending	\$ 3,866,100	\$ 304,585	\$ 6,250,978	\$ 1,193,198	\$ 1,693,504	\$ 6,328	\$ 11,761,630	\$ 25,076,323
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 1,193,198	\$ -	\$ -	\$ 603,072	\$ 1,796,270
Unrestricted	3,866,100	304,585	6,250,978	-	1,693,504	6,328	11,158,558	23,280,053
Total cash and investment fund balance - ending	\$ 3,866,100	\$ 304,585	\$ 6,250,978	\$ 1,193,198	\$ 1,693,504	\$ 6,328	\$ 11,761,630	\$ 25,076,323

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

FORT WAYNE COMMUNITY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENTS BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2006

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 39,472,661
Miscellaneous	332
Total operating receipts	39,472,993
Operating disbursements:	
Insurance claims and expense	32,718,554
Excess of operating receipts over operating disbursements and change in net assets	6,754,439
Cash and investment fund balance - beginning	19,438,120
Cash and investment fund balance - ending	\$ 26,192,559
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 26,192,559
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 26,192,559

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

FORT WAYNE COMMUNITY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENTS BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2007

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 42,279,252
Operating disbursements:	
Insurance claims and expense	35,683,253
Interfund loans	<u>14,543,000</u>
Total operating disbursements	<u>50,226,253</u>
Deficiency of operating receipts over operating disbursements and change in net assets	(7,947,001)
Cash and investment fund balance - beginning	<u>26,192,559</u>
Cash and investment fund balance - ending	<u>\$ 18,245,558</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 18,245,558</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 18,245,558</u>

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

FORT WAYNE COMMUNITY SCHOOLS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2006

	Pension Trust Funds	Agency Funds
Deductions:		
Benefits	\$ 993,342	
Deficiency of total additions over total deductions	(993,342)	
Cash and investment fund balance - beginning	8,201,808	
Cash and investment fund balance - ending	\$ 7,208,466	
Net assets:		
Cash and investments	\$ 7,208,466	\$ 17,080,846
Total net assets - cash and investment basis held in trust	\$ 7,208,466	\$ 17,080,846

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

FORT WAYNE COMMUNITY SCHOOLS
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
Deductions:		
Benefits	\$ 1,005,748	
Deficiency of total additions over total deductions	(1,005,748)	
Cash and investment fund balance - beginning	7,208,466	
Cash and investment fund balance - ending	\$ 6,202,718	
Net assets:		
Cash and investments	\$ 6,202,718	\$ 17,874,150
Total net assets - cash and investment basis held in trust	\$ 6,202,718	\$ 17,874,150

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

FORT WAYNE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: Fort Wayne Community Schools

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

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 non-exchange revenues.

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 enterprise funds.

The School Corporation reports the following major governmental funds:

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

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

The textbook rental fund is used to account for receipts and disbursements concerning textbooks and workbooks furnished to the students.

FORT WAYNE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for self-funded health insurance and worker's compensation insurance provided to other departments. These funds are supported based upon a health insurance and worker's compensation insurance rate charged by all funds that incur a salary expense.

Pension trust funds account for bonds and payments anticipated to be made to employees on or after termination of employment or to pay post-retirement or severance benefits held by the School Corporation in a trustee capacity.

Agency funds account for assets held by the School Corporation as an agent for other funds and serve as control accounts for certain cash transactions during the time they are a liability to the School Corporation.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

FORT WAYNE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 3 to 120 days per year. Unused sick leave may be accumulated to a maximum of 87 to 120 days based upon the number of years of service and job classification. Unused sick leave may be reimbursed up to 15 days, at a rate of \$25 per day or at an hourly rate depending on job classification.

b. Vacation Leave

Nonteaching or administrative and noncertified School Corporation employees earn vacation leave at rates from 5 days to 23 days per year based upon the number of years of service and job classification. Vacation leave may be accumulated to a maximum of 5 days for noncertified employees. Accumulated vacation leave is paid to employees through cash payments upon termination.

c. Personal Leave

School Corporation employees earn personal leave at the rate of 2 days per year. Personal leave does not accumulate from year to year.

4. Capital Assets

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

FORT WAYNE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

5. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as 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. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided 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.

2. Operating Receipts and Disbursements

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

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.

FORT WAYNE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.
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.

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 January 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:

FORT WAYNE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund	Fiscal Year 2005-2006	Fiscal Year 2006-2007
Alternative Education	\$ (150,118)	\$ (78,796)
Access Channel	-	(17,851)
Ready to Learn	-	(945)
Foellinger Grant	-	(90,131)
Youth Development Grant	(5,018)	-
School Technology Advance	(115,951)	(52,139)
Common School	(293,109)	(191,631)
Title I Delinquent	(1,232)	-
Title I School Improvement	(3,997)	-
Title I	(514,703)	-
Special Education Targeted	(9,620)	-
State Grants for Innovative Programs	-	(209,467)
Special Education Basic	(347,955)	(127,376)
Special Education Sliver	(818)	-
Special Education Preschool	(8,120)	(46,927)
Vocational Education	(178,782)	(121,508)
Smaller Learning Community	-	(20,854)

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. At June 30, 2007, the bank balance held at Bank One in the amount of \$29,644,747 and the bank balance held at Wells Fargo in the amount of \$689,669 were collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-School Corporation's name. The remaining bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13.

FORT WAYNE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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>Fiscal Year 2005-2006</u>	<u>Fiscal Year 2006-2007</u>
General Fund	Textbook Fund	\$ 1,036,609	\$ 1,170,465
	Other governmental funds	73,991	86,309
Other governmental funds	General Fund	236,998	3,821
	Other governmental funds	<u>2,882,115</u>	<u>2,519,574</u>
Totals		<u>\$ 4,229,713</u>	<u>\$ 3,780,169</u>

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

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; 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.

Job Related Illnesses or Injuries to Employees

The School Corporation has chosen to establish a risk financing fund for risks associated with workers' compensation. The risk financing fund is accounted for in the internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$235,000 per occurrence per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Amounts are paid into the fund by all funds with payrolls and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are calculated using each fund's percent of total payroll; however, some funds are charged extra due to job risk. Provisions are also made for unexpected and unusual claims.

Medical Benefits

The School Corporation has chosen to establish a risk financing fund for risks associated with employee health insurance. The risk financing fund is accounted for in the internal service fund, an internal service fund where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$300,000 per person, per

FORT WAYNE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. A premium is charged to each fund that accounts for payroll. The total charge allocated to each of the funds is calculated using the fund's percent of total payroll. Provisions are also made for unexpected and unusual claims.

B. Holding Corporations

The School Corporation has entered into capital leases with Fort Wayne South Side Building Corporation, the North Side High School Building Corporation, and the Food Service Center Holding Corporation (the lessors). The lessors were organized as a for profit, a not-for-profit, and a not-for-profit corporation, respectively pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related parties of the School Corporation.

The renovations to South Side High School, North Side High School and the Food Service Center under the capital leases are all included in the unit's Schedule of Capital Assets and Schedule of Long-Term Debt. Lease payments for the years ending June 30, 2006 and 2007, were \$4,288,400 and \$4,986,600, respectively.

C. Subsequent Event

North Side Bonds Refinancing (Lease to Corporation)

The Board of School Trustees approved a refinancing of the 2003 bonds of the North Side Renovation Project on September 24, 2007. The bonds refinanced included those scheduled to mature January 15, 2008 through and including January 15, 2018, and were currently outstanding in the aggregate principal amount of \$45,660,000. The bonds were refinanced to take advantage of lower interest rates and as a result of the refinancing, the School Corporation received \$599,000. This money was deposited into the Capital Projects Fund to support a portion of the 2008 Lakeside Middle School project.

D. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health insurance and life insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retired from the School Corporation before the pension buyout July 1, 2004, and who retired on or after attaining age 55 with at least 15 years of service. Currently, 303 retirees meet these eligibility requirements. The School Corporation provides 16% to 90% of these post-employment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. Disbursements for postemployment benefits cannot be reasonably estimated.

E. 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

FORT WAYNE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 2,664,686
Interest on net pension obligation	(211,977)
Adjustment to annual required contribution	241,564
Annual pension cost	2,694,273
Contributions made	2,616,328
Increase in net pension obligation	77,945
Net pension obligation, beginning of year	(2,923,817)
Net pension obligation, end of year	\$ (2,845,872)

FORT WAYNE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF
Contribution rates:	
School Corporation	6.25%
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	\$ 2,128,407	123%	\$ (2,622,608)
	06-30-05	2,299,201	113%	(2,923,817)
	06-30-06	2,694,273	97%	(2,845,872)

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.

FORT WAYNE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Plan members are required to contribute 3% of their salary (the 3% is paid for the employees by the School Corporation) and 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, 2007, 2006, and 2005, were \$3,826,139, \$3,494,904 and \$3,067,091, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

FORT WAYNE COMMUNITY SCHOOLS
 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	\$ 45,373,113	\$ 47,466,959	\$ (2,093,846)	96%	\$ 41,656,618	(5%)
07-01-05	47,426,608	52,717,370	(5,290,762)	90%	42,262,902	(13%)
07-01-06	51,542,704	54,962,082	(3,419,378)	94%	43,283,752	(8%)

FORT WAYNE COMMUNITY SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

	For The Year Ended December 31, 2005				For The Year Ended December 31, 2006			
	General Fund Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)	General Fund Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
Receipts:								
Local sources	\$ 60,422,648	\$ 60,422,648	\$ 61,000,019	\$ 577,371	\$ 59,491,999	\$ 59,491,999	\$ 61,519,385	\$ 2,027,386
Intermediate sources	269	269	547	278	547	547	547	-
State sources	119,994,642	119,994,642	119,340,351	(654,291)	125,839,973	125,839,973	126,935,409	1,095,436
Federal sources	-	-	4,336	4,336	-	-	3,682	3,682
Bonds and loans	-	12,732,723	12,732,723	-	-	660,204	660,204	-
Sale of property, adjustments and refunds	469,676	469,676	452,906	(16,770)	470,000	470,000	616,187	146,187
Intergovernmental transfers	143,125	143,125	143,125	-	-	-	236,999	236,999
Total receipts	181,030,360	193,763,083	193,674,007	(89,076)	185,802,519	186,462,723	189,972,413	3,509,690
Disbursements:								
Current:								
Instruction	92,044,666	93,093,696	90,176,795	2,916,901	96,907,276	96,907,276	96,478,843	428,433
Support services	87,968,147	86,339,263	82,552,478	3,786,785	88,037,643	88,037,643	86,675,221	1,362,422
Community services	231,386	811,240	811,239	1	-	675,979	675,979	-
Nonprogrammed charges	1,703,000	1,703,000	1,111,414	591,586	890,554	890,554	772,328	118,226
Debt services	-	12,798,435	12,798,435	-	1,493,371	1,493,371	1,244,455	248,916
Total disbursements	181,947,199	194,745,634	187,450,361	7,295,273	187,328,844	188,004,823	185,846,826	2,157,997
Net change in fund balances	(916,839)	(982,551)	6,223,646	7,206,197	(1,526,325)	(1,542,100)	4,125,587	5,667,687
Fund balances - beginning	18,147,209	18,147,209	18,147,209	-	24,370,855	24,370,855	24,370,855	-
Fund balances - December 31	\$ 17,230,370	\$ 17,164,658	\$ 24,370,855	\$ 7,206,197	\$ 22,844,530	\$ 22,828,755	\$ 28,496,442	\$ 5,667,687

FORT WAYNE COMMUNITY SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION OPERATING FUND

	For The Year Ended December 31, 2005				For The Year Ended December 31, 2006			
	Transportation Operating Fund Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)	Transportation Operating Fund Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		Original	Final			
Receipts:								
Local sources	\$ 14,637,476	\$ 14,637,476	\$ 14,415,968	\$ (221,508)	\$ 16,143,231	\$ 16,143,231	\$ 15,970,288	\$ (172,943)
Bonds and loans	-	3,000,000	3,000,000	-	-	-	-	-
Sale of property, adjustments and refunds	21,500	21,500	151,272	129,772	21,500	21,500	145,697	124,197
Total receipts	14,658,976	17,658,976	17,567,240	(91,736)	16,164,731	16,164,731	16,115,985	(48,746)
Disbursements:								
Current:								
Support services	15,468,000	15,468,000	13,864,190	1,603,810	17,120,575	17,120,575	14,722,056	2,398,519
Debt services	-	3,000,000	3,000,000	-	-	-	-	-
Total disbursements	15,468,000	18,468,000	16,864,190	1,603,810	17,120,575	17,120,575	14,722,056	2,398,519
Net change in fund balances	(809,024)	(809,024)	703,050	1,512,074	(955,844)	(955,844)	1,393,929	2,349,773
Fund balances - beginning	2,941,717	2,941,717	2,941,717	-	3,644,767	3,644,767	3,644,767	-
Fund balances - December 31	\$ 2,132,693	\$ 2,132,693	\$ 3,644,767	\$ 1,512,074	\$ 2,688,923	\$ 2,688,923	\$ 5,038,696	\$ 2,349,773

FORT WAYNE COMMUNITY SCHOOLS
 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

	Preschool	Food Service	Regional Vocational	Museum of Art	Educational License Plate	Alternative Education	Safe Haven Grant
Receipts:							
Local sources	\$ 204,885	\$ 4,615,144	\$ 4,724,907	\$ 180,299	\$ -	\$ 480,718	\$ -
Intermediate sources	-	-	-	-	8,719	-	-
State sources	1,156,479	114,880	-	-	-	221,972	-
Federal sources	-	7,618,642	-	-	-	-	-
Sale of property, adjustments and refunds	98	56,598	139,490	-	-	-	-
Interfund loans	216,237	-	-	-	-	-	-
Total receipts	1,577,699	12,405,264	4,864,397	180,299	8,719	702,690	-
Disbursements:							
Current:							
Instruction	1,054,415	-	2,758,253	-	-	-	-
Support services	349,952	11,516,497	1,471,361	-	-	-	8,541
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	141,808	180,299	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	173,332	-	-	-	-	-	-
Total disbursements	1,577,699	11,516,497	4,371,422	180,299	-	-	8,541
Excess (deficiency) of receipts over disbursements	-	888,767	492,975	-	8,719	702,690	(8,541)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	73,991	-
Transfers out	-	(261,049)	(250,846)	-	-	-	-
Total other financing sources (uses)	-	(261,049)	(250,846)	-	-	73,991	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	627,718	242,129	-	8,719	776,681	(8,541)
Cash and investments - beginning	-	1,229,873	360,783	-	42,324	(926,799)	8,541
Cash and investments - ending	\$ -	\$ 1,857,591	\$ 602,912	\$ -	\$ 51,043	\$ (150,118)	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 1,857,591	\$ 602,912	\$ -	\$ 51,043	\$ (150,118)	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 1,857,591	\$ 602,912	\$ -	\$ 51,043	\$ (150,118)	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	1,857,591	602,912	-	51,043	(150,118)	-
Total cash and investment fund balance - ending	\$ -	\$ 1,857,591	\$ 602,912	\$ -	\$ 51,043	\$ (150,118)	\$ -

FORT WAYNE COMMUNITY SCHOOLS
 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	Donations	Access Channel	Wallace Readers	Education Improvement	Knight Foundation
Receipts:						
Local sources	\$ -	\$ 714,513	\$ 138,266	\$ 1,034,152	\$ -	\$ 250,000
Intermediate sources	-	-	-	-	-	-
State sources	121,306	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	8,339	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	<u>121,306</u>	<u>722,852</u>	<u>138,266</u>	<u>1,034,152</u>	<u>-</u>	<u>250,000</u>
Disbursements:						
Current:						
Instruction	-	279,849	-	-	-	-
Support services	125,348	343,814	148,511	1,020,978	815,584	16,742
Community services	1,144	-	-	-	-	-
Nonprogrammed charges	-	-	-	496	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>126,492</u>	<u>623,663</u>	<u>148,511</u>	<u>1,021,474</u>	<u>815,584</u>	<u>16,742</u>
Excess (deficiency) of receipts over disbursements	<u>(5,186)</u>	<u>99,189</u>	<u>(10,245)</u>	<u>12,678</u>	<u>(815,584)</u>	<u>233,258</u>
Other financing sources (uses):						
Transfers in	-	-	-	280,308	823,278	-
Transfers out	-	-	-	(280,308)	(66,278)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>757,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(5,186)</u>	<u>99,189</u>	<u>(10,245)</u>	<u>12,678</u>	<u>(58,584)</u>	<u>233,258</u>
Cash and investments - beginning	<u>14,225</u>	<u>425,249</u>	<u>46,353</u>	<u>290,495</u>	<u>66,279</u>	<u>-</u>
Cash and investments - ending	<u>\$ 9,039</u>	<u>\$ 524,438</u>	<u>\$ 36,108</u>	<u>\$ 303,173</u>	<u>\$ 7,695</u>	<u>\$ 233,258</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 9,039	\$ 524,438	\$ 36,108	\$ 303,173	\$ 7,695	\$ 233,258
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 9,039</u>	<u>\$ 524,438</u>	<u>\$ 36,108</u>	<u>\$ 303,173</u>	<u>\$ 7,695</u>	<u>\$ 233,258</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>9,039</u>	<u>524,438</u>	<u>36,108</u>	<u>303,173</u>	<u>7,695</u>	<u>233,258</u>
Total cash and investment fund balance - ending	<u>\$ 9,039</u>	<u>\$ 524,438</u>	<u>\$ 36,108</u>	<u>\$ 303,173</u>	<u>\$ 7,695</u>	<u>\$ 233,258</u>

FORT WAYNE COMMUNITY SCHOOLS
 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)

	Foellinger Grant	Youth Development Grant	Scholarships	Unemployment	Driver Education	Technical Assistance
Receipts:						
Local sources	\$ 161,937	\$ 43,452	\$ 11,294	\$ -	\$ 119,381	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	1,116	-
Interfund loans	-	-	-	-	-	-
Total receipts	<u>161,937</u>	<u>43,452</u>	<u>11,294</u>	<u>-</u>	<u>120,497</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	370,750	-	-	-	101,250	-
Support services	55,971	36,003	-	-	19,619	44,975
Community services	-	-	12,746	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>426,721</u>	<u>36,003</u>	<u>12,746</u>	<u>-</u>	<u>120,869</u>	<u>44,975</u>
Excess (deficiency) of receipts over disbursements	<u>(264,784)</u>	<u>7,449</u>	<u>(1,452)</u>	<u>-</u>	<u>(372)</u>	<u>(44,975)</u>
Other financing sources (uses):						
Transfers in	-	-	-	112,586	-	-
Transfers out	-	-	-	(112,586)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(264,784)</u>	<u>7,449</u>	<u>(1,452)</u>	<u>-</u>	<u>(372)</u>	<u>(44,975)</u>
Cash and investments - beginning	<u>394,863</u>	<u>(12,467)</u>	<u>147,925</u>	<u>180,000</u>	<u>105,343</u>	<u>44,975</u>
Cash and investments - ending	<u>\$ 130,079</u>	<u>\$ (5,018)</u>	<u>\$ 146,473</u>	<u>\$ 180,000</u>	<u>\$ 104,971</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 130,079	\$ (5,018)	\$ 146,473	\$ 180,000	\$ 104,971	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 130,079</u>	<u>\$ (5,018)</u>	<u>\$ 146,473</u>	<u>\$ 180,000</u>	<u>\$ 104,971</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>130,079</u>	<u>(5,018)</u>	<u>146,473</u>	<u>180,000</u>	<u>104,971</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ 130,079</u>	<u>\$ (5,018)</u>	<u>\$ 146,473</u>	<u>\$ 180,000</u>	<u>\$ 104,971</u>	<u>\$ -</u>

FORT WAYNE COMMUNITY SCHOOLS
 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)

	School Technology Advance	Common School	Continuing Education	Medicaid Reimbursement	Neighborhood Connection	Non-English Speaking Program
Receipts:						
Local sources	\$ -	\$ -	\$ 106,233	\$ -	\$ 171,465	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	1,107,440	2,340,452	860,363	112,546	-	29,904
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	179,276	-	183	-
Interfund loans	-	-	-	-	-	-
Total receipts	1,107,440	2,340,452	1,145,872	112,546	171,648	29,904
Disbursements:						
Current:						
Instruction	-	-	924,309	-	163,741	-
Support services	1,032,909	2,208,126	211,192	-	11,180	5,183
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	1,032,909	2,208,126	1,135,501	-	174,921	5,183
Excess (deficiency) of receipts over disbursements	74,531	132,326	10,371	112,546	(3,273)	24,721
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(225,594)	-	-
Total other financing sources (uses)	-	-	-	(225,594)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	74,531	132,326	10,371	(113,048)	(3,273)	24,721
Cash and investments - beginning	(190,482)	(425,435)	32,149	113,048	52,140	61,949
Cash and investments - ending	<u>\$ (115,951)</u>	<u>\$ (293,109)</u>	<u>\$ 42,520</u>	<u>\$ -</u>	<u>\$ 48,867</u>	<u>\$ 86,670</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ (115,951)	\$ (293,109)	\$ 42,520	\$ -	\$ 48,867	\$ 86,670
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (115,951)</u>	<u>\$ (293,109)</u>	<u>\$ 42,520</u>	<u>\$ -</u>	<u>\$ 48,867</u>	<u>\$ 86,670</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(115,951)	(293,109)	42,520	-	48,867	86,670
Total cash and investment fund balance - ending	<u>\$ (115,951)</u>	<u>\$ (293,109)</u>	<u>\$ 42,520</u>	<u>\$ -</u>	<u>\$ 48,867</u>	<u>\$ 86,670</u>

FORT WAYNE COMMUNITY SCHOOLS
 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)

	School Technology	Technology Plan Grant	Warehouse	HIV Prevention	Professional Development	Title I Delinquent
Receipts:						
Local sources	\$ -	\$ -	\$ 565,102	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	445,610	-
Federal sources	-	-	-	-	-	277,383
Sale of property, adjustments and refunds	1,091,916	-	1,021,680	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	<u>1,091,916</u>	<u>-</u>	<u>1,586,782</u>	<u>-</u>	<u>445,610</u>	<u>277,383</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	73,465	130,205
Support services	664,469	63,909	1,515,105	1,228	393,258	102,631
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	9,257
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>664,469</u>	<u>63,909</u>	<u>1,515,105</u>	<u>1,228</u>	<u>466,723</u>	<u>242,093</u>
Excess (deficiency) of receipts over disbursements	<u>427,447</u>	<u>(63,909)</u>	<u>71,677</u>	<u>(1,228)</u>	<u>(21,113)</u>	<u>35,290</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	27,818
Transfers out	-	-	-	-	-	(27,818)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>427,447</u>	<u>(63,909)</u>	<u>71,677</u>	<u>(1,228)</u>	<u>(21,113)</u>	<u>35,290</u>
Cash and investments - beginning	<u>742,953</u>	<u>64,554</u>	<u>844,503</u>	<u>1,228</u>	<u>517,455</u>	<u>(36,522)</u>
Cash and investments - ending	<u>\$ 1,170,400</u>	<u>\$ 645</u>	<u>\$ 916,180</u>	<u>\$ -</u>	<u>\$ 496,342</u>	<u>\$ (1,232)</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,170,400	\$ 645	\$ 916,180	\$ -	\$ 496,342	\$ (1,232)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,170,400</u>	<u>\$ 645</u>	<u>\$ 916,180</u>	<u>\$ -</u>	<u>\$ 496,342</u>	<u>\$ (1,232)</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>1,170,400</u>	<u>645</u>	<u>916,180</u>	<u>-</u>	<u>496,342</u>	<u>(1,232)</u>
Total cash and investment fund balance - ending	<u>\$ 1,170,400</u>	<u>\$ 645</u>	<u>\$ 916,180</u>	<u>\$ -</u>	<u>\$ 496,342</u>	<u>\$ (1,232)</u>

FORT WAYNE COMMUNITY SCHOOLS
 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 I CSRD	Title I School Improvement	Title I	State Grants for Innovative Programs	Education for Homeless Children and Youth	McKinney Vento Transportation
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	111,784	229,342	6,888,016	738,607	24,250	10,000
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	111,784	229,342	6,888,016	738,607	24,250	10,000
Disbursements:						
Current:						
Instruction	65,019	292,259	4,898,648	-	-	-
Support services	60,580	106,605	3,206,758	589,747	40,543	-
Community services	4,004	12,432	122,155	-	-	-
Nonprogrammed charges	3,439	6,679	248,552	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	133,042	417,975	8,476,113	589,747	40,543	-
Excess (deficiency) of receipts over disbursements	(21,258)	(188,633)	(1,588,097)	148,860	(16,293)	10,000
Other financing sources (uses):						
Transfers in	21,814	-	597,605	-	-	-
Transfers out	(21,814)	-	(597,605)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(21,258)	(188,633)	(1,588,097)	148,860	(16,293)	10,000
Cash and investments - beginning	58,604	184,636	1,073,394	(117,188)	46,911	-
Cash and investments - ending	<u>\$ 37,346</u>	<u>\$ (3,997)</u>	<u>\$ (514,703)</u>	<u>\$ 31,672</u>	<u>\$ 30,618</u>	<u>\$ 10,000</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 37,346	\$ (3,997)	\$ (514,703)	\$ 31,672	\$ 30,618	\$ 10,000
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 37,346</u>	<u>\$ (3,997)</u>	<u>\$ (514,703)</u>	<u>\$ 31,672</u>	<u>\$ 30,618</u>	<u>\$ 10,000</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	37,346	(3,997)	(514,703)	31,672	30,618	10,000
Total cash and investment fund balance - ending	<u>\$ 37,346</u>	<u>\$ (3,997)</u>	<u>\$ (514,703)</u>	<u>\$ 31,672</u>	<u>\$ 30,618</u>	<u>\$ 10,000</u>

FORT WAYNE COMMUNITY SCHOOLS
 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)

	Special Education Targeted	Special Education Basic	Special Education Sliver	Special Education Carryover	Special Education Preschool	Adult Education
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	608,124	8,176,765	103,230	-	321,315	293,958
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	608,124	8,176,765	103,230	-	321,315	293,958
Disbursements:						
Current:						
Instruction	459,423	6,281,375	77,164	-	201,481	127,971
Support services	88,467	1,406,145	18,688	506,811	69,006	165,943
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	227,567	-	-	9,222	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	547,890	7,915,087	95,852	506,811	279,709	293,914
Excess (deficiency) of receipts over disbursements	60,234	261,678	7,378	(506,811)	41,606	44
Other financing sources (uses):						
Transfers in	-	-	-	506,811	-	-
Transfers out	-	(506,811)	-	-	-	-
Total other financing sources (uses)	-	(506,811)	-	506,811	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	60,234	(245,133)	7,378	-	41,606	44
Cash and investments - beginning	(69,854)	(102,822)	(8,196)	-	(49,726)	914
Cash and investments - ending	<u>\$ (9,620)</u>	<u>\$ (347,955)</u>	<u>\$ (818)</u>	<u>\$ -</u>	<u>\$ (8,120)</u>	<u>\$ 958</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ (9,620)	\$ (347,955)	\$ (818)	\$ -	\$ (8,120)	\$ 958
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (9,620)</u>	<u>\$ (347,955)</u>	<u>\$ (818)</u>	<u>\$ -</u>	<u>\$ (8,120)</u>	<u>\$ 958</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(9,620)	(347,955)	(818)	-	(8,120)	958
Total cash and investment fund balance - ending	<u>\$ (9,620)</u>	<u>\$ (347,955)</u>	<u>\$ (818)</u>	<u>\$ -</u>	<u>\$ (8,120)</u>	<u>\$ 958</u>

FORT WAYNE COMMUNITY SCHOOLS
 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)

	Safe and Drug Free Schools State	Schools National	Vocational Education	Medicaid Reimbursement Federal	NASA Grant	Magnet Schools Assistance
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	5,000	-
Federal sources	173,493	261,850	881,106	190,253	-	2,003
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	173,493	261,850	881,106	190,253	5,000	2,003
Disbursements:						
Current:						
Instruction	-	-	784,433	20,272	-	38
Support services	142,757	254,562	139,747	-	7,286	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	9,044	6,895	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	151,801	261,457	924,180	20,272	7,286	38
Excess (deficiency) of receipts over disbursements	21,692	393	(43,074)	169,981	(2,286)	1,965
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(11,404)	-	-
Total other financing sources (uses)	-	-	-	(11,404)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	21,692	393	(43,074)	158,577	(2,286)	1,965
Cash and investments - beginning	56,750	(393)	(135,708)	144,378	10,000	(1,965)
Cash and investments - ending	<u>\$ 78,442</u>	<u>\$ -</u>	<u>\$ (178,782)</u>	<u>\$ 302,955</u>	<u>\$ 7,714</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 78,442	\$ -	\$ (178,782)	\$ 302,955	\$ 7,714	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 78,442</u>	<u>\$ -</u>	<u>\$ (178,782)</u>	<u>\$ 302,955</u>	<u>\$ 7,714</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>78,442</u>	<u>-</u>	<u>(178,782)</u>	<u>302,955</u>	<u>7,714</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ 78,442</u>	<u>\$ -</u>	<u>\$ (178,782)</u>	<u>\$ 302,955</u>	<u>\$ 7,714</u>	<u>\$ -</u>

FORT WAYNE COMMUNITY SCHOOLS
 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)

	Emergency Impact Aid For Homeless Students	School to Work	Improving Teacher Quality State Grants	Education Technology State Grants	English Language Acquisition Grants and Refugee Child	Reading First
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	23,000	-	1,775,043	195,366	330,486	1,029,075
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	23,000	-	1,775,043	195,366	330,486	1,029,075
Disbursements:						
Current:						
Instruction	-	-	1,351,632	-	-	545,214
Support services	-	-	473,190	176,125	341,514	711,819
Community services	-	-	-	-	-	16,194
Nonprogrammed charges	-	-	24,544	2,946	-	57,323
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	-	1,849,366	179,071	341,514	1,330,550
Excess (deficiency) of receipts over disbursements	23,000	-	(74,323)	16,295	(11,028)	(301,475)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	23,000	-	(74,323)	16,295	(11,028)	(301,475)
Cash and investments - beginning	-	42,615	301,619	14,268	110,612	383,283
Cash and investments - ending	<u>\$ 23,000</u>	<u>\$ 42,615</u>	<u>\$ 227,296</u>	<u>\$ 30,563</u>	<u>\$ 99,584</u>	<u>\$ 81,808</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 23,000	\$ 42,615	\$ 227,296	\$ 30,563	\$ 99,584	\$ 81,808
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 23,000</u>	<u>\$ 42,615</u>	<u>\$ 227,296</u>	<u>\$ 30,563</u>	<u>\$ 99,584</u>	<u>\$ 81,808</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	23,000	42,615	227,296	30,563	99,584	81,808
Total cash and investment fund balance - ending	<u>\$ 23,000</u>	<u>\$ 42,615</u>	<u>\$ 227,296</u>	<u>\$ 30,563</u>	<u>\$ 99,584</u>	<u>\$ 81,808</u>

FORT WAYNE COMMUNITY SCHOOLS
 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)

	Racial Balance	Pension Debt	North Side Project	Career Center Building	Food Service Equipment	Totals
Receipts:						
Local sources	\$ 7,293,909	\$ 3,848,609	\$ -	\$ -	\$ 40,421	\$ 24,704,687
Intermediate sources	-	-	-	-	-	8,719
State sources	-	-	-	-	-	6,515,952
Federal sources	-	-	-	-	-	30,263,091
Sale of property, adjustments and refunds	-	-	161,555	675	-	2,660,926
Interfund loans	-	250,418	-	-	-	466,655
Total receipts	7,293,909	4,099,027	161,555	675	40,421	64,620,030
Disbursements:						
Current:						
Instruction	5,659,863	-	-	-	-	26,621,029
Support services	2,427,251	-	1,229,566	188,856	82,324	34,617,376
Community services	-	-	-	-	-	168,675
Nonprogrammed charges	-	-	-	-	-	928,071
Debt services	-	3,473,925	-	-	-	3,473,925
Interfund loans	-	625,102	-	-	-	798,434
Total disbursements	8,087,114	4,099,027	1,229,566	188,856	82,324	66,607,510
Excess (deficiency) of receipts over disbursements	(793,205)	-	(1,068,011)	(188,181)	(41,903)	(1,987,480)
Other financing sources (uses):						
Transfers in	-	-	-	250,846	261,049	2,956,106
Transfers out	(757,000)	-	-	-	-	(3,119,113)
Total other financing sources (uses)	(757,000)	-	-	250,846	261,049	(163,007)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,550,205)	-	(1,068,011)	62,665	219,146	(2,150,487)
Cash and investments - beginning	4,668,675	-	3,755,000	421,498	1,069,809	16,052,616
Cash and investments - ending	\$ 3,118,470	\$ -	\$ 2,686,989	\$ 484,163	\$ 1,288,955	\$ 13,902,129
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 2,686,989	\$ 484,163	\$ 1,288,955	\$ 10,783,659
Restricted assets:						
Cash and investments	3,118,470	-	-	-	-	3,118,470
Total cash and investment assets - ending	\$ 3,118,470	\$ -	\$ 2,686,989	\$ 484,163	\$ 1,288,955	\$ 13,902,129
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ 3,118,470	\$ -	\$ -	\$ -	\$ -	\$ 3,118,470
Unrestricted	-	-	2,686,989	484,163	1,288,955	10,783,659
Total cash and investment fund balance - ending	\$ 3,118,470	\$ -	\$ 2,686,989	\$ 484,163	\$ 1,288,955	\$ 13,902,129

FORT WAYNE COMMUNITY SCHOOLS
 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

	Preschool	Food Service	Regional Vocational	Museum of Art	Educational License Plate	Alternative Education
Receipts:						
Local sources	\$ 131,580	\$ 4,607,713	\$ 4,432,760	\$ 116,095	\$ -	\$ -
Intermediate sources	-	-	-	-	8,456	-
State sources	1,094,054	111,464	-	-	-	243,361
Federal sources	-	8,206,238	-	-	-	-
Sale of property, adjustments and refunds	-	107,554	137,543	-	-	-
Interfund loans	32,000	-	-	-	-	-
Total receipts	1,257,634	13,032,969	4,570,303	116,095	8,456	243,361
Disbursements:						
Current:						
Instruction	785,192	-	2,888,890	-	-	199,272
Support services	248,431	12,267,316	1,503,204	-	-	59,076
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	137,039	94,542	-	-
Debt services	-	-	-	-	-	-
Interfund loans	216,237	-	-	-	-	-
Total disbursements	1,249,860	12,267,316	4,529,133	94,542	-	258,348
Excess (deficiency) of receipts over disbursements	7,774	765,653	41,170	21,553	8,456	(14,987)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	86,309
Transfers out	-	(351,151)	(177,547)	-	-	-
Total other financing sources (uses)	-	(351,151)	(177,547)	-	-	86,309
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,774	414,502	(136,377)	21,553	8,456	71,322
Cash and investments - beginning	-	1,857,591	602,912	-	51,043	(150,118)
Cash and investments - ending	\$ 7,774	\$ 2,272,093	\$ 466,535	\$ 21,553	\$ 59,499	\$ (78,796)
Cash and Investment Assets - Ending						
Cash and investments	\$ 7,774	\$ 2,272,093	\$ 466,535	\$ 21,553	\$ 59,499	\$ (78,796)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 7,774	\$ 2,272,093	\$ 466,535	\$ 21,553	\$ 59,499	\$ (78,796)
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	7,774	2,272,093	466,535	21,553	59,499	(78,796)
Total cash and investment fund balance - ending	\$ 7,774	\$ 2,272,093	\$ 466,535	\$ 21,553	\$ 59,499	\$ (78,796)

FORT WAYNE COMMUNITY SCHOOLS
 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)

	Early Intervention	Donations	Access Channel	Wallace Readers	Education Improvement	Knight Foundation
Receipts:						
Local sources	\$ -	\$ 635,454	\$ 120,744	\$ 1,027,730	\$ -	\$ 100,000
Intermediate sources	-	-	-	-	-	-
State sources	110,100	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	9,783	-	-	83	-
Interfund loans	-	-	-	-	-	-
Total receipts	110,100	645,237	120,744	1,027,730	83	100,000
Disbursements:						
Current:						
Instruction	75,483	402,319	-	-	-	-
Support services	29,083	298,639	174,703	999,889	764,778	125,314
Community services	4,323	-	-	-	-	-
Nonprogrammed charges	250	-	-	35,986	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	109,139	700,958	174,703	1,035,875	764,778	125,314
Excess (deficiency) of receipts over disbursements	961	(55,721)	(53,959)	(8,145)	(764,695)	(25,314)
Other financing sources (uses):						
Transfers in	-	-	-	170,653	764,695	-
Transfers out	-	-	-	(170,653)	(7,695)	-
Total other financing sources (uses)	-	-	-	-	757,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	961	(55,721)	(53,959)	(8,145)	(7,695)	(25,314)
Cash and investments - beginning	9,039	524,438	36,108	303,173	7,695	233,258
Cash and investments - ending	<u>\$ 10,000</u>	<u>\$ 468,717</u>	<u>\$ (17,851)</u>	<u>\$ 295,028</u>	<u>\$ -</u>	<u>\$ 207,944</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 10,000	\$ 468,717	\$ (17,851)	\$ 295,028	\$ -	\$ 207,944
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 10,000</u>	<u>\$ 468,717</u>	<u>\$ (17,851)</u>	<u>\$ 295,028</u>	<u>\$ -</u>	<u>\$ 207,944</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	10,000	468,717	(17,851)	295,028	-	207,944
Total cash and investment fund balance - ending	<u>\$ 10,000</u>	<u>\$ 468,717</u>	<u>\$ (17,851)</u>	<u>\$ 295,028</u>	<u>\$ -</u>	<u>\$ 207,944</u>

FORT WAYNE COMMUNITY SCHOOLS
 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)

	Ready to Learn	Foellinger Grant	Youth Development Grant	Scholarships	Unemployment	Driver Education
Receipts:						
Local sources	\$ 13,712	\$ -	\$ 152,545	\$ 122,384	\$ -	\$ 131,364
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	9,843	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	13,712	-	152,545	132,227	-	131,364
Disbursements:						
Current:						
Instruction	-	192,693	-	-	-	106,201
Support services	14,657	27,517	134,336	-	-	13,177
Community services	-	-	-	109,250	-	-
Nonprogrammed charges	-	-	-	24,065	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	14,657	220,210	134,336	133,315	-	119,378
Excess (deficiency) of receipts over disbursements	(945)	(220,210)	18,209	(1,088)	-	11,986
Other financing sources (uses):						
Transfers in	-	-	-	-	134,844	-
Transfers out	-	-	-	-	(134,844)	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(945)	(220,210)	18,209	(1,088)	-	11,986
Cash and investments - beginning	-	130,079	(5,018)	146,473	180,000	104,971
Cash and investments - ending	<u>(945)</u>	<u>(90,131)</u>	<u>13,191</u>	<u>145,385</u>	<u>180,000</u>	<u>116,957</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ (945)	\$ (90,131)	\$ 13,191	\$ 145,385	\$ 180,000	\$ 116,957
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (945)</u>	<u>\$ (90,131)</u>	<u>\$ 13,191</u>	<u>\$ 145,385</u>	<u>\$ 180,000</u>	<u>\$ 116,957</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(945)	(90,131)	13,191	145,385	180,000	116,957
Total cash and investment fund balance - ending	<u>\$ (945)</u>	<u>\$ (90,131)</u>	<u>\$ 13,191</u>	<u>\$ 145,385</u>	<u>\$ 180,000</u>	<u>\$ 116,957</u>

FORT WAYNE COMMUNITY SCHOOLS
 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)

	School Technology Advance	Common School	Continuing Education	Medicaid Reimbursement	Neighborhood Connection	Non-English Speaking Program
Receipts:						
Local sources	\$ -	\$ -	\$ 142,709	\$ -	\$ 188,856	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	917,088	2,159,542	868,933	67,008	-	23,922
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	148,020	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	917,088	2,159,542	1,159,662	67,008	188,856	23,922
Disbursements:						
Current:						
Instruction	-	-	937,576	-	188,797	-
Support services	853,276	2,058,064	216,048	-	11,682	34,047
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	853,276	2,058,064	1,153,624	-	200,479	34,047
Excess (deficiency) of receipts over disbursements	63,812	101,478	6,038	67,008	(11,623)	(10,125)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(3,638)	-	-
Total other financing sources (uses)	-	-	-	(3,638)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	63,812	101,478	6,038	63,370	(11,623)	(10,125)
Cash and investments - beginning	(115,951)	(293,109)	42,520	-	48,867	86,670
Cash and investments - ending	(52,139)	(191,631)	48,558	63,370	37,244	76,545
Cash and Investment Assets - Ending						
Cash and investments	\$ (52,139)	\$ (191,631)	\$ 48,558	\$ 63,370	\$ 37,244	\$ 76,545
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	(52,139)	(191,631)	48,558	63,370	37,244	76,545
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(52,139)	(191,631)	48,558	63,370	37,244	76,545
Total cash and investment fund balance - ending	(52,139)	(191,631)	48,558	63,370	37,244	76,545

FORT WAYNE COMMUNITY SCHOOLS
 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)

	School Technology	Technology Plan Grant	Warehouse	Professional Development	Title I Delinquent	Title I CSRD
Receipts:						
Local sources	\$ -	\$ -	\$ 375,790	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	440,067	-	-
Federal sources	-	-	-	-	258,323	-
Sale of property, adjustments and refunds	576,622	-	995,565	-	-	85
Interfund loans	-	-	-	-	-	-
Total receipts	<u>576,622</u>	<u>-</u>	<u>1,371,355</u>	<u>440,067</u>	<u>258,323</u>	<u>85</u>
Disbursements:						
Current:						
Instruction	-	-	-	56,072	127,720	18,264
Support services	964,715	645	1,475,101	403,629	98,529	15,870
Community services	-	-	-	-	-	481
Nonprogrammed charges	-	-	-	-	7,297	2,816
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>964,715</u>	<u>645</u>	<u>1,475,101</u>	<u>459,701</u>	<u>233,546</u>	<u>37,431</u>
Excess (deficiency) of receipts over disbursements	<u>(388,093)</u>	<u>(645)</u>	<u>(103,746)</u>	<u>(19,634)</u>	<u>24,777</u>	<u>(37,346)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	14,659	-
Transfers out	-	-	-	-	(14,659)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(388,093)</u>	<u>(645)</u>	<u>(103,746)</u>	<u>(19,634)</u>	<u>24,777</u>	<u>(37,346)</u>
Cash and investments - beginning	<u>1,170,400</u>	<u>645</u>	<u>916,180</u>	<u>496,342</u>	<u>(1,232)</u>	<u>37,346</u>
Cash and investments - ending	<u>\$ 782,307</u>	<u>\$ -</u>	<u>\$ 812,434</u>	<u>\$ 476,708</u>	<u>\$ 23,545</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 782,307	\$ -	\$ 812,434	\$ 476,708	\$ 23,545	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 782,307</u>	<u>\$ -</u>	<u>\$ 812,434</u>	<u>\$ 476,708</u>	<u>\$ 23,545</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>782,307</u>	<u>-</u>	<u>812,434</u>	<u>476,708</u>	<u>23,545</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ 782,307</u>	<u>\$ -</u>	<u>\$ 812,434</u>	<u>\$ 476,708</u>	<u>\$ 23,545</u>	<u>\$ -</u>

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

	Title I School Improvement	Title I	State Grants for Innovative Programs	Education for Homeless Children and Youth	McKinney Vento Transportation	Special Education Targeted
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	289,475	9,569,065	330,558	32,600	-	530,000
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	289,475	9,569,065	330,558	32,600	-	530,000
Disbursements:						
Current:						
Instruction	135,053	4,780,915	-	-	-	409,810
Support services	50,185	3,721,428	571,697	38,237	-	110,570
Community services	9,543	183,953	-	-	-	-
Nonprogrammed charges	7,091	268,260	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	201,872	8,954,556	571,697	38,237	-	520,380
Excess (deficiency) of receipts over disbursements	87,603	614,509	(241,139)	(5,637)	-	9,620
Other financing sources (uses):						
Transfers in	-	535,860	-	10,000	-	-
Transfers out	-	(535,860)	-	-	(10,000)	-
Total other financing sources (uses)	-	-	-	10,000	(10,000)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	87,603	614,509	(241,139)	4,363	(10,000)	9,620
Cash and investments - beginning	(3,997)	(514,703)	31,672	30,618	10,000	(9,620)
Cash and investments - ending	<u>\$ 83,606</u>	<u>\$ 99,806</u>	<u>\$ (209,467)</u>	<u>\$ 34,981</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 83,606	\$ 99,806	\$ (209,467)	\$ 34,981	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 83,606</u>	<u>\$ 99,806</u>	<u>\$ (209,467)</u>	<u>\$ 34,981</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	83,606	99,806	(209,467)	34,981	-	-
Total cash and investment fund balance - ending	<u>\$ 83,606</u>	<u>\$ 99,806</u>	<u>\$ (209,467)</u>	<u>\$ 34,981</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Special Education Basic	Special Education Sliver	Special Education Carryover	Special Education Preschool	Adult Education	Safe and Drug Free Schools State
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	7,864,310	-	-	273,130	258,505	248,135
Sale of property, adjustments and refunds	-	818	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	7,864,310	818	-	273,130	258,505	248,135
Disbursements:						
Current:						
Instruction	5,826,420	-	-	177,076	156,998	-
Support services	1,095,212	-	492,730	125,482	102,465	120,827
Community services	-	-	-	-	-	-
Nonprogrammed charges	229,369	-	-	9,379	-	5,637
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	7,151,001	-	492,730	311,937	259,463	126,464
Excess (deficiency) of receipts over disbursements	713,309	818	(492,730)	(38,807)	(958)	121,671
Other financing sources (uses):						
Transfers in	-	-	492,730	-	-	-
Transfers out	(492,730)	-	-	-	-	-
Total other financing sources (uses)	(492,730)	-	492,730	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	220,579	818	-	(38,807)	(958)	121,671
Cash and investments - beginning	(347,955)	(818)	-	(8,120)	958	78,442
Cash and investments - ending	<u>\$ (127,376)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46,927)</u>	<u>\$ -</u>	<u>\$ 200,113</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ (127,376)	\$ -	\$ -	\$ (46,927)	\$ -	\$ 200,113
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (127,376)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46,927)</u>	<u>\$ -</u>	<u>\$ 200,113</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(127,376)	-	-	(46,927)	-	200,113
Total cash and investment fund balance - ending	<u>\$ (127,376)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46,927)</u>	<u>\$ -</u>	<u>\$ 200,113</u>

FORT WAYNE COMMUNITY SCHOOLS
 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)

	Vocational Education	Medicaid Reimbursement Federal	NASA Grant	Smaller Learning Community Carryover	Emergency Impact Aid For Homeless Students	Smaller Learning Community
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	2,500	-	-	-
Federal sources	856,691	112,205	-	173,277	13,000	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	856,691	112,205	2,500	173,277	13,000	-
Disbursements:						
Current:						
Instruction	655,344	5,741	-	-	30,000	-
Support services	144,073	-	7,714	61,566	6,000	132,565
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	799,417	5,741	7,714	61,566	36,000	132,565
Excess (deficiency) of receipts over disbursements	57,274	106,464	(5,214)	111,711	(23,000)	(132,565)
Other financing sources (uses):						
Transfers in	-	-	-	(132,565)	-	-
Transfers out	-	(183)	-	-	-	132,565
Total other financing sources (uses)	-	(183)	-	(132,565)	-	132,565
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	57,274	106,281	(5,214)	(20,854)	(23,000)	-
Cash and investments - beginning	(178,782)	302,955	7,714	-	23,000	-
Cash and investments - ending	<u>\$ (121,508)</u>	<u>\$ 409,236</u>	<u>\$ 2,500</u>	<u>\$ (20,854)</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ (121,508)	\$ 409,236	\$ 2,500	\$ (20,854)	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (121,508)</u>	<u>\$ 409,236</u>	<u>\$ 2,500</u>	<u>\$ (20,854)</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(121,508)	409,236	2,500	(20,854)	-	-
Total cash and investment fund balance - ending	<u>\$ (121,508)</u>	<u>\$ 409,236</u>	<u>\$ 2,500</u>	<u>\$ (20,854)</u>	<u>\$ -</u>	<u>\$ -</u>

FORT WAYNE COMMUNITY SCHOOLS
 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)

	School to Work	Improving Teacher Quality State Grants	Education Technology State Grants	English Language Acquisition Grants and Refugee Child	Reading First	Racial Balance
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,712,867
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	185,275	60,167	446,927	1,613,275	-
Sale of property, adjustments and refunds	-	-	-	-	-	3,835
Interfund loans	-	-	-	-	-	-
Total receipts	-	185,275	60,167	446,927	1,613,275	4,716,702
Disbursements:						
Current:						
Instruction	-	78,738	-	19,913	474,271	4,063,832
Support services	-	-	55,438	379,152	744,594	2,411,549
Community services	-	-	-	-	2,979	-
Nonprogrammed charges	-	11,855	-	-	34,468	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	90,593	55,438	399,065	1,256,312	6,475,381
Excess (deficiency) of receipts over disbursements	-	94,682	4,729	47,862	356,963	(1,758,679)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(757,000)
Total other financing sources (uses)	-	-	-	-	-	(757,000)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	94,682	4,729	47,862	356,963	(2,515,679)
Cash and investments - beginning	42,615	227,296	30,563	99,584	81,808	3,118,470
Cash and investments - ending	<u>\$ 42,615</u>	<u>\$ 321,978</u>	<u>\$ 35,292</u>	<u>\$ 147,446</u>	<u>\$ 438,771</u>	<u>\$ 602,791</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 42,615	\$ 321,978	\$ 35,292	\$ 147,446	\$ 438,771	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	602,791
Total cash and investment assets - ending	<u>\$ 42,615</u>	<u>\$ 321,978</u>	<u>\$ 35,292</u>	<u>\$ 147,446</u>	<u>\$ 438,771</u>	<u>\$ 602,791</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 602,791
Unrestricted	42,615	321,978	35,292	147,446	438,771	-
Total cash and investment fund balance - ending	<u>\$ 42,615</u>	<u>\$ 321,978</u>	<u>\$ 35,292</u>	<u>\$ 147,446</u>	<u>\$ 438,771</u>	<u>\$ 602,791</u>

FORT WAYNE COMMUNITY SCHOOLS
 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)

	Pension Debt	North Side Project	Food Service Center Project	Career Center Building	Food Service Equipment	Totals
Receipts:						
Local sources	\$ 2,507,723	\$ -	\$ -	\$ -	\$ 62,945	\$ 19,582,971
Intermediate sources	-	-	-	-	-	8,456
State sources	-	-	-	-	-	6,038,039
Federal sources	-	-	-	-	-	31,321,156
Sale of property, adjustments and refunds	-	-	950,000	-	-	2,939,751
Interfund loans	1,642,486	-	-	-	-	1,674,486
Total receipts	4,150,209	-	950,000	-	62,945	61,564,859
Disbursements:						
Current:						
Instruction	-	-	-	-	-	22,792,590
Support services	-	534,247	930,330	418,726	403,995	35,450,508
Community services	-	-	-	-	-	310,529
Nonprogrammed charges	-	-	-	-	-	868,054
Debt services	3,883,735	-	-	-	-	3,883,735
Interfund loans	266,193	-	-	-	-	482,430
Total disbursements	4,149,928	534,247	930,330	418,726	403,995	63,787,846
Excess (deficiency) of receipts over disbursements	281	(534,247)	19,670	(418,726)	(341,050)	(2,222,987)
Other financing sources (uses):						
Transfers in	-	-	-	177,547	351,151	2,605,883
Transfers out	-	-	-	-	-	(2,523,395)
Total other financing sources (uses)	-	-	-	177,547	351,151	82,488
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	281	(534,247)	19,670	(241,179)	10,101	(2,140,499)
Cash and investments - beginning	-	2,686,989	-	484,163	1,288,955	13,902,129
Cash and investments - ending	\$ 281	\$ 2,152,742	\$ 19,670	\$ 242,984	\$ 1,299,056	\$ 11,761,630
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 2,152,742	\$ 19,670	\$ 242,984	\$ 1,299,056	\$ 11,158,558
Restricted assets:						
Cash and investments	281	-	-	-	-	603,072
Total cash and investment assets - ending	\$ 281	\$ 2,152,742	\$ 19,670	\$ 242,984	\$ 1,299,056	\$ 11,761,630
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ 281	\$ -	\$ -	\$ -	\$ -	\$ 603,072
Unrestricted	-	2,152,742	19,670	242,984	1,299,056	11,158,558
Total cash and investment fund balance - ending	\$ 281	\$ 2,152,742	\$ 19,670	\$ 242,984	\$ 1,299,056	\$ 11,761,630

FORT WAYNE COMMUNITY SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Fical 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>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated	
Land	\$ 8,606,122
Buildings	242,227,392
Improvements other than buildings	21,491,631
Machinery and equipment	28,717,935
Construction in progress	<u>10,033,945</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 311,077,025</u>

FORT WAYNE COMMUNITY SCHOOLS
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:		
Fort Wayne South Side School Building Corporation	\$ 16,580,000	\$ 3,756,557
FWCS Food Service Center Building Corporation	10,845,000	1,282,425
North Side High School Building Corporation	45,660,000	3,727,500
Guaranteed Energy Savings Project I	75,000	76,597
Guaranteed Energy Savings Project II	186,426	96,871
Guaranteed Energy Savings Project III	577,011	250,369
Guaranteed Energy Savings Project IV	897,843	125,701
2005 Gateway Computer Lease	85,740	89,500
2006 Gateway Computer Lease	42,203	45,381
2006 Apple Computer Lease	232,614	189,881
Notes and loans payable	5,906,449	2,744,736
Bonds payable:		
General obligation bonds:		
FWCS Pension Bonds of 2004	<u>37,130,000</u>	<u>1,944,270</u>
Total governmental activities debt	<u>\$ 118,218,286</u>	<u>\$ 14,329,788</u>

FORT WAYNE COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS

CLASSIFICATION ON RECEIPTS (Applies to Abbett, Brentwood, Fairfield, and South Wayne Elementary Schools)

Some receipts were written for amounts that could not be verified to the bank, or the receipt did not indicate payment type.

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."

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)

RECEIPT ISSUANCE (Applies to Abbett, Arlington, Brentwood, and South Wayne Elementary Schools)

Receipts were not always issued or recorded.

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)

ECA DEPOSITS (Applies to Bunche, Franke Park and South Wayne Elementary Schools, Lakeside and Portage Middle Schools, and Snider High School)

Receipts were not always deposited within a reasonable time. Based upon the Fort Wayne Community Schools Memorandum dated June 2003, schools should be depositing at a minimum of two times per week. Receipts, in one instance, were held for periods up to one month before being deposited. A similar comment appears in prior Report B27327 for Lakeside Middle School.

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

DISBURSEMENT DOCUMENTATION (Applies to Abbett, Fairfield, and Irwin Elementary Schools)

Canceled checks or the optical image of the canceled check for several claims were not presented for audit.

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. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Indiana Code 5-15-6-3 states in part: ". . . 'original records' includes the optical image of a check . . ."

FORT WAYNE COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

SUPPORTING DOCUMENTATION FOR DISBURSEMENTS (Applies to South Wayne and Study Elementary Schools and Snider and Elmhurst High Schools)

Several payments were observed which did not contain adequate supporting documentation such as receipts, and invoices.

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

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)

USE OF SA-7, CLAIM FOR PAYMENT (Applies to Fairfield, Franke Park, South Wayne, Study, and Washington Elementary Schools)

Claim forms are not consistently used or do not contain all information necessary to constitute a valid claim. Proper itemization and signatures were not evident on several claims reviewed. A similar comment appears in the prior Report B27327 for Franke Park and Study Elementary Schools.

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)

FUND SOURCES AND USES (Applies to Brentwood and Irwin Elementary Schools, Blackhawk Middle School, and Elmhurst and Snider High Schools)

Claim Number 541 for \$1,567.50 at Brentwood Elementary School was a disbursement for catering services for a teacher's seminar and was paid from the Education Resources Fund. A receipt was made into the fund of staff funds in the amount of \$1,105 specifically for the seminar which represents a commingling of student and faculty money.

Receipts from Target and picture commissions at Irwin Elementary School were posted to the Corporate Sponsor Fund. Disbursements of \$189 were made from the fund for faculty purposes. A similar comment appears in the prior Report B27327.

Target donation money at Blackhawk Middle School was used for food for staff.

Funds at Elmhurst High School were disbursed on two occasions from a Student Fund for faculty uses. Claim Number 15948 for \$48.14 and Claim Number 15949 for \$63.42 were disbursements for food for staff during planning meetings.

There were several instances where the Student Activities Fund at Snider High School was used for purposes other than to benefit the student body as a whole. In the instances noted, Student Activities Fund was used for expenditures for the Speech Team, Drama, Dance Team, and Academic Team.

FORT WAYNE COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (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 entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Payments or transfers which are not authorized by statute, ordinance, resolution, or court order must be reimbursed or transferred to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

OVERDRAWN FUND BALANCES (Applies to Arlington and South Wayne Elementary Schools and Wayne High School)

The Cheerleading Fund at Wayne High School was overdrawn at June 30, 2006, by \$7,487.10 and June 30, 2007, by \$3,507.42.

The Fourth Grade Fund at Arlington Elementary School was overdrawn at June 30, 2006, by \$513.75 and the Fifth Grade Fund was overdrawn at June 30, 2007, by \$501.89.

There were overdrawn fund balances at South Wayne Elementary School of \$212.54 in the Triple E Fund, \$1,205.64 in the Staff Fund and \$456.59 in the Reading Grant Fund at June 30, 2006. The Staff Fund was overdrawn by \$798.72 at June 30, 2007.

The 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 Extra-Curricular Accounts, Chapter 7)

FUNDRAISERS (Applies to North Side and Wayne High Schools)

A "Show Your Skillz" Fundraising Event in 2005 was conducted by a business teacher at North Side High School and sponsor of the German Trip EC Fund for the benefit of the students going on the German trip. The fundraising event incurred costs above the revenues received which resulted in a temporary loan from the Optimist Club of \$1,521.80.

A fundraising event at Wayne High School was conducted in 2005 for the Cheerleaders involving discount cards that resulted in a large overdrawn balance for the Cheerleading Fund.

The 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 Extra-Curricular Accounts, Chapter 7)

FORT WAYNE COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

PRESCRIBED FORMS (Applies to South Wayne Elementary School and Elmhurst and Northrop High Schools)

The following prescribed or approved forms were not always in use:

SA-4 Ticket Sale Report (all events for Elmhurst and social/music/drama events for Northrop High Schools);

An SA-4 Ticket Sale Report is to be used for every event where admission is charged; and

SA-8s were not presented for audit by South Wayne Elementary School.

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)

CERTIFICATES OF DEPOSITS (Applies to Elmhurst High School)

There were three Certificates of Deposits with maturity terms greater than 24 months.

Indiana Code 5-13-10.5-3 states in part: ". . . investments under this chapter may be made only in securities having a stated final maturity of two (2) years or less from the date of purchase."

ECA EDUCATIONAL FEES (Applies to Elmhurst High School)

Some educational fees were being receipted to and retained in an extra-curricular fund. There was a balance at June 30, 2007, in the ID Badges Fund which had not been disbursed to the appropriate designation. There were no payments made from the fund during the audit period and none to date.

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 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)

LATE FEES (Applies to Snider High School)

Information presented for audit indicates that, in the Fine Arts Fund, amounts payable to vendors are not always paid timely. There were nine claims found paid two or more months after the invoice date of which two claims included late fees totaling \$166.20.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

FORT WAYNE COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges 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)

PUBLIC RECORDS RETENTION (Applies to South Wayne Elementary School)

The August 2006 bank statement and the deposit slips for July 2005 through June 2006 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)

BLANK CHECK DISBURSEMENTS (Applies to South Wayne Elementary School)

Several disbursements were observed where blank signed checks were given to individuals to pay for purchases. Vendor receipts, invoices, claims, or other supporting information were not always available to verify the validity of the disbursements. Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

Checks and receipts should be prepared timely and not signed in advance of the event or transaction. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

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)

USE OF FORM SA-5, FINANCIAL REPORT (Applies to South Wayne Elementary School)

Financial Reports (Form SA-5) presented for audit were inaccurate and incomplete. The receipts, disbursements and fund balances as presented in the reports did not accurately reflect the financial activity of the Extra-Curricular Account.

FORT WAYNE COMMUNITY SCHOOLS
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, CONCESSIONS OR OTHER SALES CONTROLS
(Applies to South Wayne Elementary School)

Information was not presented for audit to indicate that inventories and reconcilements to purchases and sales concerning the vending of the staff Pepsi machine were performed. Additionally, receipts for the year 2005-2006 were \$151 less than disbursements.

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)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
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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 FORT WAYNE COMMUNITY SCHOOLS, ALLEN COUNTY, INDIANA

Compliance

We have audited the compliance of the Fort Wayne Community Schools (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.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as Finding 2007-1, Cash Management.

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

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)

on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

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

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

The School Corporation's response to the finding identified in our audit is described in the accompanying Official Response and Corrective Action Plan sections 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 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

May 19, 2008

FORT WAYNE COMMUNITY SCHOOLS
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		\$ 1,704,036	\$ 1,877,390
National School Lunch Program	10.555		6,328,635	6,823,328
Child and Adult Care Food Program	10.558		12,388	13,444
Summer Food Service Program for Children	10.559		296,622	223,002
Fresh Fruit and Vegetable Program	10.582		<u>123,525</u>	<u>155,080</u>
Total for federal grantor agency			<u>8,465,206</u>	<u>9,092,244</u>
<u>U.S. DEPARTMENT OF LABOR</u>				
Pass-Through Indiana Department of Education				
School to Work	17.249	YIP-2-56	<u>30,000</u>	<u>-</u>
<u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u>				
Direct Grant				
NASA Explorer Schools Technology Grant	43.000	NNG05GH24G	<u>7,286</u>	<u>7,714</u>
<u>ENVIRONMENTAL PROTECTION AGENCY</u>				
Direct Grant				
Clean School Bus USA	66.036	SB00E15601	<u>-</u>	<u>7,564</u>
<u>DEPARTMENT OF ENERGY</u>				
Pass-Through Indiana Energy and Defense Development				
State Energy Program	81.041	A302-6-AFV-002	<u>-</u>	<u>12,228</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Special Education Cluster				
Special Education - Grants to States	84.027			
		142-05-018-PN01	1,393,353	-
		142-04-034-DY01	57,469	-
		142-06-018-PN01	7,028,545	869,945
		142-05-018-PY02	506,811	-
		142-05-074-DY03	490,421	-
		142-05-018-DY01	95,034	-
		142-07-018-PN01	-	6,773,786
		142-06-018-PY02	-	492,730
		142-06-022-DY04	<u>-</u>	<u>520,379</u>
Total for program			<u>9,571,633</u>	<u>8,656,840</u>
Special Education - Preschool Grants	84.173			
		457-06-018-PN01	279,708	9,379
		457-07-018-PN01	<u>-</u>	<u>302,558</u>
			<u>279,708</u>	<u>311,937</u>
Total for cluster			<u>9,851,341</u>	<u>8,968,777</u>
Direct Grant				
Magnet Schools Assistance	84.165	S165A010070-03	<u>38</u>	<u>-</u>
Direct Grant				
Safe and Drug Free Schools and Communities - National Programs	84.184	Q184E040040	<u>261,457</u>	<u>-</u>

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

FORT WAYNE COMMUNITY SCHOOLS
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)				
Adult Education - State Grant Program	84.002			
		FY 05-8011	914	-
		FY 06-8011	292,999	959
		FY 07-8011	-	258,505
Total for program			<u>293,913</u>	<u>259,464</u>
Title I Grants to Local Educational Agencies	84.010			
		Part A, 05-0235	1,073,394	-
		Part D, 05-0235	58,710	-
		SI, 05-0235	225,394	-
		Part A, 06-0235	8,000,324	1,215,296
		Part D, 06-0235	211,201	35,967
		SI, 06-0235	192,581	82,888
		Part A, 07-0235	-	8,275,119
		Part D, 07-0235	-	212,238
		SI, 07-0235	-	118,985
Total for program			<u>9,761,604</u>	<u>9,940,493</u>
Vocational Education - Basic Grants to States	84.048			
		05-4700-0235	80,231	-
		06-4700-0235	843,950	41,717
		07-4700-0235	-	757,700
Total for program			<u>924,181</u>	<u>799,417</u>
Safe and Drug Free Schools and Communities - State Grants	84.186			
		03-091	55,461	-
		04-090	95,822	78,960
		05-119	518	47,504
Total for program			<u>151,801</u>	<u>126,464</u>
Education for Homeless Children and Youth	84.196			
		FY05	14,050	-
		FY06	21,322	6,368
		FY07	-	21,870
		2005-06	5,170	-
		2006-07	-	10,000
Total for program			<u>40,542</u>	<u>38,238</u>
Smaller Learning Community	84.215			
		S215L060248	-	194,131
State Grants for Innovative Programs	84.298			
		04-216	583,407	108,687
		05-171	6,340	461,186
		06-0235	-	1,824
Total for program			<u>589,747</u>	<u>571,697</u>
Education Technology State Grants	84.318			
		04-0235	58,149	-
		05-0235	63,433	31,202
		06-0235	57,489	24,236
Total for program			<u>179,071</u>	<u>55,438</u>

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

FORT WAYNE COMMUNITY SCHOOLS
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)				
Comprehensive School Reform Demonstration	84.332			
		04-0235	58,604	-
		06-0235	<u>96,253</u>	<u>37,345</u>
			<u>154,857</u>	<u>37,345</u>
Reading First State Grants	84.357			
		04-0235	442,784	-
		05-0235	887,766	212,507
		06-0235	<u>-</u>	<u>1,043,805</u>
Total for program			<u>1,330,550</u>	<u>1,256,312</u>
English Language Acquisition Grants	84.365			
		2004-05	110,611	-
		2005-06	213,464	91,022
		2006-07	<u>-</u>	<u>266,328</u>
Total for program			<u>324,075</u>	<u>357,350</u>
Improving Teacher Quality State Grants	84.367			
		03-249	254,955	-
		04-206	228,452	109,018
		05-137	<u>1,347,535</u>	<u>-</u>
Total for program			<u>1,830,942</u>	<u>109,018</u>
Emergency Impact Aid for Displaced Students	84.938			
			<u>-</u>	<u>36,000</u>
Total for federal grantor agency			<u>25,694,119</u>	<u>22,750,144</u>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass-Through Indiana Department of Education				
Refugee and Entrant Assistance - Discretionary Grants	93.576			
		FY06	17,438	8,562
		FY07	<u>-</u>	<u>33,154</u>
			<u>17,438</u>	<u>41,716</u>
Total federal awards expended			<u>\$ 34,214,049</u>	<u>\$ 31,911,610</u>

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

FORT WAYNE COMMUNITY SCHOOLS
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 Fort Wayne Community Schools (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
School Breakfast Program	10.553	\$ 162,097	\$ 188,849
National School Lunch Program	10.555	525,161	443,119

FORT WAYNE COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	no

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.357	Child Nutrition Cluster Reading First State Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$1,982,270

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

FORT WAYNE COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2007-1, CASH MANAGEMENT

Federal Agency: U.S. Department of Education
Federal Program: Reading First State Grants
CFDA Number: 84.357
Grant Years: 2005-06 and 2006-07
Pass-through Entity: Indiana Department of Education
Pass-through Entity Identifying Numbers: 05-0235 and 06-0235

The Reading First State Grants program is funded on an advance funding basis and Fort Wayne Community Schools (School Corporation) is considered a subgrantee of the Indiana Department of Education. The School Corporation did not monitor the timing or amount of cash drawdowns closely enough to limit the amount of cash on hand at the local level.

The Reading First State Grants for 2005-2006 and 2006-2007 were reviewed for the period of July 1, 2005 to November 30, 2007, to determine if the timing and amount of the monthly drawdowns prevented the School Corporation from having an excess amount of cash on hand. Excess cash on hand, for audit purposes, was determined to be greater than 10% of the current month's expenses. Seven of the twenty-nine months reviewed for the period did not result in excess cash being on hand and twenty-two months resulted in excess cash being on hand. The largest cash balances were noted over the summer months.

EDGAR 80.20(b)(7) states in part: "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."

Failure to comply with the cash management requirements of the program may jeopardize the School Corporation's ability to obtain future federal awards.

We recommended that the School Corporation monitor advance grant funds cash balances and projected expenses more closely and make adjustments to the cash drawdown schedule from the Indiana Department of Education when too much cash is on hand as compared to expenses to ensure compliance with the Education Department General Administrative Regulations (EDGAR).

FORT WAYNE COMMUNITY SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.



WE ARE YOUR SCHOOLS

FORT WAYNE COMMUNITY SCHOOLS

April 7, 2008

Corrective Action Plan

Finding Number 2007-1 Cash Management

Federal Agency: United States Department of Education

Federal Program: Reading First Grants

CFDA Number: 84.357

Grant Years: 2005-06 and 2006-07

Pass-through Entity: Indiana Department of Education

Pass-through Entity Identifying Numbers: 05-0235 and 06-0235

Recommendation: We recommend the School Corporation monitor their advance grant funds cash balances and projected expenses more closely and make adjustments to the cash drawdown.

Corrective Action: We agree with the recommendation. In February 2006 we implemented a policy of requesting monthly cash draw downs that were 90% of next month's expected expenditures. This conservative policy generally prevents cash balances from exceeding the requirement to keep the cash balance below 10% of the current month's expenditures. The Reading First Grants were not spent as timely as originally planned and this caused the cash balance to be over the limits. We will more closely monitor our grant cash balances going forward and adjust draws if expenditures are lower than expected.

Our new financial software IFAS has a grant management component that will enhance our ability to track and report grant activity and balances. We plan to implement this component in the next quarter of 2008. This new system will improve our ability to monitor grant expenses and cash balances.

Time Table: Due to the implementation of the new financial software, we are behind in posting 2008 transactions to the general ledger. This has hindered our ability to monitor cash balances for the grants since the first of the year. We should be caught up in the next month so we can continue to monitor cash balances for compliance with the grant regulations. The new grant management software component will be implemented by June 30, 2008.

Respectfully Submitted,

Kathy Friend
Chief Financial Officer

Chief Financial Officer

1200 South Clinton Street • Fort Wayne, IN 46802 • Phone: 260.467.2000 • Fax: 260.467.1981

FORT WAYNE COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on May 19, 2008, with Dr. Wendy Robinson, Superintendent of Schools; Mark GiaQuinta, President of the School Board; Kathaleen A. Friend, Chief Financial Officer; Stefan Pittenger, Director of Fiscal Affairs; Sherry Nidlinger, Treasurer; Marcella Degitz, Accounting Supervisor; and Bonnie Fairfield, Internal Auditor. The official response has been made a part of this report and may be found on page 81.



WE ARE YOUR SCHOOLS

FORT WAYNE COMMUNITY SCHOOLS

May 23, 2008

OFFICIAL RESPONSE

Bruce A. Hartman, CPA
State Examiner
State Board of Accounts
302 West Washington St., Room E418
Indianapolis, IN 46204-2738

Dear Mr. Hartman:

Fort Wayne Community Schools responds to the comments contained in the 2005-2007 State Board of Accounts Audit Results and Comments as follows:

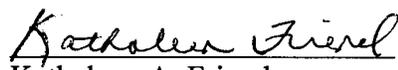
Corporation Comments

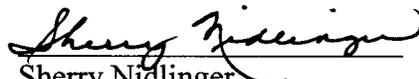
The corporation received one finding with regard to draw down of federal funds. We agree with the finding that the timing of draw downs resulted in excess cash on hand. We have provided the State Board of Accounts with a corrective action plan. The plan should result in draw downs that better reflect spending plans and should not result in excess cash on hand.

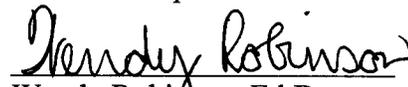
Extracurricular Account Comments

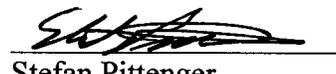
We understand the field examiners discuss the Audit Results and Comments with principals and extracurricular treasurers, when possible, for each school. We consider these findings a serious matter and will also refer them to the Area Administrators responsible for the schools. The Business Office will follow-up with the individual schools to determine if corrective actions have been taken where necessary.

We appreciate the efforts and recommendations of the field examiners during this audit. They conducted themselves in a professional manner and provided valuable input.


Kathaleen A. Friend
Chief Financial Officer


Sherry Nidlinger
Treasurer


Wendy Robinson, Ed.D.
Superintendent


Stefan Pittenger
Director of Fiscal Affairs

Chief Financial Officer

1200 South Clinton Street • Fort Wayne, IN 46802 • Phone: 260.467.2000 • Fax: 260.467.1981