

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

AUDIT REPORT  
OF  
INDIANAPOLIS PUBLIC SCHOOLS  
MARION COUNTY, INDIANA  
July 1, 2007 to June 30, 2008



**FILED**  
06/23/2009



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	3
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards .....	4-5
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards .....	6-7
Management's Discussion and Analysis .....	8-22
Basic Financial Statements:	
Government-Wide Financial Statement:	
Statement of Activities and Net Assets – Cash and Investment Basis .....	23
Fund Financial Statement:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds .....	24
Proprietary Fund:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Proprietary Fund .....	25
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds .....	26
Notes to Financial Statements .....	27-39
Required Supplementary Information:	
Schedule of Funding Progress .....	40
Budgetary Comparison Schedules .....	41-43
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds .....	44-63
Combining Schedule of Cash and Investment Balances – Agency Funds .....	64-65
Schedule of Capital Assets .....	66
Schedule of Debt .....	67

TABLE OF CONTENTS  
(Continued)

<u>Description</u>	<u>Page</u>
Audit Results and Comments:	
Cell Phone Policy.....	68
Overdrawn Cash Balances.....	68
Grant Funds.....	68-69
Facility Usage Fees.....	69
Overpayment Collections.....	69
Extra-Curricular Accounts:	
Arlington High School 722.....	70
Arsenal Technical High School 716.....	70
Broad Ripple High School 717.....	70-71
Emmerich Manual High School 715.....	71
Northwest High School 723.....	71-72
Thomas Carr Howe Community High School 420.....	72
New Horizons Alternative School 498.....	72
Edgar H. Evans Elementary School 11.....	72-73
W. Irving Elementary School 14.....	74
William Penn Elementary School 49.....	74
Clarence Farrington Elementary School 61.....	75
Christian Park Elementary School 82.....	75-76
Rousseau McClellan Elementary School 91.....	76
George H. Fisher Elementary School 93.....	76
T. C. Steele Elementary School 98.....	76
Francis Bellamy Elementary School 102.....	77
Francis Scott Key Elementary School 103.....	77
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	80-81
Schedule of Expenditures of Federal Awards.....	82-84
Notes to Schedule of Expenditures of Federal Awards.....	85
Schedule of Findings and Questioned Costs.....	86
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings.....	87
Exit Conference.....	88
Official Response.....	89-97

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Rodney M. Black	07-01-07 to 06-30-09
Superintendent of Schools	Dr. Eugene G. White	07-01-07 to 06-30-09
President of the School Board	Dr. Mary E. Busch	07-01-07 to 06-30-09



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

TO: THE OFFICIALS OF THE INDIANAPOLIS PUBLIC SCHOOLS, MARION COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Indianapolis Public Schools (School Corporation), as of and for the year ended June 30, 2008, 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, 2008, and the respective cash receipts and cash disbursements during the year 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, 2009, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the

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

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.

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 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 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, 2009



# STATE OF INDIANA

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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 INDIANAPOLIS PUBLIC SCHOOLS, MARION COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Indianapolis Public Schools (School Corporation), as of and for the year ended June 30, 2008, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated May 19, 2009. 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.

We noted certain matters that we reported to management in a separate letter dated May 19, 2009.

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

This report is intended solely for the information and use of the School Corporation's management, the Board of School Commissioners, 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, 2009



**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
Fiscal Year Ended June 30, 2008**

As management of the Indianapolis Public Schools (IPS), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2008. The intent of this management discussion and analysis is to look at the IPS financial performance as a whole; readers should also review the introduction, transmittal letter, financial statements and notes to the financial statements to enhance their understanding of the IPS financial performance.

These financial reports were prepared using GASB 34 as its financial reporting model.



**FINANCIAL HIGHLIGHTS**

- The total cash balance (cash and investments all funds) of IPS was \$261.4 million at the close of the fiscal year (\$204 million total governmental funds), an increase of approximately \$3.4 million from the June 30, 2007 amount. This increase was primarily due to the following changes: an increase of \$16.7 million in the general fund, an increase of \$3.7 million in Transportation Operating, an increase of \$2.4 million in School Lunch, an increase of \$2.9 million in Debt Service, a decrease of \$8.1 million in Capital Projects, a decrease of \$300 thousand in School Bus Replacement, an increase in the Rainy Day fund of \$8.6 million, an overall decrease of \$18.9 million within 2006B Series Fund and \$2.8 million decrease for all Other funds. Fiduciary Funds had a decrease of \$11.3 million, while the increase in Internal Service Fund was \$2.7 million.
- Total cash receipts of \$564 million for Governmental Funds (excluding agency funds) increased by \$34 million in Fiscal Year 2007/08 from \$530 million in Fiscal Year 2006/07.



## FINANCIAL HIGHLIGHTS *(continued)*

- Total cash disbursements (excluding Agency Funds) increased from \$543 million in Fiscal Year 2006/07 to \$549 million in Fiscal Year 2007/08. This increase of \$6 million was primarily due to: a \$27.1 million decrease in General Fund expenditures, a \$4.8 million increase in Transportation Operating disbursements, an increase of \$81 thousand in School Lunch disbursements, a \$25.2 million increase in Debt Service, a \$3.8 million increase in Capital Project Fund, an increase in the School Bus Replacement fund of \$6.2 million, a \$19.4 million increase in payments from the Construction 2006B Series Fund, in addition to an overall decrease of \$19.6 million in all other governmental fund balances.
- The total Capital Assets changed from \$ 516 million to \$585 million for the fiscal year. (Historical note: Arlington HS (\$18,170,064) and Broad Ripple HS (\$21,243,033) were transferred to the Multi School Building Corp. in June 2003. In July of 2004, Emmerich Manual HS (\$19,378,453) and Northwest HS (\$16,149,585) building assets were transferred to the Multi School Building Corp. In March of 2006, Washington MS (\$17,133,785), T. C. Howe Academy (\$16,961,047) and Shortridge MS (\$16,055,047) were transferred to the Holding Corp.)
- Among major funds, the General Fund reported \$309 million in fiscal year 2007/2008 cash receipts, which consisted mainly of local taxes, state aid, temporary borrowing, interfund transfers and \$288 million in cash disbursements.
- The other major funds had the following changes in cash balances for the fiscal year: Capital Projects Funds cash balance decreased approximately \$8.1 million, Transportation Operating cash balance increased by \$3.7 million, School Bus Replacement cash balance decreased approximately \$288 thousand, Debt Service cash balance increased by \$2.9 million, School Lunch increased approximately \$2.4 million, The Construction 2006 Series Fund decreased by \$19 million.
- IPS' total outstanding debt increased approximately \$26 million during the current fiscal year.



## OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the IPS' basic financial statements.

### **Basis of Accounting**

IPS follows the prescribed basis of accounting required by the Indiana State Board of Accounts and prepares its financial statements on the prescribed basis of accounting in compliance with the cash basis and budget laws of the State of Indiana.

The accounts of IPS are maintained in accordance with Indiana Code 5-11-1 on a fund basis representing a series of independent calendar and fiscal year accounting funds. Each fund is a separate, self-balancing financial entity. Records for all IPS funds are maintained on a cash basis whereby revenues are recognized when received and expenditures are recognized when paid.

The IPS' basic financial statements comprise six components:

1. *Statement of Cash and Investments* (government-wide statement).
2. *Statement of Cash Activities* (government-wide statement)
3. *Statement of Receipts, Disbursements and Cash and Investments Balances* (governmental funds only)
4. *Statement of Receipts, Disbursements and Changes in Cash and Investments* (Proprietary Funds)
5. *Statement of Receipts, Disbursements and Changes in Cash and Investments* (Fiduciary Funds)
6. Notes to the financial statements.



## **OVERVIEW OF FINANCIAL STATEMENTS** *(continued)*

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances using accounting methods similar to those used by private-sector companies. Governmental activities are those activities normally associated with the operation of a government that are principally supported by taxes and intergovernmental revenues. There are two government-wide statements, the statement of Cash and Investments and the Statement of Cash Activities.

The Statement of Cash and Investments presents information on all the District's assets and liabilities, with the difference being the net assets. Changes in the net assets may serve as a useful indicator of whether or not the financial position of the District is improving or deteriorating.

The statement of Cash and Activities presents information on how the District's net assets changed during the most recent fiscal year. All current year revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, non-instructional, and interest on long-term liabilities.

### **Fund Financial Statements**

#### **Statement of Receipts, Disbursements, Cash and Investments Balances (governmental funds); Statement of Receipts, Disbursements and Changes in Cash Investments (Proprietary and Fiduciary Funds)**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. IPS uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

## **OVERVIEW OF FINANCIAL STATEMENTS** *(continued)*

These fund financial statements are designed to provide readers with a broad overview of IPS' receipts, disbursements, and cash balances. These fund financial statements outline receipts by source and disbursements by major function.

The *Governmental Funds Statement* is divided into major funds with non-major funds included in "other."

Governmental Funds: Governmental fund types include the general fund, special revenue funds, debt service fund and capital funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's current financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's current financing decisions. The Statement of Receipts, Disbursements, and Cash and Investments Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Funds: IPS has one proprietary fund, an internal service fund used for the district's self-insurance activity.

Fiduciary Funds: Included in the fiduciary fund types are the IPS' permanent trust funds, Pension Trust Fund (Severance Bond) and agency funds. Agency funds are reported under the fiduciary funds. Since the resources of these funds are not available to the District's own programs, they are not reflected in the government-wide financial statements.

These fund-specific financial statements provide more detailed information about IPS' funds, focusing on its most significant funds – not the district as a whole.

### **Notes to the Financial Statement**

The notes provide additional information that is essential to a full understanding of the data provided in the *Statement of Receipts, Disbursements, Cash and Investment Balances* and *Statements of Cash and Investments and Cash Activity*.



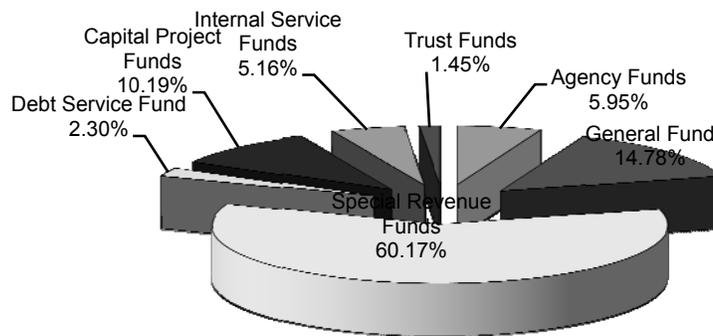
## DISTRICT-WIDE FINANCIAL ANALYSIS

### *Cash Position*

IPS closed the fiscal year with a \$260 million cash balance (\$204 million governmental funds). Of this \$260 million cash balance, \$74.9 million is committed to pay legal purchase obligations entered into by IPS, and \$34.9 is reserved to pay future Retirement Expenses. Additionally, \$10 million of the ending cash balance is held in the agency funds made up primarily of employee withholding funds and warehouse funds.

### INDIANAPOLIS PUBLIC SCHOOLS

Cash Balance @ June 30, 2008





## GOVERNMENT-WIDE FINANCIAL ANALYSIS *(continued)*

### *Change in Cash Position and Comparative Analysis*

The cash position for IPS increased by approximately \$12.7 million during the fiscal year. Disbursements increased by \$16.7 million, while instruction expenditures increased by approximately \$14.0 million. There was a \$73.3 million increase in Property Tax Receipts and a decrease in Bonds and Loans of \$35.9 million. Overall, cash receipts increased by approximately \$33.5 million in the year-over-year comparison.

IPS' cash receipts for the fiscal year 2007/08 were \$564 million. The total cash disbursements were \$551.5 million. The following table presents a summary of the total cash receipts compared to total cash disbursements for the fiscal years ended June 30.

	<b>Fiscal Year</b>	
	<b>2007 - 2008</b>	<b>2006 - 2007</b>
<b>Cash Receipts</b>		
<u>Program Receipts</u>		
Charges for Services	\$ 1,156,657	\$ 2,205,301
Operating Grants and Contributions	25,795,271	21,339,556
	<u>\$ 26,951,928</u>	<u>\$ 23,544,857</u>
<u>General Receipts</u>		
Property Taxes	167,028,710	93,667,811
Other local sources	22,197,895	22,439,535
State aid	201,541,962	216,789,511
Grants and contributions not restricted	69,656,074	62,764,696
Bonds and loans	66,272,925	102,179,520
Sale of property, adjustments, and refunds	1,029,658	1,538,269
Investment earnings	9,512,082	7,793,096
	<u>\$537,239,306</u>	<u>\$507,172,438</u>
<b>Total Cash Receipts</b>	<u><u>\$564,191,234</u></u>	<u><u>\$530,717,295</u></u>
<b>Cash Disbursements</b>		
Instruction	203,962,589	189,771,999
Support Services	243,161,270	281,884,990
Community Services	3,558,313	2,719,699
Non-programmed charges	24,140,238	26,829,191
Department Services	76,708,243	33,635,086
<b>Total Cash Disbursements</b>	<u><u>\$551,530,653</u></u>	<u><u>\$534,840,965</u></u>
<b>Cash Disbursements less than Cash Receipts</b>	\$ 12,660,581	(4,123,670)



**GOVERNMENT-WIDE FINANCIAL ANALYSIS** *(continued)*

*Statement of Net Assets and Comparative Analysis*

By far the largest portion of IPS' assets (72.7%) reflects its investment in capital assets (e.g. land, buildings and improvements, vehicles, furniture and equipment, and construction in progress). The district uses these capital assets to provide services to its students; consequently, these assets are not available for future spending.

IPS' financial position relative to net assets is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, and the acquisition and disposal of capital assets.

The following table presents a summary of IPS' net assets for the fiscal year ended June 30, 2008, with comparative year ended June 30, 2007:

	<b>Statement of Net Assets (all funds)</b>	
	<b>Fiscal Year</b>	
	<b>2007-2008</b>	<b>2006-2007</b>
Current Assets	214,061,916	199,960,862
Capital Assets (gross)	568,870,421	516,816,173
<b>Total Assets</b>	<b>782,932,337</b>	<b>716,777,035</b>
Current Liabilities	74,889,147	69,554,103
Short Term Debt	56,109,644	32,252,993
Long Term Debt:		
IPS School Building Corp. Debt	476,450,000	471,330,000
Common School Loans	8,005,485	9,624,422
Severance/Retirement Bond	29,570,000	31,080,000
Total Long Term Debt	514,025,485	512,034,422
<b>Total Liabilities</b>	<b>645,024,276</b>	<b>613,841,518</b>
<b>Total Net Assets</b>	<b>137,908,061</b>	<b>102,935,517</b>



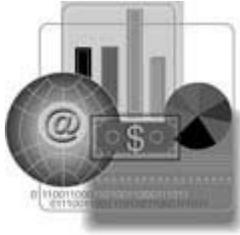
## **GOVERNMENT-WIDE FINANCIAL ANALYSIS** *(continued)*

### ***Budget Process***

All budgetary information is prepared on a cash basis. Receipts are presented by source, and disbursements are presented by program (functional purpose) and by major expenditure class (object). The budget is initially prepared and approved by the Board of School Commissioners and then is subsequently approved by the Department of Local Government Finance (DGLF). Budget modifications, if required, are made at various review levels based on the laws of the State of Indiana.

A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund and other Special Revenue Funds is provided in this report as required supplementary information.

See: Budget to Actual Reports.



## **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As noted earlier, IPS uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

### **Governmental funds**

IPS' governmental funds consist of the general fund, special revenue funds, debt service fund and capital funds.

#### ***General Fund***

The General Fund is IPS' operating fund and is used to budget and account for all receipts and disbursements relative to the basic operation and basic programs of the School Corporation. Disbursements from this fund may be made for items associated with the daily operation of a school corporation.

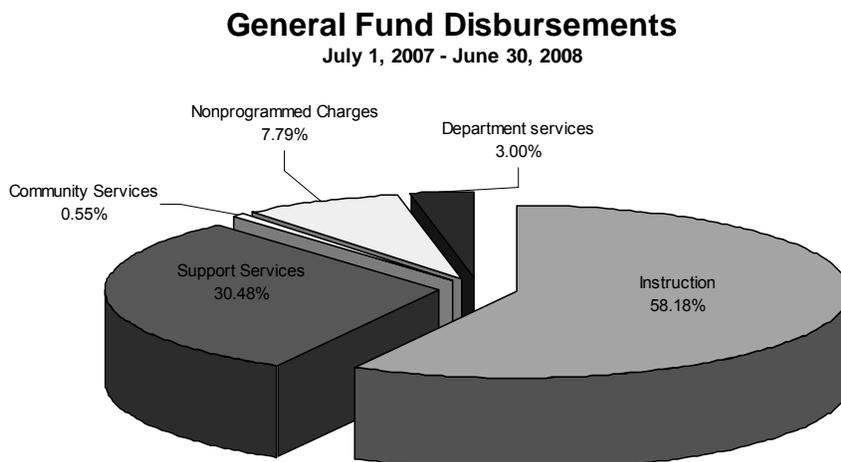
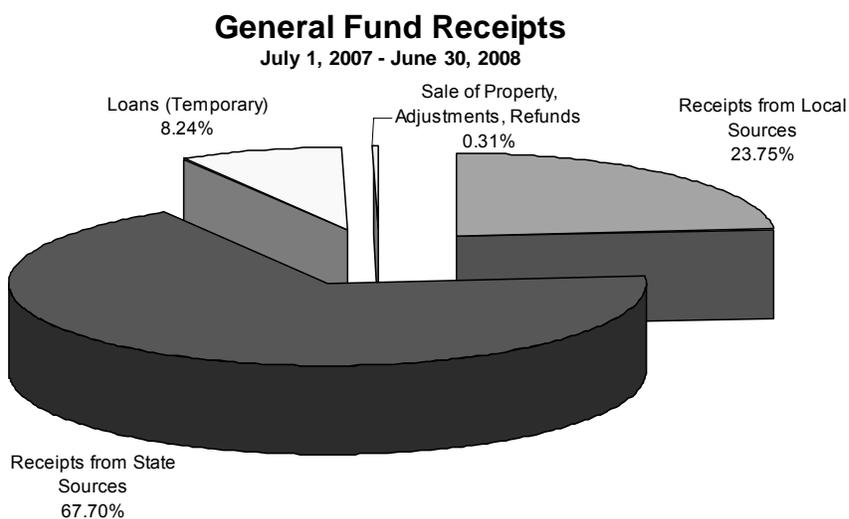
The cash balance in IPS' general fund at the close of the fiscal year was \$25 million. Of this \$25 million cash balance, \$3.74 million is committed to pay legal purchase obligations entered into by the District, \$182 thousand is the budgeted carry-forward reserved according to statutory regulations in IC 20-25-12-8.

The total cash position for IPS' General Fund increased by approximately \$16.7 million for the fiscal year.



## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS *(continued)*

The total General Fund cash receipts for the fiscal year ended June 30, 2008, were \$309 million. The total cash disbursements were \$288 million. The following charts present a summary of General Fund receipts by source and disbursements by major function for the fiscal year ended June 30, 2008:





## **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS** *(concluded)*

### ***Other Funds***

The cash balance of the Debt Service Funds showed an increase of \$2.9 million. This increase is due to the timing of receipts and expenditures for repayment of the Construction Bonds or lease payment obligations.

A Rainy Day Fund was authorized by IC 36-1-8-5 to receive transfers of unused and unencumbered funds under IC 36-1-8-5(b). The balance of the Rainy Day Fund for the fiscal year ended June 30, 2008 was 21,350,000. A portion of this fund (currently the amount of \$6,600,000) is used to cover temporary needs of cash reimbursement-type grants.



## **BUDGETARY HIGHLIGHTS**

### ***General Fund***

Actual cash receipts in the General Fund for calendar year 2007 were 94.95% compared to our Budget Order. The percentage does not follow our normal pattern of collections. Prior years' percentages were normally 97.3% and it is expected that we will return to this range in the future.



## CAPITAL ASSETS AND DEBT ADMINISTRATION

### *Capital Assets and Comparative Analysis*

As of June 30, 2008, IPS had invested \$588 million in capital assets, including land, buildings and improvements, buses and other vehicles, furniture and equipment, and construction in progress. The following schedule presents gross capital asset balances for the fiscal year ended June 30, 2008, with comparative year ended June 30, 2007. (Historical note: Arlington HS (\$18,170,064) and Broad Ripple HS (\$21,243,033) were removed from IPS assets in the June 2003 statements and these building assets are currently held by the IPS Multi School Building Corp. Likewise, In July of 2004, Emmerich Manual HS (\$19,378,453) and Northwest HS (\$16,149,585) building assets were transferred to the Multi School Multi School Building Corp.) In March 2007, title to Washington MS (\$17,133,785), T.C. Howe MS (\$16,961,047) and Shortridge MS (\$16,055,047) were transferred to the Holding Corp.

	<u>2007 - 2008</u>	<u>2006 - 2007</u>
Land	\$2,086,002	\$2,786,002
Buildings; Note 1 and 2	412,273,378	351,312,647
Improvements other than building	780,143	780,143
Machinery and equipment	47,720,289	43,624,215
Construction in progress	106,010,609	118,313,166
	<u>568,870,421</u>	<u>516,816,173</u>
Total Government Activity, capital assets not being depreciated	<u>\$568,870,421</u>	<u>\$516,816,173</u>

### *Debt Administration*

At June 30, 2008, with comparative year ended June 30, 2007, IPS had \$514 million in long-term debt and lease obligations outstanding and \$56 million in short-term debt. The following table presents a summary of IPS' outstanding debt.

	<u>2007 - 2008</u>	<u>2006 - 2007</u>
Tax Anticipation Warrants	\$ 56,109,644	\$ 32,252,993
Total Short-Term Debt Outstanding	<u>\$ 56,109,644</u>	<u>32,252,993</u>
General Obligation Bonds	\$ -	\$ -
IPS School Building Corporation Debt	476,450,000	471,330,000
Lease Rental Payments	32,535,000	
Common School Loans	8,005,485	9,624,422
Severance/Retirement Bond	29,570,000	31,080,000
Total Long-Term Debt Outstanding	\$ 514,025,485	\$ 512,034,422
<b>Total Outstanding Debt</b>	<u><b>\$ 570,135,129</b></u>	<u><b>\$ 544,287,415</b></u>



## **CAPITAL ASSETS AND DEBT ADMINISTRATION *(concluded)***

IPS maintains “AA” rating from Standard and Poor’s for general obligation debt and “AAA” rating with the current bond insurance coverage.

State statutes currently limit the amount of general obligation debt a school district may issue to 2% of 33 1/3% of its net assessed valuation. IPS’ outstanding general obligation debt is well below its 2008 debt limitation of \$67.9 million.

Additional information on IPS’ outstanding debt can be found in the supplementary information.



## **ECONOMIC FACTORS AND NEXT YEAR’S BUDGET**

Many factors were considered by the IPS administration during the process of developing the calendar 2008 budget. The primary factors were the local economy, IPS’ Capital Improvement Projects (CIP), IPS’ student population, and employee salaries and benefits. Below is a brief discussion of these factors:

Thanks to outstanding community support, IPS successfully passed a \$250 million dollar bond issue in the fall of 2001 to fund Phase I-A of its CIP. IPS has kept up to date with a good deal of its maintenance and technology needs so the primary focus of the current \$250 million CIP is for enhancements to improve the learning environment. The first issue of \$15.5 million in 2002 was used to update the science labs in 23 of the district’s schools and pay preliminary design and development costs for other capital improvements. Phase I-B of this issue was finalized with \$136.5 million received in 2003, and \$98.8 million received in July 2004. Phase II of this project was approved in the amount of \$200 million. Of this total, \$119.5 million was received in March, 2006 and \$78.8 million was received in October, 2006. Phase III is the current issue which will be coming up in the Fall of 2009.



## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET *(concluded)***

Enrollment challenges also had to be considered while developing the 2008 budget. IPS has a growing Non English Speaking population that requires additional resources for teaching English as a Second Language. Another enrollment challenge is related to future enrollment growth as a result of a change in the desegregation court order. IPS is under a U.S. District Court order to phase out mandatory, one-way busing to suburban township school districts over an 18 year period, bringing students who live in the desegregation areas back into IPS schools. While the transition will be gradual and accompanied by a small amount of funding assistance from the State of Indiana, it will still pose challenges for the district.

Newly formed charter schools within the IPS district pose an additional financial challenge to IPS based on the state funding structure. IPS is required to levy a property tax on the Charter Schools behalf for all students that have legal settlement within the IPS school district. The financial impact of charter schools on the IPS Tax Levy for 2008 was \$8,811,062.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Indianapolis Public Schools' finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Rodney M. Black, Chief of Financial and Business Services  
George W. Smith, Assistant Business Manager  
Indianapolis Public Schools  
120 East Walnut Street  
Indianapolis, IN 46204  
Fax (317) 226-4785, Office Telephone (317) 226-4422  
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[smithg@ips.k12.in.us](mailto:smithg@ips.k12.in.us)

INDIANAPOLIS PUBLIC SCHOOLS  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 203,962,589	\$ -	\$ 5,267,628	\$ (198,694,961)
Support services	243,161,270	1,156,657	20,527,643	(221,476,970)
Community services	3,558,313	-	-	(3,558,313)
Nonprogrammed charges	24,140,238	-	-	(24,140,238)
Debt service	<u>76,708,243</u>	<u>-</u>	<u>-</u>	<u>(76,708,243)</u>
Total governmental activities	<u>\$ 551,530,653</u>	<u>\$ 1,156,657</u>	<u>\$ 25,795,271</u>	<u>(524,578,725)</u>
General receipts:				
Property taxes				167,028,710
Other local sources				22,197,895
State aid				201,541,962
Bonds and loans				66,272,925
Grants and contributions not restricted to specific programs				69,656,074
Sale of property, adjustments, and refunds				1,029,658
Investment earnings				<u>9,512,082</u>
Total general receipts				<u>537,239,306</u>
Change in net assets				12,660,581
Net assets - beginning				<u>199,960,862</u>
Net assets - ending				<u>\$ 212,621,443</u>
<u>Assets</u>				
Cash and investments				\$ 199,547,826
Restricted assets:				
Cash and investments				<u>13,073,617</u>
Total assets				<u>\$ 212,621,443</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 4,337,109
Other purposes				8,736,508
Unrestricted				<u>199,547,826</u>
Total net assets				<u>\$ 212,621,443</u>

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

INDIANAPOLIS PUBLIC 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, 2008

	General	Transportation Operating	Rainy Day	School Lunch	Debt Service	Capital Projects	School Bus Replacement	Construction 2006B Series	Other	Totals
<b>Receipts:</b>										
Local sources	\$ 73,325,196	\$ 22,341,440	\$ 6,600,000	\$ 1,899,378	\$ 36,457,807	\$ 37,135,220	\$ 13,334,214	\$ 1,510,116	\$ 7,291,973	\$ 199,895,344
State sources	208,993,796	-	-	53,529	-	-	-	-	14,257,994	223,305,319
Federal sources	578,749	-	-	15,574,284	-	-	-	-	57,534,955	73,687,988
Bonds and loans	25,437,513	11,346,776	-	-	22,313,838	-	4,926,559	-	2,248,239	66,272,925
Sale of property, adjustments and refunds	969,151	-	-	5,188	-	44,543	-	-	2,317	1,021,199
<b>Total receipts</b>	<b>309,304,405</b>	<b>33,688,216</b>	<b>6,600,000</b>	<b>17,532,379</b>	<b>58,771,645</b>	<b>37,179,763</b>	<b>18,260,773</b>	<b>1,510,116</b>	<b>81,335,478</b>	<b>564,182,775</b>
<b>Disbursements:</b>										
<b>Current:</b>										
Instruction	167,615,251	-	-	-	-	-	-	-	36,347,338	203,962,589
Support services	87,812,102	24,361,212	-	15,020,944	-	42,948,828	13,319,157	20,500,354	39,198,673	243,161,270
Community services	1,582,150	-	-	-	-	-	-	-	1,976,163	3,558,313
Nonprogrammed charges	22,429,209	-	-	-	-	-	-	-	855,850	23,285,059
Debt services	8,649,799	5,361,375	-	-	52,305,469	-	5,229,615	-	5,161,985	76,708,243
<b>Total disbursements</b>	<b>288,088,511</b>	<b>29,722,587</b>	<b>-</b>	<b>15,020,944</b>	<b>52,305,469</b>	<b>42,948,828</b>	<b>18,548,772</b>	<b>20,500,354</b>	<b>83,540,009</b>	<b>550,675,474</b>
Excess (deficiency) of receipts over disbursements	21,215,894	3,965,629	6,600,000	2,511,435	6,466,176	(5,769,065)	(287,999)	(18,990,238)	(2,204,531)	13,507,301
<b>Other financing sources (uses):</b>										
Transfers in	2,399,000	1,238,698	2,000,000	-	-	-	-	-	6,382,916	12,020,614
Transfers out	(6,895,771)	(1,470,000)	-	(30,391)	(3,495,003)	(2,399,000)	-	-	(1,304,059)	(15,594,224)
<b>Total other financing sources (uses)</b>	<b>(4,496,771)</b>	<b>(231,302)</b>	<b>2,000,000</b>	<b>(30,391)</b>	<b>(3,495,003)</b>	<b>(2,399,000)</b>	<b>-</b>	<b>-</b>	<b>5,078,857</b>	<b>(3,573,610)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	16,719,123	3,734,327	8,600,000	2,481,044	2,971,173	(8,168,065)	(287,999)	(18,990,238)	2,874,326	9,933,691
Cash and investments - beginning	8,292,677	6,628,563	12,750,000	23,714,179	924,934	25,415,960	3,977,069	70,304,125	41,943,737	193,951,244
Cash and investments - ending	\$ 25,011,800	\$ 10,362,890	\$ 21,350,000	\$ 26,195,223	\$ 3,896,107	\$ 17,247,895	\$ 3,689,070	\$ 51,313,887	\$ 44,818,063	203,884,935
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:										
Internal service fund is 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.										
										8,736,508
Net assets of governmental activities										\$ 212,621,443
<b>Cash and Investment Assets - Ending</b>										
Cash and investments	\$ 25,011,800	\$ 10,362,890	\$ 21,350,000	\$ 26,195,223	\$ -	\$ 17,247,895	\$ 3,689,070	\$ 51,313,887	\$ 44,377,061	\$ 199,547,826
Restricted assets:										
Cash and investments	-	-	-	-	3,896,107	-	-	-	441,002	4,337,109
<b>Total cash and investment assets - ending</b>	<b>\$ 25,011,800</b>	<b>\$ 10,362,890</b>	<b>\$ 21,350,000</b>	<b>\$ 26,195,223</b>	<b>\$ 3,896,107</b>	<b>\$ 17,247,895</b>	<b>\$ 3,689,070</b>	<b>\$ 51,313,887</b>	<b>\$ 44,818,063</b>	<b>\$ 203,884,935</b>
<b>Cash and Investment Fund Balance - Ending</b>										
Restricted for:										
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 3,896,107	\$ -	\$ -	\$ -	\$ 441,002	\$ 4,337,109
Unrestricted	25,011,800	10,362,890	21,350,000	26,195,223	-	17,247,895	3,689,070	51,313,887	44,377,061	199,547,826
<b>Total cash and investment fund balance - ending</b>	<b>\$ 25,011,800</b>	<b>\$ 10,362,890</b>	<b>\$ 21,350,000</b>	<b>\$ 26,195,223</b>	<b>\$ 3,896,107</b>	<b>\$ 17,247,895</b>	<b>\$ 3,689,070</b>	<b>\$ 51,313,887</b>	<b>\$ 44,818,063</b>	<b>\$ 203,884,935</b>

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

INDIANAPOLIS PUBLIC SCHOOLS  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
PROPRIETARY FUND  
For the Year Ended June 30, 2008

	<u>Internal Service Fund</u>
Operating receipts:	
Miscellaneous	\$ 8,459
Operating disbursements:	
Insurance claims and expense	509,371
Other	<u>345,808</u>
Total operating disbursements	<u>855,179</u>
Deficiency of operating receipts over operating disbursements	(846,720)
Transfers in	<u>3,573,610</u>
Change in net assets	2,726,890
Cash and investment fund balance - beginning	<u>6,009,618</u>
Cash and investment fund balance - ending	<u><u>\$ 8,736,508</u></u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u><u>\$ 8,736,508</u></u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u><u>\$ 8,736,508</u></u>

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

INDIANAPOLIS PUBLIC SCHOOLS  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2008

	Pension Trust Fund	Private-Purpose Trust Fund	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 128,848	
Investment earnings:			
Interest	<u>870,320</u>	<u>-</u>	
Total additions	<u>870,320</u>	<u>128,848</u>	
Deductions:			
Benefits	1,845,776	-	
Administrative and general	<u>-</u>	<u>45,264</u>	
Total deductions	<u>1,845,776</u>	<u>45,264</u>	
Excess (deficiency) of total additions over total deductions	(975,456)	83,584	
Cash and investment fund balance - beginning	<u>35,867,378</u>	<u>2,373,008</u>	
Cash and investment fund balance - ending	<u>\$ 34,891,922</u>	<u>\$ 2,456,592</u>	<u>\$ 10,040,419</u>
Net assets:			
Cash and investments	<u>\$ 34,891,922</u>	<u>\$ 2,456,592</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 34,891,922</u>	<u>\$ 2,456,592</u>	

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

INDIANAPOLIS PUBLIC 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: Indianapolis Public Schools

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

Joint Venture

The School Corporation is a participant with Avon Community School Corporation, School City of Beech Grove, Carmel Clay Schools, Center Grove Community School Corporation, Clark Pleasant Community School Corporation, Franklin Township Community School Corporation, Hamilton Southeastern School Corporation, Metropolitan School District (MSD) of Decatur Township, MSD of Lawrence Township, MSD of Perry Township, MSD of Pike Township, MSD of Washington Township, MSD of Wayne Township, School Town of Speedway, Westfield Washington School Corporation, and Zionsville Community School Corporation in a joint venture to operate the Central Indiana Educational Services Center (CIESC) which was created to provide certain programs and services for participating school corporations. The CIESC's continued existence depends on continued funding by participating school corporations. To participate in the CIESC, each school corporation is billed an amount based upon their student population. Complete financial statements for the CIESC can be obtained from their offices at 6321 Lapas Trail, Indianapolis, Indiana.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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, fund equity, receipts, and

INDIANAPOLIS PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 rainy day fund is used to account for funds in accordance with IC 36-1-8-5.1 and a locally adopted resolution.

The school lunch fund is used to record all receipts from the sale of lunches, federal and state reimbursements, gifts, and other receipts. It can also be used to record all disbursements for personnel service, food, supplies, and equipment used to support the school lunch program.

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

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

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

The construction 2006B series fund is used to pay costs of certain school facility upgrades, repairs, renovations, acquisition of equipment, and the payment of issuance expenses related to the \$78,845,000 October 2006 phase III portion of the approved \$250 million Construction Bond. The bonds are payable from the unlimited ad valorem taxes to be levied on all taxable property within the School Corporation's boundaries.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for risk financing for risks associated with job related illness or injuries to employees. This is the internal service fund for self-insurance.

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

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the School Corporation or students who attend the School Corporation.

INDIANAPOLIS PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Agency funds (clearing funds) account for assets held by the School Corporation as an agent for and serve as control accounts for certain cash transactions during the time they are a liability to the School Corporation; that is, from the time they are expensed to the government or withheld from the employee's wages until they are transmitted to the proper payee for the purpose withheld.

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. The School Corporation has only one proprietary fund, which is an internal service fund for self-insurance.

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

INDIANAPOLIS PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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).

3. 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.

4. 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 receipts and payment of principal and interest reported as disbursements.

5. 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, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

INDIANAPOLIS PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

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 except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not 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 July 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied

INDIANAPOLIS PUBLIC SCHOOLS  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

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. Disbursements in Excess of Appropriations

For the calendar year ended December 31, 2007, disbursements exceeded budgeted appropriations in the following fund by the amount below:

Fund	2007
Special Education Preschool	\$ 83,376

These disbursements were funded by greater than anticipated receipts.

C. Cash and Investment Balance Deficits

At June 30, 2008, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2008
School Technology Loan	\$ 728,878
Special Education 2007-08	1,069,761

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. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2008, the School Corporation had deposit balances in the amount of \$223,619,019.

INDIANAPOLIS PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The 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

As of June 30, 2008, the School Corporation had the following investments:

Investment Type	Primary Government Market Value
Repurchase agreements	\$ 41,629,312

Statutory Authorization for Investments

Indiana Code 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the School Corporation to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

INDIANAPOLIS PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The School Corporation does not have a formal investment policy for custodial credit risk for investments.

B. Interfund Transfers

Interfund transfers for the year ended June 30, 2008, were as follows:

Transfer From	Transfer To	2008
General Fund	Transportation Operating Fund	\$ 48,960
	Rainy Day Fund	1,500,000
	Other governmental funds	2,743,201
	Internal Service Fund	2,603,610
Transportation Operating Fund	Rainy Day Fund	500,000
	Internal Service Fund	970,000
School Lunch Fund	Transportation Operating Fund	30,391
Debt Service Fund	Other governmental funds	3,495,003
Capital Projects Fund	General Fund	2,399,000
Other governmental funds	Transportation Operating Fund	1,159,347
	Other governmental funds	144,712
<b>Total</b>		<b>\$ 15,594,224</b>

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; 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 and Injuries to Employees

The School Corporation has chosen to establish a risk financing fund for risks associated with job related illnesses and injuries to employees. The risk financing fund is accounted for in the Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An

INDIANAPOLIS PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

excess policy through commercial insurance covers individual claims in excess of \$225,000 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 from which payroll disbursements are made and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each fund's gross wages and are reported as quasi-external interfund transactions.

B. Holding Corporation

The School Corporation has entered into a capital lease with IPS School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the year totaled \$29,854,000.

C. Subsequent Events

The Board of School Commissioners passed Resolutions 3128-08 and 3129-08 on December 16, 2008. Resolution 3128-08 authorized obtaining tax anticipation warrants for various funds through the 2009 Advance Funding Program with the Indiana Bond Bank. The total authorized and payable December 31, 2009 was \$79,321,000. Resolution 3129-08 authorized obtaining tax anticipation warrants for various funds through the Year-End Warrant Assistance Program with the Indiana Bond Bank. The total authorized and payable June 30, 2009 was \$56,163,717.

D. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 55 with at least 15 years of service. Currently, 78 retirees meet these eligibility requirements. The School Corporation provides the first \$10,000 per eligible member of the Teachers bargaining unit for these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2008, disbursements of \$476,460 were recognized for postemployment benefits.

E. Service Credit Benefits

All eligible employees upon retirement from the School Corporation receive a lump sum payment for each year of service with the School Corporation through June 30, 2004. This payment is made at the rate of \$105 to \$175 per year of service, depending on employee classification. Eligible teachers are entitled to a service credit premium payment, in accordance with a defined notification schedule, at a rate of \$110 to \$125 per year of service with the School Corporation. The total premium paid related to years of service and accumulated sick and personal days cannot exceed \$100,000 annually for those amounts paid over the base \$105 per year of service and \$35 per sick and personal day.

An employer matched 403B program became effective on July 1, 2000, to replace the service credit accrual, which was phased out after the 2003-2004 school year.

INDIANAPOLIS PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

F. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Information to segregate the assets/liabilities and the actuarial study figures between the School Corporation and the Utilities is not available.

INDIANAPOLIS PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 4,561,911
Interest on net pension obligation	(424,486)
Adjustment to annual required contribution	483,735
Annual pension cost	4,621,160
Contributions made	3,892,792
Increase (decrease) in net pension obligation	728,368
Net pension obligation, beginning of year	(5,854,982)
Net pension obligation, end of year	\$ (5,126,614)

	PERF
Contribution rates:	
School Corporation	5.75%
Plan members	3%
Actuarial valuation date	07-01-07
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

<u>Actuarial Assumptions</u>	PERF
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%

INDIANAPOLIS PUBLIC SCHOOLS  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

Three Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-05	\$ 3,024,613	125%	\$ (5,967,800)
	06-30-06	3,828,591	97%	(5,854,982)
	06-30-07	4,621,160	84%	(5,126,614)

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

Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Costs

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

INDIANAPOLIS PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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, 2008, 2007, and 2006, were \$6,513,001, \$7,378,335, and \$7,196,063, respectively. The School Corporation contributed 100% of the required contribution for each of the fiscal years.

INDIANAPOLIS PUBLIC 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)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 77,241,747	\$ 81,004,229	\$ (3,762,482)	95%	\$ 67,917,393	(6%)
07-01-06	76,766,437	83,284,187	(6,517,750)	92%	66,634,637	(10%)
07-01-07	84,370,405	90,487,525	(6,117,120)	93%	68,561,766	(9%)

**INDIANAPOLIS PUBLIC SCHOOLS**  
**BUDGET TO ACTUAL REPORT**  
 Calendar 2007

General Fund # 010

REVENUE					
Source Code	Description	Budget		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
		Original	Final		
1000	Local Revenue	\$87,563,500	\$91,162,635	\$75,311,033	(\$15,851,602) <sup>1</sup>
2000	Intermediate Sorces Revenue	125,500	125,500	224,813	99,313
3000	State Revenue	219,175,000	208,892,702	209,818,461	925,759
4000	Federal Revenue	0	0	543,225	543,225
7000	Other Revenue	1,009,500	1,009,500	242,035	(767,465)
9000	Transfers	3,200,000	2,700,000	2,399,000	(301,000)
<b>Total Revenue</b>		<b>\$311,073,500</b>	<b>\$303,890,337</b>	<b>\$288,538,567</b>	<b>(\$15,351,770) <sup>2</sup></b>

EXPENDITURES & OBLIGATIONS					
Object Code	Description	Budget		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
		Original	Final		
1000	Salaries	\$209,410,793	\$211,714,266	\$207,626,911	\$4,087,355
2000	Employee Benefits	59,402,740	57,863,897	53,437,265	4,426,632
3000	Purchased Services	38,089,174	35,901,560	31,405,490	4,496,071
4000	Supplies & Materials	4,720,707	5,910,901	4,311,658	1,599,243
5000	Capital Expenditures	195,000	345,333	269,099	76,234
7000	Transfers/Other	1,181,586	1,264,043	296	1,263,747
<b>Total Expenditures &amp; Obligations</b>		<b>\$313,000,000</b>	<b>\$313,000,000</b>	<b>\$297,050,719</b>	<b>\$15,949,281 <sup>2</sup></b>

1 Actual Property Tax receipts were 75.15% of the levy.

2 Temporary Loan amount of \$8,649,799.00 is excluded from both Revenue and Expenditures.

**INDIANAPOLIS PUBLIC SCHOOLS**  
**BUDGET TO ACTUAL REPORT**  
 Calendar 2007

Transportation Fund # 041

REVENUE					
Source Code	Description	Budget		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
		Original	Final		
1000	Local Revenue	\$25,610,000	\$24,367,302	\$19,053,277	(\$5,314,025) <sup>1</sup>
7000	Other Revenue	750,000	750,000	68,007	(681,993)
9000	Transfers	0	0	810,815	810,815
<b>Total Revenue</b>		<b>\$26,360,000</b>	<b>\$25,117,302</b>	<b>\$19,932,100</b>	<b>(\$5,185,202)</b>

EXPENDITURES & OBLIGATIONS					
Object Code	Description	Budget		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
		Original	Final		
1000	Salaries	\$12,170,473	\$11,172,756	\$11,314,487	(\$141,731)
2000	Employee Benefits	3,118,595	3,868,252	3,418,879	449,373
3000	Purchased Services	9,338,577	9,412,396	6,352,703	3,059,693
4000	Supplies & Materials	2,242,756	2,374,046	1,767,241	606,805
5000	Capital Expenditures	52,836	49,000	1,971,511	(1,922,511)
7000	Transfers/Other	76,763	123,550	232,131	(108,581)
<b>Total Expenditures &amp; Obligations</b>		<b>\$27,000,000</b>	<b>\$27,000,000</b>	<b>\$25,056,953</b>	<b>\$1,943,047</b>

1 Actual Property Tax receipts were 75.15% of the levy.

2 Temporary Loan amount of \$5,361,375.00 is excluded from both Revenue and Expenditures.

**INDIANAPOLIS PUBLIC SCHOOLS**  
**BUDGET TO ACTUAL REPORT**  
 Calendar 2007

Transportation Bus Replacement Fund # 042

REVENUE					
Source Code	Description	Budget		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
		Original	Final		
1000	Local Revenue	\$12,653,000	\$12,399,930	\$9,695,750	(\$2,704,180) <sup>1</sup>
<b>Total Revenue</b>		\$12,653,000	\$12,399,930	\$9,695,750	(\$2,704,180) <sup>2</sup>

EXPENDITURES & OBLIGATIONS					
Object Code	Description	Budget		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
		Original	Final		
3000	Purchased Services	10,098,290	9,769,565	9,188,355	581,210
5000	Capital Expenditures	2,554,710	2,554,710	0	2,554,710
<b>Total Expenditures &amp; Obligations</b>		\$12,653,000	\$12,324,275	\$9,188,355	\$3,135,920 <sup>2</sup>

1 Actual Property Tax receipts were 75.15% of the levy.

2 Both Revenue and Expenditures do not include the Temporary Loan amount of \$5,401,894.00.

INDIANAPOLIS PUBLIC 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, 2008

	Special Education Preschool	Textbook Rental	Alternative Education Grant	Project Safe Haven	Early Intervention	Lilly Endowment Foundation	IPS Foundation Grant
<b>Receipts:</b>							
Local sources	\$ 192,023	\$ 742,798	\$ -	\$ -	\$ -	\$ -	\$ 11,300
State sources	871,845	2,307,083	3,206,004	85,955	91,721	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>1,063,868</b>	<b>3,049,881</b>	<b>3,206,004</b>	<b>85,955</b>	<b>91,721</b>	<b>-</b>	<b>11,300</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	2,284,994	-	1,680,394	57,794	219,608	70,154	20,640
Support services	571	5,374,571	401,927	1	10,123	703,498	9,035
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	(584,821)	64,951	-	4,192	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>2,285,565</b>	<b>4,789,750</b>	<b>2,147,272</b>	<b>57,795</b>	<b>233,923</b>	<b>773,652</b>	<b>29,675</b>
Excess (deficiency) of receipts over disbursements	(1,221,697)	(1,739,869)	1,058,732	28,160	(142,202)	(773,652)	(18,375)
<b>Other financing sources (uses):</b>							
Transfers in	1,292,600	4,945,604	-	-	-	-	-
Transfers out	-	-	(3,441)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,292,600</b>	<b>4,945,604</b>	<b>(3,441)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	70,903	3,205,735	1,055,291	28,160	(142,202)	(773,652)	(18,375)
Cash and investments - beginning	-	(2,684,991)	6,383,315	(28,153)	202,563	1,161,176	53,382
Cash and investments - ending	<u>\$ 70,903</u>	<u>\$ 520,744</u>	<u>\$ 7,438,606</u>	<u>\$ 7</u>	<u>\$ 60,361</u>	<u>\$ 387,524</u>	<u>\$ 35,007</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 70,903	\$ 520,744	\$ 7,438,606	\$ 7	\$ 60,361	\$ 387,524	\$ 35,007
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ 70,903</u></b>	<b><u>\$ 520,744</u></b>	<b><u>\$ 7,438,606</u></b>	<b><u>\$ 7</u></b>	<b><u>\$ 60,361</u></b>	<b><u>\$ 387,524</u></b>	<b><u>\$ 35,007</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>70,903</u>	<u>520,744</u>	<u>7,438,606</u>	<u>7</u>	<u>60,361</u>	<u>387,524</u>	<u>35,007</u>
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 70,903</u></b>	<b><u>\$ 520,744</u></b>	<b><u>\$ 7,438,606</u></b>	<b><u>\$ 7</u></b>	<b><u>\$ 60,361</u></b>	<b><u>\$ 387,524</u></b>	<b><u>\$ 35,007</u></b>

INDIANAPOLIS PUBLIC 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, 2008  
 (Continued)

	Curriculum and Instruction Local	Minority Awareness Summit	IEA President Payroll	T. C. Howe Computer Grant	Sallie Mae	New Teachers Project, Inc.	Lilly Endowment
<b>Receipts:</b>							
Local sources	\$ 5,349	\$ -	\$ 66,134	\$ -	\$ 50,000	\$ -	\$ 11,500
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>5,349</b>	<b>-</b>	<b>66,134</b>	<b>-</b>	<b>50,000</b>	<b>-</b>	<b>11,500</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	4,357	-	905	6,629	336,204
Support services	6,466	480	15	405	40,101	94,621	3,735
Community services	-	-	64,920	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>6,466</b>	<b>480</b>	<b>69,292</b>	<b>405</b>	<b>41,006</b>	<b>101,250</b>	<b>339,939</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(1,117)</b>	<b>(480)</b>	<b>(3,158)</b>	<b>(405)</b>	<b>8,994</b>	<b>(101,250)</b>	<b>(328,439)</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(1,117)</b>	<b>(480)</b>	<b>(3,158)</b>	<b>(405)</b>	<b>8,994</b>	<b>(101,250)</b>	<b>(328,439)</b>
Cash and investments - beginning	16,459	1,168	-	1,759	50,000	101,250	486,377
Cash and investments - ending	<u>\$ 15,342</u>	<u>\$ 688</u>	<u>\$ (3,158)</u>	<u>\$ 1,354</u>	<u>\$ 58,994</u>	<u>\$ -</u>	<u>\$ 157,938</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 15,342	\$ 688	\$ (3,158)	\$ 1,354	\$ 58,994	\$ -	\$ 157,938
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 15,342</b>	<b>\$ 688</b>	<b>\$ (3,158)</b>	<b>\$ 1,354</b>	<b>\$ 58,994</b>	<b>\$ -</b>	<b>\$ 157,938</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>15,342</u>	<u>688</u>	<u>(3,158)</u>	<u>1,354</u>	<u>58,994</u>	<u>-</u>	<u>157,938</u>
<b>Total cash and investment fund balance - ending</b>	<b>\$ 15,342</b>	<b>\$ 688</b>	<b>\$ (3,158)</b>	<b>\$ 1,354</b>	<b>\$ 58,994</b>	<b>\$ -</b>	<b>\$ 157,938</b>

INDIANAPOLIS PUBLIC 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, 2008  
 (Continued)

	Cell Key Learning	Science Bound	Intel ISEF Middle School After	Ball State University	School 74 Special	Bilingual Chess Club	Contractor's Escrow
Receipts:							
Local sources	\$ 115,000	\$ 17,432	\$ 1	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>115,000</b>	<b>17,432</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Disbursements:							
Current:							
Instruction	32	5,338	-	-	-	-	-
Support services	24,580	-	-	2,148	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>24,612</b>	<b>5,338</b>	<b>-</b>	<b>2,148</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	90,388	12,094	1	(2,148)	-	-	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	90,388	12,094	1	(2,148)	-	-	-
Cash and investments - beginning	14,368	3,684	8,756	(803)	861	200	637,104
Cash and investments - ending	<u>\$ 104,756</u>	<u>\$ 15,778</u>	<u>\$ 8,757</u>	<u>\$ (2,951)</u>	<u>\$ 861</u>	<u>\$ 200</u>	<u>\$ 637,104</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 104,756	\$ 15,778	\$ 8,757	\$ (2,951)	\$ 861	\$ 200	\$ 637,104
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ 104,756</u></b>	<b><u>\$ 15,778</u></b>	<b><u>\$ 8,757</u></b>	<b><u>\$ (2,951)</u></b>	<b><u>\$ 861</u></b>	<b><u>\$ 200</u></b>	<b><u>\$ 637,104</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>104,756</u>	<u>15,778</u>	<u>8,757</u>	<u>(2,951)</u>	<u>861</u>	<u>200</u>	<u>637,104</u>
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 104,756</u></b>	<b><u>\$ 15,778</u></b>	<b><u>\$ 8,757</u></b>	<b><u>\$ (2,951)</u></b>	<b><u>\$ 861</u></b>	<b><u>\$ 200</u></b>	<b><u>\$ 637,104</u></b>

INDIANAPOLIS PUBLIC 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, 2008  
 (Continued)

	Second Opinion Television	Indiana Pacers	Wal-Mart Foundation	Even Start Grant	Step Ahead	Dance Kaleidoscope	MIS Recycle
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 4,565	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	180,475	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>180,475</b>	<b>4,565</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	346	71,399	3,116	-	-
Support services	(2,090)	28,649	-	67,071	260	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	24	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>(2,090)</b>	<b>28,649</b>	<b>370</b>	<b>138,470</b>	<b>3,376</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>2,090</b>	<b>(28,649)</b>	<b>(370)</b>	<b>42,005</b>	<b>1,189</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(6,470)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,470)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>2,090</b>	<b>(28,649)</b>	<b>(370)</b>	<b>35,535</b>	<b>1,189</b>	<b>-</b>	<b>-</b>
<b>Cash and investments - beginning</b>	<b>4,195</b>	<b>117,251</b>	<b>370</b>	<b>(6,292)</b>	<b>3,106</b>	<b>2,083</b>	<b>581</b>
<b>Cash and investments - ending</b>	<b>\$ 6,285</b>	<b>\$ 88,602</b>	<b>\$ -</b>	<b>\$ 29,243</b>	<b>\$ 4,295</b>	<b>\$ 2,083</b>	<b>\$ 581</b>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 6,285	\$ 88,602	\$ -	\$ 29,243	\$ 4,295	\$ 2,083	\$ 581
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 6,285</b>	<b>\$ 88,602</b>	<b>\$ -</b>	<b>\$ 29,243</b>	<b>\$ 4,295</b>	<b>\$ 2,083</b>	<b>\$ 581</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	6,285	88,602	-	29,243	4,295	2,083	581
<b>Total cash and investment fund balance - ending</b>	<b>\$ 6,285</b>	<b>\$ 88,602</b>	<b>\$ -</b>	<b>\$ 29,243</b>	<b>\$ 4,295</b>	<b>\$ 2,083</b>	<b>\$ 581</b>

INDIANAPOLIS PUBLIC 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, 2008  
 (Continued)

	Play It Smart	Fitness/ Wellness Coordinator	Parents Are Successful Student	Small Schools Leadership	Arts Council of Indiana	Meridian Kessler Neighborhood	Safe Passage Forest Manor
<b>Receipts:</b>							
Local sources	\$ 8,750	\$ 35,000	\$ -	\$ 70,000	\$ 7,000	\$ -	\$ 4,655
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>8,750</b>	<b>35,000</b>	<b>-</b>	<b>70,000</b>	<b>7,000</b>	<b>-</b>	<b>4,655</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	73,380	-	10,125	7,857	971	3,458
Support services	8,750	1,315	-	127,696	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	218	29	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>8,750</b>	<b>74,695</b>	<b>-</b>	<b>137,821</b>	<b>8,075</b>	<b>1,000</b>	<b>3,458</b>
Excess (deficiency) of receipts over disbursements	-	(39,695)	-	(67,821)	(1,075)	(1,000)	1,197
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(39,695)	-	(67,821)	(1,075)	(1,000)	1,197
Cash and investments - beginning	-	40,000	507	94,041	4,891	1,000	-
Cash and investments - ending	\$ -	\$ 305	\$ 507	\$ 26,220	\$ 3,816	\$ -	\$ 1,197
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ -	\$ 305	\$ 507	\$ 26,220	\$ 3,816	\$ -	\$ 1,197
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 305</b>	<b>\$ 507</b>	<b>\$ 26,220</b>	<b>\$ 3,816</b>	<b>\$ -</b>	<b>\$ 1,197</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	305	507	26,220	3,816	-	1,197
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 305</b>	<b>\$ 507</b>	<b>\$ 26,220</b>	<b>\$ 3,816</b>	<b>\$ -</b>	<b>\$ 1,197</b>

INDIANAPOLIS PUBLIC 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, 2008  
 (Continued)

	Health Foundation Family Center	Bridges to Success	United Way	Lumina Foundation Grant	Summer Program at School 81	Central Indiana Community Foundation	Bike and Hike Distance Learning
<b>Receipts:</b>							
Local sources	\$ -	\$ 156,916	\$ 1,000	\$ 10,000	\$ -	\$ 218,300	\$ -
State sources	-	-	12,027	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>156,916</b>	<b>13,027</b>	<b>10,000</b>	<b>-</b>	<b>218,300</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	12,630	17,493	4,752	-	65,879	-
Support services	-	109,910	3,626	700	-	-	(1,095)
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	4	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>122,544</b>	<b>21,119</b>	<b>5,452</b>	<b>-</b>	<b>65,879</b>	<b>(1,095)</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>-</b>	<b>34,372</b>	<b>(8,092)</b>	<b>4,548</b>	<b>-</b>	<b>152,421</b>	<b>1,095</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>-</b>	<b>34,372</b>	<b>(8,092)</b>	<b>4,548</b>	<b>-</b>	<b>152,421</b>	<b>1,095</b>
Cash and investments - beginning	(10,589)	10,076	43,877	15,589	66	40,000	(1,095)
Cash and investments - ending	<u>\$ (10,589)</u>	<u>\$ 44,448</u>	<u>\$ 35,785</u>	<u>\$ 20,137</u>	<u>\$ 66</u>	<u>\$ 192,421</u>	<u>\$ -</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ (10,589)	\$ 44,448	\$ 35,785	\$ 20,137	\$ 66	\$ 192,421	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ (10,589)</u>	<u>\$ 44,448</u>	<u>\$ 35,785</u>	<u>\$ 20,137</u>	<u>\$ 66</u>	<u>\$ 192,421</u>	<u>\$ -</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(10,589)	44,448	35,785	20,137	66	192,421	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ (10,589)</u>	<u>\$ 44,448</u>	<u>\$ 35,785</u>	<u>\$ 20,137</u>	<u>\$ 66</u>	<u>\$ 192,421</u>	<u>\$ -</u>

INDIANAPOLIS PUBLIC 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, 2008  
 (Continued)

	American Student Achievement	Trust Funds Unrestricted	Closed Schools Maintenance	Academic Summer School Program	Academic Summer School Program	Allstate Foundation	David Nolan Award
<b>Receipts:</b>							
Local sources	\$ -	\$ 175,407	\$ 52,650	\$ 196,425	\$ (168,175)	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>175,407</b>	<b>52,650</b>	<b>196,425</b>	<b>(168,175)</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	1,591	170	-	37	-	-	-
Support services	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	243,473	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,591</b>	<b>243,643</b>	<b>-</b>	<b>37</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(1,591)	(68,236)	52,650	196,388	(168,175)	-	-
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,591)	(68,236)	52,650	196,388	(168,175)	-	-
Cash and investments - beginning	1,591	220,355	1,249,212	(740)	168,175	10,000	6,000
Cash and investments - ending	\$ -	\$ 152,119	\$ 1,301,862	\$ 195,648	\$ -	\$ 10,000	\$ 6,000
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ -	\$ 152,119	\$ 1,301,862	\$ 195,648	\$ -	\$ 10,000	\$ 6,000
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 152,119</b>	<b>\$ 1,301,862</b>	<b>\$ 195,648</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>\$ 6,000</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	152,119	1,301,862	195,648	-	10,000	6,000
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 152,119</b>	<b>\$ 1,301,862</b>	<b>\$ 195,648</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>\$ 6,000</b>

INDIANAPOLIS PUBLIC 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, 2008  
 (Continued)

	Ball State University	Indiana University	Cell	Insurance for EDMS	Extra-Curricular Funds	Indiana State University	Technical Assistance PBA
<b>Receipts:</b>							
Local sources	\$ 8,003	\$ 42,552	\$ 803,315	\$ -	\$ 27,290	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>8,003</b>	<b>42,552</b>	<b>803,315</b>	<b>-</b>	<b>27,290</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	255	3,271	4,178	-	25,705	918	-
Support services	8,210	43,539	418,401	-	8,400	-	1,253
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	453
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>8,465</b>	<b>46,810</b>	<b>422,579</b>	<b>-</b>	<b>34,105</b>	<b>918</b>	<b>1,706</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(462)</b>	<b>(4,258)</b>	<b>380,736</b>	<b>-</b>	<b>(6,815)</b>	<b>(918)</b>	<b>(1,706)</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(462)</b>	<b>(4,258)</b>	<b>380,736</b>	<b>-</b>	<b>(6,815)</b>	<b>(918)</b>	<b>(1,706)</b>
<b>Cash and investments - beginning</b>	<b>6,612</b>	<b>369</b>	<b>266,218</b>	<b>3,000</b>	<b>9,820</b>	<b>1,149</b>	<b>1,706</b>
<b>Cash and investments - ending</b>	<b>\$ 6,150</b>	<b>\$ (3,889)</b>	<b>\$ 646,954</b>	<b>\$ 3,000</b>	<b>\$ 3,005</b>	<b>\$ 231</b>	<b>\$ -</b>
<b><u>Cash and Investment Assets - Ending</u></b>							
<b>Cash and investments</b>	<b>\$ 6,150</b>	<b>\$ (3,889)</b>	<b>\$ 646,954</b>	<b>\$ 3,000</b>	<b>\$ 3,005</b>	<b>\$ 231</b>	<b>\$ -</b>
<b>Restricted assets:</b>							
<b>Cash and investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total cash and investment assets - ending</b>	<b>\$ 6,150</b>	<b>\$ (3,889)</b>	<b>\$ 646,954</b>	<b>\$ 3,000</b>	<b>\$ 3,005</b>	<b>\$ 231</b>	<b>\$ -</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
<b>Restricted for:</b>							
<b>Debt service</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Unrestricted</b>	<b>6,150</b>	<b>(3,889)</b>	<b>646,954</b>	<b>3,000</b>	<b>3,005</b>	<b>231</b>	<b>-</b>
<b>Total cash and investment fund balance - ending</b>	<b>\$ 6,150</b>	<b>\$ (3,889)</b>	<b>\$ 646,954</b>	<b>\$ 3,000</b>	<b>\$ 3,005</b>	<b>\$ 231</b>	<b>\$ -</b>

INDIANAPOLIS PUBLIC 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, 2008  
 (Continued)

	Gifted and Talented Education	Teacher Quality Improvement	Common School	Drug-Free Transportation	Reilly Foundation	Non-English Speaking Program	USF Technology
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ 6,625	\$ -	\$ -	\$ -
State sources	191,362	-	1,328,583	-	-	592,184	2,261,534
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>191,362</b>	<b>-</b>	<b>1,328,583</b>	<b>6,625</b>	<b>-</b>	<b>592,184</b>	<b>2,261,534</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	133,246	-	-	-	13	351,925	-
Support services	6,651	109	1,178,202	-	-	12,090	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	2,079	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>139,897</b>	<b>109</b>	<b>1,178,202</b>	<b>-</b>	<b>13</b>	<b>366,094</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>51,465</b>	<b>(109)</b>	<b>150,381</b>	<b>6,625</b>	<b>(13)</b>	<b>226,090</b>	<b>2,261,534</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>51,465</b>	<b>(109)</b>	<b>150,381</b>	<b>6,625</b>	<b>(13)</b>	<b>226,090</b>	<b>2,261,534</b>
Cash and investments - beginning	36,869	2,109	(150,381)	-	15,079	111,457	3,788,765
Cash and investments - ending	<u>\$ 88,334</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 6,625</u>	<u>\$ 15,066</u>	<u>\$ 337,547</u>	<u>\$ 6,050,299</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 88,334	\$ 2,000	\$ -	\$ 6,625	\$ 15,066	\$ 337,547	\$ 6,050,299
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 88,334</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 6,625</u>	<u>\$ 15,066</u>	<u>\$ 337,547</u>	<u>\$ 6,050,299</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	88,334	2,000	-	6,625	15,066	337,547	6,050,299
<b>Total cash and investment fund balance - ending</b>	<u>\$ 88,334</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 6,625</u>	<u>\$ 15,066</u>	<u>\$ 337,547</u>	<u>\$ 6,050,299</u>

INDIANAPOLIS PUBLIC 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, 2008  
 (Continued)

	Buddy System Technology Grant	Indiana School Academic Improvement	Indiana Coordinated School Health	Expanding World Languages	G.Q.E. Remediation	Computer Consortium	Tech-Know-Build Repair and Replacement
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,393	\$ -
State sources	-	-	-	-	565,494	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	2,317
Total receipts	-	-	-	-	565,494	2,393	2,317
Disbursements:							
Current:							
Instruction	-	-	-	-	163,548	-	-
Support services	-	-	1,200	-	1	9,412	(9,961)
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	1,191	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	1,200	-	164,740	9,412	(9,961)
Excess (deficiency) of receipts over disbursements	-	-	(1,200)	-	400,754	(7,019)	12,278
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(1,200)	-	400,754	(7,019)	12,278
Cash and investments - beginning	1,050	25,669	1,200	1,292	302,453	7,019	5,687
Cash and investments - ending	<u>\$ 1,050</u>	<u>\$ 25,669</u>	<u>\$ -</u>	<u>\$ 1,292</u>	<u>\$ 703,207</u>	<u>\$ -</u>	<u>\$ 17,965</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 1,050	\$ 25,669	\$ -	\$ 1,292	\$ 703,207	\$ -	\$ 17,965
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,050</u>	<u>\$ 25,669</u>	<u>\$ -</u>	<u>\$ 1,292</u>	<u>\$ 703,207</u>	<u>\$ -</u>	<u>\$ 17,965</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,050	25,669	-	1,292	703,207	-	17,965
Total cash and investment fund balance - ending	<u>\$ 1,050</u>	<u>\$ 25,669</u>	<u>\$ -</u>	<u>\$ 1,292</u>	<u>\$ 703,207</u>	<u>\$ -</u>	<u>\$ 17,965</u>

INDIANAPOLIS PUBLIC 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, 2008  
 (Continued)

	Distance Learning Implementation	Title I Non-Public Transfers	Title I Compensatory Education	Title I Compensatory Education	Title I Capital Expense	Title I Delinquent	Comprehensive School Reform
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ 1,749	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	24,567	2,814,528	29,653,690	921,390	162,358	40,000
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	24,567	2,814,528	29,655,439	921,390	162,358	40,000
Disbursements:							
Current:							
Instruction	-	1,298	956,750	16,792,035	543,216	119,094	70,724
Support services	5,807	704	1,886,982	5,582,386	617,188	17	71,429
Community services	-	60,127	56,201	1,608,276	9,242	-	-
Nonprogrammed charges	-	-	(106,967)	492,974	20,054	5,521	6,762
Debt services	-	-	-	-	-	-	-
Total disbursements	5,807	62,129	2,792,966	24,475,671	1,189,700	124,632	148,915
Excess (deficiency) of receipts over disbursements	(5,807)	(37,562)	21,562	5,179,768	(268,310)	37,726	(108,915)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(761,856)	(353,684)	-	-	-
Total other financing sources (uses)	-	-	(761,856)	(353,684)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,807)	(37,562)	(740,294)	4,826,084	(268,310)	37,726	(108,915)
Cash and investments - beginning	44,666	44,510	902,240	20,960	534,029	25,807	108,915
Cash and investments - ending	\$ 38,859	\$ 6,948	\$ 161,946	\$ 4,847,044	\$ 265,719	\$ 63,533	\$ -
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 38,859	\$ 6,948	\$ 161,946	\$ 4,847,044	\$ 265,719	\$ 63,533	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 38,859	\$ 6,948	\$ 161,946	\$ 4,847,044	\$ 265,719	\$ 63,533	\$ -
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	38,859	6,948	161,946	4,847,044	265,719	63,533	-
Total cash and investment fund balance - ending	\$ 38,859	\$ 6,948	\$ 161,946	\$ 4,847,044	\$ 265,719	\$ 63,533	\$ -

INDIANAPOLIS PUBLIC 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, 2008  
 (Continued)

	Title V Innovative Program	Title I Migrant Education	Math and Science Partnership	Homeless Grant	Energy Grant Reimbursement	Serve America	Special Education 2007-08
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	56,313	-	-	-
Federal sources	115,389	115,000	54,359	-	-	-	7,124,680
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>115,389</b>	<b>115,000</b>	<b>54,359</b>	<b>56,313</b>	<b>-</b>	<b>-</b>	<b>7,124,680</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	34,014	79,710	124,318	1,351	-	1,552	3,135,472
Support services	209,020	59,115	15	959	-	-	5,028,313
Community services	-	-	-	42,783	-	-	-
Nonprogrammed charges	7,800	-	-	564	-	250	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>250,834</b>	<b>138,825</b>	<b>124,333</b>	<b>45,657</b>	<b>-</b>	<b>1,802</b>	<b>8,163,785</b>
Excess (deficiency) of receipts over disbursements	(135,445)	(23,825)	(69,974)	10,656	-	(1,802)	(1,039,105)
<b>Other financing sources (uses):</b>							
Transfers in	144,712	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(571)	(30,656)
<b>Total other financing sources (uses)</b>	<b>144,712</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(571)</b>	<b>(30,656)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,267	(23,825)	(69,974)	10,656	-	(2,373)	(1,069,761)
Cash and investments - beginning	50,180	59,250	69,127	83,660	17,846	2,615	-
Cash and investments - ending	<u>\$ 59,447</u>	<u>\$ 35,425</u>	<u>\$ (847)</u>	<u>\$ 94,316</u>	<u>\$ 17,846</u>	<u>\$ 242</u>	<u>\$ (1,069,761)</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 59,447	\$ 35,425	\$ (847)	\$ 94,316	\$ 17,846	\$ 242	\$ (1,069,761)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 59,447</u>	<u>\$ 35,425</u>	<u>\$ (847)</u>	<u>\$ 94,316</u>	<u>\$ 17,846</u>	<u>\$ 242</u>	<u>\$ (1,069,761)</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	59,447	35,425	(847)	94,316	17,846	242	(1,069,761)
<b>Total cash and investment fund balance - ending</b>	<u>\$ 59,447</u>	<u>\$ 35,425</u>	<u>\$ (847)</u>	<u>\$ 94,316</u>	<u>\$ 17,846</u>	<u>\$ 242</u>	<u>\$ (1,069,761)</u>

INDIANAPOLIS PUBLIC 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, 2008  
 (Continued)

	Special Education	Special Education Carryover	Special Education IDEA Part B	Improved Mental Health of Children	Special Education Preschool	Special Education Preschool	Special Education Preschool
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	2,585,889	55,425	23,600	161,860	9,885	112,029
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>2,585,889</b>	<b>55,425</b>	<b>23,600</b>	<b>161,860</b>	<b>9,885</b>	<b>112,029</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	3,248	927,936	56,104	17,878	13,685	148	55,775
Support services	77,900	613,516	9,490	10,184	180,228	5,357	37,618
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	(1,756)	250,902	2,129	-	5,159	(148)	7,024
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>79,392</b>	<b>1,792,354</b>	<b>67,723</b>	<b>28,062</b>	<b>199,072</b>	<b>5,357</b>	<b>100,417</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(79,392)</b>	<b>793,535</b>	<b>(12,298)</b>	<b>(4,462)</b>	<b>(37,212)</b>	<b>4,528</b>	<b>11,612</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(79,392)</b>	<b>793,535</b>	<b>(12,298)</b>	<b>(4,462)</b>	<b>(37,212)</b>	<b>4,528</b>	<b>11,612</b>
<b>Cash and investments - beginning</b>	<b>79,392</b>	<b>(1,083,781)</b>	<b>29,773</b>	<b>-</b>	<b>-</b>	<b>(4,528)</b>	<b>(10,955)</b>
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ (290,246)</b>	<b>\$ 17,475</b>	<b>\$ (4,462)</b>	<b>\$ (37,212)</b>	<b>\$ -</b>	<b>\$ 657</b>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ -	\$ (290,246)	\$ 17,475	\$ (4,462)	\$ (37,212)	\$ -	\$ 657
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ (290,246)</b>	<b>\$ 17,475</b>	<b>\$ (4,462)</b>	<b>\$ (37,212)</b>	<b>\$ -</b>	<b>\$ 657</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	(290,246)	17,475	(4,462)	(37,212)	-	657
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ (290,246)</b>	<b>\$ 17,475</b>	<b>\$ (4,462)</b>	<b>\$ (37,212)</b>	<b>\$ -</b>	<b>\$ 657</b>

INDIANAPOLIS PUBLIC 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, 2008  
 (Continued)

	Impact Adult Basic Education	ESL Outreach Project	Adult Basic Civics Education	IPIC Adult Basic Education	ABE Innovative Development	Adult Basic Education	Title IV Safe and Drug-Free
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ 177,399	\$ 905	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	28,000	33,000	-	-	690,482	482,373
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>28,000</b>	<b>33,000</b>	<b>177,399</b>	<b>905</b>	<b>690,482</b>	<b>482,373</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	26,718	33,318	148,998	-	536,725	23,224
Support services	-	(357)	-	10	-	122,362	220,540
Community services	-	-	-	-	-	-	66,371
Nonprogrammed charges	-	724	812	3,307	-	15,068	7,934
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>27,085</b>	<b>34,130</b>	<b>152,315</b>	<b>-</b>	<b>674,155</b>	<b>318,069</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>-</b>	<b>915</b>	<b>(1,130)</b>	<b>25,084</b>	<b>905</b>	<b>16,327</b>	<b>164,304</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(147,273)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(147,273)</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>-</b>	<b>915</b>	<b>(1,130)</b>	<b>25,084</b>	<b>905</b>	<b>16,327</b>	<b>17,031</b>
Cash and investments - beginning	85,539	(915)	1,367	(26,847)	3,290	38,220	38,133
Cash and investments - ending	<u>\$ 85,539</u>	<u>\$ -</u>	<u>\$ 237</u>	<u>\$ (1,763)</u>	<u>\$ 4,195</u>	<u>\$ 54,547</u>	<u>\$ 55,164</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 85,539	\$ -	\$ 237	\$ (1,763)	\$ 4,195	\$ 54,547	\$ 55,164
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 85,539</u>	<u>\$ -</u>	<u>\$ 237</u>	<u>\$ (1,763)</u>	<u>\$ 4,195</u>	<u>\$ 54,547</u>	<u>\$ 55,164</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	85,539	-	237	(1,763)	4,195	54,547	55,164
<b>Total cash and investment fund balance - ending</b>	<u>\$ 85,539</u>	<u>\$ -</u>	<u>\$ 237</u>	<u>\$ (1,763)</u>	<u>\$ 4,195</u>	<u>\$ 54,547</u>	<u>\$ 55,164</u>

INDIANAPOLIS PUBLIC 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, 2008  
 (Continued)

	Project Peace	Carol M. White Physical Education	Emergency Reponse Plans	Impact Aid	Magnet Year 2	Magnet Schools 2006/07
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	339,887	430,003	2,611	158,045	691,955
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>339,887</b>	<b>430,003</b>	<b>2,611</b>	<b>158,045</b>	<b>691,955</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	341,499	7,558	-	470	624,357
Support services	-	34,697	419,232	2,978	158,009	182,897
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	6,196	3,964	-	-	12,080
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>382,392</b>	<b>430,754</b>	<b>2,978</b>	<b>158,479</b>	<b>819,334</b>
Excess (deficiency) of receipts over disbursements	-	(42,505)	(751)	(367)	(434)	(127,379)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(42,505)	(751)	(367)	(434)	(127,379)
Cash and investments - beginning	96	(1,417)	751	115,497	1,123	29,128
Cash and investments - ending	<u>96</u>	<u>(43,922)</u>	<u>-</u>	<u>115,130</u>	<u>689</u>	<u>(98,251)</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 96	\$ (43,922)	\$ -	\$ 115,130	\$ 689	\$ (98,251)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 96</u>	<u>\$ (43,922)</u>	<u>\$ -</u>	<u>\$ 115,130</u>	<u>\$ 689</u>	<u>\$ (98,251)</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	96	(43,922)	-	115,130	689	(98,251)
<b>Total cash and investment fund balance - ending</b>	<u>\$ 96</u>	<u>\$ (43,922)</u>	<u>\$ -</u>	<u>\$ 115,130</u>	<u>\$ 689</u>	<u>\$ (98,251)</u>

INDIANAPOLIS PUBLIC 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, 2008  
 (Continued)

	Partnership in Character Education	Vocational Education Schools That Work	Perkins Grant	Perkins Grant IN Workforce Development	IN Workforce Development Project LTW	Professional Development
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	1,390,906	66,519	-	472,464
Federal sources	218,000	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>218,000</b>	<b>-</b>	<b>1,390,906</b>	<b>66,519</b>	<b>-</b>	<b>472,464</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	254,691	-	1,288,044	42,132	678	18,978
Support services	13,229	1,946	13,868	6,733	-	396,730
Community services	-	-	-	-	-	-
Nonprogrammed charges	5,291	53	24,668	229	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>273,211</b>	<b>1,999</b>	<b>1,326,580</b>	<b>49,094</b>	<b>678</b>	<b>415,708</b>
Excess (deficiency) of receipts over disbursements	(55,211)	(1,999)	64,326	17,425	(678)	56,756
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(108)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(108)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(55,319)	(1,999)	64,326	17,425	(678)	56,756
Cash and investments - beginning	1,992	1,999	21,051	(27,657)	-	847,760
Cash and investments - ending	<u>\$ (53,327)</u>	<u>\$ -</u>	<u>\$ 85,377</u>	<u>\$ (10,232)</u>	<u>\$ (678)</u>	<u>\$ 904,516</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ (53,327)	\$ -	\$ 85,377	\$ (10,232)	\$ (678)	\$ 904,516
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ (53,327)</u>	<u>\$ -</u>	<u>\$ 85,377</u>	<u>\$ (10,232)</u>	<u>\$ (678)</u>	<u>\$ 904,516</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(53,327)	-	85,377	(10,232)	(678)	904,516
<b>Total cash and investment fund balance - ending</b>	<u>\$ (53,327)</u>	<u>\$ -</u>	<u>\$ 85,377</u>	<u>\$ (10,232)</u>	<u>\$ (678)</u>	<u>\$ 904,516</u>

INDIANAPOLIS PUBLIC 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, 2008  
 (Continued)

	21st Century Community Learning	Emergency Katrina Grant	National Challenge Grant Technology	Javits Grant	Title II Improving Teacher Quality	Title II Enhancing Education
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ 47,409	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	690,620	-	-	-	5,607,907	231,674
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>690,620</b>	<b>-</b>	<b>-</b>	<b>47,409</b>	<b>5,607,907</b>	<b>231,674</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	729,544	-	-	43,236	2,243,498	62
Support services	6,648	-	-	1,200	2,048,129	192,307
Community services	-	-	-	-	-	-
Nonprogrammed charges	19,313	-	-	-	204,167	4,473
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>755,505</b>	<b>-</b>	<b>-</b>	<b>44,436</b>	<b>4,495,794</b>	<b>196,842</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(64,885)</b>	<b>-</b>	<b>-</b>	<b>2,973</b>	<b>1,112,113</b>	<b>34,832</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(64,885)</b>	<b>-</b>	<b>-</b>	<b>2,973</b>	<b>1,112,113</b>	<b>34,832</b>
<b>Cash and investments - beginning</b>	<b>189,683</b>	<b>270,000</b>	<b>3,851</b>	<b>(2,973)</b>	<b>(496,311)</b>	<b>3,623</b>
<b>Cash and investments - ending</b>	<b>\$ 124,798</b>	<b>\$ 270,000</b>	<b>\$ 3,851</b>	<b>\$ -</b>	<b>\$ 615,802</b>	<b>\$ 38,455</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 124,798	\$ 270,000	\$ 3,851	\$ -	\$ 615,802	\$ 38,455
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 124,798</b>	<b>\$ 270,000</b>	<b>\$ 3,851</b>	<b>\$ -</b>	<b>\$ 615,802</b>	<b>\$ 38,455</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	124,798	270,000	3,851	-	615,802	38,455
<b>Total cash and investment fund balance - ending</b>	<b>\$ 124,798</b>	<b>\$ 270,000</b>	<b>\$ 3,851</b>	<b>\$ -</b>	<b>\$ 615,802</b>	<b>\$ 38,455</b>

INDIANAPOLIS PUBLIC 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, 2008  
 (Continued)

	Title III Language Instruction	Math and Science Partnership	Teaching American History	Reading First	Schools Taking Action	Project Seam
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	567,633	23,690	232,200	2,946,751	5,000	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<u>567,633</u>	<u>23,690</u>	<u>232,200</u>	<u>2,946,751</u>	<u>5,000</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	698,477	285	6,406	597,039	-	-
Support services	53,926	-	239,145	2,025,772	746	-
Community services	10,420	-	-	57,823	-	-
Nonprogrammed charges	35,553	255	11,759	77,885	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<u>798,376</u>	<u>540</u>	<u>257,310</u>	<u>2,758,519</u>	<u>746</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(230,743)</u>	<u>23,150</u>	<u>(25,110)</u>	<u>188,232</u>	<u>4,254</u>	<u>-</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<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>(230,743)</u>	<u>23,150</u>	<u>(25,110)</u>	<u>188,232</u>	<u>4,254</u>	<u>-</u>
Cash and investments - beginning	<u>414,444</u>	<u>-</u>	<u>10,297</u>	<u>396,938</u>	<u>-</u>	<u>16,778</u>
Cash and investments - ending	<u>\$ 183,701</u>	<u>\$ 23,150</u>	<u>\$ (14,813)</u>	<u>\$ 585,170</u>	<u>\$ 4,254</u>	<u>\$ 16,778</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 183,701	\$ 23,150	\$ (14,813)	\$ 585,170	\$ 4,254	\$ 16,778
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 183,701</u>	<u>\$ 23,150</u>	<u>\$ (14,813)</u>	<u>\$ 585,170</u>	<u>\$ 4,254</u>	<u>\$ 16,778</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>183,701</u>	<u>23,150</u>	<u>(14,813)</u>	<u>585,170</u>	<u>4,254</u>	<u>16,778</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 183,701</u>	<u>\$ 23,150</u>	<u>\$ (14,813)</u>	<u>\$ 585,170</u>	<u>\$ 4,254</u>	<u>\$ 16,778</u>

INDIANAPOLIS PUBLIC 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, 2008  
 (Continued)

	Lilly Endowment	Retirement Bond Debt Service	Construction	Construction	Construction 2003 Series	Construction 2004 Series
<b>Receipts:</b>						
Local sources	\$ -	\$ 3,672,249	\$ -	\$ -	\$ -	\$ 132,086
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Bonds and loans	-	1,930,738	-	155,241	162,260	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>5,602,987</b>	<b>-</b>	<b>155,241</b>	<b>162,260</b>	<b>132,086</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	65,885	-	-	-	-	-
Support services	234,755	-	45,855	-	89,522	(855,192)
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	5,161,985	-	-	-	-
<b>Total disbursements</b>	<b>300,640</b>	<b>5,161,985</b>	<b>45,855</b>	<b>-</b>	<b>89,522</b>	<b>(855,192)</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(300,640)</b>	<b>441,002</b>	<b>(45,855)</b>	<b>155,241</b>	<b>72,738</b>	<b>987,278</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(300,640)</b>	<b>441,002</b>	<b>(45,855)</b>	<b>155,241</b>	<b>72,738</b>	<b>987,278</b>
<b>Cash and investments - beginning</b>	<b>2,378,116</b>	<b>-</b>	<b>1,434,082</b>	<b>703,177</b>	<b>2,927,482</b>	<b>1,467,975</b>
<b>Cash and investments - ending</b>	<b>\$ 2,077,476</b>	<b>\$ 441,002</b>	<b>\$ 1,388,227</b>	<b>\$ 858,418</b>	<b>\$ 3,000,220</b>	<b>\$ 2,455,253</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 2,077,476	\$ -	\$ 1,388,227	\$ 858,418	\$ 3,000,220	\$ 2,455,253
Restricted assets:						
Cash and investments	-	441,002	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 2,077,476</b>	<b>\$ 441,002</b>	<b>\$ 1,388,227</b>	<b>\$ 858,418</b>	<b>\$ 3,000,220</b>	<b>\$ 2,455,253</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ 441,002	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,077,476	-	1,388,227	858,418	3,000,220	2,455,253
<b>Total cash and investment fund balance - ending</b>	<b>\$ 2,077,476</b>	<b>\$ 441,002</b>	<b>\$ 1,388,227</b>	<b>\$ 858,418</b>	<b>\$ 3,000,220</b>	<b>\$ 2,455,253</b>

INDIANAPOLIS PUBLIC 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, 2008  
 (Continued)

	Construction 2006 Series	Lowes Foundation	Build Indiana	Devington Development BIF	School Technology Loan	Totals
<b>Receipts:</b>						
Local sources	\$ 385,968	\$ -	\$ -	\$ -	\$ -	\$ 7,291,973
State sources	-	-	-	-	758,000	14,257,994
Federal sources	-	-	-	-	-	57,534,955
Bonds and loans	-	-	-	-	-	2,248,239
Sale of property, adjustments and refunds	-	-	-	-	-	2,317
<b>Total receipts</b>	<b>385,968</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>758,000</b>	<b>81,335,478</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	37,885	-	-	11	36,347,338
Support services	9,723,001	307	-	-	728,874	39,198,673
Community services	-	-	-	-	-	1,976,163
Nonprogrammed charges	-	58	-	-	-	855,850
Debt services	-	-	-	-	-	5,161,985
<b>Total disbursements</b>	<b>9,723,001</b>	<b>38,250</b>	<b>-</b>	<b>-</b>	<b>728,885</b>	<b>83,540,009</b>
Excess (deficiency) of receipts over disbursements	(9,337,033)	(38,250)	-	-	29,115	(2,204,531)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	6,382,916
Transfers out	-	-	-	-	-	(1,304,059)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,078,857</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,337,033)	(38,250)	-	-	29,115	2,874,326
Cash and investments - beginning	17,930,740	87,737	1,932	1,476	(757,993)	41,943,737
Cash and investments - ending	\$ 8,593,707	\$ 49,487	\$ 1,932	\$ 1,476	\$ (728,878)	\$ 44,818,063
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 8,593,707	\$ 49,487	\$ 1,932	\$ 1,476	\$ (728,878)	\$ 44,377,061
Restricted assets:						
Cash and investments	-	-	-	-	-	441,002
<b>Total cash and investment assets - ending</b>	<b>\$ 8,593,707</b>	<b>\$ 49,487</b>	<b>\$ 1,932</b>	<b>\$ 1,476</b>	<b>\$ (728,878)</b>	<b>\$ 44,818,063</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 441,002
Unrestricted	8,593,707	49,487	1,932	1,476	(728,878)	44,377,061
<b>Total cash and investment fund balance - ending</b>	<b>\$ 8,593,707</b>	<b>\$ 49,487</b>	<b>\$ 1,932</b>	<b>\$ 1,476</b>	<b>\$ (728,878)</b>	<b>\$ 44,818,063</b>

INDIANAPOLIS PUBLIC SCHOOLS  
 COMBINING SCHEDULE OF CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2008

	<u>Social Security</u>	<u>Teacher's Retirement</u>	<u>Group Insurance</u>	<u>Miscellaneous Payroll Deductions</u>	<u>Escrow</u>	<u>Early Retirement Incentive</u>	<u>Retiree Insurance</u>
Cash and investments fund balance - ending	<u>\$ 2,429</u>	<u>\$ 3,635,325</u>	<u>\$ 206,428</u>	<u>\$ 1,394,171</u>	<u>\$ 279,305</u>	<u>\$ (542,137)</u>	<u>\$ 70,305</u>

INDIANAPOLIS PUBLIC SCHOOLS  
 COMBINING SCHEDULE OF CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2008  
 (Continued)

	Cobra Insurance	FMD Clearing	Clearing	Main Warehouse Clearing	Craft Warehouse Clearing	Transportation Warehouse Clearing	Totals
Cash and investments fund balance - ending	<u>\$ (14,541)</u>	<u>\$ 46,254</u>	<u>\$ 2,246,964</u>	<u>\$ 1,526,236</u>	<u>\$ 387,535</u>	<u>\$ 802,145</u>	<u>\$ 10,040,419</u>

INDIANAPOLIS PUBLIC SCHOOLS  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

For The Fiscal Year Ended June 30, 2008

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 2,086,002
Buildings	476,403,661
Improvements other than buildings	780,143
Machinery and equipment	43,630,605
Construction In Progress	<u>106,010,609</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 628,911,020</u>

INDIANAPOLIS PUBLIC SCHOOLS  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF DEBT  
 For The Fiscal Year Ending June 30, 2008

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:		
2006 Lease Rental Bond	\$ 33,065,000	\$ -
2004 Lease Rental (Unrefunded portion)	49,125,000	-
2006 Lease Rental Bond	119,495,000	-
2006B Lease Rental Bond	78,845,000	-
2007 Lease Rental (2003 & 2004 Refunding)	195,920,000	-
Notes and loans payable		
Tax Anticipation Loan	56,109,644	56,989,029
Common School Loans	8,005,485	2,685,985
Bonds payable:		
General obligation bonds:		
Severance Bond	<u>29,570,000</u>	<u>3,165,106</u>
<b>Total governmental activities debt</b>	<b><u>\$ 570,135,129</u></b>	<b><u>\$ 62,840,121</u></b>

INDIANAPOLIS PUBLIC SCHOOLS  
AUDIT RESULTS AND COMMENTS

CELL PHONE POLICY

As similarly stated in prior Report B31770, the School Corporation does not have a formal policy concerning the use of cell phones provided by the School Corporation to administrators and other employees. The School Corporation during the audit period, revised the method of cell phone usage in two departments. One department began using phones that would only allow incoming calls – no outgoing calls. The other department began maintaining a log of cell phone usage. Administrators continued to use School Corporation provided cell phones without the use of a formal policy and without maintaining a log of calls indicating the business and personal use of the phones.

Assets of the governmental unit may not be used in a manner unrelated to the functions and purposes of the governmental unit.

Whenever an item or other asset owned by the political subdivision is entrusted to an officer or employee, to be used at times outside the normal work time for business purposes, such as a cellular phone, or vehicle, a log should be maintained which clearly shows the business use. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 13)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines for Indiana Public School Corporations, Chapter 9)

OVERDRAWN CASH BALANCES

The cash balances of the School Technology Loan Fund and Special Education Fund 2007-08 were overdrawn at June 30, 2008.

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

GRANT FUNDS

Numerous grant funds were collected, retained, and accounted for in the Extra-Curricular Accounts at 72 different schools, ranging in amounts totaling from \$29 to \$168,019. The total funds collected at all schools amounted to \$972,764 during the school year. A similar comment appeared in several prior reports, most recently Report B31770.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

IC 20-26-4-1 concerning duties of the School Corporation Treasurer, provides 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

INDIANAPOLIS PUBLIC SCHOOLS  
AUDIT RESULTS AND COMMENTS  
(Continued)

should provide written guidance concerning whether fees are appropriate in regards to Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

FACILITY USAGE FEES

Fees collected for the public's use of School Corporation facilities and equipment have been collected, retained, and accounted for in the Extra-Curricular Accounts at 32 different schools, ranging in amounts totaling from \$50 to \$65,342. The total fees collected at all schools amounted to \$239,146 during the school year. The schools used the fees collected to purchase items such as lunches and/or food for staff meetings, shirts for staff members, staff appreciation gifts, student awards and incentives, and items used for maintenance and upkeep on their particular facility. A similar comment appeared in several prior reports, most recently Report B31770.

IC 20-26-4-1 concerning duties of the School Corporation Treasurer, provides 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 Indiana Public School Corporations, Chapter 8)

OVERPAYMENT COLLECTIONS

An employee's payroll was incorrectly calculated and resulted in the employee being overpaid a total of \$505.13. The School Corporation decided when the error was detected to deduct a small amount from the employee's paycheck until the total overpayment had been collected. However, the employee terminated their employment in July 2008 still owing the School Corporation \$420.78. School Corporation officials contacted the former employee and requested the balance be refunded. However, the former employee has declined. The account was turned over to a collection agency on February 1, 2009, and as of April 2009, no refunds or collections have been received by the School Corporation.

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

INDIANAPOLIS PUBLIC SCHOOLS  
EXTRA-CURRICULAR ACCOUNTS  
AUDIT RESULTS AND COMMENTS

**ARLINGTON HIGH SCHOOL 722**

PETTY CASH FUND ACTIVITY

A Petty Cash Fund exists in the Extra-Curricular Account (ECA) to make small purchases. The Petty Cash Fund was established using extra-curricular funds. A similar comment has appeared in several prior reports.

IC 20-40-13-4 states in part: "If a fund is established, the governing body shall make an appropriation for such fund in an amount not to exceed five hundred dollars (\$500.00)."

**ARSENAL TECHNICAL HIGH SCHOOL 716**

PETTY CASH FUND ACTIVITY

A Petty Cash Fund exists in the Extra-Curricular Account (ECA) to make small purchases. The Petty Cash Fund was established using extra-curricular funds. A similar comment has appeared in several prior reports.

IC 20-40-13-4 states in part: "If a fund is established, the governing body shall make an appropriation for such fund in an amount not to exceed five hundred dollars (\$500.00)."

APPROVAL OF EXPENDITURES

Claims For Payment (Form SA-7) were observed for 9 expenditures that were not approved by the Principal and 4 expenditures that were not certified by the Extra-Curricular Treasurer.

Expenditures by the treasurer of the extra-curricular account are limited to those approved by the principal of the school and they should be in accordance with the general administration policies of the school corporation since the law provides that all expenditures shall be subject to review by the local school board. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

Signatures are required by the person authorized to purchase and the person acknowledging the receipt of the good or services. Additionally, the extra-curricular treasurer is to sign the required certification on the form SA-7. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

**BROAD RIPPLE HIGH SCHOOL 717**

PETTY CASH FUND ACTIVITY

A Petty Cash Fund exists in the Extra-Curricular Account (ECA) to make small purchases. The Petty Cash Fund was established using extra-curricular funds. A similar comment has appeared in several prior reports.

INDIANAPOLIS PUBLIC SCHOOLS  
EXTRA-CURRICULAR ACCOUNTS  
AUDIT RESULTS AND COMMENTS  
(Continued)

IC 20-40-13-4 states in part: "If a fund is established, the governing body shall make an appropriation for such fund in an amount not to exceed five hundred dollars (\$500.00)."

**EMMERICH MANUAL HIGH SCHOOL 715**

CASH CHANGE FUND

The cash change fund for the Athletic Department was not returned to the ECA Treasurer nor receipted back to the ledger at the end of the year. A similar comment appeared in prior Report B31770.

A Cash Change Fund may be established in any school corporation with the approval of the governing body (board of school trustees), where any officer or employee of the corporation is charged with the duty of collecting fees or other cash revenues. When authorized by the governing body, such Cash Change Fund shall be established by a check drawn on the General Fund (or other appropriate fund) of the school corporation in an amount to be determined by the governing body. The check is drawn in favor of the officer or employee who has been designated as custodian of the Cash Change Fund. The custodian shall convert same to cash and be held responsible for the safekeeping of such cash and the proper accounting thereof in the same manner as required for other funds of the school corporation. The governing board shall have authority to increase or decrease such fund and shall require the entire Cash Change Fund to be returned to the General Fund if and when it is no longer needed for the purpose established or when a change is made in the custodian of the fund [IC 36-1-8-2]. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 6)

**NORTHWEST HIGH SCHOOL 723**

GIFT CARDS

Purchases of gift cards were observed during the audit period. The School Corporation has a policy which prohibits the purchase of gift cards by an extra-curricular account.

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

TEXTBOOK RENTAL FEES

A flat fee of \$160 was charged to each student for textbook rental at the beginning of the school year. Once the School Corporation calculated the textbook rental amounts due, the information was forwarded to the school and posted to the students' summary of account. The flat fee collected created a positive or negative balance in the students' accounts. The School Corporation has the following unwritten policy regarding student accounts: negative balances will be billed to the student for the difference owed, and positive balances will be refunded if requested by the student or applied to the next school year and the student account will be settled upon graduation. If a student paid for textbook rental and was later determined to qualify for free textbook rental, a refund is to be given immediately. However,

INDIANAPOLIS PUBLIC SCHOOLS  
EXTRA-CURRICULAR ACCOUNTS  
AUDIT RESULTS AND COMMENTS  
(Continued)

during the 2007-2008 school year negative balances were not billed to students and positive balances were not refunded. Instead, any balances were carried forward to the next school year. A similar comment appeared in the prior two Reports.

Persons, companies or governmental units that have overpaid amounts to a governmental unit are entitled to a repayment or refund by check or warrant. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

**THOMAS CARR HOWE COMMUNITY HIGH SCHOOL 420**

DEPOSITS

Receipts in numerous instances were deposited later than the next business day.

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

**NEW HORIZONS ALTERNATIVE SCHOOL 498**

RECEIPT ISSUANCE

Receipt Form SA-3 was not always used when monies were remitted to the Extra-Curricular Treasurer. We found the total of receipts posted to the ledger was over \$2,300 more than the total receipts written using Receipt Form SA-3.

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)

**EDGAR H. EVANS ELEMENTARY SCHOOL 11**

CASH DISBURSEMENTS

We noted the use of a debit card beginning in the last month of the audit period. During that month, there were 6 cash withdrawals from automated teller machines (ATM) totaling \$610.00. No supporting documentation was presented for audit related to the nature of these withdrawals. We also observed two checks payable to "cash" totaling \$550.00 written in September and December 2007, respectively. Documentation supporting these two disbursements was presented for audit but only totaled \$110.06. No supporting documentation was presented for audit for the remaining \$439.94 cash withdrawn from the bank account. Additionally, we noted a bank service fee of \$15.00 charged in June 2008 for having the debit card.

INDIANAPOLIS PUBLIC SCHOOLS  
EXTRA-CURRICULAR ACCOUNTS  
AUDIT RESULTS AND COMMENTS  
(Continued)

We also reviewed records subsequent to the audit period and noted the use of the debit card numerous times through February 2009. We noted eight ATM withdrawals totaling \$740.00 with no supporting documentation and \$120.00 in bank service fees for having the debit card.

School Officials requested the ECA Treasurer reimburse the extra-curricular account for the unsupported cash withdrawals and bank fees. A check in the amount of \$1,936.94 was delivered to and receipted into the extra-curricular account on April 28, 2009.

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

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)

#### SUPPORTING DOCUMENTATION

One disbursement in the amount of \$185.93 was observed which did not contain supporting documentation, such as receipts, invoices, and other public records. The Claim for Payment, Form SA-7, for this disbursement was also not presented for audit. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established. Subsequent to the audit period, one other disbursement in the amount of \$14.42 was also observed without supporting documentation or Form SA-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)

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)

#### SALES TAX

Sales tax was paid for some purchases. The total sales tax paid was in excess of \$37.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

INDIANAPOLIS PUBLIC SCHOOLS  
EXTRA-CURRICULAR ACCOUNTS  
AUDIT RESULTS AND COMMENTS  
(Continued)

**W. IRVING ELEMENTARY SCHOOL 14**

GIFT CARDS

There were gift certificates and/or gift cards purchased from the Extra-Curricular Account. The School Corporation has a policy which prohibits the purchase of gift certificates or gift cards by an extra-curricular account.

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

SALES TAX

Sales tax was paid for some purchases. The total sales tax paid was in excess of \$220.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

SUPPORTING DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. Due to the lack of supporting information, the validity and accountability for some money 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)

**WILLIAM PENN ELEMENTARY SCHOOL 49**

GIFT CARDS

There were gift certificates and/or gift cards purchased from the Extra-Curricular Account. The School Corporation has a policy which prohibits the purchase of gift certificates or gift cards by an extra-curricular account.

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

INDIANAPOLIS PUBLIC SCHOOLS  
EXTRA-CURRICULAR ACCOUNTS  
AUDIT RESULTS AND COMMENTS  
(Continued)

**CLARENCE FARRINGTON ELEMENTARY SCHOOL 61**

SALES TAX

Sales tax was paid for some purchases. The total sales tax paid was in excess of \$90.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

**CHRISTIAN PARK ELEMENTARY SCHOOL 82**

DISBURSEMENT DOCUMENTATION

The following deficiencies were noted while testing disbursements during the audit period:

1. Not all Claims for Payment, Form SA-7s, had the approval signature of the school principal.
2. Some disbursements did not contain original supporting documentation, but instead had photocopies of receipts, etc.
3. We noted in one instance a "late fee" charged for an untimely payment.
4. Claim for Payment, Form SA-7, did not always have the claimant name on the form.
5. Not all Claims for Payment, Form SA-7s, had the Extra-Curricular Treasurer's signature.

Expenditures by the treasurer of the extra-curricular account are limited to those approved by the principal of the school and they should be in accordance with the general administration policies of the school corporation since the law provides that all expenditures shall be subject to review by the local school board. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

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)

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.

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.

INDIANAPOLIS PUBLIC SCHOOLS  
EXTRA-CURRICULAR ACCOUNTS  
AUDIT RESULTS AND COMMENTS  
(Continued)

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)

**ROUSSEAU MCCLELLAN ELEMENTARY SCHOOL 91**

DEPOSITS

Some receipts were written for amounts which could not be verified to bank deposits as to their makeup of cash and checks. Some receipt amounts indicated the receipt was in the form of a check, but the duplicate deposit slip indicated the amount deposited was cash.

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

**GEORGE H. FISHER ELEMENTARY SCHOOL 93**

DISBURSEMENT DOCUMENTATION

30% Of the payments reviewed, did not contain adequate supporting documentation, such as receipts and invoices.

Due to the lack of supporting information, the validity and accountability for those disbursements 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)

**T. C. STEELE ELEMENTARY SCHOOL 98**

SALES TAX

We noted four instances of sales tax totaling \$25 being paid.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

INDIANAPOLIS PUBLIC SCHOOLS  
EXTRA-CURRICULAR ACCOUNTS  
AUDIT RESULTS AND COMMENTS  
(Continued)

**FRANCIS BELLAMY ELEMENTARY SCHOOL 102**

RECEIPT ISSUANCE

Receipts were not always issued for monies received.

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)

**FRANCIS SCOTT KEY ELEMENTARY SCHOOL 103**

CASH DISBURSEMENTS

Cash in the amount of \$320 was withdrawn from an employee's personal bank account and 16 support staff members were each given \$20 as a gift. The individual that withdrew the money was then reimbursed from the school's extra-curricular bank account through a check with no supporting documentation indicating the persons who received the monetary gifts.

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

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)

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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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 INDIANAPOLIS PUBLIC SCHOOLS, MARION COUNTY, INDIANA

Compliance

We have audited the compliance of the Indianapolis Public 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 year ended June 30, 2008. 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 year ended June 30, 2008.

Internal Control Over Compliance

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

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)

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 findings identified in our audit is described in the accompanying Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, the Board of School Commissioners, 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, 2009

INDIANAPOLIS PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended June 30, 2008

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
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Pass-Through Indiana Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	FY 2007-08	\$ 4,341,818
National School Lunch Program	10.555	FY 2007-08	11,321,392
Summer Food Service Program for Children	10.559	FY 2007-08	369,046
Fresh Fruit and Vegetable Program	10.582	FY 2007-08	<u>127,251</u>
Total for cluster			<u>16,159,507</u>
Total for federal grantor agency			<u>16,159,507</u>
<u>U.S. DEPARTMENT OF LABOR</u>			
Pass-Through Indianapolis Private Industries Council			
WIA Youth Activities	17.259		
		FY 2006-07	19,090
		FY 2007-08	<u>116,535</u>
Total for federal grantor agency			<u>135,625</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Pass-Through Indiana Department of Education			
Special Education Cluster			
Special Education - Grants to States	84.027		
Part B IDEA		14206-030-PY02	79,392
Targeted Funds		14206-057-DY02	67,723
Part B IDEA		14207-030-PN01	1,792,354
Part B IDEA		14208-030-PN01	<u>8,194,441</u>
Total for program			<u>10,133,910</u>
Special Education - Preschool Grants	84.173		
Preschool		45706-030-PY02	5,356
Preschool		45707-030-PN01	100,417
Preschool		45708-030-PN01	<u>199,072</u>
Total for program			<u>304,845</u>
Total for cluster			<u>10,438,755</u>
Direct Grant			
Impact Aid	84.041	S041B-2007-1607	<u>2,979</u>
Direct Grant			
Magnet Schools Assistance	84.165		
FY 2006-07		U165A040018-02	158,478
FY 2007-08		U165A040018-03	<u>819,334</u>
Total for program			<u>977,812</u>
Direct Grant			
Fund for the Improvement of Education	84.215		
Carol White Physical Education		Q215F070099	<u>382,392</u>
Pass-Through Indiana Department of Education			
Adult Education - State Grant Program	84.002		
ESL Outreach Project		FY2008-8123	27,085
ABE Civics Education		FY2008-8402	34,129
Adult Basic Education		FY2008-8017	<u>674,156</u>
Total for program			<u>735,370</u>

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

INDIANAPOLIS PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended June 30, 2008  
(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
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>			
Pass-Through Indiana Department of Education (continued)			
Title I Grants to Local Educational Agencies	84.010		
Compensatory Education		FY 2007-08	62,129
Compensatory Education		FY 2007-08	3,554,820
Compensatory Education		FY 2007-08	24,829,354
School Improvement		FY 2007-08	1,189,698
Delinquent		FY 2007-08	<u>124,633</u>
Total for program			<u>29,760,634</u>
Migrant Education - State Grant Program	84.011	FY06-07/RM-1	<u>138,826</u>
Vocational Education - Basic Grants to States	84.048		
High Schools That Work		06-1303-5385	2,000
Perkins		07-4700-5385	<u>1,326,580</u>
Total for program			<u>1,328,580</u>
Safe and Drug-Free Schools and Communities - National Programs	84.184		
Emergency Response Planning		Q184E060178	<u>430,754</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186		
Safe and Drug Free		Q186A060015	<u>465,343</u>
Education for Homeless Children and Youth	84.196		
		FY 2005-06	<u>45,656</u>
Pass-Through Ball State University			
Javits Gifted and Talented Students Education Grant Program	84.206		
		S206A020035	<u>44,436</u>
Pass-Through Indiana Department of Education			
Even Start - State Educational Agencies	84.213		
FY 2006-07		FY 2007-08	<u>144,939</u>
Fund for the Improvement of Education	84.215		
Improved Mental Health of Children		Q215M070056	28,062
Partnerships in Character Education		Q215S060151	273,319
Teaching American History		U215X060243	<u>257,310</u>
Total for program			<u>558,691</u>
Pass-Through Indiana Department of Workforce Development	84.243		
Tech-Prep Education		SPL-BIO-6-74	49,093
Tech-Prep Education		C18-PLTW-7-74	<u>678</u>
Total for program			<u>49,771</u>
Pass-Through Indiana Department of Education	84.287		
Twenty-First Century Community Learning Centers		S287C020014	<u>755,506</u>
Pass-Through Indiana Department of Workforce Development			
State Grants for Innovative Programs	84.298		
Title V		FY 2007-08	<u>250,834</u>
Pass-Through Indiana Department of Education			
Education Technology State Grants	84.318		
Title II Part D		FY 2007-08	<u>196,842</u>
Comprehensive School Reform Demonstration	84.332		
		FY 2007-08	<u>148,914</u>

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

INDIANAPOLIS PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended June 30, 2008  
(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
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>			
Pass-Through Indiana Department of Education (continued)			
English Language Acquisition Grants Title III	84.365	FY 2007-08	<u>798,377</u>
Math and Science Partnership	84.366	08PASSPORT	<u>540</u>
Improving Teacher Quality State Grants	84.367		
Title II Part B		S366B040015	124,333
Title II Part A		FY 2007-08	4,495,794
Reading First		FY 2007-08	2,758,518
Schools Taking Action with Results		S367A060013A	<u>846</u>
Total for program			<u>7,379,491</u>
Total for federal grantor agency			<u>55,171,067</u>
<u>CORPORATION FOR NATIONAL SERVICE</u>			
Pass-Through Indiana Department of Education Learn and Serve America - School and Community Based Programs	94.004	01-5385	<u>2,373</u>
Total for federal grantor agency			<u>2,373</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters) EM 3274	97.036	097-UAPWO-00	<u>33,435</u>
Total for federal grantor agency			<u>33,435</u>
Total federal awards expended			<u>\$ 71,366,382</u>

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

INDIANAPOLIS PUBLIC 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 Indianapolis Public 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 equals to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required.

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the year ending June 30, 2008. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2008
School Breakfast Program	10.553	\$ 172,918
National School Lunch Program	10.555	447,209

INDIANAPOLIS PUBLIC 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
Significant deficiencies 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
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	Child Nutrition Cluster
	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$2,140,991

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

INDIANAPOLIS PUBLIC SCHOOLS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

INDIANAPOLIS PUBLIC SCHOOLS  
EXIT CONFERENCE

The contents of this report were discussed on May 19, 2009, with Dr. Eugene G. White, Superintendent of Schools; Rodney M. Black, Treasurer; Kelly Bentley, School Board member; and Michael Cohen, School Board member. The official response has been made a part of this report and may be found on pages 89 through 97.



Indianapolis Public Schools

*The John Morton-Finney Center for Educational Services  
120 East Walnut Street  
Indianapolis, IN 46204*

**TEL 317-226-4411 • FAX 317-226-4936**

Eugene G. White, Ed.D.  
*Superintendent*

May 19, 2009

Indiana State Board of Accounts  
302 W. Washington Street  
Room E418  
Indianapolis, IN 46204

Dear Sir or Madam:

Please find attached the responses to the State Board of Accounts 2007-2008 audit of Indianapolis Public Schools.

Sincerely,

A handwritten signature in cursive script that reads "Eugene G. White". The signature is written in black ink and is positioned above the typed name and title.

Eugene G. White, Ed.D.  
Superintendent

Cc: Regina May, Staff Auditor  
Rodney Black, Business Manager  
File

Attachment  
Audit Responses

**Indiana State Board of Accounts Audit Comment – Cell Phone Policy:**

As stated in prior Report B31770, the School Corporation does not have a formal policy concerning the use of cell phones provided by the School Corporation to administrators and other employees. During the audit period, the School Corporation revised the method of cell phone usage in two departments. One department began using phones that would only allow incoming calls- no outgoing calls. The other department began maintaining a log of cell phone usage. Administrators continued to use School Corporation provided cell phones without the use of a formal policy and without maintaining a log of calls indicating the business and personal use of the phones.

Assets of the governmental unit may not be used in a manner unrelated to the functions and purposes of the governmental unit.

Whenever an item or other asset owned by the political subdivision is entrusted to an officer or employee, to be used at times outside the normal work time for business purposes, such as a cellular phone, or vehicle, a log should be maintained which clearly shows the business use. (Accounting and Uniform Compliance Guidelines Manual for School Corporations, Chapter 13)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines for Indiana Public School Corporations, Chapter 9)

**IPS Response to State Board of Accounts Comment – Cell Phone Policy:**

IPS will continue the process to create an appropriate and feasible policy concerning cell phone use district-wide.

**Indiana State Board of Accounts Audit Comment –Overdrawn Cash Balances:**

The cash balance of the School Technology Loan Fund and Special Education Fund were overdrawn at June 30, 2008.

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

**IPS Response to State Board of Accounts Comment – Overdrawn Cash Balances:**

The very nature of reimbursable funds within a cash basis operation is that they will incur negative cash balances while reimbursement requests are being processed since there is no accounting method to show the accounts receivable. However, the State Board of Accounts acknowledges that IPS had sufficient cash balances in the Rainy Day Fund to cover the negative cash balances identified in the audit comment.

It is the District's policy to cover reimbursable fund negative cash balances with the Rainy Day Fund cash balance.

**State Board of Accounts Comment –Grant Funds:**

As stated in several prior Reports, numerous grant funds were collected, retained, and accounted for in the Extra-Curricular Accounts at 72 different schools, ranging in amounts from \$29 to \$168,019. The total funds collected at all schools amounted to \$972,764 during the school year.

All financial transactions related to the School Corporation should be accounted for in the School Corporation records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8).

IC 20-26-4-1, concerning duties of the School Corporation Treasurer, states in part: ‘The treasurer shall be the official custodian of all funds of the school corporation and shall be responsible for the proper safeguarding and accounting for all the funds...’. Therefore, all grant monies and properly authorized fees at an individual building should be transferred to the School Corporation Central Office on a timely and regular basis for receipting into the appropriate school corporation fund. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8).

**IPS Response to State Board of Accounts Comment – Grant Funds:**

The grants in question are primarily private foundation dollars and were awarded to the specific schools, many with the understanding that the dollars were not to be accounted for at the corporation level. Under PL340, IPS has decentralized much of the individual school daily operation and allowed the school to seek grants for the specific operation of their buildings. IPS officials require that such grants be accounted for in accordance with accounting procedures described in the Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts. IPS Officials have not become aware, nor have they been informed by any of the grantors, nor the Indiana State Board of Accounts that expenditures were inconsistent with the requirements of the grants.

From the examples identified, it would appear that question raised does not deal with the legitimacy, purpose, or consistency with the grant requirements, but rather the fact that the State Board of Accounts wants the paperwork dealing with the day-to-day activities of the grant maintained at the central office rather than the building. To maintain the day-to-day activity of these grants at the district level is inconsistent with the philosophy of PL-340.

IPS Officials will review and evaluate with the principals and treasurers the procedure currently used for the accountability of grant funds. IPS will also hold staff accountable for any deviation from grant requirements that are not approved by the grantor.

**Indiana State Board of Accounts Audit Comment – Facility Usage Fees:**

As stated in several prior Reports, fees collected for the public's use of the School Corporation facilities and equipment have been collected, retained and accounted for in the extra-curricular accounts at 32 different schools, ranging in amounts totaling from \$50 to \$65,342. The total fees collected at all schools amounted to \$239,146 during the school year. These schools used the fees collected to purchase such items as lunches and /or food for staff meetings, shirts for staff members, staff appreciation gifts, student awards and incentives, and items used for the maintenance and upkeep on their particular facility.

IC 20-26-4-1, concerning duties of the School Corporation Treasurer, states in part: 'The treasurer shall be the official custodian of all funds of the school corporation and shall be responsible for the proper safeguarding and accounting for all the funds....'. Therefore, all grant monies and properly authorized fees at an individual building should be transferred to the School Corporation Central Office on a timely and regular basis for receipting into the appropriate school corporation fund. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8).

**IPS Response to State Board of Accounts Comment – Facility Usage Fees:**

Under PL 340, IPS has decentralized much of the individual school daily operation and allowed the school to control usage fees directly related to the operation of their building. IPS Officials require that such usage fees be accounted for in accordance with accounting procedures described in the Accounting and Uniform Compliance Guidelines Manual for Extracurricular Accounts.

From the examples identified, it would appear that the question raised does not deal with the legitimacy, purpose, or consistency with the accounting of the funds, but rather the fact that the State Board of Accounts wants the paperwork dealing with the day-to-day activities of the usage fees maintained at the central office rather than the building. To maintain the day-to-day activity of these usage fees at a district level is inconsistent with the philosophy of PL-340.

IPS Officials will review and evaluate with principals and treasurers the procedure currently used for the accountability of usage fees. IPS will also hold staff accountable for any deviation from approved accounting procedures.

**Indiana State Board of Accounts Audit Comment – Overpayment Collections:**

An employee's payroll was incorrectly calculated and resulted in the employee being overpaid a total of \$505.13. The School Corporation decided when the error was detected to deduct a small amount from the employee's paycheck until the total overpayment had been collected. However, the employee terminated their employment in July 2008 still owing the School Corporation \$420.78. School Corporation officials contacted the former employee and requested the balance be refunded. However, the former employee has declined. On February 1, 2009, the account was turned over to a collection agency and as of April 2009, no refunds or collections have been received by the School Corporation.

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

**IPS Response to State Board of Accounts Comment – Overpayment Collections:**

As noted in the Indiana State Board of Accounts Audit Comment, IPS has turned this account over to a collection agency, which is making every effort to collect the amount owed.

**Arlington High School**

PETTY CASH FUND ACTIVITY

As stated in the previous audit report responses, IPS General Counsel interprets the provisions of IC-36-1-8-1, and IC-36-1-8-3 to grant authority to a School Board to establish a petty cash fund for any of its offices. Pursuant to the provisions of this code the IPS Board of School Commissioners by Resolution #3102-91 August 1991, granted authority to schools to establish and maintain a petty cash fund.

**Arsenal Technical High School**

PETTY CASH FUND ACTIVITY

As stated in the previous audit report responses, IPS General Counsel interprets the provisions of IC-36-1-8-1, and IC-36-1-8-3 to grant authority to a School Board to establish a petty cash fund for any of its offices. Pursuant to the provisions of this code the IPS Board of School Commissioners by Resolution #3102-91 August 1991, granted authority to schools to establish and maintain a petty cash fund.

APPROVAL OF EXPENDITURES

School officials have reviewed expenditure procedures and will adhere to the guidelines set forth by the Indiana State Board of Accounts. All expenditures will obtain the required approvals.

**Broad Ripple High School**

PETTY CASH FUND ACTIVITY

As stated in the previous audit report responses, IPS General Counsel interprets the provisions of IC-36-1-8-1, and IC-36-1-8-3 to grant authority to a School Board to establish a petty cash fund for any of its offices. Pursuant to the provisions of this code the IPS Board of School Commissioners by Resolution #3102-91 August 1991, granted authority to schools to establish and maintain a petty cash fund.

**Emmerich Manual High School**

CASH CHANGE FUND

School officials understand the process necessary for appropriate use of a cash change fund. Procedures have been reviewed with the fund custodian to ensure the money is deposited prior to the year end.

**Northwest High School**

GIFT CARDS

School officials have stopped the practice of buying gift cards for staff and students.

TEXTBOOK RENTAL FEES

Due to staff changes, this comment carried forward from the prior audit. This practice has been changed for the 2008-2009 school year and current bookstore staff is posting accounts more accurately and timely. Reconciliations are being made allowing for refunds or additional charges to be collected.

**Thomas Carr Howe Community High School**

DEPOSITS

School officials understand that deposits are to be made within one business day. Unusual circumstances with staffing led to a period of time where daily deposits were difficult. Current staffing and practices allow for either the Bookkeeper or the Treasurer to be able to make deposits within the necessary timeframe.

**New Horizon High School**

RECEIPT ISSUANCE

School officials did not issue receipts to companies who made donations but declined their receipt. They are now issuing receipts for all money received.

**Edgar H. Evans Elementary School #11**

CASH DISBURSMENTS  
SUPPORTING DOCUMENTATION  
SALES TAX

Obtaining and using a debit/ATM card is against IPS Policy. The ECA Treasurer in question has reimbursed the extra-curricular account for this use and has been removed as treasurer. The necessary supervision over the treasurer/bookkeeper has been discussed with the building principal. It is this situation that has led to all three of the above comments.

**Washington Irving Elementary School #14**

GIFT CARDS

School officials will no longer purchase gift cards or gift certificates through the extracurricular account.

SALES TAX

School officials will review procedures for making purchases with all building staff. Anyone making a purchase for the school will be provided with the sales tax exemption form to use.

SUPPORTING DOCUMENTATION

School officials understand this comment and will work on being more complete with adequate documentation in the future.

**William Penn Elementary School #49**

GIFT CARDS

School officials will no longer purchase gift cards or gift certificates through the extracurricular account.

**Clarence L. Farrington Elementary School #61**

SALES TAX

Sales tax was inadvertently calculated on the Scholastic Book Fair bill. School officials will be more careful when paying any invoice or reimbursement to be sure that any tax is not included in the final payment.

**Christian Park Elementary School #82**

DISBURSEMENT DOCUMENTATION

School officials are aware of the required documentation for making disbursements. The current Treasurer will be sure to obtain all necessary documentation before purchases are made.

**Rousseau McClellan Elementary School #91**

DEPOSITS

School officials are aware of the requirements to notate cash/check amounts received. Extra care will be taken to ensure the completeness and accuracy of these notations throughout the entire school year.

**George H. Fisher Elementary School #93**

DISBURSMENT DOCUMENTATION

School officials are aware of the required documentation for making disbursements. The procedures have been reviewed with current building administration to ensure compliance.

**T.C. Steele Elementary School #98**

SALES TAX

School officials will watch receipts more carefully to ensure that any tax paid is deducted prior to a reimbursement.

**Francis Bellamy Elementary School #102**

RECEIPT ISSUANCE

School officials have reviewed internal procedures to ensure receipts are written for all money when it is received.

**Francis Scott Key Elementary School #103**

CASH DISBURSEMENTS

School officials have reviewed proper disbursement procedures. All disbursements will be properly documented with itemized receipts or invoices.