

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

INDIANAPOLIS PUBLIC SCHOOLS

MARION COUNTY, INDIANA

July 1, 2010 to June 30, 2012



FILED

03/19/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Debra Himeline	07-01-10 to 06-30-13
Superintendent of Schools	Dr. Eugene G. White	07-01-10 to 06-30-13
President of the School Board	Elizabeth Gore Mary E. Bush Michael D. Brown W. Diane Arnold	07-01-10 to 06-30-11 07-01-11 to 06-30-12 07-30-12 to 12-31-12 01-01-13 to 12-31-13



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statement of the Indianapolis Public Schools (School Corporation), for the period of July 1, 2010 to June 30, 2012. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis of accounting noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated February 20, 2013, 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

INDEPENDENT AUDITOR'S REPORT
(Continued)

and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

The School Corporation's response to the Audit Results and Comments 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.

STATE BOARD OF ACCOUNTS

February 20, 2013



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

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

We have audited the financial statement of the Indianapolis Public Schools (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated February 20, 2013. 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

Management of the School Corporation is responsible for establishing and maintaining effective 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 opinion on the financial statement, 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

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

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

Compliance and Other Matters

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

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, School Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 20, 2013

FINANCIAL STATEMENT

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

INDIANAPOLIS PUBLIC SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2011 and 2012

	Cash and Investments 07-01-10		Other Financing Sources (Uses)		Cash and Investments 06-30-11		Other Financing Sources (Uses)		Cash and Investments 06-30-12	
	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements
General	\$ 59,509,678	\$ 282,798,912	\$ 286,961,278	\$ 2,106,341	\$ 57,453,653	\$ 271,509,801	\$ 279,619,781	\$ 897,951	\$ 50,241,624	
Debt Service	18,227,156	37,437,247	37,018,695	(817,120)	17,828,588	31,540,267	36,888,214	-	12,480,641	
Retirement/Severance Bond Debt Service	1,266,732	3,147,010	3,202,219	-	1,211,523	2,986,725	3,167,396	-	1,030,852	
Referendum Debt Exempt Capital	5,202,101	9,520,151	5,137,499	-	9,584,753	8,780,171	10,874,000	-	7,490,924	
Capital Projects	54,967,398	34,157,352	37,799,622	(1,482,336)	49,842,792	31,910,460	37,487,759	(1,138,499)	43,126,994	
School Transportation	13,341,895	24,598,320	27,428,988	583,058	11,094,285	24,526,772	30,307,009	2,570,183	7,884,231	
School Bus Replacement	9,397,323	13,344,431	13,636,436	-	9,105,318	9,064,181	10,880,107	-	7,289,392	
Rainy Day	21,350,000	-	-	-	21,350,000	-	-	-	21,350,000	
Retirement/Severance Bond	32,965,981	-	15,671,334	-	17,294,647	50	4,301,448	-	12,993,249	
Construction	356,490	61	2,163	1,070	355,458	-	324,636	382	31,204	
Construction GOB	900,677	-	-	3,015	903,692	-	858,670	553	45,575	
Construction 2003 Series	514,822	-	51,193	3,493	467,122	-	266,036	868	201,954	
Construction 2004 Series	869,935	176	437,994	3,052	435,169	-	379,406	389	56,152	
Construction 2006 Series	1,101,736	259	298,503	1,931	805,423	-	491,650	1,706	315,479	
Construction 2006B Series	3,340,654	591	1,600,559	4,808	1,745,494	-	426,600	4,916	1,323,810	
Construction 2009 Series A	13,315,074	6,555	4,890,511	25,895	8,457,013	-	7,272,278	13,258	1,197,993	
Construction 2009 Series B	599,579	-	84,917	1,189	515,851	-	125,646	1,327	391,532	
Construction 2010 Series A	38,566,030	6,617	1,085,208	75,472	37,562,911	-	16,536,999	106,269	21,132,181	
Construction 2010 Series B	14,537,403	2,494	533,671	28,397	14,034,623	-	8,840,479	36,493	5,230,637	
School Lunch	28,157,424	17,108,088	18,255,889	15,981	27,025,604	17,663,130	17,523,048	96,692	27,262,378	
Textbook Rental	(1,462,937)	6,093,394	5,561,029	841,437	(89,135)	6,400,644	10,455,488	6,339	(4,137,640)	
Self-Insurance	6,120,530	1,038,220	2,490,160	-	4,668,590	1,296,488	2,113,180	-	3,851,898	
Levy Excess	-	578,456	-	-	578,456	-	-	(578,456)	-	
Alternative Education	8,097,451	3,098,538	3,177,689	(252)	8,018,048	3,172,693	3,638,973	(838)	7,550,930	
SAFE School Haven	204	42,999	43,199	-	4	31,968	49,703	-	(17,731)	
Early Intervention Grant	31,108	54,500	58,631	-	26,977	-	494	-	26,483	
Trust Funds (Limited)	2,476,057	40,824	34,123	-	2,482,758	15,128	20,298	-	2,477,588	
Trust Funds (Endowed)	342,846	118,327	112,907	-	348,266	100,221	122,750	-	325,737	
Sallie Mae Foundation	(45,496)	-	7,821	-	(53,317)	-	3,202	-	(56,519)	
Local Curriculum and Instruction Support	12,302	-	-	-	12,302	-	-	-	12,302	
IPS Foundation	106,571	38,600	72,560	-	72,611	6,713	81,634	-	(2,310)	
Lilly Endowment	523,358	-	228,249	-	295,109	510	39,747	-	255,872	
M.A. Rooney Foundation	-	280,000	222,644	-	57,356	140,000	223,522	-	(26,166)	
University of Indianapolis	289,244	-	152,551	-	136,693	-	80,208	-	56,485	
New Teacher Project, Inc	153	-	-	-	153	94,600	94,952	-	(199)	
Ball State University	18,972	-	644	-	18,328	-	-	-	18,328	
Indiana State University	1,969	-	-	-	1,969	-	-	-	1,969	
Indiana University	21,140	-	7,419	-	13,721	33,400	16,473	-	30,648	
Purdue University	(66,670)	119,547	51,948	-	929	-	-	-	929	
Parents as Successful Students	507	-	-	-	507	-	-	-	507	
ABE Innovative Development	2,745	-	797	-	1,948	-	-	-	1,948	
Bilingual Chess Club	200	-	-	-	200	-	-	-	200	

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

INDIANAPOLIS PUBLIC SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2011 and 2012
(Continued)

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
Extra Curricular Funds	-	-	-	-	-	49,186	20,305	-	28,881
Fitness/Wellness Coordinator	13,737	77,500	10,456	-	80,781	-	52,943	-	27,838
Play It Smart Foundation	(12,322)	-	(15,001)	-	2,679	-	-	-	2,679
Second Opinion Television	240	-	240	-	-	-	-	-	-
Central Indiana Community Foundation	137,382	4,405	106,986	-	34,801	99,669	103,685	-	30,785
Arts Council of Indianapolis	5,812	1,250	5,001	-	2,061	2,100	-	-	4,161
Dance Kaleidoscope	2,083	-	-	-	2,083	1,000	-	-	3,083
Safe Passage Grant	1,197	-	-	-	1,197	-	-	-	1,197
Christel Dehann Family Foundation	1,169	-	816	-	353	-	-	-	353
United Way Foundation	(163,005)	336,542	209,126	-	(35,589)	48,581	300,648	-	(287,656)
Lumina Foundation	32,413	18,837	19,895	-	31,355	7,289	17,134	-	21,510
David Nolan Award	2,408	-	2,408	-	-	-	-	-	-
Riley Foundation	15,066	-	-	-	15,066	-	-	-	15,066
School Insurance	3,000	-	-	-	3,000	-	-	-	3,000
Closed School Maintenance	602,044	-	-	-	602,044	-	-	-	602,044
Contractors Escrow	637,104	-	-	-	637,104	-	-	-	637,104
Lowe's Foundation	39,164	-	22,734	-	16,430	5,000	5,925	-	15,505
Allstate Foundation	10,000	-	-	-	10,000	-	-	-	10,000
ExtraCurricular	101,534	128,784	58,353	(6,438)	165,527	161,539	113,150	-	213,916
IEA President's	(7,294)	65,330	69,333	-	(11,297)	84,473	73,813	-	(637)
MIS Recycle	110	471	-	-	581	-	-	-	581
Minority Awareness Summit	208	-	-	-	208	-	-	-	208
Academic Summer School Program	195,648	-	-	-	195,648	-	-	-	195,648
CPR Classes	4,405	954	386	-	4,973	4,285	2,532	-	6,726
Intel ISEF Middle School After	8,757	-	1,267	-	7,490	-	-	-	7,490
CIESC	16,778	74,755	53,322	-	38,211	42,864	64,296	-	16,779
Distance Learning	54,143	11,585	(577)	-	66,305	29,650	3,101	-	92,854
Gifted and Talented	72,682	170,202	174,541	3,964	72,307	177,017	206,733	-	42,591
High School Graduation Coaches	(86,118)	185,229	212,666	-	(113,555)	-	-	-	(113,555)
Teacher Quality Improvement Program	2,000	-	-	-	2,000	-	-	-	2,000
Technology Advancement	(1,280,089)	1,680,999	1,155,914	-	(755,004)	778,000	22,996	-	-
Step Ahead	4,295	-	-	-	4,295	-	-	-	4,295
Drug Free Communities	221	30,000	-	-	30,221	20,000	41,970	-	8,251
Medicaid Reimbursement	-	35,664	-	-	35,664	(35,664)	-	-	-
Welfare Activities	58,510	152,913	147,922	-	63,501	45,760	198,228	-	(88,967)
School Logo Uniforms	-	-	-	-	-	146	-	-	146
Non-English Speaking Programs P.L. 273-1999	216,341	448,722	544,613	-	120,450	381,421	303,568	-	198,303
School Technology	8,720,695	1,847,396	4,546,432	-	6,021,659	3,236,495	777,251	-	8,480,903
Technology Plan Buddy	1,050	-	-	-	1,050	-	-	-	1,050
Indiana School Academic Improvement Program (ISAIP)	25,669	-	-	-	25,669	-	-	-	25,669
Build Indiana	3,408	-	-	-	3,408	-	-	-	3,408

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

INDIANAPOLIS PUBLIC SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2011 and 2012
(Continued)

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
CQE Remediation	640,977	217,913	273,706	-	585,184	-	270,989	-	314,195
Energy Grant	17,846	-	2,275	-	15,571	17,290	-	-	32,861
Expanding World Languages	1,292	-	-	-	1,292	-	-	-	1,292
Professional Development	685,433	-	146,405	-	539,028	-	61,919	-	477,109
Science Probe Project	429	-	-	-	429	-	-	-	429
Pathways to Engineering	21,003	-	21,003	-	-	10,000	-	-	10,000
Title I: Non Public Transfers	53,802	199,334	42,568	-	210,568	76,107	74,043	-	212,632
Title I: Compensatory Education (a)	117,470	22,645,580	21,793,883	(223,344)	745,823	5,190,410	4,718,805	(148,695)	1,068,733
Title I: Compensatory Education (b)	6,666,652	764,044	6,722,321	(197,221)	511,154	19,049,980	19,828,044	(1,418,897)	(1,685,807)
Title I: School Improvement	(30,155)	1,183,306	1,134,863	(141,730)	(123,442)	1,987,389	1,734,364	(231,516)	(101,933)
Title I: Delinquent	55,998	191,992	264,307	-	(16,317)	143,063	222,922	-	(96,176)
Title I: SI Turn Around Grant	-	1,898,111	1,875,790	(14,746)	7,575	5,907,539	6,190,190	(102,309)	(377,385)
Title V: Innovative Education	(1,100)	-	-	-	(1,100)	-	-	-	(1,100)
Fund for Improvement of Education	-	-	-	-	-	599,997	599,997	-	-
Title I Migrant, P.L. 100-297	414	-	8,127	-	(7,713)	-	(8,127)	-	414
Stewart Homeless Assistance Act	44,891	50,449	70,103	-	25,237	90,833	113,496	(1,010)	1,564
Serve America	-	16,247	13,966	(2,400)	(119)	13,752	13,633	-	-
Special Education	647,282	9,585,380	9,184,533	(1,404)	1,046,725	8,951,307	9,559,650	-	438,382
Special Education Carryover	(723,995)	-	-	-	(723,995)	-	-	-	(723,995)
Special Education Part B Discretionary	-	37,245	71,633	-	(34,388)	-	-	-	(34,388)
Special Education Assistive Technology	-	-	-	-	-	63,802	63,802	-	-
Special Education Discretionary	5,242	-	5,002	-	240	-	-	-	240
Improving The Mental Health of Children	2,831	-	(976)	-	3,807	-	-	-	3,807
Special Education Preschool (a)	657	161,002	157,843	-	3,816	274,584	293,465	-	(15,065)
Special Education Preschool (b)	58,923	74,417	119,594	-	13,746	-	126	-	13,620
Adult Basic Education	144,658	485,966	617,676	-	12,948	428,286	1,352,248	-	(911,014)
Adult Basic Civics Education	13,685	26,286	38,245	-	1,726	25,603	34,365	-	(7,036)
Adult ESL Outreach	(267)	-	-	-	(267)	-	-	-	(267)
Impact Adult Basic Education	80,877	-	3,099	-	77,778	-	250	-	77,528
IPIIC - Adult Basic Education	733	-	-	-	733	510	-	-	1,243
Title V: Safe and Drug Free Schools	136,956	301,127	438,091	514	506	192,776	179,849	(11,283)	2,150
Carol M White Physical Education	165,428	150,000	285,116	-	30,312	572,633	624,199	-	(21,254)
Project Peace	(12,244)	-	-	-	(12,244)	-	-	-	(12,244)
Impact Aid	120,601	8,510	8,664	-	120,447	5,510	23,807	-	102,150
Magnet Funds	15,339	-	686	-	14,653	-	546	-	14,107
Emergency Response Planning	171,952	130,000	333,217	-	(31,265)	91,222	51,673	-	8,284
Partnerships in Character Educations	(6,355)	30,960	22,038	-	2,567	-	-	-	2,567
Carl Perkins Vocations Educations	24,760	1,381,456	1,134,351	-	271,865	1,181,116	1,487,694	-	(34,713)
Workforce Development School to Work	9,899	144,268	105,770	-	48,397	104,977	93,793	-	59,581
Medicaid Reimbursement - Federal	-	157,710	5,549	-	152,161	236,319	197,947	-	190,533
21st Century Community Learning	2,671	-	-	-	2,671	-	-	-	2,671
Emergency Katrina Grant	270,000	-	-	-	270,000	-	-	-	270,000

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

INDIANAPOLIS PUBLIC SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2011 and 2012
(Continued)

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
Challenge Grant for Technology (Dir USDOE)	3,851	-	-	-	3,851	-	-	-	3,851
Improving Teaching Quality, No Child Left, Title II, Part A	575,794	4,354,435	4,485,631	-	444,598	2,514,223	2,964,590	-	(5,769)
ITQ, Enhanced Education Through Technology, Title II, Part D	8,354	-	6	-	8,348	-	-	-	8,348
Title III, Language Instruction	127	539,457	522,764	-	16,820	442,547	467,940	-	(8,573)
Title II Part B Math and Science Partnership	151,103	-	144,422	-	6,681	-	-	-	6,681
Teaching American History	(30,141)	32,651	-	-	2,510	-	-	-	2,510
Reading First, No Child Left Behind	29,200	553,711	555,547	-	27,364	-	-	-	27,364
Schools Taking action with Results	2,656	-	156	-	2,500	-	-	-	2,500
Stimulus Title I - Grants to LEAs	1,669,235	5,172,370	8,242,402	-	(1,400,797)	3,781,685	2,384,588	-	(3,700)
Stimulus Title I - School Improvement	-	-	1,793	-	(1,793)	348,608	269,636	(77,179)	-
Stimulus Special Education - Part B	98,892	5,447,109	5,803,926	-	(257,925)	1,190,942	933,017	-	-
Stimulus Special Education - Part B - Preschool	56,794	114,609	177,622	-	(6,219)	109,066	102,847	-	-
Stimulus Education Technology	(2,871)	268,817	263,681	-	2,265	19,492	21,757	-	-
Stimulus Title I - Part D, Subpart 2	7,127	-	7,879	-	(752)	-	(752)	-	-
Stimulus Qualified School Construction Bond	60,330,246	-	16,319,458	-	44,010,788	-	26,107,312	199,664	18,103,140
Stimulus Qualified Zone Academy Bond	3,965,000	-	10,549	-	3,954,451	-	3,326,237	24,523	652,737
Education Jobs	-	-	-	-	-	2,039,233	2,039,233	-	-
Payroll Withholding Clearing	13,040,788	222,482,598	220,546,344	-	14,977,042	204,049,523	202,658,940	-	16,367,625
Warehouse Clearing	2,918,745	3,462,932	3,546,654	-	2,835,023	3,603,252	3,588,771	-	2,849,504
Totals	\$ 436,628,272	\$ 721,173,199	\$ 779,174,165	\$ 812,626	\$ 379,439,932	\$ 677,726,309	\$ 778,467,869	\$ 252,831	\$ 278,951,203

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

INDIANAPOLIS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

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

C. Cash and Investments

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

D. Receipts

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

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

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

INDIANAPOLIS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

Proceeds of long-term debt which includes money received in relation to the issuance of bonds or other long-term debt issues.

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

INDIANAPOLIS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

INDIANAPOLIS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

INDIANAPOLIS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teacher's Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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

Note 7. Holding Corporation

The School Corporation has entered in 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 fiscal years 2011 and 2012, totaled \$44,902,853 and \$44,399,110, respectively.

Note 8. Termination Benefits

The School Corporation established a Special Early Retirement Program during the 2011-2012 school year. In order to qualify for the program, employees needed a minimum of ten years' experience with the School Corporation and to qualify for full, unreduced retirement benefits under either the Teachers Retirement Fund or the Public Employees' Retirement Fund. The program

INDIANAPOLIS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

offers an additional \$5,000 to \$20,000 in benefits to these employees. These benefits consisted of contributions to a Voluntary Employee Benefit Association (VEBA) account. The program was only offered during the 2011-12 school year. During that year, 210 employees retired under this early retirement program and received these additional benefits.

During the period in which the financial statement is presented, the School Corporation contributed \$3,964,000 to retirees' VEBA accounts. This fund cannot, under any circumstances, revert to the School Corporation; therefore, the financial statement of the School Corporation does not include the value of these assets.

Note 9. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of disbursements exceeded receipts. The deficits balances in most funds occurred because grant funding was on a reimbursement basis. The expenses in each of these funds are tracked on a separate basis to insure the proper billings can occur. By this very nature, these procedures create a negative balance. Additionally, over a period of years the textbook rental fund has not received enough support to fund spending needs, a plan to resolve the deficit has not been completed.

Note 10. Subsequent Events

Beginning with the 2012-2013 school year, full control of day-to-day operations and instruction of four schools within the Indianapolis Public Schools district was given to turnaround operators. Arlington Community School is now operated by EdPower. Emma Donnan Middle School, Howe Community School, and Emmerich Manual High School are now operated by Charter Schools USA. The turnaround operators were selected by the Indiana Department of Education.

The four schools still serve as boundary schools for IPS students but are also free to accept students from outside the school boundary and outside the IPS district. Indianapolis Public Schools is responsible for the continued maintenance of the buildings and is currently responsible for the transportation of all boundary students attending the schools.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

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

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

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INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011

	General	Debt Service	Retirement/ Severance Bond Debt Service	Referendum Debt Exempt Capital	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction
Cash and investments - beginning	\$ 59,509,678	\$ 18,227,156	\$ 1,266,732	\$ 5,202,101	\$ 54,967,398	\$ 13,341,895	\$ 9,397,323	\$ 21,350,000	\$ 32,965,981	\$ 356,490
Receipts:										
Local sources	5,727,338	35,967,981	3,018,337	9,520,151	32,666,330	23,504,599	9,863,685	-	-	61
State sources	276,255,740	1,469,266	128,673	-	1,480,113	1,051,453	501,226	-	-	-
Federal sources	521,107	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	2,944,293	-	-	-
Other	294,727	-	-	-	10,909	42,268	35,227	-	-	-
Total receipts	282,798,912	37,437,247	3,147,010	9,520,151	34,157,352	24,598,320	13,344,431	-	-	61
Disbursements:										
Current:										
Instruction	188,624,184	-	-	-	-	-	-	-	13,470,187	-
Support services	95,015,898	-	-	-	21,217,278	26,131,568	9,199,028	-	2,201,147	-
Noninstructional services	3,317,787	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	150	-	-	-	16,582,344	3,158	-	-	-	2,163
Debt services	3,259	37,018,695	3,202,219	5,137,499	-	1,294,262	4,437,408	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	286,961,278	37,018,695	3,202,219	5,137,499	37,799,622	27,428,988	13,636,436	-	15,671,334	2,163
Excess (deficiency) of receipts over disbursements	(4,162,366)	418,552	(55,209)	4,382,652	(3,642,270)	(2,830,668)	(292,005)	-	(15,671,334)	(2,102)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	657,613	-	-	-	114,469	-	-	-	-	-
Transfers in	1,598,000	-	-	-	1,195	583,058	-	-	-	1,070
Transfers out	(149,272)	(817,120)	-	-	(1,598,000)	-	-	-	-	-
Total other financing sources (uses)	2,106,341	(817,120)	-	-	(1,482,336)	583,058	-	-	-	1,070
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,056,025)	(398,568)	(55,209)	4,382,652	(5,124,606)	(2,247,610)	(292,005)	-	(15,671,334)	(1,032)
Cash and investments - ending	\$ 57,453,653	\$ 17,828,588	\$ 1,211,523	\$ 9,584,753	\$ 49,842,792	\$ 11,094,285	\$ 9,105,318	\$ 21,350,000	\$ 17,294,647	\$ 355,458

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Construction GOB	Construction 2003 Series	Construction 2004 Series	Construction 2006 Series	Construction 2006B Series	Construction 2009 Series A	Construction 2009 Series B	Construction 2010 Series A	Construction 2010 Series B	School Lunch
Cash and investments - beginning	\$ 900,677	\$ 514,822	\$ 869,935	\$ 1,101,736	\$ 3,340,654	\$ 13,315,074	\$ 599,579	\$ 38,566,030	\$ 14,537,403	\$ 28,157,424
Receipts:										
Local sources	-	-	176	259	591	6,555	-	6,617	2,494	643,297
State sources	-	-	-	-	-	-	-	-	-	45,121
Federal sources	-	-	-	-	-	-	-	-	-	16,419,002
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	668
Total receipts	-	-	176	259	591	6,555	-	6,617	2,494	17,108,088
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	-	-	-	-
Support services	-	607	2,289	391	469	-	-	-	-	438,190
Noninstructional services	-	-	-	-	-	-	-	-	-	14,339,434
Facilities acquisition and construction	-	50,586	435,705	298,112	1,600,090	4,890,511	84,917	1,085,208	533,671	422,092
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	3,056,173
Total disbursements	-	51,193	437,994	298,503	1,600,559	4,890,511	84,917	1,085,208	533,671	18,255,889
Excess (deficiency) of receipts over disbursements	-	(51,193)	(437,818)	(298,244)	(1,599,968)	(4,883,956)	(84,917)	(1,078,591)	(531,177)	(1,147,801)
Other financing sources (uses):										
Proceeds of long-term debt	155	91	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	15,981
Transfers in	2,860	3,402	3,052	1,931	4,808	25,895	1,189	75,472	28,397	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	3,015	3,493	3,052	1,931	4,808	25,895	1,189	75,472	28,397	15,981
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,015	(47,700)	(434,766)	(296,313)	(1,595,160)	(4,858,061)	(83,728)	(1,003,119)	(502,780)	(1,131,820)
Cash and investments - ending	\$ 903,692	\$ 467,122	\$ 435,169	\$ 805,423	\$ 1,745,494	\$ 8,457,013	\$ 515,851	\$ 37,562,911	\$ 14,034,623	\$ 27,025,604

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Textbook Rental	Self-Insurance	Levy Excess	Alternative Education	SAFE School Haven	Early Intervention Grant	Trust Funds (Limited)	Trust Funds (Endowed)	Sallie Mae Foundation	Local Curriculum and Instruction Support
Cash and investments - beginning	\$ (1,462,937)	\$ 6,120,530	\$ -	\$ 8,097,451	\$ 204	\$ 31,108	\$ 2,476,057	\$ 342,846	\$ (45,496)	\$ 12,302
Receipts:										
Local sources	3,403,029	1,038,220	578,456	-	-	-	40,824	118,327	-	-
State sources	2,690,365	-	-	3,098,538	42,999	54,500	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	6,093,394	1,038,220	578,456	3,098,538	42,999	54,500	40,824	118,327	-	-
Disbursements:										
Current:										
Instruction	-	-	-	2,715,900	43,199	58,224	-	-	-	-
Support services	3,519,521	(833,315)	-	332,630	-	407	-	-	7,821	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	2,041,508	3,323,475	-	129,159	-	-	34,123	112,907	-	-
Total disbursements	5,561,029	2,490,160	-	3,177,689	43,199	58,631	34,123	112,907	7,821	-
Excess (deficiency) of receipts over disbursements	532,365	(1,451,940)	578,456	(79,151)	(200)	(4,131)	6,701	5,420	(7,821)	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	24,317	-	-	-	-	-	-	-	-	-
Transfers in	817,120	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(252)	-	-	-	-	-	-
Total other financing sources (uses)	841,437	-	-	(252)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,373,802	(1,451,940)	578,456	(79,403)	(200)	(4,131)	6,701	5,420	(7,821)	-
Cash and investments - ending	\$ (89,135)	\$ 4,668,590	\$ 578,456	\$ 8,018,048	\$ 4	\$ 26,977	\$ 2,482,758	\$ 348,266	\$ (53,317)	\$ 12,302

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	IPS Foundation	Lilly Endowment	M.A. Rooney Foundation	University of Indianapolis	New Teacher Project, Inc	Ball State University	Indiana State University	Indiana University	Purdue University	Parents as Successful Students
Cash and investments - beginning	\$ 106,571	\$ 523,358	\$ -	\$ 289,244	\$ 153	\$ 18,972	\$ 1,969	\$ 21,140	\$ (66,670)	\$ 507
Receipts:										
Local sources	38,600	-	280,000	-	-	-	-	-	119,547	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	38,600	-	280,000	-	-	-	-	-	119,547	-
Disbursements:										
Current:										
Instruction	38,430	129,240	222,644	-	-	644	-	3,705	28,793	-
Support services	34,130	99,009	-	152,551	-	-	-	3,714	23,155	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	72,560	228,249	222,644	152,551	-	644	-	7,419	51,948	-
Excess (deficiency) of receipts over disbursements	(33,960)	(228,249)	57,356	(152,551)	-	(644)	-	(7,419)	67,599	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(33,960)	(228,249)	57,356	(152,551)	-	(644)	-	(7,419)	67,599	-
Cash and investments - ending	\$ 72,611	\$ 295,109	\$ 57,356	\$ 136,693	\$ 153	\$ 18,328	\$ 1,969	\$ 13,721	\$ 929	\$ 507

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	ABE Innovative Development	Bilingual Chess Club	Fitness/Wellness Coordinator	Play It Smart Foundation	Second Opinion Television	Central Indiana Community Foundation	Arts Council of Indianapolis	Dance Kaleidoscope	Safe Passage Grant	Christel Dehann Family Foundation
Cash and investments - beginning	\$ 2,745	\$ 200	\$ 13,737	\$ (12,322)	\$ 240	\$ 137,382	\$ 5,812	\$ 2,083	\$ 1,197	\$ 1,169
Receipts:										
Local sources	-	-	77,500	-	-	4,405	1,250	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	77,500	-	-	4,405	1,250	-	-	-
Disbursements:										
Current:										
Instruction	797	-	-	-	-	64,366	-	-	-	816
Support services	-	-	10,456	-	240	42,620	4,874	-	-	-
Noninstructional services	-	-	-	(15,001)	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	127	-	-	-
Total disbursements	797	-	10,456	(15,001)	240	106,986	5,001	-	-	816
Excess (deficiency) of receipts over disbursements	(797)	-	67,044	15,001	(240)	(102,581)	(3,751)	-	-	(816)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(797)	-	67,044	15,001	(240)	(102,581)	(3,751)	-	-	(816)
Cash and investments - ending	\$ 1,948	\$ 200	\$ 80,781	\$ 2,679	\$ -	\$ 34,801	\$ 2,061	\$ 2,083	\$ 1,197	\$ 353

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	United Way Foundation	Lumina Foundation	David Noland Award	Riley Foundation	School Insurance	Closed School Maintenance	Contractor Escrow	Lowe's Foundation	Allstate Foundation	ExtraCurricular
Cash and investments - beginning	\$ (163,005)	\$ 32,413	\$ 2,408	\$ 15,066	\$ 3,000	\$ 602,044	\$ 637,104	\$ 39,164	\$ 10,000	\$ 101,534
Receipts:										
Local sources	336,542	18,837	-	-	-	-	-	-	-	128,784
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	336,542	18,837	-	-	-	-	-	-	-	128,784
Disbursements:										
Current:										
Instruction	194,486	13,825	-	-	-	-	-	22,734	-	33,474
Support services	14,640	6,070	-	-	-	-	-	-	-	24,879
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	2,408	-	-	-	-	-	-	-
Total disbursements	209,126	19,895	2,408	-	-	-	-	22,734	-	58,353
Excess (deficiency) of receipts over disbursements	127,416	(1,058)	(2,408)	-	-	-	-	(22,734)	-	70,431
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	(6,438)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	(6,438)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	127,416	(1,058)	(2,408)	-	-	-	-	(22,734)	-	63,993
Cash and investments - ending	\$ (35,589)	\$ 31,355	\$ -	\$ 15,066	\$ 3,000	\$ 602,044	\$ 637,104	\$ 16,430	\$ 10,000	\$ 165,527

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	IEA President's	MIS Recycle	Minority Awareness Summit	Academic Summer School Program	CPR Classes	Intel ISEF Middle School After	CIESC	Distance Learning	Gifted and Talented	High School Graduation Coaches
Cash and investments - beginning	\$ (7,294)	\$ 110	\$ 208	\$ 195,648	\$ 4,405	\$ 8,757	\$ 16,778	\$ 54,143	\$ 72,682	\$ (86,118)
Receipts:										
Local sources	65,330	471	-	-	954	-	74,755	8,990	-	185,229
State sources	-	-	-	-	-	-	-	-	170,202	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	2,595	-	-
Total receipts	65,330	471	-	-	954	-	74,755	11,585	170,202	185,229
Disbursements:										
Current:										
Instruction	-	-	-	-	386	-	-	-	155,235	212,666
Support services	69,333	-	-	-	-	1,267	53,322	(577)	15,885	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	3,421	-
Total disbursements	69,333	-	-	-	386	1,267	53,322	(577)	174,541	212,666
Excess (deficiency) of receipts over disbursements	(4,003)	471	-	-	568	(1,267)	21,433	12,162	(4,339)	(27,437)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	3,964	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	3,964	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,003)	471	-	-	568	(1,267)	21,433	12,162	(375)	(27,437)
Cash and investments - ending	\$ (11,297)	\$ 581	\$ 208	\$ 195,648	\$ 4,973	\$ 7,490	\$ 38,211	\$ 66,305	\$ 72,307	\$ (113,555)

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Teacher Quality Improvement Program	Technology Advancement	Step Ahead	Drug Free Communities	Medicaid Reimbursement	Welfare Activities	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Plan Buddy	School Academic Improvement Program
Cash and investments - beginning	\$ 2,000	\$ (1,280,089)	\$ 4,295	\$ 221	\$ -	\$ 58,510	\$ 216,341	\$ 8,720,695	\$ 1,050	\$ 25,669
Receipts:										
Local sources	-	-	-	30,000	-	-	-	7,115	-	-
State sources	-	1,680,999	-	-	35,664	-	448,722	1,839,992	-	-
Federal sources	-	-	-	-	-	152,913	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	289	-	-
Total receipts	-	1,680,999	-	30,000	35,664	152,913	448,722	1,847,396	-	-
Disbursements:										
Current:										
Instruction	-	-	-	-	-	47,927	529,190	-	-	-
Support services	-	1,155,914	-	-	-	99,995	15,423	4,546,432	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,155,914	-	-	-	147,922	544,613	4,546,432	-	-
Excess (deficiency) of receipts over disbursements	-	525,085	-	30,000	35,664	4,991	(95,891)	(2,699,036)	-	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	525,085	-	30,000	35,664	4,991	(95,891)	(2,699,036)	-	-
Cash and investments - ending	\$ 2,000	\$ (755,004)	\$ 4,295	\$ 30,221	\$ 35,664	\$ 63,501	\$ 120,450	\$ 6,021,659	\$ 1,050	\$ 25,669

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Build Indiana	CQE Remediation	Energy Grant	Expanding World Languages	Professional Development	Science Probe Project	Pathways to Engineering	Title I Non Public Transfers	Title I Compensatory Education (a)	Title I Compensatory Education(b)
Cash and investments - beginning	\$ 3,408	\$ 640,977	\$ 17,846	\$ 1,292	\$ 685,433	\$ 429	\$ 21,003	\$ 53,802	\$ 117,470	\$ 6,666,652
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
State sources	-	217,913	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	199,334	22,645,580	764,044
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	217,913	-	-	-	-	-	199,334	22,645,580	764,044
Disbursements:										
Current:										
Instruction	-	272,461	-	-	-	-	21,003	-	15,617,624	4,322,864
Support services	-	-	2,275	-	146,405	-	-	-	4,068,449	1,821,826
Noninstructional services	-	-	-	-	-	-	-	42,568	2,107,810	182,204
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	1,245	-	-	-	-	-	-	-	395,427
Total disbursements	-	273,706	2,275	-	146,405	-	21,003	42,568	21,793,883	6,722,321
Excess (deficiency) of receipts over disbursements	-	(55,793)	(2,275)	-	(146,405)	-	(21,003)	156,766	851,697	(5,958,277)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(223,344)	(197,221)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(223,344)	(197,221)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(55,793)	(2,275)	-	(146,405)	-	(21,003)	156,766	628,353	(6,155,498)
Cash and investments - ending	\$ 3,408	\$ 585,184	\$ 15,571	\$ 1,292	\$ 539,028	\$ 429	\$ -	\$ 210,568	\$ 745,823	\$ 511,154

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Title I School Improvement	Title I Delinquent	Title I SI Turn Around Grant	Title V Innovative Education	Title I Migrant P.L. 100-297	Stewart Homeless Assistance Act	Serve America	Special Education	Special Education Carryover	Special Education Part B Discretionary
Cash and investments - beginning	\$ (30,155)	\$ 55,998	\$ -	\$ (1,100)	\$ 414	\$ 44,891	\$ -	\$ 647,282	\$ (723,995)	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	1,183,306	191,992	1,898,111	-	-	50,449	16,247	9,585,380	-	37,245
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	1,183,306	191,992	1,898,111	-	-	50,449	16,247	9,585,380	-	37,245
Disbursements:										
Current:										
Instruction	38,298	257,739	576,661	-	8,127	-	-	6,393,332	-	-
Support services	1,070,061	-	1,298,729	-	-	10,000	13,966	2,526,733	-	71,633
Noninstructional services	-	-	400	-	-	58,517	-	78,244	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	26,504	6,568	-	-	-	1,586	-	186,224	-	-
Total disbursements	1,134,863	264,307	1,875,790	-	8,127	70,103	13,966	9,184,533	-	71,633
Excess (deficiency) of receipts over disbursements	48,443	(72,315)	22,321	-	(8,127)	(19,654)	2,281	400,847	-	(34,388)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(141,730)	-	(14,746)	-	-	-	(2,400)	(1,404)	-	-
Total other financing sources (uses)	(141,730)	-	(14,746)	-	-	-	(2,400)	(1,404)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(93,287)	(72,315)	7,575	-	(8,127)	(19,654)	(119)	399,443	-	(34,388)
Cash and investments - ending	\$ (123,442)	\$ (16,317)	\$ 7,575	\$ (1,100)	\$ (7,713)	\$ 25,237	\$ (119)	\$ 1,046,725	\$ (723,995)	\$ (34,388)

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Special Education Discretionary	Improving The Mental Health Of Children	Special Education Preschool (a)	Special Education Preschool (b)	Adult Basic Education	Adult Basic Civics Education	Adult ESL Outreach	Impact Adult Basic Education	IPIC Adult Basic Education	Title V Safe and Drug Free Schools
Cash and investments - beginning	\$ 5,242	\$ 2,831	\$ 657	\$ 58,923	\$ 144,658	\$ 13,685	\$ (267)	\$ 80,877	\$ 733	\$ 136,956
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	161,002	74,417	485,966	26,286	-	-	-	301,127
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	161,002	74,417	485,966	26,286	-	-	-	301,127
Disbursements:										
Current:										
Instruction	-	-	157,843	116,928	285,877	29,597	-	3,099	-	330,054
Support services	5,002	(976)	-	-	321,998	8,121	-	-	-	36,469
Noninstructional services	-	-	-	-	-	-	-	-	-	61,930
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	2,666	9,801	527	-	-	-	9,638
Total disbursements	5,002	(976)	157,843	119,594	617,676	38,245	-	3,099	-	438,091
Excess (deficiency) of receipts over disbursements	(5,002)	976	3,159	(45,177)	(131,710)	(11,959)	-	(3,099)	-	(136,964)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	514
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	514
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,002)	976	3,159	(45,177)	(131,710)	(11,959)	-	(3,099)	-	(136,450)
Cash and investments - ending	\$ 240	\$ 3,807	\$ 3,816	\$ 13,746	\$ 12,948	\$ 1,726	\$ (267)	\$ 77,778	\$ 733	\$ 506

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Carol M White Physical Education	Project Peace	Impact Aid	Magnet Funds	Emergency Response Planning	Partnerships in Character Educations	Carl Perkins Vocations Educations	Workforce Development School to Work	Medicaid Reimbursement Federal	21st Century Community Learning
Cash and investments - beginning	\$ 165,428	\$ (12,244)	\$ 120,601	\$ 15,339	\$ 171,952	\$ (6,355)	\$ 24,760	\$ 9,899	\$ -	\$ 2,671
Receipts:										
Local sources	-	-	1,362	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	1,381,456	144,268	-	-
Federal sources	150,000	-	7,148	-	130,000	30,960	-	-	157,710	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	150,000	-	8,510	-	130,000	30,960	1,381,456	144,268	157,710	-
Disbursements:										
Current:										
Instruction	-	-	5,597	-	-	19,310	1,116,780	96,193	-	-
Support services	284,116	-	3,067	686	331,635	-	-	8,123	5,549	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	1,000	-	-	-	1,582	2,728	17,571	1,454	-	-
Total disbursements	285,116	-	8,664	686	333,217	22,038	1,134,351	105,770	5,549	-
Excess (deficiency) of receipts over disbursements	(135,116)	-	(154)	(686)	(203,217)	8,922	247,105	38,498	152,161	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(135,116)	-	(154)	(686)	(203,217)	8,922	247,105	38,498	152,161	-
Cash and investments - ending	\$ 30,312	\$ (12,244)	\$ 120,447	\$ 14,653	\$ (31,265)	\$ 2,567	\$ 271,865	\$ 48,397	\$ 152,161	\$ 2,671

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Emergency Katrina Grant	Challenge Grant for Technology (Dir USDOE)	Improving Teaching Quality No Child Left Title II, Part A	ITQ, Enhanced Education Through Technology Title II, Part D	Title III Language Instruction	Title II Part B Math and Science Partnership	Teaching American History	Reading First No Child Left Behind	Schools Taking Action With Results	Stimulus Title I Grants to LEAs
Cash and investments - beginning	\$ 270,000	\$ 3,851	\$ 575,794	\$ 8,354	\$ 127	\$ 151,103	\$ (30,141)	\$ 29,200	\$ 2,656	\$ 1,669,235
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	4,354,435	-	539,457	-	32,651	553,711	-	5,172,370
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	4,354,435	-	539,457	-	32,651	553,711	-	5,172,370
Disbursements:										
Current:										
Instruction	-	-	2,138,495	-	472,735	144,422	-	-	-	1,621,601
Support services	-	-	1,964,386	6	225	-	-	537,644	156	6,276,658
Noninstructional services	-	-	260,498	-	29,389	-	-	-	-	250,762
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	122,252	-	20,415	-	-	17,903	-	93,381
Total disbursements	-	-	4,485,631	6	522,764	144,422	-	555,547	156	8,242,402
Excess (deficiency) of receipts over disbursements	-	-	(131,196)	(6)	16,693	(144,422)	32,651	(1,836)	(156)	(3,070,032)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(131,196)	(6)	16,693	(144,422)	32,651	(1,836)	(156)	(3,070,032)
Cash and investments - ending	\$ 270,000	\$ 3,851	\$ 444,598	\$ 8,348	\$ 16,820	\$ 6,681	\$ 2,510	\$ 27,364	\$ 2,500	\$ (1,400,797)

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Stimulus Title I School Improvement	Stimulus Special Education Part B	Stimulus Special Education Part B Preschool	Stimulus Education Technology	Stimulus Title I Part D Subpart 2	Stimulus Qualified School Construction Bond	Stimulus Qualified Zone Academy Bond	Payroll Withholding Clearing	Warehouse Clearing	Totals
Cash and investments - beginning	\$ -	\$ 98,892	\$ 56,794	\$ (2,871)	\$ 7,127	\$ 60,330,246	\$ 3,965,000	\$ 13,040,788	\$ 2,918,745	\$ 436,628,272
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	127,486,998
State sources	-	-	-	-	-	-	-	-	-	292,737,210
Federal sources	-	5,447,109	114,609	268,817	-	-	-	-	-	71,672,485
Temporary loans	-	-	-	-	-	-	-	-	-	2,944,293
Other	-	-	-	-	-	-	-	222,482,598	3,462,932	226,332,213
Total receipts	-	5,447,109	114,609	268,817	-	-	-	222,482,598	3,462,932	721,173,199
Disbursements:										
Current:										
Instruction	-	5,081,702	176,042	-	6,786	-	-	-	-	245,922,222
Support services	1,793	327,389	-	263,681	-	-	-	-	-	185,013,066
Noninstructional services	-	356,856	-	-	-	-	-	-	-	21,071,398
Facilities acquisition and construction	-	-	-	-	-	16,319,458	10,549	-	-	42,318,714
Debt services	-	-	-	-	-	-	-	-	-	51,093,342
Nonprogrammed charges	-	37,979	1,580	-	1,093	-	-	220,546,344	3,546,654	233,755,423
Total disbursements	1,793	5,803,926	177,622	263,681	7,879	16,319,458	10,549	220,546,344	3,546,654	779,174,165
Excess (deficiency) of receipts over disbursements	(1,793)	(356,817)	(63,013)	5,136	(7,879)	(16,319,458)	(10,549)	1,936,254	(83,722)	(58,000,966)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	246
Sale of capital assets	-	-	-	-	-	-	-	-	-	812,380
Transfers in	-	-	-	-	-	-	-	-	-	3,147,449
Transfers out	-	-	-	-	-	-	-	-	-	(3,147,449)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	812,626
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,793)	(356,817)	(63,013)	5,136	(7,879)	(16,319,458)	(10,549)	1,936,254	(83,722)	(57,188,340)
Cash and investments - ending	\$ (1,793)	\$ (257,925)	\$ (6,219)	\$ 2,265	\$ (752)	\$ 44,010,788	\$ 3,954,451	\$ 14,977,042	\$ 2,835,023	\$ 379,439,932

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012

	General	Debt Service	Retirement/ Severance Bond Debt Service	Referendum Debt Exempt Capital	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction
Cash and investments - beginning	\$ 57,453,653	\$ 17,828,588	\$ 1,211,523	\$ 9,584,753	\$ 49,842,792	\$ 11,094,285	\$ 9,105,318	\$ 21,350,000	\$ 17,294,647	\$ 355,458
Receipts:										
Local sources	4,769,539	31,540,267	2,986,725	8,780,171	31,900,240	24,504,714	9,064,181	-	-	-
State sources	265,744,966	-	-	-	-	-	-	-	-	-
Federal sources	519,107	-	-	-	-	-	-	-	-	-
Other	476,189	-	-	-	10,220	22,058	-	-	50	-
Total receipts	271,509,801	31,540,267	2,986,725	8,780,171	31,910,460	24,526,772	9,064,181	-	50	-
Disbursements:										
Current:										
Instruction	180,781,400	-	-	-	-	-	-	-	3,923,718	-
Support services	95,634,343	-	-	-	23,139,629	30,307,009	7,935,814	-	377,730	-
Noninstructional services	3,196,376	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	3,830	-	-	-	14,348,130	-	-	-	-	324,636
Debt services	3,832	36,888,214	3,167,396	10,874,000	-	-	2,944,293	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	279,619,781	36,888,214	3,167,396	10,874,000	37,487,759	30,307,009	10,880,107	-	4,301,448	324,636
Excess (deficiency) of receipts over disbursements	(8,109,980)	(5,347,947)	(180,671)	(2,093,829)	(5,577,299)	(5,780,237)	(1,815,926)	-	(4,301,398)	(324,636)
Other financing sources (uses):										
Sale of capital assets	31,674	-	-	-	192,010	-	-	-	-	-
Transfers in	1,331,000	-	-	-	491	2,570,183	-	-	-	382
Transfers out	(464,723)	-	-	-	(1,331,000)	-	-	-	-	-
Total other financing sources (uses)	897,951	-	-	-	(1,138,499)	2,570,183	-	-	-	382
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,212,029)	(5,347,947)	(180,671)	(2,093,829)	(6,715,798)	(3,210,054)	(1,815,926)	-	(4,301,398)	(324,254)
Cash and investments - ending	\$ 50,241,624	\$ 12,480,641	\$ 1,030,852	\$ 7,490,924	\$ 43,126,994	\$ 7,884,231	\$ 7,289,392	\$ 21,350,000	\$ 12,993,249	\$ 31,204

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Construction GOB	Construction 2003 Series	Construction 2004 Series	Construction 2006 Series	Construction 2006B Series	Construction 2009 Series A	Construction 2009 Series B	Construction 2010 Series A	Construction 2010 Series B	School Lunch
Cash and investments - beginning	\$ 903,692	\$ 467,122	\$ 435,169	\$ 805,423	\$ 1,745,494	\$ 8,457,013	\$ 515,851	\$ 37,562,911	\$ 14,034,623	\$ 27,025,604
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	679,013
State sources	-	-	-	-	-	-	-	-	-	45,722
Federal sources	-	-	-	-	-	-	-	-	-	16,937,713
Other	-	-	-	-	-	-	-	-	-	682
Total receipts	-	-	-	-	-	-	-	-	-	17,663,130
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	1,214	-	-	-	-	438,362
Noninstructional services	-	-	-	-	-	-	-	-	-	14,756,145
Facilities acquisition and construction	858,670	266,036	379,406	491,650	425,386	7,272,278	125,646	16,536,999	8,840,479	417,182
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	1,911,359
Total disbursements	858,670	266,036	379,406	491,650	426,600	7,272,278	125,646	16,536,999	8,840,479	17,523,048
Excess (deficiency) of receipts over disbursements	(858,670)	(266,036)	(379,406)	(491,650)	(426,600)	(7,272,278)	(125,646)	(16,536,999)	(8,840,479)	140,082
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	22,808
Transfers in	553	868	389	1,706	4,916	13,258	1,327	106,269	36,493	73,884
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	553	868	389	1,706	4,916	13,258	1,327	106,269	36,493	96,692
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(858,117)	(265,168)	(379,017)	(489,944)	(421,684)	(7,259,020)	(124,319)	(16,430,730)	(8,803,986)	236,774
Cash and investments - ending	\$ 45,575	\$ 201,954	\$ 56,152	\$ 315,479	\$ 1,323,810	\$ 1,197,993	\$ 391,532	\$ 21,132,181	\$ 5,230,637	\$ 27,262,378

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Textbook Rental	Self-Insurance	Levy Excess	Alternative Education	SAFE School Haven	Early Intervention Grant	Trust Funds (Limited)	Trust Funds (Endowed)	Sallie Mae Foundation	Local Curriculum and Instruction Support
Cash and investments - beginning	\$ (89,135)	\$ 4,668,590	\$ 578,456	\$ 8,018,048	\$ 4	\$ 26,977	\$ 2,482,758	\$ 348,266	\$ (53,317)	\$ 12,302
Receipts:										
Local sources	4,291,993	1,296,488	-	-	-	-	15,128	100,221	-	-
State sources	2,089,674	-	-	3,172,693	31,968	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	18,977	-	-	-	-	-	-	-	-	-
Total receipts	6,400,644	1,296,488	-	3,172,693	31,968	-	15,128	100,221	-	-
Disbursements:										
Current:										
Instruction	-	-	-	3,274,822	49,703	-	-	-	-	-
Support services	4,034,683	454,613	-	357,198	-	494	-	-	3,202	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	6,420,805	1,658,567	-	6,953	-	-	20,298	122,750	-	-
Total disbursements	10,455,488	2,113,180	-	3,638,973	49,703	494	20,298	122,750	3,202	-
Excess (deficiency) of receipts over disbursements	(4,054,844)	(816,692)	-	(466,280)	(17,735)	(494)	(5,170)	(22,529)	(3,202)	-
Other financing sources (uses):										
Sale of capital assets	6,339	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(578,456)	(838)	-	-	-	-	-	-
Total other financing sources (uses)	6,339	-	(578,456)	(838)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,048,505)	(816,692)	(578,456)	(467,118)	(17,735)	(494)	(5,170)	(22,529)	(3,202)	-
Cash and investments - ending	\$ (4,137,640)	\$ 3,851,898	\$ -	\$ 7,550,930	\$ (17,731)	\$ 26,483	\$ 2,477,588	\$ 325,737	\$ (56,519)	\$ 12,302

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	IPS Foundation	Lilly Endowment	M.A. Rooney Foundation	University of Indianapolis	New Teacher Project, Inc	Ball State University	Indiana State University	Indiana University	Purdue University	Parents as Successful Students
Cash and investments - beginning	\$ 72,611	\$ 295,109	\$ 57,356	\$ 136,693	\$ 153	\$ 18,328	\$ 1,969	\$ 13,721	\$ 929	\$ 507
Receipts:										
Local sources	6,713	510	140,000	-	94,600	-	-	33,400	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	6,713	510	140,000	-	94,600	-	-	33,400	-	-
Disbursements:										
Current:										
Instruction	26,442	41,330	223,522	-	-	-	-	-	-	-
Support services	55,192	(1,583)	-	80,208	94,952	-	-	16,473	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	81,634	39,747	223,522	80,208	94,952	-	-	16,473	-	-
Excess (deficiency) of receipts over disbursements	(74,921)	(39,237)	(83,522)	(80,208)	(352)	-	-	16,927	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(74,921)	(39,237)	(83,522)	(80,208)	(352)	-	-	16,927	-	-
Cash and investments - ending	\$ (2,310)	\$ 255,872	\$ (26,166)	\$ 56,485	\$ (199)	\$ 18,328	\$ 1,969	\$ 30,648	\$ 929	\$ 507

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	ABE Innovative Development	Bilingual Chess Club	Extra Curricular Funds	Fitness/Wellness Coordinator	Play It Smart Foundation	Central Indiana Community Foundation	Arts Council of Indianapolis	Dance Kaleidoscope	Safe Passage Grant	Christel Dehann Family Foundation
Cash and investments - beginning	\$ 1,948	\$ 200	\$ -	\$ 80,781	\$ 2,679	\$ 34,801	\$ 2,061	\$ 2,083	\$ 1,197	\$ 353
Receipts:										
Local sources	-	-	49,186	-	-	99,669	2,100	1,000	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	49,186	-	-	99,669	2,100	1,000	-	-
Disbursements:										
Current:										
Instruction	-	-	3,144	-	-	103,685	-	-	-	-
Support services	-	-	-	52,943	-	-	-	-	-	-
Noninstructional services	-	-	17,161	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	20,305	52,943	-	103,685	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	28,881	(52,943)	-	(4,016)	2,100	1,000	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	28,881	(52,943)	-	(4,016)	2,100	1,000	-	-
Cash and investments - ending	\$ 1,948	\$ 200	\$ 28,881	\$ 27,838	\$ 2,679	\$ 30,785	\$ 4,161	\$ 3,083	\$ 1,197	\$ 353

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	United Way Foundation	Lumina Foundation	Riley Foundation	School Insurance	Closed School Maintenance	Contractor Escrow	Lowe's Foundation	Allstate Foundation	ExtraCurricular	IEA President's
Cash and investments - beginning	\$ (35,589)	\$ 31,355	\$ 15,066	\$ 3,000	\$ 602,044	\$ 637,104	\$ 16,430	\$ 10,000	\$ 165,527	\$ (11,297)
Receipts:										
Local sources	48,581	7,289	-	-	-	-	5,000	-	161,539	84,473
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	48,581	7,289	-	-	-	-	5,000	-	161,539	84,473
Disbursements:										
Current:										
Instruction	277,748	13,863	-	-	-	-	5,925	-	95,385	-
Support services	8,352	3,042	-	-	-	-	-	-	17,765	73,813
Noninstructional services	14,548	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	229	-	-	-	-	-	-	-	-
Total disbursements	300,648	17,134	-	-	-	-	5,925	-	113,150	73,813
Excess (deficiency) of receipts over disbursements	(252,067)	(9,845)	-	-	-	-	(925)	-	48,389	10,660
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(252,067)	(9,845)	-	-	-	-	(925)	-	48,389	10,660
Cash and investments - ending	\$ (287,656)	\$ 21,510	\$ 15,066	\$ 3,000	\$ 602,044	\$ 637,104	\$ 15,505	\$ 10,000	\$ 213,916	\$ (637)

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	MIS Recycle	Minority Awareness Summit	Academic Summer School Program	CPR Classes	Intel ISEF Middle School After	CIESC	Distance Learning	Gifted and Talented	High School Graduation Coaches	Teacher Quality Improvement Program
Cash and investments - beginning	\$ 581	\$ 208	\$ 195,648	\$ 4,973	\$ 7,490	\$ 38,211	\$ 66,305	\$ 72,307	\$ (113,555)	\$ 2,000
Receipts:										
Local sources	-	-	-	4,285	-	42,864	27,376	-	-	-
State sources	-	-	-	-	-	-	-	177,017	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	2,274	-	-	-
Total receipts	-	-	-	4,285	-	42,864	29,650	177,017	-	-
Disbursements:										
Current:										
Instruction	-	-	-	2,532	-	-	-	201,082	-	-
Support services	-	-	-	-	-	64,296	3,101	2,354	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	3,297	-	-
Total disbursements	-	-	-	2,532	-	64,296	3,101	206,733	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	1,753	-	(21,432)	26,549	(29,716)	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	1,753	-	(21,432)	26,549	(29,716)	-	-
Cash and investments - ending	\$ 581	\$ 208	\$ 195,648	\$ 6,726	\$ 7,490	\$ 16,779	\$ 92,854	\$ 42,591	\$ (113,555)	\$ 2,000

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Technology Advancement	Step Ahead	Drug Free Communities	Medicaid Reimbursement	Welfare Activities	School Logo Uniform	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Plan Buddy	School Academic Improvement Program
Cash and investments - beginning	\$ (755,004)	\$ 4,295	\$ 30,221	\$ 35,664	\$ 63,501	\$ -	\$ 120,450	\$ 6,021,659	\$ 1,050	\$ 25,669
Receipts:										
Local sources	-	-	20,000	-	-	146	-	3,937	-	-
State sources	778,000	-	-	(35,664)	-	-	381,421	3,232,558	-	-
Federal sources	-	-	-	-	45,760	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	778,000	-	20,000	(35,664)	45,760	146	381,421	3,236,495	-	-
Disbursements:										
Current:										
Instruction	-	-	41,943	-	97,709	-	295,067	-	-	-
Support services	22,996	-	27	-	100,519	-	8,501	777,251	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	22,996	-	41,970	-	198,228	-	303,568	777,251	-	-
Excess (deficiency) of receipts over disbursements	755,004	-	(21,970)	(35,664)	(152,468)	146	77,853	2,459,244	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	755,004	-	(21,970)	(35,664)	(152,468)	146	77,853	2,459,244	-	-
Cash and investments - ending	\$ -	\$ 4,295	\$ 8,251	\$ -	\$ (88,967)	\$ 146	\$ 198,303	\$ 8,480,903	\$ 1,050	\$ 25,669

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Build Indiana	CQE Remediation	Energy Grant	Expanding World Languages	Professional Development	Science Probe Project	Pathways to Engineering	Title I Non Public Transfers	Title I Compensatory Education (a)
Cash and investments - beginning	\$ 3,408	\$ 585,184	\$ 15,571	\$ 1,292	\$ 539,028	\$ 429	\$ -	\$ 210,568	\$ 745,823
Receipts:									
Local sources	-	-	17,290	-	-	-	10,000	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	76,107	5,190,410	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	17,290	-	-	-	10,000	76,107	5,190,410
Disbursements:									
Current:									
Instruction	-	270,989	-	-	-	-	-	-	2,749,631
Support services	-	-	-	-	61,919	-	-	2,275	1,263,549
Noninstructional services	-	-	-	-	-	-	71,768	-	196,103
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	509,522
Total disbursements	-	270,989	-	-	61,919	-	-	74,043	4,718,805
Excess (deficiency) of receipts over disbursements	-	(270,989)	17,290	-	(61,919)	-	10,000	2,064	471,605
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(148,695)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(148,695)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(270,989)	17,290	-	(61,919)	-	10,000	2,064	322,910
Cash and investments - ending	\$ 3,408	\$ 314,195	\$ 32,861	\$ 1,292	\$ 477,109	\$ 429	\$ 10,000	\$ 212,632	\$ 1,068,733

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Title I Compensatory Education(b)	Title I School Improvement	Title I Delinquent	Title I SI Turn Around Grant	Title V Innovative Education	Fund for Improvement of Education	Title I Migrant P.L. 100-297	Stewart Homeless Assistance Act	Serve America
Cash and investments - beginning	\$ 511,154	\$ (123,442)	\$ (16,317)	\$ 7,575	\$ (1,100)	\$ -	\$ (7,713)	\$ 25,237	\$ (119)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	19,049,980	1,987,389	143,063	5,907,539	-	599,997	-	90,833	13,752
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>19,049,980</u>	<u>1,987,389</u>	<u>143,063</u>	<u>5,907,539</u>	<u>-</u>	<u>599,997</u>	<u>-</u>	<u>90,833</u>	<u>13,752</u>
Disbursements:									
Current:									
Instruction	13,558,152	756,960	213,661	2,506,352	-	-	(8,127)	-	-
Support services	4,128,437	965,416	5,992	3,550,053	-	599,997	-	-	13,633
Noninstructional services	2,112,911	-	-	69,721	-	-	-	112,805	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	28,544	11,988	3,269	64,064	-	-	-	691	-
Total disbursements	<u>19,828,044</u>	<u>1,734,364</u>	<u>222,922</u>	<u>6,190,190</u>	<u>-</u>	<u>599,997</u>	<u>(8,127)</u>	<u>113,496</u>	<u>13,633</u>
Excess (deficiency) of receipts over disbursements	<u>(778,064)</u>	<u>253,025</u>	<u>(79,859)</u>	<u>(282,651)</u>	<u>-</u>	<u>-</u>	<u>8,127</u>	<u>(22,663)</u>	<u>119</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(1,418,897)	(231,516)	-	(102,309)	-	-	-	(1,010)	-
Total other financing sources (uses)	<u>(1,418,897)</u>	<u>(231,516)</u>	<u>-</u>	<u>(102,309)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,010)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,196,961)</u>	<u>21,509</u>	<u>(79,859)</u>	<u>(384,960)</u>	<u>-</u>	<u>-</u>	<u>8,127</u>	<u>(23,673)</u>	<u>119</u>
Cash and investments - ending	<u>\$ (1,685,807)</u>	<u>\$ (101,933)</u>	<u>\$ (96,176)</u>	<u>\$ (377,385)</u>	<u>\$ (1,100)</u>	<u>\$ -</u>	<u>\$ 414</u>	<u>\$ 1,564</u>	<u>\$ -</u>

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Special Education	Special Education Carryover	Special Education Part B Discretionary	Special Education Assistive Technology	Special Education Discretionary	Improving The Mental Health Of Children	Special Education Preschool (a)	Special Education Preschool (b)	Adult Basic Education
Cash and investments - beginning	\$ 1,046,725	\$ (723,995)	\$ (34,388)	\$ -	\$ 240	\$ 3,807	\$ 3,816	\$ 13,746	\$ 12,948
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	8,951,307	-	-	63,802	-	-	274,584	-	428,286
Other	-	-	-	-	-	-	-	-	-
Total receipts	8,951,307	-	-	63,802	-	-	274,584	-	428,286
Disbursements:									
Current:									
Instruction	5,502,376	-	-	-	-	-	287,439	126	1,086,030
Support services	3,077,073	-	-	63,802	-	-	-	-	254,535
Noninstructional services	830,772	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	149,429	-	-	-	-	-	6,026	-	11,683
Total disbursements	9,559,650	-	-	63,802	-	-	293,465	126	1,352,248
Excess (deficiency) of receipts over disbursements	(608,343)	-	-	-	-	-	(18,881)	(126)	(923,962)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(608,343)	-	-	-	-	-	(18,881)	(126)	(923,962)
Cash and investments - ending	\$ 438,382	\$ (723,995)	\$ (34,388)	\$ -	\$ 240	\$ 3,807	\$ (15,065)	\$ 13,620	\$ (911,014)

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Adult Basic Civics Education	Adult ESL Outreach	Impact Adult Basic Education	IPIC Adult Basic Education	Title V Safe and Drug Free Schools	Carol M White Physical Education	Project Peace	Impact Aid	Magnet Funds
Cash and investments - beginning	\$ 1,726	\$ (267)	\$ 77,778	\$ 733	\$ 506	\$ 30,312	\$ (12,244)	\$ 120,447	\$ 14,653
Receipts:									
Local sources	-	-	-	510	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	25,603	-	-	-	192,776	572,633	-	5,510	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	25,603	-	-	510	192,776	572,633	-	5,510	-
Disbursements:									
Current:									
Instruction	33,595	-	250	-	121,719	-	-	722	-
Support services	-	-	-	-	5,599	614,272	-	23,085	546
Noninstructional services	-	-	-	-	43,164	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	770	-	-	-	9,367	9,927	-	-	-
Total disbursements	34,365	-	250	-	179,849	624,199	-	23,807	546
Excess (deficiency) of receipts over disbursements	(8,762)	-	(250)	510	12,927	(51,566)	-	(18,297)	(546)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(11,283)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(11,283)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(8,762)	-	(250)	510	1,644	(51,566)	-	(18,297)	(546)
Cash and investments - ending	\$ (7,036)	\$ (267)	\$ 77,528	\$ 1,243	\$ 2,150	\$ (21,254)	\$ (12,244)	\$ 102,150	\$ 14,107

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Emergency Response Planning	Partnerships in Character Educations	Carl Perkins Vocations Educations	Workforce Development School to Work	Medicaid Reimbursement Federal	21st Century Community Learning	Emergency Katrina Grant	Challenge Grant for Technology (Dir USDOE)	Improving Teaching Quality No Child Left Title II, Part A
Cash and investments - beginning	\$ (31,265)	\$ 2,567	\$ 271,865	\$ 48,397	\$ 152,161	\$ 2,671	\$ 270,000	\$ 3,851	\$ 444,598
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
State sources	-	-	1,181,116	104,977	-	-	-	-	-
Federal sources	91,222	-	-	-	236,319	-	-	-	2,514,223
Other	-	-	-	-	-	-	-	-	-
Total receipts	91,222	-	1,181,116	104,977	236,319	-	-	-	2,514,223
Disbursements:									
Current:									
Instruction	-	-	1,478,741	57,413	175,076	-	-	-	435,165
Support services	45,275	-	5,104	36,290	22,871	-	-	-	2,122,519
Noninstructional services	-	-	-	-	-	-	-	-	339,372
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	6,398	-	3,849	90	-	-	-	-	67,534
Total disbursements	51,673	-	1,487,694	93,793	197,947	-	-	-	2,964,590
Excess (deficiency) of receipts over disbursements	39,549	-	(306,578)	11,184	38,372	-	-	-	(450,367)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	39,549	-	(306,578)	11,184	38,372	-	-	-	(450,367)
Cash and investments - ending	\$ 8,284	\$ 2,567	\$ (34,713)	\$ 59,581	\$ 190,533	\$ 2,671	\$ 270,000	\$ 3,851	\$ (5,769)

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	ITQ, Enhanced Education Through Technology Title II, Part D	Title III Language Instruction	Title II Part B Math and Science Partnership	Teaching American History	Reading First No Child Left Behind	Schools Taking Action With Results	Stimulus Title I Grants to LEAs	Stimulus Title I School Improvement	Stimulus Special Education Part B
Cash and investments - beginning	\$ 8,348	\$ 16,820	\$ 6,681	\$ 2,510	\$ 27,364	\$ 2,500	\$ (1,400,797)	\$ (1,793)	\$ (257,925)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	442,547	-	-	-	-	3,781,685	348,608	1,190,942
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	442,547	-	-	-	-	3,781,685	348,608	1,190,942
Disbursements:									
Current:									
Instruction	-	346,817	-	-	-	-	2,058,911	-	626,792
Support services	-	99,816	-	-	-	-	152,790	269,636	54,879
Noninstructional services	-	11,812	-	-	-	-	42,843	-	131,859
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	9,495	-	-	-	-	130,044	-	119,487
Total disbursements	-	467,940	-	-	-	-	2,384,588	269,636	933,017
Excess (deficiency) of receipts over disbursements	-	(25,393)	-	-	-	-	1,397,097	78,972	257,925
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(77,179)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	(77,179)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(25,393)	-	-	-	-	1,397,097	1,793	257,925
Cash and investments - ending	\$ 8,348	\$ (8,573)	\$ 6,681	\$ 2,510	\$ 27,364	\$ 2,500	\$ (3,700)	\$ -	\$ -

INDIANAPOLIS PUBLIC SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Stimulus Special Education Part B Preschool	Stimulus Education Technology	Stimulus Title I Part D Subpart 2	Stimulus Qualified School Construction Bond	Stimulus Qualified Zone Academy Bond	Education Jobs	Payroll Withholding Clearing	Warehouse Clearing	Totals
Cash and investments - beginning	\$ (6,219)	\$ 2,265	\$ (752)	\$ 44,010,788	\$ 3,954,451	\$ -	\$ 14,977,042	\$ 2,835,023	\$ 379,439,932
Receipts:									
Local sources	-	-	-	-	-	-	-	-	120,789,148
State sources	-	-	-	-	-	-	-	-	276,904,448
Federal sources	109,066	19,492	-	-	-	2,039,233	-	-	71,849,488
Other	-	-	-	-	-	-	204,049,523	3,603,252	208,183,225
Total receipts	109,066	19,492	-	-	-	2,039,233	204,049,523	3,603,252	677,726,309
Disbursements:									
Current:									
Instruction	99,560	-	(752)	-	-	2,039,233	-	-	223,855,851
Support services	-	21,741	-	-	-	-	-	-	181,525,597
Noninstructional services	-	-	-	-	-	-	-	-	21,947,360
Facilities acquisition and construction	-	-	-	26,107,312	3,326,237	-	-	-	79,723,877
Debt services	-	-	-	-	-	-	-	-	53,877,735
Nonprogrammed charges	3,287	16	-	-	-	-	202,658,940	3,588,771	217,537,449
Total disbursements	102,847	21,757	(752)	26,107,312	3,326,237	2,039,233	202,658,940	3,588,771	778,467,869
Excess (deficiency) of receipts over disbursements	6,219	(2,265)	752	(26,107,312)	(3,326,237)	-	1,390,583	14,481	(100,741,560)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	252,831
Transfers in	-	-	-	199,664	24,523	-	-	-	4,365,906
Transfers out	-	-	-	-	-	-	-	-	(4,365,906)
Total other financing sources (uses)	-	-	-	199,664	24,523	-	-	-	252,831
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,219	(2,265)	752	(25,907,648)	(3,301,714)	-	1,390,583	14,481	(100,488,729)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 18,103,140	\$ 652,737	\$ -	\$ 16,367,625	\$ 2,849,504	\$ 278,951,203

INDIANAPOLIS PUBLIC SCHOOLS
AUDIT RESULTS AND COMMENTS

PAYROLL CLEARING FUNDS

The Payroll Withholding Clearing Fund financial records presented for audit did not balance with any type of subsidiary records and no identification of the balances was presented for audit. The total increased from \$13,040,788 at the beginning of the audit period to \$16,367,625 at the end. The Payroll Withholding Clearing Fund, as reported, is composed of several similar payroll withholding liability funds. This includes fund numbers 8120 to 8450 recorded in the accounting system. These individual withholding liability funds did accurately reflect the balances of the amounts to be paid. When properly operating, these accounts represent amounts withheld from payroll and then remitted to a third party, such as, federal or state taxes, retirement withholdings, insurance premiums, etc.

Occasionally, a payroll withholding liability fund may have a negative balance, but most have a positive balance which reflects money withheld from payroll and held until it is remitted in the near future. Two of the funds included in the Payroll Withholding Clearing Fund had unusually large balances, one positive and one negative, but neither represented an accurate amount of the liability of the fund. At June 30, 2012, the Teacher's Retirement Fund #8130 had a negative balance of \$17,438,012 and the Payroll Withholding Clearing Fund #8410 had a positive balance of \$27,522,010.

Clearing Accounts serve as control accounts for certain areas of the accounting system. Therefore, they must be supported by receipt and disbursement entries in the general ledger and subsidiary ledgers or other supporting records. The clearing accounts are subsidiary records only and should not be used in lieu of proper and prescribed reporting of receipts, disbursements and balances of funds of the school corporation in accordance IC 5-11-1-2. The accounts are defined within each classification dependent on the purpose they serve. These purposes are detailed herein and include Petty Cash, Central Stores, Prepaid Insurance, Investments, Loans and Payroll Deductions. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 6)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

WAREHOUSE CLEARING FUND

The Warehouse Clearing Fund maintained a large cash balance which remained steady over the two year audit period. At June 30, 2012, the balance was \$2,849,504. Unlike a clearing fund, the Warehouse Clearing Fund was used for making purchases and selling inventory. The Warehouse Clearing Fund, as reported, was composed of several similar asset accounts. Only the cash transactions and activity were reported on the cash basis financial statements. We used the supplementary information, prepared by the Accounting Department, on each individual account which identified similar issues with the state of these funds. The Warehouse Clearing Fund includes fund numbers 8460 to 9400 as recorded in the accounting system. Due to the fund numbers assigned to these clearing accounts, they were not initially reported to the Indiana Department of Education on the Form 9 report. Clearing accounts were not required to be reported. Adjustments were made to the financial statements to include them in this financial report. These accounts have existed for several years.

Purchases made directly by the Warehouse Clearing Fund were not posted directly to any operating fund as disbursements. The purchases from vendors were posted directly to the Central Stores expense in the Warehouse Clearing Fund accounts, rather than being paid from fund appropriations. The expenses

INDIANAPOLIS PUBLIC SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

would eventually be posted to the individual appropriations within budgeted or non-budgeted operating funds when the individual school or location requested the supplies. At that point, the cost of the supplies would be charged as expenses to appropriations of the individual schools or locations and receipts entered into the Warehouse Clearing Fund. Included in that cost was a fee or mark up of 1% to 3% of based on the cost of the supplies. This inflated the disbursement posted to the appropriations in the operating fund above the actual purchase price. These fees were posted to the Sale of Supplies or similar revenue account in the Warehouse Clearing Fund.

Clearing Accounts serve as control accounts for certain areas of the accounting system. Therefore, they must be supported by receipt and disbursement entries in the general ledger and subsidiary ledgers or other supporting records. The clearing accounts are subsidiary records only and should not be used in lieu of proper and prescribed reporting of receipts, disbursements and balances of funds of the school corporation in accordance IC 5-11-1-2. The accounts are defined within each classification dependent on the purpose they serve. These purposes are detailed herein and include Petty Cash, Central Stores, Prepaid Insurance, Investments, Loans and Payroll Deductions. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 6)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

BANK ACCOUNT RECONCILIATIONS - PAYCARD ACCOUNT

Depository reconciliations of the fund balances to the bank account balances presented for audit were correct, with the exception of the Paycard bank account balance. The Paycard bank account balance at June 30, 2012, was \$64,649.43, but an account balance of \$14,835.04 was included in the reconciliation. There were several adjustments included in the reconciliation which compensate for the difference between the bank account's balance and the balance reflected on the reconciliation. The accurate bank balance should be reported as a component of the bank reconciliation, so a clear and accurate presentation of the differences between the fund and bank balances would be presented in the bank account reconciliation.

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

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OVERDRAWN FUND BALANCES

As stated in prior Report B38557, the fund balances of some funds were overdrawn. The financial statement reports several grant funds with negative balances due to being funded by reimbursement grants, so by their very nature they will continually reflect overdrawn fund balances because all reimbursements have not been received. While there were other overdrawn fund balances, the following list includes only non-grant funds which had an overdrawn fund balance exceeding \$50,000 at June 30, 2011, or June 30, 2012.

INDIANAPOLIS PUBLIC SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

Fund	June 30, 2011	June 30, 2012
Textbook Rental	\$ 89,135	\$ 4,137,640
Sallie Mae Foundation	53,317	56,519
United Way Foundation	35,589	287,656
High School Graduation Coaches	113,555	113,555
Welfare Activities	-	88,967

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

COLLECTIVE BARGAINING AGREEMENTS

The 2010-2012 collective bargaining agreement, signed December 13, 2011, between the Board of School Commissioners of the City of Indianapolis and the Indianapolis Education Association (Association) contained three subjects that were prohibited by Indiana Code 20-29-6-4.5(b). The subjects not allowed by statute were:

- Article II - Payroll Deductions, Section 2 - which described the types of deductions and the timing of the payments to the Association
- Article IX - Professional Compensation, Section 9 - which discussed the number of pays per year for the basic salaries;
- The last paragraph of Article XV - Grievance Procedure, Section 8 included a severability clause.

Some changes were made to the current contract. The 2012-2013 collective bargaining agreement did not include payroll deductions or the frequency of payments, but continues to include a severability clause as the last paragraph of Article XIII Grievance Procedures.

Indiana Code 20-29-6-4 states:

"(a) A school employer shall bargain collectively with the exclusive representative on the following:

- (1) Salary.
- (2) Wages.
- (3) Salary and wage related fringe benefits, including accident, sickness, health, dental, vision, life, disability, retirement benefits, and paid time off as permitted to be bargained under IC 20-28-9-11.

(b) Salary and wages include the amounts of pay increases available to employees under the salary scale adopted under IC 20-28-9-1, but do not include the teacher evaluation procedures and criteria, or any components of the teacher evaluation plan, rubric, or tool."

INDIANAPOLIS PUBLIC SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

Indiana Code 20-29-6-4.5 state:

"(a) For a contract entered into after June 30, 2011, a school employer may not bargain collectively with the exclusive representative on the following:

- (1) The school calendar.
- (2) Teacher dismissal procedures and criteria.
- (3) Restructuring options available to a school employer under federal or state statutes, regulations, or rules because of the failure of the school corporation or a school to meet federal or state accountability standards.
- (4) The ability of a school employer to contract, partner, or operate jointly with an educational entity that provides postsecondary credits to students of the school employer or dual credits from the school employer and the educational entity.
- (5) Any subject not expressly listed in section 4 of this chapter.

(b) A subject set forth in subsection (a) that may not be bargained collectively may not be included in an agreement entered into under this article."

SBOA will review school corporations' collective bargaining agreements during the audit process to determine whether the agreements contained prohibited subjects of bargaining. . . . Financial losses related to a corporation's inclusion of prohibited subjects may be the personal obligation of the responsible school official or employee. (The School Administrator and Uniform Compliance Guidelines Volume 198, June 2012)

FEDERAL TAX PENALTIES

Penalties totaling \$9,895.41 were paid to the Internal Revenue Service on December 23, 2010, for the tax period ending June 30, 2010. The amount was assessed due to late deposit of taxes.

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 Indiana Public School Corporations, Chapter 9)

BANK ACCOUNT RECONCILIATIONS (Applies to the following schools)

Joseph H Bingham Elementary School - Center for Inquiry

Depository reconciliations of the fund balances to the bank account balances were not in agreement and had a variance of \$202 at June 30, 2011, and June 30, 2012.

Francis Scott Key Elementary School

Depository reconciliations of the fund balances to the bank account balances were not presented for audit.

INDIANAPOLIS PUBLIC SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

Rousseau McClellan Elementary School

Depository reconciliations of the fund balances to the bank account balances at June 30, 2011, and June 30, 2012, indicated variances of \$379.35 and \$417.91, respectively. At both dates the reconciled bank balance was larger than the record balance.

Julian Coleman Academy

Depository reconciliations of the fund balances to the bank account balances at June 30, 2011 and June 30, 2012, were incorrect and did not balance with the records. We also identified the Control Account Ledger did not agree with the fund balances for either school year end. At June 30, 2012 the fund balances totaled \$2.39; the Control Account Ledger reported the total balance as -\$202.75; and the bank statement reported a depository balance of \$231.58.

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

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

DEPOSITS NOT MADE TIMELY (Applies to Thomas C. Howe Academy)

The ECA Treasurer did not make deposits on a timely basis. Based on the documentation observed, the ECA Treasurer entered receipts into the computer on the same day as the deposit was made. During the 2011-2012 school year, the ECA Treasurer made deposits three times in a two month period, two days in a three month period, and made only a single deposit in the remaining seven months. A similar comment appeared in prior Report B38557.

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

DESIGNATED DEPOSITORY (Applies to Arsenal Technical High School)

As stated in prior Report B38557, the ECA had funds deposited in a financial institution that was not a designated depository for the State of Indiana. The school had purchased investments in prior years and had \$100,000 at June 30, 2012, in investments at the depository.

Indiana Code 20-41-1-9(b) states in part: "The money in the school extracurricular account may be invested under the conditions specified in IC 5-13-10 and IC 5-13-10.5 for investment of state money."

Indiana Code IC 5-13-10.5-8(a) states: "A public officer of the state may invest or reinvest funds held by the officer and available for investment in deposit accounts issued or offered by a designated depository. Investments under this subdivision by the treasurer of state are governed by IC 5-13-10."

INDIANAPOLIS PUBLIC SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

NONUSE OF FORM SA-7, CLAIM FOR PAYMENT (Applies to the following schools)

Francis Scott Key Elementary School

The ECA Treasurer did not use Form SA-7, Claim for Payment to support and document the disbursements made during the 2011-2012 school year. Vendor invoices were attached to blank Claim for Payments.

George Julian Elementary School

One payment in the amount of \$825 was paid to School Mate. This payment did not have a claim for payment and did not contain adequate supporting documentation such as receipts, and invoices.

The Claim for Payment (SA-7) is to be printed and print ruled, original only, and gathered in pads of 50. The Claim for Payment (SA-7) shall be used for claiming payment by anyone in situations where purchase orders are not used; for example, purchases from delivery salesmen, services of officials at athletic events, etc.

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)

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)

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)

NONUSE OF RECEIPT, FORM SA-3 (Applies to Francis Scott Key Elementary School)

Receipt Form SA-3 was not used when monies were remitted to the ECA Treasurer. Receipts recorded on the SA-5 Annual Reports totaled \$16,022 for the two year audit period and no receipts were written.

The receipt form is to be prenumbered and printed in duplicate, three receipts to the page if bound and five receipts to the page if printed loose-leaf. If printed loose-leaf, the duplicate shall be contained in a post binder as a permanent record. The receipt is to be issued for any and all money received. A separate receipt shall be issued for each amount of money received. The duplicate serves as a register of receipts from which all receipts are posted to the proper activity funds and the control account. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

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)

INDIANAPOLIS PUBLIC SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

PUBLIC RECORDS RETENTION (Applies to the following schools)

Ralph Waldo Emerson Elementary School

Receipts and Claim for Payments for the school year 2010-2011 were not presented for audit. The school and its contents were packed and moved to a temporary location for the 2011-2012 school year. The ECA records for the school year 2010-2011 were packed; shrink wrapped, and put in the IPS storage facility. We were provided reproductions of the monthly reconcilements and bank statements for auditing.

Rousseau McClellan Elementary School

Written receipts could not be located for the period of July 1, 2010 to June 30, 2011. The entire school was moved to another location for the 2011-2012 school year and the receipts could not be located as a result of the move.

Thomas D. Gregg Elementary School

The receipt book was not presented for audit. Receipt numbers were posted on the control fund ledger. This school changed ECA Treasurers and the receipt book could not be located.

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

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

RECEIPT ISSUANCE (Applies to the following schools)

Anna Brochhausen Elementary School

No receipts were written after January 1, 2011. During the audit period the school collected and deposited \$10,041, but no receipts were written for \$8,242 of those collections.

Brookside Elementary School

Receipts were not always issued for money received. During the audit period the school collected and deposited \$23,113, but no receipts were written for \$7,679 of those collections.

Elder W. Diggs Elementary School

Receipts were not always issued for money received. During the audit period, only six receipts were written totaling \$1,067. The recorded receipts from the schedule of balances were \$72,913 for the two year period.

INDIANAPOLIS PUBLIC SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

Julian Coleman Academy

Receipts were not always issued or recorded for money received. Bank deposits for the audit period totaled \$2,570.62 and written receipt totaled \$1,940.87 leaving \$629.75 deposited that had no receipts written.

Mary E. Nicholson Elementary School

Receipts were not always issued for money received. During the audit period the school collected and deposited \$27,671, but no receipts were written for \$5,311 of those collections.

New Horizon Alternative School

Receipts were not written during the period July 1, 2010 to April 30, 2011. During the audit period the recorded receipts from the schedule of balances was \$11,392.

Robert Lee Frost Elementary School

Receipts were not issued during the audit period. Receipt activity recorded on the SA-5 Annual Reports totaled \$23,161 for the two year audit period.

Washington Irving Elementary School

Receipts were not always issued for money received. During the audit period the school collected and deposited \$40,618, but no receipts were written for \$5,028 of those collections.

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)

SALES TAX (Applies to the following schools)

Julian Coleman Academy

Sales tax was paid for some purchases during the audit period totaling \$30.40.

Washington Irving Elementary School

Sales tax was reimbursed for some purchases totaling \$48.14 during the audit period.

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)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
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 Indianapolis Public Schools' (School Corporation) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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

As described in item 2012-3 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Cash Management that are applicable to its Improving Teach Quality State Grants program. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its other major federal programs for the period of July 1, 2010 to June 30, 2012. However the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2012-1 and 2012-2.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

Internal Control Over Compliance

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 to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there is no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2012-3 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2012-1 and 2012-2, to be significant deficiencies.

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

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

STATE BOARD OF ACCOUNTS

February 20, 2013

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

INDIANAPOLIS PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2011 and 2012

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-11	Total Federal Awards Expended 06-30-12
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553			
		FY 2010-11	\$ 4,507,218	\$ -
		FY 2011-12	-	4,793,894
National School Lunch Program	10.555			
		FY 2010-11	12,197,189	-
		FY 2011-12	-	12,464,944
Summer Food Service Program for Children	10.559			
		FY 2010-11	279,430	-
		FY 2011-12	-	253,939
Total for cluster			<u>16,983,837</u>	<u>17,512,777</u>
Fresh Fruit and Vegetable Program	10.582			
		FY 2010-11	445,566	-
		FY 2011-12	-	607,637
Total for program			<u>445,566</u>	<u>607,637</u>
Total for federal grantor agency			<u>17,429,403</u>	<u>18,120,414</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
Compensatory Education				
		FY 2010-11	22,645,580	-
		FY 2011-12	-	5,190,410
Compensatory Education				
		FY 2010-11	764,044	-
		FY 2011-12	-	19,049,980
School Improvement				
		FY 2010-11	403,306	-
		FY 2011-12	-	1,987,389
Delinquent				
		FY 2010-11	191,992	-
		FY 2011-12	-	143,063
Total for program			<u>24,004,922</u>	<u>26,370,842</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389			
Delinquent				
		FY 2010-11	7,127	-
Compensatory Education				
		FY 2010-11	5,172,370	-
		FY 2011-12	-	3,781,685
School Improvement				
		FY 2010-11	780,000	-
		FY 2011-12	-	348,607
Total for program			<u>5,959,497</u>	<u>4,130,292</u>
Total for cluster			<u>29,964,419</u>	<u>30,501,134</u>
Special Education Cluster				
Special Education Grants to States	84.027			
Part B IDEA 2009-11		14210-030-PN01	1,962,112	-
Part B IDEA		14211-030-PN01	7,623,268	2,457,597
Part B IDEA		14212-030-PN01	-	6,493,709
Response to Intervention 2010-1		A58-11DL-014	37,245	-

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 Years Ended June 30, 2011 and 2012
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
Special Education Cluster (continued)				
Special Education Grants to States (continued)				
Special Ed Assistive Technology Award 2011-2 Targeted Funds		H038A90084 14209-019-DY04	- -	63,802 -
Total for program			<u>9,622,625</u>	<u>9,015,108</u>
Special Education Preschool Grants	84.173			
Preschool		45710-030-PN01	74,417	-
Preschool		45712-030-PN01	161,002	128,953
Preschool		45712-030-PN01	-	<u>145,631</u>
Total for program			<u>235,419</u>	<u>274,584</u>
ARRA - Special Education Grants to States, Recovery Act Part B	84.391	33310-030-SN01	<u>5,447,109</u>	<u>1,190,942</u>
ARRA - Special Education Preschool Grants, Recovery Act Preschool	84.392	44410-030-SN01	114,609	<u>109,066</u>
Total for cluster			<u>15,419,762</u>	<u>10,589,700</u>
Impact Aid Cluster				
Impact Aid	84.041	S041B-2007-1607	8,510	<u>5,510</u>
Total for cluster			<u>8,510</u>	<u>5,510</u>
Education for Homeless Children and Youth Cluster				
Education for Homeless Children and Youth	84.196			
McKinney-Vento Homeless Grant		FY 2010-11	10,000	-
Stewart-McKinney Homeless Grant		FY 2010-11	40,449	14,461
McKinney-Vento Homeless Grant		FY 2011-12	-	16,437
Stewart-McKinney Homeless Grant		FY 2011-12	-	<u>59,935</u>
Total for cluster			<u>50,449</u>	<u>90,833</u>
Educational Technology State Grants Cluster				
ARRA - Educational Technology State Grants, Recovery Act Title II Part D	84.386	S386A090014	<u>268,817</u>	<u>19,492</u>
Total for cluster			<u>268,817</u>	<u>19,492</u>
School Improvement Grants Cluster				
ARRA - School Improvement Grants, Recovery Act	84.388	S388A090015	<u>1,898,111</u>	<u>5,907,539</u>
Total for cluster			<u>1,898,111</u>	<u>5,907,539</u>
Direct Grant				
Safe and Drug-Free Schools and Communities - National Programs Emergency Management for Schools	84.184	Q184E090271	<u>130,000</u>	<u>91,222</u>
Direct Grant				
Fund for the Improvement of Education Carol White Physical Education Teaching American History	84.215	Q215F100083 U215X060243	150,000 32,651	572,633 -

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 Years Ended June 30, 2011 and 2012
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Direct Grant (continued)				
Fund for the Improvement of Education (continued)				
Partnerships in Character Education		Q215S060151	30,960	-
Shortridge 414		U215K100212	-	599,996
Total for program			<u>213,611</u>	<u>1,172,629</u>
Pass-Through Indiana Department of Education				
Adult Education - Basic Grants to States	84.002			
Adult Basic Education		FY2008-8017	485,966	428,286
ABE Civics Education		FY2008-8402	26,286	25,603
Impact ABE		FY 2009-10	3,098	250
Total for program			<u>515,350</u>	<u>454,139</u>
Pass-Through Indiana Department of Workforce Development				
Career and Technical Education - Basic Grants to States	84.048			
Career Major Vocational Education			10,943	5,857
Project Lead the Way			25,707	8,139
Youth Works Indy			107,619	90,981
Pass-Through Indiana Department of Education				
Career and Technical Education - Basic Grants to States	84.048			
Perkins Vocational Ed 2009-10		09-4700-5385	288,754	-
Perkins Vocational Ed 2010-1		10-4700-5385	1,092,701	100,163
Perkins Vocational Ed 2011-2		11-4700-5385	-	1,080,953
Total for program			<u>1,525,724</u>	<u>1,286,093</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186			
FY 2008-10		Q186A090015	301,127	-
FY 2009-11		5385-11	-	192,776
Total for program			<u>301,127</u>	<u>192,776</u>
Even Start - State Educational Agencies	84.213			
		FY 2009-10	7,200	-
		FY 2010-11	145,713	45,760
Total for program			<u>152,913</u>	<u>45,760</u>
Reading First State Grants	84.357			
FY 2009-10		A58-0-10CI-086	553,711	-
Total for program			<u>553,711</u>	<u>-</u>
English Language Acquisition Grants	84.365			
Title III, Part D		FY 2009-10	215,950	-
		FY 2010-11	323,506	210,594
		FY 2011-12	-	231,953
Total for program			<u>539,456</u>	<u>442,547</u>
Mathematics and Science Partnerships	84.366			
08PASSPORT		FY 2009-10	144,422	-

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 Years Ended June 30, 2011 and 2012
 (Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
Improving Teacher Quality State Grants	84.367			
Title II Part A		FY 2008-10	683,052	-
Opportunity School Grant Title II, Part A		2010	24,505	-
Title II Part A		FY 2009-11	2,278,552	1,035,866
Title II Part A		FY 2010-12	<u>1,392,831</u>	<u>1,478,357</u>
Total for program			<u>4,378,940</u>	<u>2,514,223</u>
Education Jobs Fund	84.410			
		S410A100015	-	<u>2,039,233</u>
Total for federal grantor agency			<u>58,240,760</u>	<u>61,285,371</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass-Through Indiana Department of Education				
Medical Assistance Program	93.778	FY 2010-12	<u>157,710</u>	<u>236,319</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
Pass-Through Indiana Department of Education				
Learn and Serve America - School and Community Based Programs	94.004			
		A58-1-11SL-005	<u>16,247</u>	<u>13,753</u>
Total federal awards expended			<u>\$ 73,668,682</u>	<u>\$ 73,723,316</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

Note 1. 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 cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2011 and 2012. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2011	2012
School Breakfast Program	10.553	\$ 257,463	\$ 310,389
National School Lunch Program	10.555	692,963	798,270

INDIANAPOLIS PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unqualified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	yes
Type of auditor's report issued on compliance for major programs:	Unqualified for all Programs, except for Improving Teacher Quality State Grants, which was Qualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.367	Child Nutrition Cluster Special Education Cluster School Improvement Grants Cluster Improving Teacher Quality State Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

INDIANAPOLIS PUBLIC SCHOOLS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2012-1 – Special Tests & Provisions

Federal Agency: U.S. Department of Agriculture
 Federal Programs: School Breakfast Program, National School Lunch Program,
 Summer Food Service Program for Children
 CFDA Number: 10.553, 10.555, and 10.559
 Federal Award Number and Year (or Other Identifying Number): FY2011-2012
 Pass-Through Entity: Indiana Department of Education

In the 2011-12 school year, the Food Service Fund was charged \$500,000 in indirect costs but no documentation was provided to support the amount. This amount was in addition to other indirect costs charged in accordance with the Indiana Department of Education (IDOE) approved indirect cost rate. These other amounts were supported by indirect cost calculations. The School Corporation reported indirect costs for the Food Service Fund each year as follows:

Year	Amount
2008-2009	\$ 868,457.66
2009-2010	1,063,315.17
2010-2011	1,124,375.54
2011-2012	1,911,359.32

The \$500,000 amount was recorded as indirect costs, but further review indicated this to be an Ancillary Services Assessment. According to the Food Service Director, this amount was to reimburse the General Fund for the employees' time to monitor the lunch rooms during the serving of meals. Neither the Food Service Department nor the School Corporation's Accounting Department provided documentation to support the assessment. Only a copy of the journal entry and an email from the former Deputy Superintendent directing the Food Service Director to make the transfer from the Food Service Fund to the General Fund supported the payment. No calculations were available with these documents.

The Child Nutrition Cluster federal programs all include similar requirements as the National School Lunch Program compliance requirements listed in 7 CFR 210.14(a) which state in part:

"School food authorities shall maintain a nonprofit school food service. Revenues received by the nonprofit school food service are to be used only for the operation or improvement of such food service, except that, such revenues shall not be used to purchase land or buildings, unless otherwise approved by FCS, or to construct buildings. Expenditures of nonprofit school food service revenues shall be in accordance with the financial management system established by the State agency under § 210.19(a) of this part. . . ."

Because the School Corporation transferred \$500,000 from the Food Service Fund and was unable to document the cost was related to the program, the School Corporation was not in compliance with federal requirement, as listed above, which requires the School Food Service program to operate with funds only being used for operations and improvements of the program. We have determined the \$500,000 to be a questioned cost.

INDIANAPOLIS PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

We found that control procedures were either inadequate or ineffective to prevent the unallowable transfer of funds from the School Food Service program. This lack of adequate and effective control procedures regarding charging costs to the program represents a deficiency in the internal control of the operations of the program which affected the School Corporation's compliance with the special tests and provisions requirement to maintain operations as a not-for-profit.

The State Board of Accounts considers the "Ancillary Services Assessment" of \$500,000 to be an unallowable charge/transfer since inadequate evidence was provided to demonstrate the cost to be for operation or improvement of the food service program.

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

OMB Circular A-133, Subpart C, section .300 (b) states:

"The auditee shall: (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The U.S. Department of Agriculture memo SP-41-2011 issued July 7, 2011, states in part:

"If the general fund has been shown to have inappropriately recovered indirect costs from the nonprofit school food service account, the SFA should document the amount of funds which must be restored to the nonprofit school food service account and make the appropriate accounting entries to the financial records of both the general fund and the nonprofit school food service account."

We recommended that the School Corporation establish procedures to ensure that the School Food Service operate as a nonprofit school food service with procedures to only charge costs to the program which are direct or indirect costs which are allowed and adequately documented in accordance with federal and state requirements. Additionally, the potential repayment and resolution of this issue should be resolved with the Indiana Department of Education.

FINDING 2012-2 - CASH MANAGEMENT

Federal Agency: U.S. Department of Education

Federal Programs: Special Education Grants to States, ARRA- Special Education Grants to States, Recovery Act, ARRA – Special Education Preschool Grants, Recovery Act, ARRA - School Improvement Grants, Recovery Act
Improving Teacher Quality State Grants

CFDA Number: 84.027, 84.391, 84.392, 84.388, 84.367

Federal Award Number and Year (or Other Identifying Number): 44410-030-SN01; 33310-030-SN01;
14211-030-PN01; 14212-030-PN01
S388A90015
FY2009-11; FY 2010-12

Pass-Through Entity: Indiana Department of Education

INDIANAPOLIS PUBLIC SCHOOLS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (Continued)

The School Corporation received much of its federal grant funding as pass-through grants from the Indiana Department of Education (IDOE), including the Special Education Cluster, School Improvement Cluster and Improving Teacher Quality Grants. The Cash Management requirements from the IDOE required the School Corporation to complete Reimbursement Form, an IDOE prepared report for requesting reimbursement of federal grants funds based on the expenses for the month and total expenses to date. The Reimbursement Form may be completed semimonthly on the 1 and 15.

Controls and procedures were not in place to properly monitor the reported information and some errors occurred in the proper completion of the Reimbursement Forms. Lack of segregation of duties, may also have contributed to errors or reduced the likelihood that errors would have been discovered. During a significant portion of the two year audit period, the Reimbursement Forms were completed, submitted, and approved by the same person; therefore no segregation of duties or oversight existed. Also in testing, we noted that expenditure financial reports were not always available to support the amounts being requested for reimbursements from the IDOE. A few errors were identified during our testing of the accuracy of the Reimbursement Forms. Errors noted might have been detected had expenditure reports been attached to support the amount being requested for reimbursement or if another person monitored or checked the accuracy either by oversight or assisting in preparation of the reports. The following schedule reflects the results of our testing:

Name of Program	Forms Tested	Amount Reimbursed Not Supported by Expenditure Report <i>(control procedure)</i>	Errors on Monthly/Semimonthly Expenses on Reimbursement Forms	Excessive Cash Balances Due to Over Reimbursement
Special Education Cluster Grants School	63	12	2	No
Improvement Cluster Grants	27	20	1	Yes – 1 time
Improving Teacher Quality Grant	45	5	0	Yes- several months (See Finding 2012-3)

An effective internal control system was not established to provide segregation of duties and monitoring over the grant reimbursements for Cash Management compliance requirements. The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with Cash Management requirements.

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

INDIANAPOLIS PUBLIC SCHOOLS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (Continued)

OMB Circular A-133, Subpart C, section .300 (b) states:

"The auditee shall: (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

In a memorandum from the IDOE dated May 3, 2010, it states in part:

"Effective July 1, 2010, federal grants, including ARRA grants, will no longer be advanced but will be reimbursed based on actual expenditures. . . . Based on this change the Cash Request Form will no longer be used. It will be replaced by a Reimbursement Form. . . ."

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish and implement controls, including segregation of duties and proper monitoring, related to Cash Management compliance requirements which have a direct and material effect to the program.

FINDING 2012-3 - Cash Management

Federal Agency: U.S. Department of Education
 Federal Program: Improving Teacher Quality State Grants
 CFDA Number: 84.367
 Federal Award Number and Year (or Other Identifying Number): FY2009-11; FY2010-12
 Pass-Through Entity: Indiana Department of Education

In the 2010-2011 school year, the Indiana Department of Education (IDOE) changed the method of funding federal programs from a cash advance method to a cost reimbursement method which requires that an expense must be paid prior to requesting reimbursement. Some of the reimbursement requests submitted by the School Corporation were in excess of the actual expenditures. This resulted in the cash balances being on hand for an extended period of time. The following were the cash balances of the combined grant funds for the Improving Teacher Quality State Grants:

Month/Year	End of Month Cash Balance	Month/Year	End of Month Cash Balance
March 2011	\$ 129,653.32	November 2011	\$ 81,650.43
April 2011	1,786.20	December 2011	74,116.90
May 2011	414,921.35	January 2012	24,769.49
June 2011	444,597.28	February 2012	56,350.07
July 2011	319,785.71	March 2012	40,416.99
August 2011	33,393.77	April 2012	86,227.46
September 2011	219,377.95	May 2012	15,475.82
October 2011	44,642.95		

A Memorandum from the Indiana Department of Education (IDOE) on May 3, 2010, stated in part: ". . . Effective July 1, 2010, federal grants, including ARRA grants, will no longer be advanced but will be reimbursed based on actual expenditures. . . ."

INDIANAPOLIS PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

34 CFR 80.21 states in part:

"(b) Basic standard. Methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantee or subgrantee, in accordance with Treasury regulations at 31 CFR part 205.

(c) Advances. Grantees and subgrantees shall be paid in advance, provided they maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of the funds and their disbursement by the grantee or subgrantee.

(d) Reimbursement. Reimbursement shall be the preferred method when the requirements in paragraph (c) of this section are not met. Grantees and subgrantees may also be paid by reimbursement for any construction grant. Except as otherwise specified in regulation, Federal agencies shall not use the percentage of completion method to pay construction grants. The grantee or subgrantee may use that method to pay its construction contractor, and if it does, the awarding agency's payments to the grantee or subgrantee will be based on the grantee's or subgrantee's actual rate of disbursement."

31 CFR 205.12 (b) states in part:

"We and a State may base our agreement on the sample funding techniques listed in paragraphs (b)(1) through (b)(5) of this section, or any other technique upon which both parties agree. . . .

(5) Reimbursable funding means that a Federal Program Agency transfers Federal funds to a State after that State has already paid out the funds for Federal assistance program purposes."

OMB Circular A-133 section .330(b) states:

"The auditee shall: Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

Expenditures reported on the Reimbursement Form (IDOE form) exceeded amounts actually spent, because of errors and inclusion of encumbrances. No cash balances should have been on hand, since all grants for this federal program were on the reimbursement basis of payment. As such, the monthly ending balance of the federal funds should be negative or zero. While the presence of cash balances went undetected for some time, at the conclusion of the audit period the fund cash balance was negative at June 30, 2012.

The School Corporation was in noncompliance with the cash management requirements established by the pass-through agency. The Improving Teacher Quality State Grant funds had a positive balance for 15 months of the 24 month audit period, which was contrary to the federal and state compliance requirements. Because of the length of time and the amounts of excessive cash balances, the Improving Teacher Quality State Grants will be qualified.

We recommended that the School Corporation's management provide establish and implement adequate controls to prevent and detect excessive cash balances.



Indianapolis Public Schools

The John Morton-Finney Center for Educational Services
120 East Walnut Street
Indianapolis, IN 46204
TEL 317-226-4422 FAX 317-226-4785

CORRECTIVE ACTION PLAN

FINDING 2012-1 – Special Tests & Provisions

Indianapolis Public Schools transferred \$500,000 back to the Food Service Fund effective Dec. 1, 2012. Procedures are established to ensure only allowable direct or indirect costs are charged to the program.

FINDING 2012-2 –Cash Management

Grant Accounting has adding copies of our expenditure reports to our copies of the reimbursement forms. Procedures are now in place to ensure that encumbrances are not included with the expenditures on the reimbursement forms. These procedures started during the audit period.

We have also added e-mailing our requests to the Project Directors of the grants for informational purposes. If an error is seen by them we can correct the reimbursement request as needed. Additionally we have also added communication when the reimbursements are actually received by the corporation. Any variances between what is expected by the Project Directors and what we receive will be addressed at that time.

FINDING 2012-3 – Cash Management

Procedures are now in place to ensure that encumbrances are not included with the expenditures on the reimbursement forms. This issue was identified internally during the audit period and corrected by June 30th, 2012.

A handwritten signature in blue ink that reads 'Debra A. Hinline'. The signature is written over a horizontal dashed line.

Debra A. Hinline
Chief Financial Officer

INDIANAPOLIS PUBLIC SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on February 20, 2013, with Dr. Eugene G. White, Superintendent of Schools; Debra Hinline, Treasurer; Gayle Cosby, School Board member; Caitlin Hannon, School Board member; Paul Carpenter Wilson, Assistant Business Manager; John Perkins, Controller; and Regina May, Staff Auditor. The Official Response has been made a part of this report and may be found on pages 77 through 82.



Indianapolis Public Schools

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

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Eugene G. White, Ed.D.
Superintendent

Feb. 20, 2013

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 2010-2012 audit of Indianapolis Public Schools.

Sincerely,

A handwritten signature in cursive script that reads "Eugene G. White".

Eugene G. White, Ed.D.
Superintendent

Cc: Debra Hinline, Chief of Business and Financial Services
Regina May, Staff Auditor
File

Attachment
Audit Responses

IPS Response to State Board of Accounts Comment -- Payroll Clearing Funds

A comprehensive study was conducted and submitted for review on December 1, 2011. This report indicated the status of funds classified as “clearing” accounts, the financial history and proposed actions. The Business Office has been seeking guidance from the State Board of Accounts on the proper methods required to bring about accountability and the proper method of reporting on the Form 9 Annual Report. Present direction would dictate the funds be addressed as presented in the report, then work with the Indiana Department of Education, Division of School Finance to insure the proper manner to document and report the adjustments.

IPS Response to State Board of Accounts Comment -- Warehouse Clearing Funds

A comprehensive study was conducted and submitted for review on December 1, 2011. This report indicated that the method of accounting for transactions and the associated reconciliation steps be added to the process. Continued review after the date of the report indicates that the “title” of the fund should be changed to indicate the true function of the account which is more of a “Central Stores” and not a true clearing account. The continuation of this fund is an essential part of IPS’s continuing effort to economically provide materials necessary to support the educational process in each building. An increase in accountability and management of the fund will be enhanced over the next school year.

**IPS Response to State Board of Accounts Comment -- Bank Account Reconciliation
– Paycard Account**

Accurate bank reconciliations are completed on a monthly basis. The bank reconciliations are done in total and completed on an excel spreadsheet. This comment is based solely on the presentation of the Paycard bank account balance on the excel spreadsheet. All monies held in the Paycard bank account are accounted for in MUNIS.

IPS Response to State Board of Accounts Comment -- Overdrawn Cash Balances

Each of the funds cited have a particular set of circumstances that either created, or resulted in, a negative cash position. The Accounting Department will work diligently to bring these funds to a zero balance during 2013.

IPS Response to State Board of Accounts Comment – Collective Bargaining Agreement

This stems from the evolving SBOE interpretation of the new collective bargaining laws. Our new agreement complies other than the severability clause in the grievance procedure which was intended to protect us if the SBOE or a court said a grievance procedure was not bargainable. Having a severability clause is not going to subject anyone to any liability.

Section 4 of the bargaining law says you can only bargain the specified items and nothing else. Section 4 doesn't include a grievance procedure. Another section says an agreement can include a grievance procedure. We added the severability clause to address this ambiguity. That way if the law clarified in a way that prohibited a grievance procedure, the severability clause would be triggered to eliminate the grievance procedure, and we would be in compliance.

IPS Response to State Board of Accounts Comment – Federal Tax Penalties

This error in reporting was attributed to management personnel that are no longer on staff. This was a single incident that was corrected in a timely manner. Accounting Department procedures were revised and this type of oversight has not occurred again since July 2010.

BANK ACCOUNT RECONCILIATIONS

Joseph H Bingham Elementary School- Center for Inquiry II:

School officials reconcile the accounts monthly. The reconciliation difference was due to an error by the bank. The error has now been adjusted and the records are reconciled monthly without any known reconciliation differences.

Francis Scott Key Elementary School:

School officials have completed the bank reconciliations and will continue to reconcile monthly in the future.

Rousseau McClellan Elementary School:

School officials reconcile the accounts monthly. The differences noted stem from reports being printed after subsequent reconciliations are performed and the way the software program shows that information. The school will be more conscientious and make sure that reports are printed timely in the future to indicate that monthly reconciliations are completed.

Julian Coleman Academy:

School officials have completed the bank reconciliations and will continue to reconcile monthly in the future.

DEPOSITS NOT MADE TIMELY

Thomas Carr Howe Academy:

School officials make every effort to get to the bank without unreasonable delay. During the time noted by the State Board of Accounts, Thomas Carr Howe Academy was in transition as part of the state required takeover process. As the school progressed thru the year, less fundraisers were held making deposit times progressively more infrequent. As noted in the audit comment, receipts were written when money was received and that money was deposited the same day.

DESIGNATED DEPOSITORY

Arsenal Tech High School:

As stated in the response to the prior Audit B38557, the school was unaware that the Federal Center Credit Union was not a Designated Depository when it purchased a CD in July 2010. When the CD expired in July 2012 the CD was closed.

NONUSE OF FORM SA-7, CLAIM FOR PAYMENT

Francis Scott Key Elementary School
George Julian Elementary School

All claim forms will be completed with the required information and supporting documentation attached prior to making a payment.

NONUSE OF RECEIPT FORM SA-3

Francis Scott Key Elementary School

School officials have begun using the correct form for 2012-2013 and will continue to do so in the future.

PUBLIC RECORDS RETENTION

Ralph Waldo Emerson Elementary School
Rousseau McClellan Elementary School

These records were completed and used appropriately at the time. However, between the school year of use and the time of audit, the records have been placed in storage due to moves necessary for school construction.

Thomas D. Gregg Elementary School

Receipts were issued at the time money was received by the school. Subsequently in 2012-2013 the school went thru administrative changes and the receipt book was not able to be located by the current school personnel. Policies are in place to prevent the loss of records during typical staff changes.

RECEIPT ISSUANCE

Anna Brochhausen Elementary School
Brookside Elementary School
Elder W. Diggs Elementary School
Julian Coleman Academy
Mary E. Nicholson Elementary School
New Horizons Alternative School
Robert Lee Frost Elementary School
Washington Irving Elementary School

School officials will continue their effort to ensure they issue receipts for 100% of the money received by the school, both via the mail and in person.

SALES TAX

Julian Coleman Academy
Washington Irving Elementary School

School officials will continue their effort to ensure sales tax is not paid or reimbursed on purchase made from extracurricular funds.