



INNER-CITY SCHOLARSHIP FUND, INC.

Financial Statements and Schedules

August 31, 2008

(With Independent Auditors' Report Thereon)



KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Board of Trustees
Inner-City Scholarship Fund, Inc.:

We have audited the accompanying balance sheet of Inner-City Scholarship Fund, Inc. (ICSF) as of August 31, 2008, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of ICSF's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from ICSF's 2007 financial statements and, in our report dated January 10, 2008, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 ICSF's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Inner-City Scholarship Fund, Inc. as of August 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP

January 16, 2009

INNER-CITY SCHOLARSHIP FUND, INC.

Balance Sheet

August 31, 2008

(With comparative financial information as of August 31, 2007)

Assets	2008	2007
Cash and cash equivalents	\$ 3,777,401	967,385
Deposits with the Parish Assistance Corporation	2,298,132	2,298,132
Accrued interest receivable	38,379	54,752
Contributions receivable, net (note 4)	6,259,687	5,037,693
Prepaid expenses	115,950	43,515
Investment in Archdiocesan Common Investment Fund, at fair value (note 3)	1,149,041	1,206,198
Gift annuity held by the Archdiocese of New York	167,643	178,094
Total assets	\$ 13,806,233	9,785,769
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 199,505	116,649
Deferred revenue	—	224,606
Payable to the Archdiocese of New York (note 5)	89,640	174,454
Grants payable:		
Early Childhood Literacy grant due to the Archdiocese of New York	190,000	280,000
Financial aid grants due to individual schools	136,030	214,451
Total liabilities	615,175	1,010,160
Net assets:		
Unrestricted	2,126,667	228,559
Temporarily restricted (note 7)	5,482,391	7,965,050
Permanently restricted (note 7)	5,582,000	582,000
Total net assets	13,191,058	8,775,609
Total liabilities and net assets	\$ 13,806,233	9,785,769

See accompanying notes to financial statements.

INNER-CITY SCHOLARSHIP FUND, INC.

Statement of Activities

Year ended August 31, 2008

(With summarized financial information for the year ended August 31, 2007)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>2008 total</u>	<u>2007 total</u>
Revenues:					
Contributions and bequests	\$ 1,963,637	9,530,365	5,000,000	16,494,002	11,464,247
Special events, net of direct donor benefits of \$567,049 and \$552,080 in 2008 and 2007, respectively	3,180,805	—	—	3,180,805	2,980,588
Interest income	197,141	35,514	—	232,655	268,130
Net (loss) gain on investments	(97,751)	—	—	(97,751)	92,126
Net assets released from restrictions	12,048,538	(12,048,538)	—	—	—
Total revenues	<u>17,292,370</u>	<u>(2,482,659)</u>	<u>5,000,000</u>	<u>19,809,711</u>	<u>14,805,091</u>
Expenses:					
Program services:					
Grants and allocations:					
Financial aid grants	3,030,351	—	—	3,030,351	3,873,042
Be A Student's Friend grants	3,881,600	—	—	3,881,600	3,893,999
Cardinal's Scholarship Program administered by the Children's Scholarship Fund	5,688,178	—	—	5,688,178	1,589,340
Library Connections program administered by the Archdiocese of New York	735,315	—	—	735,315	510,000
Early Childhood Literacy program administered by the Archdiocese of New York	—	—	—	—	100,000
Teacher Resource Center administered by the Archdiocese of New York	25,000	—	—	25,000	40,000
American Field Service	15,000	—	—	15,000	—
Enrichment program	—	—	—	—	25,000
Program administration:					
Be A Student's Friend program	298,387	—	—	298,387	317,171
Enrichment program	51,205	—	—	51,205	58,737
Total program services	<u>13,725,036</u>	<u>—</u>	<u>—</u>	<u>13,725,036</u>	<u>10,407,289</u>
Supporting services:					
General and administrative	620,863	—	—	620,863	609,996
Development	1,048,363	—	—	1,048,363	1,056,250
Total supporting services	<u>1,669,226</u>	<u>—</u>	<u>—</u>	<u>1,669,226</u>	<u>1,666,246</u>
Total expenses	<u>15,394,262</u>	<u>—</u>	<u>—</u>	<u>15,394,262</u>	<u>12,073,535</u>
Increase (decrease) in net assets	1,898,108	(2,482,659)	5,000,000	4,415,449	2,731,556
Net assets at beginning of year	228,559	7,965,050	582,000	8,775,609	6,044,053
Net assets at end of year	\$ <u>2,126,667</u>	<u>5,482,391</u>	<u>5,582,000</u>	<u>13,191,058</u>	<u>8,775,609</u>

See accompanying notes to financial statements.

INNER-CITY SCHOLARSHIP FUND, INC.

Statement of Cash Flows

Year ended August 31, 2008

(With comparative financial information for the year ended August 31, 2007)

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Increase in net assets	\$ 4,415,449	2,731,556
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Net loss (gain) on investments	97,751	(92,126)
Contributions restricted for endowments	(5,000,000)	(71,000)
Changes in operating assets and liabilities:		
Accrued interest receivable	16,373	(10,618)
Contributions receivable	1,323,800	(3,770,556)
Prepaid expenses	(72,435)	62,955
Gift annuity held by the Archdiocese of New York	10,451	7,349
Accounts payable and accrued expenses	82,856	19,460
Deferred revenue	(224,606)	145,756
Payable to the Archdiocese of New York	(84,814)	(236,807)
Grants payable	(168,421)	27,451
Net cash provided by (used in) operating activities	<u>396,404</u>	<u>(1,186,580)</u>
Cash flows from investing activities:		
Increase in deposits with the Parish Assistance Corporation	—	(4,774,677)
Amounts received from the Parish Assistance Corporation	—	5,281,493
Dividend and interest income reinvested in Archdiocesan Common Investment Fund	(35,514)	(33,134)
Investment in the Archdiocesan Common Investment Fund	(15,550)	(87,000)
Withdrawal from the Archdiocesan Common Investment Fund	10,470	53,714
Net cash (used in) provided by investing activities	<u>(40,594)</u>	<u>440,396</u>
Cash flows from financing activities:		
Contributions restricted for endowments	5,000,000	71,000
Increase in contributions receivable restricted for endowment	(2,545,794)	—
Net cash provided by financing activities	<u>2,454,206</u>	<u>71,000</u>
Net increase (decrease) in cash and cash equivalents	2,810,016	(675,184)
Cash and cash equivalents at beginning of year	<u>967,385</u>	<u>1,642,569</u>
Cash and cash equivalents at end of year	<u>\$ 3,777,401</u>	<u>967,385</u>

See accompanying notes to financial statements.

INNER-CITY SCHOLARSHIP FUND, INC.

Notes to Financial Statements

August 31, 2008

(With comparative financial information
as of and for the year ended August 31, 2007)

(1) Organization

Inner-City Scholarship Fund, Inc. (ICSF) is a not-for-profit organization exempt from Federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. ICSF's objective is to obtain funds for the benefit of students in attendance at Catholic schools serving certain low-income areas within the Archdiocese of New York. Financial aid grants to schools are made based on enrollment and donor designations. In addition, schools receive scholarship funds through ICSF's Be A Student's Friend sponsorship. ICSF also provides support for Library Connections, Patrons Program, Early Childhood Literacy, and other enrichment programs.

Effective with the 2005-2006 academic year, ICSF, along with the Endowment for Inner-City Education, has participated in the Cardinal's Scholarship Program. Administered by the Children's Scholarship Fund, an unaffiliated not-for-profit organization, the program was established to address the decline in enrollment. The program has each of the three organizations sharing equally in the cost of scholarships awarded to public school students who transfer to one of 87 Catholic inner-city elementary schools. As each family awarded a scholarship must qualify for continued support annually, no liability has been reflected in the financial statements for ICSF's commitment to share in the on-going cost associated with children who continue to qualify for the scholarship in the future.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables and payables. Other significant accounting policies are set forth below.

(b) Basis of Presentation

ICSF's net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of ICSF and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by actions of ICSF or by the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by ICSF. Generally, the donors of these assets permit ICSF to use all or part of the income earned on related investments to support financial aid grants.

INNER-CITY SCHOLARSHIP FUND, INC.

Notes to Financial Statements

August 31, 2008

(With comparative financial information
as of and for the year ended August 31, 2007)

Revenues are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

(c) Cash and Cash Equivalents

ICSF considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents except for those short-term instruments, if any, maintained in the Archdiocesan Common Investment Fund (see note 3).

(d) Deposits with the Parish Assistance Corporation

Amounts deposited with the Parish Assistance Corporation (formerly known as the Deposit & Loan Fund of the Archdiocese of New York) earn interest at a rate that is the lower of the overnight money market rate average for the 30 business days prior to the beginning of the interest period or the six-month certificate of deposit rate at the beginning of the interest period, and may be withdrawn on demand. The interest rate as of August 31, 2008 and 2007 was 3.34% and 4.00%, respectively.

(e) Contributions

Contributions, including unconditional promises to give, are recognized when received. Unconditional promises are recorded net of an allowance for amounts deemed uncollectible and a present value discount.

(f) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(g) Comparative Financial Information

The accompanying statement of activities is presented with 2007 comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with ICSF's 2007 financial statements, from which the summarized information was derived.

(h) Reclassifications

Certain 2007 amounts have been reclassified to conform to the 2008 presentation.

INNER-CITY SCHOLARSHIP FUND, INC.

Notes to Financial Statements

August 31, 2008

(With comparative financial information
as of and for the year ended August 31, 2007)

(3) Investment in Archdiocesan Common Investment Fund

ICSF participates with other Archdiocesan entities in the Archdiocesan Common Investment Fund (the Fund), which allows for additions and redemptions monthly. The Fund is invested in equity (S&P 500 Index) and fixed income (Lehman Aggregate Bond Index) index funds managed by the Bank of New York Mellon (formerly the Bank of New York) and valued by the Fund at their published net asset value. Investment income and net gains (losses) on sales of securities and unrealized appreciation (depreciation) in fair value of investments are credited monthly to ICSF's account based on its pro rata participation in the Fund.

At August 31, 2008 and 2007, ICSF's investment in the Fund was allocated as follows:

	<u>2008</u>	<u>2007</u>
Equity – S&P 500 Index Fund	\$ 714,772	800,512
Fixed Income – Lehman Aggregate Bond Index Fund	434,269	405,686
	<u>\$ 1,149,041</u>	<u>1,206,198</u>

(4) Contributions Receivable

Contributions receivable consist of the following at August 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Amounts expected to be collected in:		
Less than one year	\$ 3,521,808	1,871,110
One to five years	1,980,400	2,133,100
More than five years	1,500,000	2,000,000
	7,002,208	6,004,210
Less allowance for uncollectible contributions receivable	(16,029)	(33,645)
Less discount at rates ranging from 3.50% to 5.75%	(726,492)	(912,872)
	<u>\$ 6,259,687</u>	<u>5,057,693</u>

At August 31, 2008 and 2007, the amounts receivable from two donors and one donor represent approximately 93% and 75% of the gross receivable, respectively.

During 2007, ICSF received a grant not to exceed \$22,500,000, which is providing funding for scholarships to students demonstrating financial need in accordance with the guidelines of the Cardinal's Scholarship Program. The grant is expected to be received through August 31, 2013. As the receipt of future amounts is conditional, revenue is recognized as cash is collected. Approximately \$3.6 million was received and recognized as revenue in fiscal 2008.

INNER-CITY SCHOLARSHIP FUND, INC.

Notes to Financial Statements

August 31, 2008

(With comparative financial information
as of and for the year ended August 31, 2007)

(5) Payable to the Archdiocese of New York

The payable to the Archdiocese of New York represents amounts due for items such as rent, data services, and other allocated services. The amounts charged for such services approximated \$1,082,000 and \$1,007,000 in 2008 and 2007, respectively.

(6) Pension Plan

ICSF employees who satisfy age and service requirements participate in a noncontributory defined benefit Archdiocesan Pension Plan. Total pension expense was \$12,173 and \$10,438 in 2008 and 2007, respectively. Because this is a multiemployer plan, information as to vested and nonvested earned benefits, as well as plan assets, as they relate to ICSF employees, is not readily available. It is ICSF's policy to provide for all pension costs currently.

(7) Net Assets

Temporarily restricted net assets at August 31, 2008 and 2007 are available for the following purposes or periods:

	<u>2008</u>	<u>2007</u>
Purpose restrictions:		
Financial aid for schools	\$ 3,237,026	5,117,324
Library Connections program	370,494	893,494
Be A Student's Friend grants and program	1,504,948	1,523,858
Other enrichment programs	<u>152,280</u>	<u>152,280</u>
	5,364,748	7,686,956
Time restrictions:		
For subsequent years	50,000	100,000
Gift annuity held by Archdiocese of New York for the benefit of ICSF	<u>167,643</u>	<u>178,094</u>
	<u>\$ 5,482,391</u>	<u>7,965,050</u>

Income from permanently restricted net assets at August 31, 2008 and 2007 is restricted as follows:

	<u>2008</u>	<u>2007</u>
Be A Student's Friend grants and program	\$ 5,211,000	211,000
Financial aid for schools	<u>371,000</u>	<u>371,000</u>
	<u>\$ 5,582,000</u>	<u>582,000</u>

INNER-CITY SCHOLARSHIP FUND, INC.

Schedule of Financial Aid and Be A Student's Friend Grants

Year ended August 31, 2008

	<u>Total</u>	<u>Financial aid grants</u>	<u>Be A Student's Friend grants</u>
Manhattan Elementary Grants:			
All Saints	\$ 118,549	105,049	13,500
Annunciation	30,671	9,671	21,000
Ascension	53,342	13,342	40,000
Blessed Sacrament	31,829	5,829	26,000
Corpus Christi	27,000	—	27,000
Good Shepherd	21,890	5,890	16,000
Guardian Angel	84,229	33,229	51,000
Holy Cross	23,867	13,867	10,000
Holy Name of Jesus	38,347	23,347	15,000
Mt. Carmel/Holy Rosary	76,000	40,000	36,000
Immaculate Conception	50,913	13,913	37,000
Incarnation	86,801	25,801	61,000
Our Lady of Lourdes	32,000	—	32,000
Our Lady of Pompeii	20,438	8,438	12,000
Our Lady of Sorrows	30,000	—	30,000
Our Lady Queen of Angels	158,799	135,799	23,000
Our Lady Queen of Martyrs	62,189	30,189	32,000
Sacred Heart of Jesus	24,000	—	24,000
St. Aloysius	39,481	11,981	27,500
St. Ann	60,069	13,069	47,000
St. Brigid	30,615	8,115	22,500
St. Charles Borromeo	43,595	17,595	26,000
St. Elizabeth	62,162	18,162	44,000
St. Gregory the Great	18,500	—	18,500
St. Ignatius Loyola	2,730	2,730	—
St. James	238,834	216,834	22,000
St. Joseph – 87th St.	33,416	8,416	25,000
St. Joseph – Monroe	38,150	14,150	24,000
St. Joseph – Morningside	24,140	10,140	14,000
St. Jude	39,289	14,289	25,000
St. Mark the Evangelist	38,799	10,799	28,000
St. Patrick	11,000	—	11,000
St. Paul – 118th Street	38,676	13,676	25,000
St. Rose of Lima	64,959	40,959	24,000
St. Stephen of Hungary	34,672	22,672	12,000
Transfiguration	19,232	6,232	13,000
Total Manhattan Elementary Grants	<u>1,809,183</u>	<u>894,183</u>	<u>915,000</u>
Bronx Elementary Grants:			
Blessed Sacrament	26,927	8,927	18,000
Christ the King	49,493	28,493	21,000
Holy Cross	41,502	22,502	19,000
Holy Family	38,379	25,379	13,000
Holy Rosary	29,394	23,394	6,000
Holy Spirit	60,981	15,981	45,000
Immaculate Conception – 151st Street	106,442	61,442	45,000
Immaculate Conception – Gunhill	50,440	28,440	22,000
Nativity of Our Blessed Lady	13,758	8,758	5,000
Our Lady of Angels	26,616	16,616	10,000

INNER-CITY SCHOLARSHIP FUND, INC.

Schedule of Financial Aid and Be A Student's Friend Grants

Year ended August 31, 2008

	<u>Total</u>	<u>Financial aid grants</u>	<u>Be A Student's Friend grants</u>
Our Lady of Grace	\$ 33,889	16,889	17,000
Our Lady of Mercy	50,413	11,413	39,000
Our Lady of Mt. Carmel	29,455	12,455	17,000
Our Lady of Refuge	26,310	12,310	14,000
Sacred Heart	64,987	35,987	29,000
St. Angela Merici	50,549	22,549	28,000
St. Ann	21,128	9,128	12,000
St. Anselm	68,746	41,746	27,000
St. Anthony – Mansion St.	14,423	10,423	4,000
St. Athanasius	67,752	36,752	31,000
St. Augustine	12,000	—	12,000
St. Brendan	29,345	13,345	16,000
St. Dominic	24,329	10,329	14,000
St. Francis of Rome	13,241	7,241	6,000
St. Francis Xavier School	3,875	1,875	2,000
St. Helena	42,149	17,649	24,500
St. Jerome	58,596	32,596	26,000
St. John	16,591	6,591	10,000
St. John Chrysostom	153,868	127,868	26,000
St. John Vianney	37,424	12,924	24,500
St. Joseph	76,337	46,837	29,500
St. Lucy	36,425	25,425	11,000
St. Luke	60,741	32,741	28,000
St. Margaret Mary	34,332	15,332	19,000
St. Martin of Tours	22,821	8,821	14,000
St. Mary	20,269	10,269	10,000
St. Mary Star of the Sea	19,150	6,150	13,000
St. Nicholas of Tolentine	50,786	17,786	33,000
Sts. Peter and Paul	133,131	97,131	36,000
Sts. Philip and James	30,099	14,599	15,500
St. Philip Neri	33,076	13,076	20,000
St. Pius V	26,000	11,000	15,000
St. Raymond	48,891	23,891	25,000
St. Simon Stock	58,038	16,038	42,000
St. Thomas Aquinas	25,115	13,115	12,000
Santa Maria	28,289	7,289	21,000
St. Francis of Assisi School	26,433	8,433	18,000
Visitation School	28,187	10,187	18,000
Total Bronx Elementary Grants	<u>2,021,122</u>	<u>1,058,122</u>	<u>963,000</u>
Staten Island Elementary Grants:			
Immaculate Conception	34,280	14,280	20,000
Our Lady of Good Counsel	1,500	1,500	—
Our Lady of Mt. Carmel/St. Benedicta	37,125	21,125	16,000
St. Mary	11,609	11,609	—
St. Peter's	28,742	13,742	15,000
St. Sylvester	20,666	10,666	10,000
Total Staten Island Elementary Grants	<u>133,922</u>	<u>72,922</u>	<u>61,000</u>

INNER-CITY SCHOLARSHIP FUND, INC.

Schedule of Financial Aid and Be A Student's Friend Grants

Year ended August 31, 2008

	<u>Total</u>	<u>Financial aid grants</u>	<u>Be A Student's Friend grants</u>
Orange County Elementary Grants:			
St. Joseph	\$ 27,500	27,500	
Total Orange County Elementary Grants	<u>27,500</u>	<u>27,500</u>	<u>—</u>
Rockland County Elementary Grants:			
St. Catharine of Alexandria		—	
St. Peter's	2,000	2,000	
Total Rockland County Elementary Grants	<u>2,000</u>	<u>2,000</u>	<u>—</u>
Westchester County Elementary Grants:			
Holy Name of Jesus – New Rochlle	1,000	1,000	
Holy Name of Jesus – Valhalla	20,000	20,000	
Holy Rosary	17,000	15,000	2,000
Our Lady of the Assumption	15,000	15,000	
Our Lady of Mt. Carmel	31,700	31,700	
Our Lady of Victory	17,000	17,000	
Sacred Heart School for the Arts	21,000	15,000	6,000
St. Ann	15,000	15,000	
St. Casimir	38,000	38,000	
St. Paul the Apostle	3,500	1,500	2,000
St. Peter's School	19,000	19,000	
St. Mary's School	31,200	29,200	2,000
St. Teresa Montessori		—	
Total Westchester County Elementary Grants	<u>229,400</u>	<u>217,400</u>	<u>12,000</u>
Ulster County Elementary Grants:			
Kingston Catholic	2,000	—	2,000
Total Ulster County Elementary Grants	<u>2,000</u>	<u>—</u>	<u>2,000</u>
Total Elementary Grants	<u>4,225,127</u>	<u>2,272,127</u>	<u>1,953,000</u>
Manhattan Secondary Grants:			
Cathedral High School	212,170	47,170	165,000
Mother Cabrini	127,871	30,371	97,500
Notre Dame	154,013	16,513	137,500
Rice High School	66,288	31,288	35,000
St. Agnes Boys High School	132,520	50,020	82,500
St. Jean Baptiste	131,435	23,585	107,850
La Salle Academy	73,585	23,585	50,000
St. Michael's Academy	77,835	23,585	54,250
Total Manhattan Secondary Grants	<u>975,717</u>	<u>246,117</u>	<u>729,600</u>

INNER-CITY SCHOLARSHIP FUND, INC.

Schedule of Financial Aid and Be A Student's Friend Grants

Year ended August 31, 2008

	<u>Total</u>	<u>Financial aid grants</u>	<u>Be A Student's Friend grants</u>
Staten Island Secondary Grants:			
St. Peter's High School for Boys	\$ 12,500	—	12,500
St. Peter's High School for Girls	10,000	—	10,000
Total Staten Island Secondary Grants	<u>22,500</u>	<u>—</u>	<u>22,500</u>
Bronx Secondary Grants:			
Academy of Mount St. Ursula	112,335	23,585	88,750
All Hallows	156,273	48,773	107,500
Aquinas High School	216,575	79,075	137,500
Cardinal Hayes High School	203,140	66,890	136,250
Cardinal Spellman High School	210,920	47,170	163,750
Monsignor Scanlan	188,385	67,135	121,250
Mt. St. Michael Academy	98,585	23,585	75,000
Preston High School	46,335	23,585	22,750
St. Catharine Academy	133,235	29,485	103,750
St. Barnabas	45,263	16,513	28,750
St. Raymond Girls Academy	89,013	16,513	72,500
St. Raymond	108,435	27,185	81,250
St. Pius V High School	52,613	17,613	35,000
Total Bronx Secondary Grants	<u>1,661,107</u>	<u>487,107</u>	<u>1,174,000</u>
Westchester Secondary Grants:			
Blessed Sacrament – St. Gabriel School	12,500	10,000	2,500
Academy of Our Lady of Good Counsel	2,500	2,500	—
Maria Regina	2,500	2,500	—
Sacred Heart High School	10,000	10,000	—
Total Westchester Secondary Grants	<u>27,500</u>	<u>25,000</u>	<u>2,500</u>
Total Secondary Grants	<u>2,686,824</u>	<u>758,224</u>	<u>1,928,600</u>
Total Elementary and Secondary Grants	<u>\$ 6,911,951</u>	<u>3,030,351</u>	<u>3,881,600</u>

* Return of excess grant from fiscal year 2006

See accompanying independent auditors' report.

Schedule 2

INNER-CITY SCHOLARSHIP FUND, INC.

Schedule of Special Events Revenue, Program Administration Expenses,
General and Administrative Expenses, and Development Expenses

Year ended August 31, 2008

Special events revenue:	
Proceeds from the December 2007 Annual Dinner	\$ 1,851,700
Proceeds from the 2008 Spring Gala	1,171,579
Proceeds from the Lawyers' Lunch	459,240
Proceeds from the Westchester Dance	227,650
Proceeds from the Junior Committee	37,685
	<u>3,747,854</u>
Less direct donor benefits:	
Annual Dinner	188,060
Spring Gala	175,609
Lawyers' Lunch	102,964
Westchester Dance	75,980
Junior Committee	24,436
	<u>567,049</u>
Net special events revenue	\$ <u>3,180,805</u>
Program administration expenses:	
Be A Student's Friend program:	
Salaries and fringe benefits	\$ 163,264
Professional fees	116,496
Facilities rental	5,837
Stationary and printing	1,683
Supplies	4,221
Postage and shipping	3,077
Other	3,809
Total Be A Student's Friend program administration expenses	\$ <u>298,387</u>
Enrichment program:	
Professional fees	16,725
Temporary help	24,155
Transportation	8,175
Other	2,150
Total enrichment program expenses	\$ <u>51,205</u>
General and administrative expenses:	
Salaries and fringe benefits	\$ 206,156
Computer processing costs	49,898
Professional fees	92,529
Postage and shipping	17,778
Stationary and printing	6,781
Occupancy costs	67,044
Supplies	12,509
Telephone	13,410
Other	154,758
Total general and administrative expenses	\$ <u>620,863</u>

Schedule 2

INNER-CITY SCHOLARSHIP FUND, INC.

Schedule of Special Events Revenue, Program Administration Expenses,
General and Administrative Expenses, and Development Expenses

Year ended August 31, 2008

Development expenses:	
Salaries and fringe benefits	\$ 481,031
Advertising campaign expense	241,659
Direct mail campaign expense	182,590
Other	<u>143,083</u>
Total development expenses	<u>\$ 1,048,363</u>

See accompanying independent auditors' report.