

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

AUDIT REPORT
OF
NORTH WHITE SCHOOL CORPORATION
WHITE COUNTY, INDIANA
July 1, 2005 to June 30, 2007



FILED
03/12/2008

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Shellie Ruemler	07-01-05 to 06-30-08
Superintendent of Schools	Patrick W. McTaggart	07-01-05 to 06-30-08
President of the School Board	Laura Bossaer James Annis	07-01-05 to 06-30-06 07-01-06 to 06-30-08



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

TO: THE OFFICIALS OF THE NORTH WHITE SCHOOL CORPORATION, WHITE COUNTY, INDIANA

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

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

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

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

In accordance with Government Auditing Standards, we have also issued a report dated December 27, 2007, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

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

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

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Schedule of Long-Term Debt is presented for additional analysis and is not a required part of the basic financial statements. The Schedule of Long-Term Debt has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

December 27, 2007



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

TO: THE OFFICIALS OF THE NORTH WHITE SCHOOL CORPORATION, WHITE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the North White School Corporation (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated December 27, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

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

STATE BOARD OF ACCOUNTS

December 27, 2007

NORTH WHITE SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2006

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 3,533,855	\$ -	\$ 220,821	\$ (3,313,034)
Support services	6,162,534	235,501	250,553	(5,676,480)
Community services	113,005	-	-	(113,005)
Nonprogrammed charges	682,182	-	-	(682,182)
Debt service	4,061,012	-	-	(4,061,012)
	<u>\$ 14,552,588</u>	<u>\$ 235,501</u>	<u>\$ 471,374</u>	<u>(13,845,713)</u>
Total governmental activities				
General receipts:				
Property taxes				5,610,230
Other local sources				733,552
State aid				3,611,961
Bonds and loans				2,439,000
Grants and contributions not restricted to specific programs				529,027
Sale of property, adjustments, and refunds				1,153,786
Investment earnings				132,395
Total general receipts				<u>14,209,951</u>
Change in net assets				364,238
Net assets - beginning				<u>6,005,104</u>
Net assets - ending				<u>\$ 6,369,342</u>
<u>Assets</u>				
Cash and investments				\$ 5,682,112
Restricted assets:				
Cash and investments				<u>687,230</u>
Total assets				<u>\$ 6,369,342</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 687,230
Unrestricted				<u>5,682,112</u>
Total net assets				<u>\$ 6,369,342</u>

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

NORTH WHITE SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		Charges for Services	Operating Grants and Contributions	<u>Totals</u>
Governmental activities:				
Instruction	\$ 3,352,032	\$ -	\$ 260,008	\$ (3,092,024)
Support services	5,714,816	220,337	288,134	(5,206,345)
Community services	117,322	-	-	(117,322)
Nonprogrammed charges	712,111	-	-	(712,111)
Debt service	4,194,510	-	-	(4,194,510)
Total governmental activities	\$ 14,090,791	\$ 220,337	\$ 548,142	(13,322,312)
General receipts:				
Property taxes				3,469,456
Other local sources				698,977
State aid				3,357,904
Bonds and loans				1,803,000
Grants and contributions not restricted to specific programs				542,984
Sale of property, adjustments, and refunds				69,435
Investment earnings				231,144
Total general receipts				10,172,900
Change in net assets				(3,149,412)
Net assets - beginning				6,369,342
Net assets - ending				\$ 3,219,930
<u>Assets</u>				
Cash and investments				\$ 3,060,960
Restricted assets:				
Cash and investments				158,970
Total assets				\$ 3,219,930
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 158,970
Unrestricted				3,060,960
Total net assets				\$ 3,219,930

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

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

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Construction	Other	Totals
Receipts:									
Local sources	\$ 3,014,251	\$ 600,294	\$ -	\$ 1,785,992	\$ 845,686	\$ 58,613	\$ 15,044	\$ 391,338	\$ 6,711,218
Intermediate sources	460	-	-	-	-	-	-	-	460
State sources	3,767,053	3,127	-	-	704	-	-	132,547	3,903,431
Federal sources	-	-	-	-	-	-	-	708,931	708,931
Bonds and loans	1,763,000	286,000	-	-	390,000	-	-	-	2,439,000
Sale of property, adjustments and refunds	14,441	45	1,070,242	501	-	-	3,277	65,280	1,153,786
Total receipts	8,559,205	889,466	1,070,242	1,786,493	1,236,390	58,613	18,321	1,298,096	14,916,826
Disbursements:									
Current:									
Instruction	2,891,977	-	-	-	-	-	-	641,878	3,533,855
Support services	2,849,483	563,307	863,353	-	1,031,000	199,791	97,312	558,288	6,162,534
Community services	111,647	-	-	-	-	-	-	1,358	113,005
Nonprogrammed charges	641,504	-	-	-	-	-	-	40,678	682,182
Debt services	1,505,000	233,000	-	1,517,703	562,000	63,000	-	180,309	4,061,012
Total disbursements	7,999,611	796,307	863,353	1,517,703	1,593,000	262,791	97,312	1,422,511	14,552,588
Excess (deficiency) of receipts over disbursements	559,594	93,159	206,889	268,790	(356,610)	(204,178)	(78,991)	(124,415)	364,238
Other financing sources (uses):									
Transfers in	-	-	800,000	310,987	-	-	17,403	195,890	1,324,280
Transfers out	(328,390)	-	(195,890)	(500,000)	(300,000)	-	-	-	(1,324,280)
Total other financing sources (uses)	(328,390)	-	604,110	(189,013)	(300,000)	-	17,403	195,890	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	231,204	93,159	810,999	79,777	(656,610)	(204,178)	(61,588)	71,475	364,238
Cash and investments - beginning	1,742,422	331,094	-	598,324	1,358,636	309,579	1,480,028	185,021	6,005,104
Cash and investments - ending	\$ 1,973,626	\$ 424,253	\$ 810,999	\$ 678,101	\$ 702,026	\$ 105,401	\$ 1,418,440	\$ 256,496	\$ 6,369,342
Cash and Investment Assets - Ending									
Cash and investments	\$ 1,973,626	\$ 424,253	\$ 810,999	\$ -	\$ 702,026	\$ 105,401	\$ 1,418,440	\$ 247,367	\$ 5,682,112
Restricted assets:									
Cash and investments	-	-	-	678,101	-	-	-	9,129	687,230
Total cash and investment assets - ending	\$ 1,973,626	\$ 424,253	\$ 810,999	\$ 678,101	\$ 702,026	\$ 105,401	\$ 1,418,440	\$ 256,496	\$ 6,369,342
Cash and Investment Fund Balance - Ending									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ 678,101	\$ -	\$ -	\$ -	\$ 9,129	\$ 687,230
Unrestricted	1,973,626	424,253	810,999	-	702,026	105,401	1,418,440	247,367	5,682,112
Total cash and investment fund balance - ending	\$ 1,973,626	\$ 424,253	\$ 810,999	\$ 678,101	\$ 702,026	\$ 105,401	\$ 1,418,440	\$ 256,496	\$ 6,369,342

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

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

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Construction	Other	Totals
Receipts:									
Local sources	\$ 2,050,853	\$ 387,356	\$ -	\$ 1,051,064	\$ 625,324	\$ 79,904	\$ 61,765	\$ 362,889	\$ 4,619,155
Intermediate sources	760	-	-	-	-	-	-	-	760
State sources	3,551,584	727	-	-	12,907	-	-	143,443	3,708,661
Federal sources	-	-	-	-	-	-	-	740,368	740,368
Bonds and loans	1,279,000	224,000	-	-	300,000	-	-	-	1,803,000
Sale of property, adjustments and refunds	42,903	-	-	205	-	-	-	26,327	69,435
Total receipts	6,925,100	612,083	-	1,051,269	938,231	79,904	61,765	1,273,027	10,941,379
Disbursements:									
Current:									
Instruction	2,812,981	-	-	-	-	-	-	539,051	3,352,032
Support services	2,819,719	546,131	-	-	1,055,562	148,954	560,199	584,251	5,714,816
Community services	116,296	-	-	-	-	-	-	1,026	117,322
Nonprogrammed charges	696,209	-	-	-	-	-	-	15,902	712,111
Debt services	1,763,000	286,000	-	1,578,671	390,000	-	-	176,839	4,194,510
Total disbursements	8,208,205	832,131	-	1,578,671	1,445,562	148,954	560,199	1,317,069	14,090,791
Excess (deficiency) of receipts over disbursements	(1,283,105)	(220,048)	-	(527,402)	(507,331)	(69,050)	(498,434)	(44,042)	(3,149,412)
Other financing sources (uses):									
Transfers in	1,302	-	-	-	-	-	-	60,000	61,302
Transfers out	-	-	(60,000)	-	-	-	-	(1,302)	(61,302)
Total other financing sources (uses)	1,302	-	(60,000)	-	-	-	-	58,698	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,281,803)	(220,048)	(60,000)	(527,402)	(507,331)	(69,050)	(498,434)	14,656	(3,149,412)
Cash and investments - beginning	1,973,626	424,253	810,999	678,101	702,026	105,401	1,418,440	256,496	6,369,342
Cash and investments - ending	<u>\$ 691,823</u>	<u>\$ 204,205</u>	<u>\$ 750,999</u>	<u>\$ 150,699</u>	<u>\$ 194,695</u>	<u>\$ 36,351</u>	<u>\$ 920,006</u>	<u>\$ 271,152</u>	<u>\$ 3,219,930</u>
Cash and Investment Assets - Ending									
Cash and investments	\$ 691,823	\$ 204,205	\$ 750,999	\$ -	\$ 194,695	\$ 36,351	\$ 920,006	\$ 262,881	\$ 3,060,960
Restricted assets:									
Cash and investments	-	-	-	150,699	-	-	-	8,271	158,970
Total cash and investment assets - ending	<u>\$ 691,823</u>	<u>\$ 204,205</u>	<u>\$ 750,999</u>	<u>\$ 150,699</u>	<u>\$ 194,695</u>	<u>\$ 36,351</u>	<u>\$ 920,006</u>	<u>\$ 271,152</u>	<u>\$ 3,219,930</u>
Cash and Investment Fund Balance - Ending									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ 150,699	\$ -	\$ -	\$ -	\$ 8,271	\$ 158,970
Unrestricted	691,823	204,205	750,999	-	194,695	36,351	920,006	262,881	3,060,960
Total cash and investment fund balance - ending	<u>\$ 691,823</u>	<u>\$ 204,205</u>	<u>\$ 750,999</u>	<u>\$ 150,699</u>	<u>\$ 194,695</u>	<u>\$ 36,351</u>	<u>\$ 920,006</u>	<u>\$ 271,152</u>	<u>\$ 3,219,930</u>

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

NORTH WHITE SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2006

	Pension Trust Funds	Private-Purpose Trust Funds
Additions:		
Construction:		
Other	\$ 62,474	\$ 8,150
Deductions:		
Administrative and general	62,474	7,310
Excess of total additions over total deductions	-	840
Cash and investment fund balance - beginning	8,101	5,124
Cash and investment fund balance - ending	\$ 8,101	\$ 5,964
Net assets:		
Cash and investments	\$ 8,101	\$ 5,964
Total net assets - cash and investment basis held in trust	\$ 8,101	\$ 5,964

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

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

	Pension Trust Funds	Private-Purpose Trust Funds
Additions:		
Contributions:		
Other	\$ -	\$ 10,797
Deductions:		
Administrative and general	8,101	10,505
Excess (Deficiency) of total additions over total deductions	(8,101)	292
Cash and investment fund balance - beginning	8,101	5,964
Cash and investment fund balance - ending	\$ -	\$ 6,256
Net assets:		
Cash and investments	\$ -	\$ 6,256
Total net assets - cash and investment basis held in trust	\$ -	\$ 6,256

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

NORTH WHITE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: North White School Corporation

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

Joint Venture

The School Corporation is a participant with nine other school corporations in a joint venture to operate Logansport Area Joint Special Services Cooperative (LAJSSC) which was created to provide education to handicapped students. The School Corporation is obligated by contract to remit an annual amount based on LAJSSC's estimated expenditures and the School Corporation's level of participation. LAJSSC pays its surplus to the participants. LAJSSC's continued existence depends on continued funding by the School Corporation. Complete financial statements for LAJSSC can be obtained from them at 401 Tanguy Street, Logansport, IN 46947.

The School Corporation is a participant with several other school corporations in a joint venture to operate the Indian Trails Career Cooperative which was created to engage in the joint employment of personnel and joint purchases of supplies, equipment, and facilities to provide programs and services for vocational education. The Cooperative's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Cooperative can be obtained from the local educational agency (Twin Lakes School Corporation) at 565 South Main Street, Monticello, IN 47960.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and

NORTH WHITE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

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

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

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

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

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

The construction fund accounts for financial resources associated with the construction or remodeling of school facilities.

The rainy day fund accounts for financial resources and expenditures of major unforeseen events that occur.

Additionally, the School Corporation reports the following fund types:

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

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

C. Measurement Focus and Basis of Accounting

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

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

NORTH WHITE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

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

3. Compensated Absences

a. Sick Leave

Employees earn sick leave at the rate of 10 days per first year and 7 days for each year thereafter. Unused sick leave may be accumulated to a maximum of 180 days. Accumulated sick leave is paid to employees through cash payments at the rate of \$50 per day upon retirement provided retiree is 65 years of age.

Noncertified personnel earn sick leave at the rate of 7 days per year. Unused sick leave may be accumulated to a maximum set by schedule in the employee handbook. Accumulated sick leave is not paid to employees upon termination of employment.

b. Vacation Leave

Nonteaching or administrative and noncertified School Corporation employees earn vacation leave at rates from 5 days to 20 days per year based upon the number of years of service. Vacation leave must be used within 18 months from the date of accrual.

c. Personal Leave

Certified employees earn personal leave at the rate of 3 days per year. Noncertified employees earn personal leave at the rate of 2 days per year. Unused personal leave may be accumulated as sick leave.

NORTH WHITE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

4. Capital Assets

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

5. Long-Term Debt

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

6. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts

Program Receipts

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

F. Internal and Interfund Balances and Activities

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

NORTH WHITE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are reported as reimbursements.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

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

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities and Net Assets.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

NORTH WHITE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Cash and Investment Balance Deficits

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

Fund	2006	2007
Textbook Rental	\$ 7,549	\$ 683
Adult Education	14,695	20,613
Kids in Action	5,929	3,608
Kids in Action 2005-2006	9,553	-
Kids in Action 2006-2007	-	2,924

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

III. Detailed Notes on All Funds

A. Deposits

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

B. Interfund Transfers

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

Transfer From	Transfer To	2006	2007
General Fund:	Major Fund:		
General Fund	Debt Service Fund	\$ 310,987	\$ -
General Fund	Construction Fund	17,403	-
Major Fund:	Major Fund:		
Debt Service Fund	Rainy Day Fund	500,000	-
Capital Projects Fund	Rainy Day Fund	300,000	-
	Other governmental funds:		
Rainy Day Fund	Adult and Continuing Education Fund	93,890	-
Rainy Day Fund	Textbook Rental Fund	102,000	-
Rainy Day Fund	Pension Debt Service Fund	-	60,000
Other governmental funds:			
Special Education Fund	General Fund	-	1,302
Totals		<u>\$ 1,324,280</u>	<u>\$ 61,302</u>

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

NORTH WHITE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

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

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

Group Health Insurance

During 1986, the School Corporation joined with other governmental entities to form the Midwest Area School Employee Insurance Trust, a public entity risk pool currently operating as a common risk management and insurance program for seventeen member governmental entities. This risk pool was formed in 1985. The purpose of the risk pool is to provide a medium for the funding and administration of group health insurance benefits for the members' employees. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$125,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$2,000,000 limit.

B. Holding Corporation

The School Corporation has entered into a capital lease with North White Multi-School Improvement Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the year totaled \$1,210,000.

C. Subsequent Events

Cash Necessary to Balance

Per State Board of Accounts Report B26389, the bank reconciliation required an adjustment of \$176,500 cash necessary to balance due to the balance of an open charge. Restitution of \$3,262.61 has been received as of June 30, 2007 leaving the cash necessary to balance adjustment at \$173,237.39.

NORTH WHITE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

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

NORTH WHITE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 72,565
Interest on net pension obligation	(3,272)
Adjustment to annual required contribution	3,729
Annual pension cost	73,022
Contributions made	52,027
Increase in net pension obligation	20,995
Net pension obligation, beginning of year	(45,134)
Net pension obligation, end of year	\$ (24,139)
Contribution rates:	
School Corporation	7%
Plan members	3%
Actuarial valuation date	07-01-06
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 35,726	167%	\$ (40,203)
	06-30-05	50,134	110%	(45,134)
	06-30-06	73,022	71%	(24,139)

NORTH WHITE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Costs

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

Plan members are required to contribute 3% of their salary and the School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2007, 2006, and 2005, were \$101,510, \$94,143, and \$87,922, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years, respectively.

NORTH WHITE SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 839,795	\$ 1,016,625	\$ (176,830)	83%	\$ 743,930	(24%)
07-01-05	883,333	1,242,432	(359,099)	71%	842,088	(43%)
07-01-06	1,012,160	1,219,570	(207,410)	83%	865,133	(24%)

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

	Special Education Preschool	School Lunch	Textbook Rental	Alternative Education	Safe School Haven	Safe School Haven	2004-2005 Gifted and Talented
Receipts:							
Local sources	\$ 8,483	\$ 193,179	\$ 42,321	\$ -	\$ -	\$ -	\$ -
State sources	7,818	3,111	25,311	-	-	-	-
Federal sources	-	223,090	-	-	-	-	-
Sale of property, adjustments and refunds	-	859	-	-	-	-	-
Total receipts	16,301	420,239	67,632	-	-	-	-
Disbursements:							
Current:							
Instruction	-	-	-	-	2,860	2,097	3,877
Support services	-	381,548	110,221	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	40,678	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	40,678	381,548	110,221	-	2,860	2,097	3,877
Excess (deficiency) of receipts over disbursements	(24,377)	38,691	(42,589)	-	(2,860)	(2,097)	(3,877)
Other financing sources (uses):							
Transfers in	-	-	102,000	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(24,377)	38,691	59,411	-	(2,860)	(2,097)	(3,877)
Cash and investments - beginning	65,655	75,442	(66,960)	5,440	2,860	2,349	3,877
Cash and investments - ending	\$ 41,278	\$ 114,133	\$ (7,549)	\$ 5,440	\$ -	\$ 252	\$ -
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 41,278	\$ 114,133	\$ (7,549)	\$ 5,440	\$ -	\$ 252	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 41,278	\$ 114,133	\$ (7,549)	\$ 5,440	\$ -	\$ 252	\$ -
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	41,278	114,133	(7,549)	5,440	-	252	-
Total cash and investment fund balance - ending	\$ 41,278	\$ 114,133	\$ (7,549)	\$ 5,440	\$ -	\$ 252	\$ -

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

	2005-2006 Gifted and Talented	Action Research	Adult Education	Title IV B	Kids in Action	Kids in Action 2004-2005	Kids in Action 2005-2006
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	11,979	-	48,488	12,173	9,757	-	10,500
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	11,979	-	48,488	12,173	9,757	-	10,500
Disbursements:							
Current:							
Instruction	9,985	132	44,534	6,817	12	832	18,840
Support services	-	-	4,641	508	-	3	1,212
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	9,985	132	49,175	7,325	12	835	20,052
Excess (deficiency) of receipts over disbursements	1,994	(132)	(687)	4,848	9,745	(835)	(9,552)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,994	(132)	(687)	4,848	9,745	(835)	(9,552)
Cash and investments - beginning	-	132	(14,008)	(4,848)	(15,674)	835	(1)
Cash and investments - ending	\$ 1,994	\$ -	\$ (14,695)	\$ -	\$ (5,929)	\$ -	\$ (9,553)
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 1,994	\$ -	\$ (14,695)	\$ -	\$ (5,929)	\$ -	\$ (9,553)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,994	\$ -	\$ (14,695)	\$ -	\$ (5,929)	\$ -	\$ (9,553)
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,994	-	(14,695)	-	(5,929)	-	(9,553)
Total cash and investment fund balance - ending	\$ 1,994	\$ -	\$ (14,695)	\$ -	\$ (5,929)	\$ -	\$ (9,553)

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

	370 Non-English Speaking Program	371 Non-English Speaking Program	372 Non-English Speaking Program	Adult and Continuing Education	White County Learning	School Improvement	Student Achievement
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 966	\$ -	\$ -
State sources	2,410	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	<u>2,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>966</u>	<u>-</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	1,159	300	-	-	984	4,659	55
Support services	-	147	496	18	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	<u>1,159</u>	<u>447</u>	<u>496</u>	<u>18</u>	<u>984</u>	<u>4,659</u>	<u>55</u>
Excess (deficiency) of receipts over disbursements	<u>1,251</u>	<u>(447)</u>	<u>(496)</u>	<u>(18)</u>	<u>(18)</u>	<u>(4,659)</u>	<u>(55)</u>
Other financing sources (uses):							
Transfers in	-	-	-	93,890	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,251	(447)	(496)	93,872	(18)	(4,659)	(55)
Cash and investments - beginning	<u>1,895</u>	<u>447</u>	<u>496</u>	<u>(93,872)</u>	<u>225</u>	<u>4,659</u>	<u>55</u>
Cash and investments - ending	<u>\$ 3,146</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 3,146	\$ -	\$ -	\$ -	\$ 207	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 3,146</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>3,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>207</u>	<u>-</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ 3,146</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Technology Classroom	Title I FY 2004-2005	Title I FY 2005-2006	Partners Drug Free	Title V Innovative Program	Title VI FY 2001-2002	Title V Part A 2004-2005 Innovative
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	-	159,405	-	-	-	3,221
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	-	159,405	-	-	-	3,221
Disbursements:							
Current:							
Instruction	17,212	13,800	126,023	5,961	3,786	1,906	4,220
Support services	-	1,037	9,887	-	-	-	-
Community services	-	-	885	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	17,212	14,837	136,795	5,961	3,786	1,906	4,220
Excess (deficiency) of receipts over disbursements	(17,212)	(14,837)	22,610	(5,961)	(3,786)	(1,906)	(999)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(17,212)	(14,837)	22,610	(5,961)	(3,786)	(1,906)	(999)
Cash and investments - beginning	30,741	14,837	-	5,961	3,786	1,906	2,406
Cash and investments - ending	<u>\$ 13,529</u>	<u>\$ -</u>	<u>\$ 22,610</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,407</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 13,529	\$ -	\$ 22,610	\$ -	\$ -	\$ -	\$ 1,407
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 13,529</u>	<u>\$ -</u>	<u>\$ 22,610</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,407</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	13,529	-	22,610	-	-	-	1,407
Total cash and investment fund balance - ending	<u>\$ 13,529</u>	<u>\$ -</u>	<u>\$ 22,610</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,407</u>

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

	Title V Part A 2005-2006 Innovative	Project Aspire 2004-2005	Innovative Programs	Indiana Next	Migrant Grant 2004-2005	Title I Migrant Grant
Receipts:						
Local sources	\$ -	\$ 500	\$ -	\$ 1,500	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	3,860	-	-	-	-	34,291
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	3,860	500	-	1,500	-	34,291
Disbursements:						
Current:						
Instruction	-	300	774	-	2,329	30,623
Support services	3,860	-	-	-	-	2,314
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	3,860	300	774	-	2,329	32,937
Excess (deficiency) of receipts over disbursements	-	200	(774)	1,500	(2,329)	1,354
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	200	(774)	1,500	(2,329)	1,354
Cash and investments - beginning	-	-	774	-	2,594	1
Cash and investments - ending	\$ -	\$ 200	\$ -	\$ 1,500	\$ 265	\$ 1,355
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 200	\$ -	\$ 1,500	\$ 265	\$ 1,355
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 200	\$ -	\$ 1,500	\$ 265	\$ 1,355
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	200	-	1,500	265	1,355
Total cash and investment fund balance - ending	\$ -	\$ 200	\$ -	\$ 1,500	\$ 265	\$ 1,355

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

	Project Aspire 2005-2006	Drug Free	554 Adult Education	555 Adult Education	Outdoor Lab	Title IV Part A
Receipts:						
Local sources	\$ -	\$ 18,510	\$ -	\$ -	\$ -	\$ -
State sources	1,000	-	-	-	-	-
Federal sources	-	-	-	52,114	-	-
Sale of property, adjustments and refunds	-	-	3	-	-	-
Total receipts	1,000	18,510	3	52,114	-	-
Disbursements:						
Current:						
Instruction	1,000	15,392	8,023	8,703	61	4,287
Support services	-	-	4,236	31,925	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	1,000	15,392	12,259	40,628	61	4,287
Excess (deficiency) of receipts over disbursements	-	3,118	(12,256)	11,486	(61)	(4,287)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	3,118	(12,256)	11,486	(61)	(4,287)
Cash and investments - beginning	-	-	12,303	-	61	4,287
Cash and investments - ending	<u>\$ -</u>	<u>\$ 3,118</u>	<u>\$ 47</u>	<u>\$ 11,486</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 3,118	\$ 47	\$ 11,486	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 3,118</u>	<u>\$ 47</u>	<u>\$ 11,486</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	3,118	47	11,486	-	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 3,118</u>	<u>\$ 47</u>	<u>\$ 11,486</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Title IV Part A 2005-2006	Title II FY 2000	Vocational Grant	Title II PT A 2005-2006	Title III 2005-2006	Title II Part D Education
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	5,718	-	14,000	51,340	24,139	134,472
Sale of property, adjustments and refunds	-	-	1,944	-	-	-
Total receipts	5,718	-	15,944	51,340	24,139	134,472
Disbursements:						
Current:						
Instruction	4,110	364	14,698	37,829	16,871	97,890
Support services	-	-	954	-	956	3,035
Community services	-	-	-	-	473	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	4,110	364	15,652	37,829	18,300	100,925
Excess (deficiency) of receipts over disbursements	1,608	(364)	292	13,511	5,839	33,547
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,608	(364)	292	13,511	5,839	33,547
Cash and investments - beginning	-	364	5,048	-	-	-
Cash and investments - ending	\$ 1,608	\$ -	\$ 5,340	\$ 13,511	\$ 5,839	\$ 33,547
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 1,608	\$ -	\$ 5,340	\$ 13,511	\$ 5,839	\$ 33,547
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,608	\$ -	\$ 5,340	\$ 13,511	\$ 5,839	\$ 33,547
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,608	-	5,340	13,511	5,839	33,547
Total cash and investment fund balance - ending	\$ 1,608	\$ -	\$ 5,340	\$ 13,511	\$ 5,839	\$ 33,547

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

	683 Title II Part D	684 Title II Part D	686 Title II Part D	Title III Limited English	Pension Bond Debt Service	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 125,879	\$ 391,338
State sources	-	-	-	-	-	132,547
Federal sources	-	3,281	-	-	-	708,931
Sale of property, adjustments and refunds	-	-	-	-	62,474	65,280
Total receipts	-	3,281	-	-	188,353	1,298,096
Disbursements:						
Current:						
Instruction	3,004	-	109,255	16,314	-	641,878
Support services	1,290	-	-	-	-	558,288
Community services	-	-	-	-	-	1,358
Nonprogrammed charges	-	-	-	-	-	40,678
Debt services	-	-	-	-	180,309	180,309
Total disbursements	4,294	-	109,255	16,314	180,309	1,422,511
Excess (deficiency) of receipts over disbursements	(4,294)	3,281	(109,255)	(16,314)	8,044	(124,415)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	195,890
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,294)	3,281	(109,255)	(16,314)	8,044	71,475
Cash and investments - beginning	4,294	-	109,255	16,314	1,085	185,021
Cash and investments - ending	<u>\$ -</u>	<u>\$ 3,281</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,129</u>	<u>\$ 256,496</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 3,281	\$ -	\$ -	\$ -	\$ 247,367
Restricted assets:						
Cash and investments	-	-	-	-	9,129	9,129
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 3,281</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,129</u>	<u>\$ 256,496</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 9,129	\$ 9,129
Unrestricted	-	3,281	-	-	-	247,367
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 3,281</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,129</u>	<u>\$ 256,496</u>

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

	Special Education Preschool	School Lunch	Textbook Rental	Alternative Education	Safe School Haven	2005-2006 Gifted and Talented	2006-2007 Gifted and Talented
Receipts:							
Local sources	\$ 5,376	\$ 170,498	\$ 49,839	\$ -	\$ -	\$ -	\$ -
State sources	8,678	3,672	29,251	-	-	-	11,979
Federal sources	-	255,230	-	-	-	-	-
Sale of property, adjustments and refunds	-	197	14,730	-	-	-	-
Total receipts	14,054	429,597	93,820	-	-	-	11,979
Disbursements:							
Current:							
Instruction	-	-	-	5,440	252	1,994	11,979
Support services	-	409,705	86,954	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	15,902	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	15,902	409,705	86,954	5,440	252	1,994	11,979
Excess (deficiency) of receipts over disbursements	(1,848)	19,892	6,866	(5,440)	(252)	(1,994)	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	(1,302)	-	-	-	-	-	-
Total other financing sources (uses)	(1,302)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,150)	19,892	6,866	(5,440)	(252)	(1,994)	-
Cash and investments - beginning	41,278	114,133	(7,549)	5,440	252	1,994	-
Cash and investments - ending	\$ 38,128	\$ 134,025	\$ (683)	\$ -	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 38,128	\$ 134,025	\$ (683)	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 38,128	\$ 134,025	\$ (683)	\$ -	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	38,128	134,025	(683)	-	-	-	-
Total cash and investment fund balance - ending	\$ 38,128	\$ 134,025	\$ (683)	\$ -	\$ -	\$ -	\$ -

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

	Adult Education	Kids in Action	Kids in Action 2005-2006	Kids in Action 2006-2007	370 Non-English Speaking Program	371 Non-English Speaking Program	372 Non-English Speaking Program
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	50,066	2,321	10,800	12,750	-	2,326	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	11,400
Total receipts	50,066	2,321	10,800	12,750	-	2,326	11,400
Disbursements:							
Current:							
Instruction	48,653	-	1,247	15,674	3,146	1,002	-
Support services	7,331	-	-	-	-	-	11,400
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	55,984	-	1,247	15,674	3,146	1,002	11,400
Excess (deficiency) of receipts over disbursements	(5,918)	2,321	9,553	(2,924)	(3,146)	1,324	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,918)	2,321	9,553	(2,924)	(3,146)	1,324	-
Cash and investments - beginning	(14,695)	(5,929)	(9,553)	-	3,146	-	-
Cash and investments - ending	<u>\$ (20,613)</u>	<u>\$ (3,608)</u>	<u>\$ -</u>	<u>\$ (2,924)</u>	<u>\$ -</u>	<u>\$ 1,324</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ (20,613)	\$ (3,608)	\$ -	\$ (2,924)	\$ -	\$ 1,324	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (20,613)</u>	<u>\$ (3,608)</u>	<u>\$ -</u>	<u>\$ (2,924)</u>	<u>\$ -</u>	<u>\$ 1,324</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(20,613)	(3,608)	-	(2,924)	-	1,324	-
Total cash and investment fund balance - ending	<u>\$ (20,613)</u>	<u>\$ (3,608)</u>	<u>\$ -</u>	<u>\$ (2,924)</u>	<u>\$ -</u>	<u>\$ 1,324</u>	<u>\$ -</u>

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

	White County Learning	Adult Education 2007-2008	AHPERD Grant	Education Technology	White County Award	Technology Classroom	Title I FY 2005-2006
Receipts:							
Local sources	\$ -	\$ 8,632	\$ 500	\$ -	\$ 354	\$ -	\$ -
State sources	-	-	-	11,600	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	8,632	500	11,600	354	-	-
Disbursements:							
Current:							
Instruction	82	-	62	11,600	-	11,553	20,935
Support services	-	-	-	-	-	-	1,424
Community services	-	-	-	-	-	-	251
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	82	-	62	11,600	-	11,553	22,610
Excess (deficiency) of receipts over disbursements	(82)	8,632	438	-	354	(11,553)	(22,610)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(82)	8,632	438	-	354	(11,553)	(22,610)
Cash and investments - beginning	207	-	-	-	-	13,529	22,610
Cash and investments - ending	\$ 125	\$ 8,632	\$ 438	\$ -	\$ 354	\$ 1,976	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 125	\$ 8,632	\$ 438	\$ -	\$ 354	\$ 1,976	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 125	\$ 8,632	\$ 438	\$ -	\$ 354	\$ 1,976	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	125	8,632	438	-	354	1,976	-
Total cash and investment fund balance - ending	\$ 125	\$ 8,632	\$ 438	\$ -	\$ 354	\$ 1,976	\$ -

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

	Title I FY 2006-2007	Project Aspire 2004-2005	Indiana Next	Drug Free	Title V Part A 2004-2005 Innovative	Title V Part A 2006-2007 Innovative	Migrant Grant 2004-2005
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ 11,709	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	173,548	-	-	-	-	1,873	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	173,548	-	-	11,709	-	1,873	-
Disbursements:							
Current:							
Instruction	133,634	200	-	11,453	1,407	1,873	265
Support services	13,021	-	1,500	-	-	-	-
Community services	775	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	147,430	200	1,500	11,453	1,407	1,873	265
Excess (deficiency) of receipts over disbursements	26,118	(200)	(1,500)	256	(1,407)	-	(265)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	26,118	(200)	(1,500)	256	(1,407)	-	(265)
Cash and investments - beginning	-	200	1,500	3,118	1,407	-	265
Cash and investments - ending	\$ 26,118	\$ -	\$ -	\$ 3,374	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 26,118	\$ -	\$ -	\$ 3,374	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 26,118	\$ -	\$ -	\$ 3,374	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	26,118	-	-	3,374	-	-	-
Total cash and investment fund balance - ending	\$ 26,118	\$ -	\$ -	\$ 3,374	\$ -	\$ -	\$ -

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

	432 Title I Migrant Grant	433 Title I Migrant Grant	554 Adult Education	555 Adult Education	Adult Education 2006-2007	Title IV Part A 2005-2006
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	35,000	-	-	45,958	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>45,958</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	1,355	31,547	-	2,660	7,938	1,608
Support services	-	2,366	47	8,826	35,380	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>1,355</u>	<u>33,913</u>	<u>47</u>	<u>11,486</u>	<u>43,318</u>	<u>1,608</u>
Excess (deficiency) of receipts over disbursements	<u>(1,355)</u>	<u>1,087</u>	<u>(47)</u>	<u>(11,486)</u>	<u>2,640</u>	<u>(1,608)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,355)</u>	<u>1,087</u>	<u>(47)</u>	<u>(11,486)</u>	<u>2,640</u>	<u>(1,608)</u>
Cash and investments - beginning	<u>1,355</u>	<u>-</u>	<u>47</u>	<u>11,486</u>	<u>-</u>	<u>1,608</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,087</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,640</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 1,087	\$ -	\$ -	\$ 2,640	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 1,087</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,640</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	1,087	-	-	2,640	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 1,087</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,640</u>	<u>\$ -</u>

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

	Title IV Part A 2006-2007	Vocational Grant	Robotics Grant	Title II PT A 2005-2006	Title II PT A 2006-2007	Title III 2006-2007
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	4,188	14,000	7,000	-	52,022	32,450
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	<u>4,188</u>	<u>14,000</u>	<u>7,000</u>	<u>-</u>	<u>52,022</u>	<u>32,450</u>
Disbursements:						
Current:						
Instruction	1,615	13,162	7,000	13,511	32,234	28,399
Support services	-	1,007	-	-	-	1,324
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>1,615</u>	<u>14,169</u>	<u>7,000</u>	<u>13,511</u>	<u>32,234</u>	<u>29,723</u>
Excess (deficiency) of receipts over disbursements	<u>2,573</u>	<u>(169)</u>	<u>-</u>	<u>(13,511)</u>	<u>19,788</u>	<u>2,727</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,573</u>	<u>(169)</u>	<u>-</u>	<u>(13,511)</u>	<u>19,788</u>	<u>2,727</u>
Cash and investments - beginning	<u>-</u>	<u>5,340</u>	<u>-</u>	<u>13,511</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 2,573</u>	<u>\$ 5,171</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,788</u>	<u>\$ 2,727</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,573	\$ 5,171	\$ -	\$ -	\$ 19,788	\$ 2,727
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 2,573</u>	<u>\$ 5,171</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,788</u>	<u>\$ 2,727</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>2,573</u>	<u>5,171</u>	<u>-</u>	<u>-</u>	<u>19,788</u>	<u>2,727</u>
Total cash and investment fund balance - ending	<u>\$ 2,573</u>	<u>\$ 5,171</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,788</u>	<u>\$ 2,727</u>

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

	Title III 2005-2006	Title II Part D Education	Title II Part D	Title II Part D 2006-2007	Pension Bond Debt Service	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 115,981	\$ 362,889
State sources	-	-	-	-	-	143,443
Federal sources	-	-	-	119,099	-	740,368
Sale of property, adjustments and refunds	-	-	-	-	-	26,327
Total receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,099</u>	<u>115,981</u>	<u>1,273,027</u>
Disbursements:						
Current:						
Instruction	5,636	32,101	3,281	74,553	-	539,051
Support services	203	1,446	-	2,317	-	584,251
Community services	-	-	-	-	-	1,026
Nonprogrammed charges	-	-	-	-	-	15,902
Debt services	-	-	-	-	176,839	176,839
Total disbursements	<u>5,839</u>	<u>33,547</u>	<u>3,281</u>	<u>76,870</u>	<u>176,839</u>	<u>1,317,069</u>
Excess (deficiency) of receipts over disbursements	<u>(5,839)</u>	<u>(33,547)</u>	<u>(3,281)</u>	<u>42,229</u>	<u>(60,858)</u>	<u>(44,042)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	60,000	60,000
Transfers out	-	-	-	-	-	(1,302)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>58,698</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(5,839)</u>	<u>(33,547)</u>	<u>(3,281)</u>	<u>42,229</u>	<u>(858)</u>	<u>14,656</u>
Cash and investments - beginning	<u>5,839</u>	<u>33,547</u>	<u>3,281</u>	<u>-</u>	<u>9,129</u>	<u>256,496</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,229</u>	<u>\$ 8,271</u>	<u>\$ 271,152</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ 42,229	\$ -	\$ 262,881
Restricted assets:						
Cash and investments	-	-	-	-	8,271	8,271
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,229</u>	<u>\$ 8,271</u>	<u>\$ 271,152</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 8,271	\$ 8,271
Unrestricted	-	-	-	42,229	-	262,881
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,229</u>	<u>\$ 8,271</u>	<u>\$ 271,152</u>

NORTH WHITE SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 For The Year Ended June 30, 2007

The North White School Corporation has entered into the following long-term debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Monon Elementary School Facility	\$ 7,637,988	\$ 1,210,000
Tax Warrants	1,803,000	1,877,284
Notes and loans payable	74,405	55,184
Bonds payable:		
General obligation bonds:		
Judgment Funding	355,000	182,891
Retirement Liability	1,340,000	177,900
Pension Bond	<u>2,919,164</u>	<u>408,455</u>
Total governmental activities long-term debt	<u>\$ 14,129,557</u>	<u>\$ 3,911,714</u>

NORTH WHITE SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

TEXTBOOK RENTAL RECEIPTS (TBR-2) (Applies to Monon Elementary)

Receipts for the textbook rental fees were not properly maintained. Monon Elementary uses three different Textbook Rental receipt books kept alphabetically which are maintained as a subsidiary ledger for the students paying the rental fee over several payments. Therefore, receipts are not maintained in order by date and number. A similar comment was in the prior Report B26389.

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 (Applies to all schools)

Transfers from all the schools ECA clearing accounts for textbook rental did not provide adequate documentation to properly divide the monies between the Corporation Textbook Rental Fund and the General Fund.

All claims, invoices, receipt and accounts payable vouchers, including those presented to the governing body for approval in accordance with Indiana Code 5-11-10, should contain adequate detailed documentation. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

OVERDRAWN FUND BALANCES

The Textbook Rental Fund, Adult Education Fund, and several Kids in Action Funds were overdrawn at June 30, 2006 and 2007.

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

OLD OUTSTANDING CHECKS

Our review of the bank reconcilements as of June 30, 2007, revealed checks outstanding in excess of two years.

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

NORTH WHITE SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Indiana Code 5-11-10.5-3 states in part: "Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the: (1) board of finance of the political subdivision; or (2) the fiscal body of a city or town. The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer.

Indiana Code 5-11-10.5-5 states:

- "(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

- (b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

CAPITAL ASSET RECORDS

The capital asset ledger was not maintained appropriately. Buses purchased in 2007 for \$111,000 were not added to the ledger. \$97,000 spent in 2006 and \$506,000 spent in 2007 from the Construction Fund was not shown as additions. Also, deletions to the capital asset records could not be identified.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable capital asset ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE NORTH WHITE SCHOOL CORPORATION, WHITE COUNTY, INDIANA

Compliance

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

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

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007.

Internal Control Over Compliance

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

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

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

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

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

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

STATE BOARD OF ACCOUNTS

December 27, 2007

NORTH WHITE SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2006 and 2007

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-06	Total Federal Awards Expended 06-30-07
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 47,118	\$ 55,765
National School Lunch Program	10.555		189,341	216,915
			<u>236,459</u>	<u>272,680</u>
Total for federal grantor agency				
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education Adult Education-State Grant Program	84.002			
		05-8035	12,259	47
		06-8035	40,628	11,486
		07-8035	-	43,319
			<u>52,887</u>	<u>54,852</u>
Total for program				
Title I Grants to Local Educational Agencies	84.010			
		05-8515	14,837	-
		06-8515	136,796	22,610
		07-8515	-	147,431
			<u>151,633</u>	<u>170,041</u>
Total for program				
Migrant Education - State Grant Program	84.011			
		FY 04-05	2,329	264
		FY 05-06	32,937	1,355
		FY 06-07	-	33,912
			<u>35,266</u>	<u>35,531</u>
Total for program				
Pass-Through Indiana Department of Workforce Development Vocational Education - Basic Grants to States	84.048	CPR6-426	-	7,000
Pass-Through Indiana Department of Education Safe and Drug Free Schools and Communities-State Grants	84.186			
		04-105	4,287	-
		05-249	4,110	1,608
		8515-06	-	1,615
			<u>8,397</u>	<u>3,223</u>
Total for program				
State Grants for Innovative Programs	84.298			
		01-02 #02-241	1,906	-
		04-05 #04-212	4,220	1,407
		05-06 #05-261	3,860	-
		06-8515	-	1,873
			<u>9,986</u>	<u>3,280</u>
Total for program				
Education Technology State Grants	84.318			
		2004-05	109,255	-
		04-05 Part D	4,294	-
		2005-06	100,925	33,547
		2006-07	-	76,869
		040014	-	11,600
		050014	-	3,281
			<u>214,474</u>	<u>125,297</u>
Total for program				
English Language Acquisition Grant	84.365			
		FY 2004-05	16,314	-
		FY 2005-06	18,300	5,839
		FY 2006-07	-	29,723
			<u>34,614</u>	<u>35,562</u>
Total for program				
Improving Teacher Quality State Grants	84.367			
		05102	37,829	13,511
		06-8515	-	32,234
			<u>37,829</u>	<u>45,745</u>
Total for program				
Total for federal grantor agency			<u>492,199</u>	<u>480,531</u>
Total federal awards expended			<u>\$ 781,545</u>	<u>\$ 753,211</u>

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

NORTH WHITE SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

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

II. Noncash Assistance

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

Program Title	Federal CFDA Number	2006	2007
Child Nutrition Cluster	10.553	\$ 2,664	\$ 3,553
	10.555	10,705	13,657

NORTH WHITE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
 Material weaknesses identified? no
 Reportable conditions identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:
 Material weaknesses identified? no
 Reportable conditions identified that are not considered to be material weaknesses? none reported

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

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

Identification of Major Programs:

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

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

NORTH WHITE SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

NORTH WHITE SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on December 27, 2007, with Shellie Ruemler, Treasurer; Patrick W. McTaggart, Superintendent of Schools; and James Annis, President of the School Board. The officials concurred with our audit findings.