

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, 2007 to June 30, 2009



FILED
02/04/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Shellie Ruemler	07-01-07 to 06-30-10
Superintendent of Schools	Patrick W. McTaggart Steven Wittenaur (Interim) Nicholas G. Eccles	07-01-07 to 07-31-08 08-01-08 to 06-30-09 07-01-09 to 06-30-10
President of the School Board	James Annis Shannon Mattix	07-01-07 to 06-30-08 07-01-08 to 06-30-10



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, 2008 and 2009, 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 pre-scribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2008 and 2009, 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 January 11, 2010, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the 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 Combining Schedules, as listed in the Table of Contents, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of 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 it.

STATE BOARD OF ACCOUNTS

January 11, 2010



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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, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated January 11, 2010. 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

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. We consider the deficiencies described in item 2009-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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.

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)

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. However, of the significant deficiencies described above, we consider item 2009-1 to be a material weakness.

Compliance and Other Matters

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

We noted certain matters that we reported to management in a separate letter dated January 11, 2010.

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

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

January 11, 2010

NORTH WHITE SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

<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	\$ 4,664,448	\$ -	\$ 224,200	\$ (4,440,248)
Support services	3,301,417	181,713	370,046	(2,749,658)
Noninstructional services	547,051	-	-	(547,051)
Facilities acquisition and construction	1,215,347	-	-	(1,215,347)
Debt service	3,505,454	-	-	(3,505,454)
Nonprogrammed charges	705,671	-	-	(705,671)
Total governmental activities	<u>\$ 13,939,388</u>	<u>\$ 181,713</u>	<u>\$ 594,246</u>	<u>(13,163,429)</u>
General receipts:				
Property taxes				5,386,804
Other local sources				662,673
State aid				3,432,901
Bonds and loans				3,691,837
Grants and contributions not restricted to specific programs				459,852
Sale of property				97,203
Investment earnings				<u>76,085</u>
Total general receipts				<u>13,807,355</u>
Change in net assets				643,926
Net assets - beginning				<u>3,219,930</u>
Net assets - ending				<u>\$ 3,863,856</u>
<u>Assets</u>				
Cash and investments				\$ 3,600,840
Restricted assets:				
Cash and investments				<u>263,016</u>
Total assets				<u>\$ 3,863,856</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 263,016
Unrestricted				<u>3,600,840</u>
Total net assets				<u>\$ 3,863,856</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, 2009

<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	\$ 4,403,583	\$ -	\$ 149,077	\$ (4,254,506)
Support services	3,641,073	172,994	334,639	(3,133,440)
Noninstructional services	555,075	-	-	(555,075)
Facilities acquisition and construction	1,417,999	-	-	(1,417,999)
Debt service	8,379,279	-	-	(8,379,279)
Nonprogrammed charges	660,103	-	-	(660,103)
Total governmental activities	<u>\$ 19,057,112</u>	<u>\$ 172,994</u>	<u>\$ 483,716</u>	<u>(18,400,402)</u>
General receipts:				
Property taxes				6,283,435
Other local sources				1,640,864
State aid				4,407,659
Bonds and loans				6,794,000
Grants and contributions not restricted to specific programs				1,062,557
Sale of property				55,830
Investment earnings				32,300
Total general receipts				<u>20,276,645</u>
Change in net assets				1,876,243
Net assets - beginning				<u>3,863,856</u>
Net assets - ending				<u>\$ 5,740,099</u>
<u>Assets</u>				
Cash and investments				\$ 5,670,729
Restricted assets:				
Cash and investments				<u>69,370</u>
Total assets				<u>\$ 5,740,099</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 69,370
Unrestricted				<u>5,670,729</u>
Total net assets				<u>\$ 5,740,099</u>

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, 2008

	General	Rainy Day	Debt Service	Capital Projects	Other	Totals
Receipts:						
Local sources	\$ 2,684,323	\$ -	\$ 1,410,128	\$ 1,006,173	\$ 1,198,740	\$ 6,299,364
Intermediate sources	610	-	-	-	-	610
State sources	3,570,092	-	-	806	181,016	3,751,914
Federal sources	-	-	-	-	735,086	735,086
Temporary loans	2,317,165	-	335,889	661,622	377,161	3,691,837
Other	-	-	-	-	7,300	7,300
Total receipts	8,572,190	-	1,746,017	1,668,601	2,499,303	14,486,111
Disbursements:						
Current:						
Instruction	4,081,149	60,761	-	-	522,538	4,664,448
Support services	1,730,607	-	-	594,450	976,360	3,301,417
Noninstructional services	119,007	-	-	-	428,044	547,051
Facilities acquisition and construction	-	204,228	-	401,148	609,971	1,215,347
Debt services	1,279,000	-	1,524,553	300,000	401,901	3,505,454
Nonprogrammed charges	668,225	-	-	-	37,446	705,671
Total disbursements	7,877,988	264,989	1,524,553	1,295,598	2,976,260	13,939,388
Excess (deficiency) of receipts over disbursements	694,202	(264,989)	221,464	373,003	(476,957)	546,723
Other financing sources (uses):						
Sale of capital assets	36,520	-	3,094	-	57,589	97,203
Transfers in	-	867,000	-	-	41,090	908,090
Transfers out	(280,000)	-	(41,090)	(317,000)	(270,000)	(908,090)
Total other financing sources (uses)	(243,480)	867,000	(37,996)	(317,000)	(171,321)	97,203
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	450,722	602,011	183,468	56,003	(648,278)	643,926
Cash and investments - beginning	691,823	750,999	150,699	194,695	1,431,714	3,219,930
Cash and investments - ending	<u>\$ 1,142,545</u>	<u>\$ 1,353,010</u>	<u>\$ 334,167</u>	<u>\$ 250,698</u>	<u>\$ 783,436</u>	<u>\$ 3,863,856</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,142,545	\$ 1,353,010	\$ -	\$ 250,698	\$ 854,587	\$ 3,600,840
Restricted assets:						
Cash and investments	-	-	334,167	-	(71,151)	263,016
Total cash and investment assets - ending	<u>\$ 1,142,545</u>	<u>\$ 1,353,010</u>	<u>\$ 334,167</u>	<u>\$ 250,698</u>	<u>\$ 783,436</u>	<u>\$ 3,863,856</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ 334,167	\$ -	\$ (71,151)	\$ 263,016
Unrestricted	<u>1,142,545</u>	<u>1,353,010</u>	<u>-</u>	<u>250,698</u>	<u>854,587</u>	<u>3,600,840</u>
Total cash and investment fund balance - ending	<u>\$ 1,142,545</u>	<u>\$ 1,353,010</u>	<u>\$ 334,167</u>	<u>\$ 250,698</u>	<u>\$ 783,436</u>	<u>\$ 3,863,856</u>

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, 2009

	General	Rainy Day	Debt Service	Capital Projects	Other	Totals
Receipts:						
Local sources	\$ 3,298,329	\$ -	\$ 1,592,656	\$ 1,247,469	\$ 1,980,462	\$ 8,118,916
Intermediate sources	779	-	-	-	-	779
State sources	4,485,835	-	-	14,828	201,575	4,702,238
Federal sources	-	-	-	-	1,251,694	1,251,694
Temporary loans	4,353,133	-	304,472	1,440,470	695,925	6,794,000
Other	-	-	-	-	9,898	9,898
Total receipts	12,138,076	-	1,897,128	2,702,767	4,139,554	20,877,525
Disbursements:						
Current:						
Instruction	3,894,929	4,375	-	-	504,279	4,403,583
Support services	2,016,612	4,000	-	667,647	952,814	3,641,073
Noninstructional services	134,562	-	-	-	420,513	555,075
Facilities acquisition and construction	-	204,228	-	363,112	850,659	1,417,999
Debt services	4,186,298	-	2,149,532	1,181,092	862,357	8,379,279
Nonprogrammed charges	643,940	-	-	-	16,163	660,103
Total disbursements	10,876,341	212,603	2,149,532	2,211,851	3,606,785	19,057,112
Excess (deficiency) of receipts over disbursements	1,261,735	(212,603)	(252,404)	490,916	532,769	1,820,413
Other financing sources (uses):						
Sale of capital assets	54,498	-	96	-	1,236	55,830
Transfers in	-	422,000	-	-	14,700	436,700
Transfers out	(263,000)	(7,200)	-	-	(166,500)	(436,700)
Total other financing sources (uses)	(208,502)	414,800	96	-	(150,564)	55,830
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,053,233	202,197	(252,308)	490,916	382,205	1,876,243
Cash and investments - beginning	1,142,545	1,353,010	334,167	250,698	783,436	3,863,856
Cash and investments - ending	<u>\$ 2,195,778</u>	<u>\$ 1,555,207</u>	<u>\$ 81,859</u>	<u>\$ 741,614</u>	<u>\$ 1,165,641</u>	<u>\$ 5,740,099</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,195,778	\$ 1,555,207	\$ -	\$ 741,614	\$ 1,178,130	\$ 5,670,729
Restricted assets:						
Cash and investments	-	-	81,859	-	(12,489)	69,370
Total cash and investment assets - ending	<u>\$ 2,195,778</u>	<u>\$ 1,555,207</u>	<u>\$ 81,859</u>	<u>\$ 741,614</u>	<u>\$ 1,165,641</u>	<u>\$ 5,740,099</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ 81,859	\$ -	\$ (12,489)	\$ 69,370
Unrestricted	2,195,778	1,555,207	-	741,614	1,178,130	5,670,729
Total cash and investment fund balance - ending	<u>\$ 2,195,778</u>	<u>\$ 1,555,207</u>	<u>\$ 81,859</u>	<u>\$ 741,614</u>	<u>\$ 1,165,641</u>	<u>\$ 5,740,099</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, 2008

	Private-Purpose Trust Funds	Agency Funds
Additions:		
Contributions:		
Other	\$ 7,480	
Deductions:		
Administrative and general	6,256	
Excess of total additions over total deductions	1,224	
Cash and investment fund balance - beginning	6,226	
Cash and investment fund balance - ending	<u>\$ 7,450</u>	<u>\$ 13,977</u>
Net assets:		
Cash and investments	<u>\$ 7,450</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 7,450</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, 2009

	Private-Purpose Trust Funds	Agency Funds
Additions:		
Contributions:		
Other	\$ <u>6,833</u>	
Deductions:		
Administrative and general	<u>8,078</u>	
Deficiency of total additions over total deductions	(1,245)	
Cash and investment fund balance - beginning	<u>7,450</u>	
Cash and investment fund balance - ending	<u>\$ 6,205</u>	<u>\$ 30,429</u>
Net assets:		
Cash and investments	<u>\$ 6,205</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 6,205</u>	

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 schools 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'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, Indiana 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, Indiana 47960.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

NORTH WHITE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and 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 rainy day fund accounts for funds in accordance with Indiana Code 36-1-8-5.1 and a locally adopted resolution.

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.

Additionally, the School Corporation reports the following fund type:

The private-purpose trust funds report trust arrangements 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. Receipts are recorded when received and disbursements are recorded when paid.

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

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

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).

3. Long-Term Debt

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

4. 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.

NORTH WHITE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

Operating receipts and disbursements include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

Government-Wide Financial Statements

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

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

NORTH WHITE SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

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.

B. Cash and Investment Balance Deficits

At June 30, 2008 and 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	2008	2009
Adult Education State Grant	\$ 20,689	\$ 26,754
Kids in Action SY 2006-2007	6,475	-
Title II Part A SY 2007-2008	-	2,566
Pension Bond Debt Service	71,151	12,486

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 the approved depositories.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2008 and 2009, were as follows:

NORTH WHITE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Transfer From</u>	<u>Transfer To</u>	<u>2008</u>	<u>2009</u>
General Fund	Rainy Day	\$ 280,000	\$ 263,000
Capital Projects	Rainy Day	317,000	-
Debt Service	Other governmental	-	7,200
Debt Service	Other governmental	41,090	-
Other governmental	Rainy Day	210,000	53,000
Other governmental	Rainy Day	-	63,000
Other governmental	Rainy Day	-	43,000
Other governmental	Rainy Day	60,000	-
Other governmental	Other governmental	-	7,500
Totals		<u>\$ 908,090</u>	<u>\$ 436,700</u>

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

IV. Other Information

A. Risk Management

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

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; 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/3 years. There were no significant reductions in insurance by major category of risk.

Medical Benefits to Employees

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 17 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 it 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.

NORTH WHITE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. 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.

NORTH WHITE SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 72,109
Interest on net pension obligation	(1,254)
Adjustment to annual required contribution	1,429
Annual pension cost	72,284
Contributions made	75,569
Decrease in net pension obligation	(3,285)
Net pension obligation, beginning of year	(17,297)
Net pension obligation, end of year	\$ (20,582)

	PERF
Contribution rates:	
School Corporation	7.25%
Plan members	3%
Actuarial valuation date	07-01-08
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 73,022	71%	\$ (24,139)
	06-30-07	71,215	90%	(17,297)
	06-30-08	72,284	105%	(20,582)

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 pan for the fiscal years ended June 30, 2007, 2008, and 2009, were \$101,510, 109,369, and \$98,115, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

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)
07-01-06	\$ 1,012,160	\$ 1,219,570	\$ (207,410)	83%	\$ 865,133	(24%)
07-01-07	1,139,086	1,342,917	(203,831)	85%	861,258	(24%)
07-01-08	1,122,713	1,241,505	(118,792)	90%	731,981	(16%)

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, 2008

	White Co Learning	Transportation Operating	Special Education Pre-School	School Lunch	Textbook Rental	Adult Education 07-08
Receipts:						
Local sources	\$ -	\$ 527,122	\$ 7,304	\$ 170,730	\$ 52,641	\$ -
State sources	-	4,445	16,575	4,261	52,104	-
Federal sources	-	-	-	252,518	-	-
Temporary loans	-	370,925	6,236	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	902,492	30,115	427,509	104,745	-
Disbursements:						
Current:						
Instruction	93	-	-	-	-	8,632
Support services	-	616,203	47	1,404	96,510	-
Noninstructional services	-	-	-	426,432	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	224,000	-	-	-	-
Nonprogrammed charges	-	-	37,446	-	-	-
Total disbursements	93	840,203	37,493	427,836	96,510	8,632
Excess (deficiency) of receipts over disbursements	(93)	62,289	(7,378)	(327)	8,235	(8,632)
Other financing sources (uses):						
Sale of capital assets	-	-	3	222	102	-
Transfers in	-	-	-	-	41,090	-
Transfers out	-	(210,000)	-	-	-	-
Total other financing sources (uses)	-	(210,000)	3	222	41,192	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(93)	(147,711)	(7,375)	(105)	49,427	(8,632)
Cash and investments - beginning	125	204,205	38,128	134,025	(683)	8,632
Cash and investments - ending	\$ 32	\$ 56,494	\$ 30,753	\$ 133,920	\$ 48,744	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 32	\$ 56,494	\$ 30,753	\$ 133,920	\$ 48,744	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 32	\$ 56,494	\$ 30,753	\$ 133,920	\$ 48,744	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	32	56,494	30,753	133,920	48,744	-
Total cash and investment fund balance - ending	\$ 32	\$ 56,494	\$ 30,753	\$ 133,920	\$ 48,744	\$ -

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, 2008
 (Continued)

	IAHPERD Grant FY 2006-2007	White County Award	Partners Grant 2008-2009	Gifted and Talented Grant 2007-2008	Adult Education State Grant	Kids in Action
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,608
State sources	-	-	-	29,711	48,393	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	1,000	6,300	-	-	-
Total receipts	-	1,000	6,300	29,711	48,393	3,608
Disbursements:						
Current:						
Instruction	326	1,050	7,955	17,779	48,542	-
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	326	1,050	7,955	17,779	48,542	-
Excess (deficiency) of receipts over disbursements	(326)	(50)	(1,655)	11,932	(149)	3,608
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	73	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	73	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(326)	(50)	(1,655)	11,932	(76)	3,608
Cash and investments - beginning	438	354	3,374	-	(20,613)	(3,608)
Cash and investments - ending	\$ 112	\$ 304	\$ 1,719	\$ 11,932	\$ (20,689)	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 112	\$ 304	\$ 1,719	\$ 11,932	\$ (20,689)	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 112	\$ 304	\$ 1,719	\$ 11,932	\$ (20,689)	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	112	304	1,719	11,932	(20,689)	-
Total cash and investment fund balance - ending	\$ 112	\$ 304	\$ 1,719	\$ 11,932	\$ (20,689)	\$ -

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, 2008
 (Continued)

	Kids in Action 2006-2007	Non-English Speaking Program	Cyberlink	Technology Classroom	Title 1 FY 2006-2007	Title 1 FY 2007-2008
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	6,891	18,167	-	-	-	-
Federal sources	-	-	-	-	-	218,762
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	6,891	18,167	-	-	-	218,762
Disbursements:						
Current:						
Instruction	10,442	19,238	-	1,976	17,672	188,731
Support services	-	-	57,000	-	8,270	6,476
Noninstructional services	-	-	-	-	176	1,046
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	10,442	19,238	57,000	1,976	26,118	196,253
Excess (deficiency) of receipts over disbursements	(3,551)	(1,071)	(57,000)	(1,976)	(26,118)	22,509
Other financing sources (uses):						
Sale of capital assets	-	-	57,000	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	57,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,551)	(1,071)	-	(1,976)	(26,118)	22,509
Cash and investments - beginning	(2,924)	1,324	-	1,976	26,118	-
Cash and investments - ending	<u>\$ (6,475)</u>	<u>\$ 253</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,509</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ (6,475)	\$ 253	\$ -	\$ -	\$ -	\$ 22,509
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (6,475)</u>	<u>\$ 253</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,509</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(6,475)	253	-	-	-	22,509
Total cash and investment fund balance - ending	<u>\$ (6,475)</u>	<u>\$ 253</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,509</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, 2008
 (Continued)

	Title V Part A FY 2007-2008	Title I Migrant Grant FY 2007-2008	Title 1 Migrant Grant FY 2006-2007	Adult Education FY 2006-2007	Adult Education FY 2007-2008	Title IV Part A FY 2007-2008
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	469	-
Federal sources	1,799	17,867	-	-	48,478	4,158
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	1,799	17,867	-	-	48,947	4,158
Disbursements:						
Current:						
Instruction	1,799	10,343	1,087	2,334	21,006	3,534
Support services	-	6,697	-	306	21,194	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	1,799	17,040	1,087	2,640	42,200	3,534
Excess (deficiency) of receipts over disbursements	-	827	(1,087)	(2,640)	6,747	624
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	827	(1,087)	(2,640)	6,747	624
Cash and investments - beginning	-	-	1,087	2,640	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ 827</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,747</u>	<u>\$ 624</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 827	\$ -	\$ -	\$ 6,747	\$ 624
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 827</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,747</u>	<u>\$ 624</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	827	-	-	6,747	624
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 827</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,747</u>	<u>\$ 624</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, 2008
 (Continued)

	Title IV Part A FY 2006-2007	Vocational Grant	Robotics Grant FY 2007-2008	Title II Part A FY 2006-2007	Title III FY 2007-2008	Title II Part A FY 2007-2008
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	11,000	10,908	-	27,373	75,000
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	11,000	10,908	-	27,373	75,000
Disbursements:						
Current:						
Instruction	2,573	7,331	5,000	19,788	21,581	24,864
Support services	-	-	-	-	-	17,431
Noninstructional services	-	-	-	-	390	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	2,573	7,331	5,000	19,788	21,971	42,295
Excess (deficiency) of receipts over disbursements	(2,573)	3,669	5,908	(19,788)	5,402	32,705
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,573)	3,669	5,908	(19,788)	5,402	32,705
Cash and investments - beginning	2,573	5,171	-	19,788	2,727	-
Cash and investments - ending	\$ -	\$ 8,840	\$ 5,908	\$ -	\$ 8,129	\$ 32,705
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 8,840	\$ 5,908	\$ -	\$ 8,129	\$ 32,705
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 8,840	\$ 5,908	\$ -	\$ 8,129	\$ 32,705
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	8,840	5,908	-	8,129	32,705
Total cash and investment fund balance - ending	\$ -	\$ 8,840	\$ 5,908	\$ -	\$ 8,129	\$ 32,705

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, 2008
 (Continued)

	Title II Part D FY 2007-2008	Title II Part D FY 2006-2007	Pension Bond Debt Service	School Bus Replacement	Construction	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 158,406	\$ 263,716	\$ 15,213	\$ 1,198,740
State sources	-	-	-	-	-	181,016
Federal sources	67,223	-	-	-	-	735,086
Temporary loans	-	-	-	-	-	377,161
Other	-	-	-	-	-	7,300
Total receipts	<u>67,223</u>	<u>-</u>	<u>158,406</u>	<u>263,716</u>	<u>15,213</u>	<u>2,499,303</u>
Disbursements:						
Current:						
Instruction	36,633	42,229	-	-	-	522,538
Support services	-	-	-	144,822	-	976,360
Noninstructional services	-	-	-	-	-	428,044
Facilities acquisition and construction	-	-	-	-	609,971	609,971
Debt services	-	-	177,901	-	-	401,901
Nonprogrammed charges	-	-	-	-	-	37,446
Total disbursements	<u>36,633</u>	<u>42,229</u>	<u>177,901</u>	<u>144,822</u>	<u>609,971</u>	<u>2,976,260</u>
Excess (deficiency) of receipts over disbursements	<u>30,590</u>	<u>(42,229)</u>	<u>(19,495)</u>	<u>118,894</u>	<u>(594,758)</u>	<u>(476,957)</u>
Other financing sources (uses):						
Sale of capital assets	-	-	73	116	-	57,589
Transfers in	-	-	-	-	-	41,090
Transfers out	-	-	(60,000)	-	-	(270,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(59,927)</u>	<u>116</u>	<u>-</u>	<u>(171,321)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>30,590</u>	<u>(42,229)</u>	<u>(79,422)</u>	<u>119,010</u>	<u>(594,758)</u>	<u>(648,278)</u>
Cash and investments - beginning	<u>-</u>	<u>42,229</u>	<u>8,271</u>	<u>36,351</u>	<u>920,006</u>	<u>1,431,714</u>
Cash and investments - ending	<u>\$ 30,590</u>	<u>\$ -</u>	<u>\$ (71,151)</u>	<u>\$ 155,361</u>	<u>\$ 325,248</u>	<u>\$ 783,436</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 30,590	\$ -	\$ -	\$ 155,361	\$ 325,248	\$ 854,587
Restricted assets:						
Cash and investments	-	-	(71,151)	-	-	(71,151)
Total cash and investment assets - ending	<u>\$ 30,590</u>	<u>\$ -</u>	<u>\$ (71,151)</u>	<u>\$ 155,361</u>	<u>\$ 325,248</u>	<u>\$ 783,436</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ (71,151)	\$ -	\$ -	\$ (71,151)
Unrestricted	30,590	-	-	155,361	325,248	854,587
Total cash and investment fund balance - ending	<u>\$ 30,590</u>	<u>\$ -</u>	<u>\$ (71,151)</u>	<u>\$ 155,361</u>	<u>\$ 325,248</u>	<u>\$ 783,436</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, 2009

	White Co Learning	Transportation Operating	Special Education Pre-School	School Lunch	Textbook Rental	IAHPERD Grant FY 2006-2007	White County Award
Receipts:							
Local sources	\$ -	\$ 669,634	\$ 8,378	\$ 155,545	\$ 37,264	\$ -	\$ -
State sources	-	939	33,966	3,811	47,839	-	-
Federal sources	-	-	-	283,113	-	-	-
Temporary loans	-	619,925	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	1,290,498	42,344	442,469	85,103	-	-
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	-	602,928	-	3,151	99,013	-	-
Noninstructional services	-	-	-	417,525	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	677,850	6,236	-	-	-	-
Nonprogrammed charges	-	-	16,163	-	-	-	-
Total disbursements	-	1,280,778	22,399	420,676	99,013	-	-
Excess (deficiency) of receipts over disbursements	-	9,720	19,945	21,793	(13,910)	-	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	1,118	112	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(53,000)	(43,000)	-	-	-	-
Total other financing sources (uses)	-	(53,000)	(43,000)	1,118	112	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(43,280)	(23,055)	22,911	(13,798)	-	-
Cash and investments - beginning	32	56,494	30,753	133,920	48,744	112	304
Cash and investments - ending	\$ 32	\$ 13,214	\$ 7,698	\$ 156,831	\$ 34,946	\$ 112	\$ 304
Cash and Investment Assets - Ending							
Cash and investments	\$ 32	\$ 13,214	\$ 7,698	\$ 156,831	\$ 34,946	\$ 112	\$ 304
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 32	\$ 13,214	\$ 7,698	\$ 156,831	\$ 34,946	\$ 112	\$ 304
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	32	13,214	7,698	156,831	34,946	112	304
Total cash and investment fund balance - ending	\$ 32	\$ 13,214	\$ 7,698	\$ 156,831	\$ 34,946	\$ 112	\$ 304

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, 2009
 (Continued)

	Gifted and Talented Grant FY 2008-2009	Partners Grant FY 2008-2009	Gifted and Talented Grant FY 2007-2008	Adult Education State Grant	Kids in Action FY 2006-2007	Non-English Speaking Program
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	29,711	-	-	45,397	6,475	20,237
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	9,898	-	-	-	-
Total receipts	29,711	9,898	-	45,397	6,475	20,237
Disbursements:						
Current:						
Instruction	14,636	3,562	11,430	51,462	-	15,591
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	14,636	3,562	11,430	51,462	-	15,591
Excess (deficiency) of receipts over disbursements	15,075	6,336	(11,430)	(6,065)	6,475	4,646
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	15,075	6,336	(11,430)	(6,065)	6,475	4,646
Cash and investments - beginning	-	1,719	11,932	(20,689)	(6,475)	253
Cash and investments - ending	<u>\$ 15,075</u>	<u>\$ 8,055</u>	<u>\$ 502</u>	<u>\$ (26,754)</u>	<u>\$ -</u>	<u>\$ 4,899</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 15,075	\$ 8,055	\$ 502	\$ (26,754)	\$ -	\$ 4,899
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 15,075</u>	<u>\$ 8,055</u>	<u>\$ 502</u>	<u>\$ (26,754)</u>	<u>\$ -</u>	<u>\$ 4,899</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>15,075</u>	<u>8,055</u>	<u>502</u>	<u>(26,754)</u>	<u>-</u>	<u>4,899</u>
Total cash and investment fund balance - ending	<u>\$ 15,075</u>	<u>\$ 8,055</u>	<u>\$ 502</u>	<u>\$ (26,754)</u>	<u>\$ -</u>	<u>\$ 4,899</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, 2009
 (Continued)

	Education Technology	Title I FY 2008-2009	Title I FY 2007-2008	Title I Migrant FY 2007-2008	Adult Education FY 2007-2008	Adult Education FY 2008-2009
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	13,200	-	-	-	-	-
Federal sources	-	247,811	6,507	39,000	-	45,126
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	13,200	247,811	6,507	39,000	-	45,126
Disbursements:						
Current:						
Instruction	13,200	181,024	22,144	37,638	3,183	13,799
Support services	-	7,483	5,743	-	3,564	31,327
Noninstructional services	-	1,859	1,129	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	13,200	190,366	29,016	37,638	6,747	45,126
Excess (deficiency) of receipts over disbursements	-	57,445	(22,509)	1,362	(6,747)	-
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	57,445	(22,509)	1,362	(6,747)	-
Cash and investments - beginning	-	-	22,509	827	6,747	-
Cash and investments - ending	\$ -	\$ 57,445	\$ -	\$ 2,189	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 57,445	\$ -	\$ 2,189	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 57,445	\$ -	\$ 2,189	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	57,445	-	2,189	-	-
Total cash and investment fund balance - ending	\$ -	\$ 57,445	\$ -	\$ 2,189	\$ -	\$ -

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, 2009
 (Continued)

	Title IV Part A FY 2007-2008	Vocational Grant	Robotics FY 2007-2008	Title II FY 2007-2008	Title II Part A FY 2007-2008	Title II Part D FY 2007-2008
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	3,512	-	8,092	-	30,000	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	3,512	-	8,092	-	30,000	-
Disbursements:						
Current:						
Instruction	623	8,840	12,000	629	60,271	38,090
Support services	-	-	-	-	5,000	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	623	8,840	12,000	629	65,271	38,090
Excess (deficiency) of receipts over disbursements	2,889	(8,840)	(3,908)	(629)	(35,271)	(38,090)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	7,500
Transfers out	-	-	-	(7,500)	-	-
Total other financing sources (uses)	-	-	-	(7,500)	-	7,500
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,889	(8,840)	(3,908)	(8,129)	(35,271)	(30,590)
Cash and investments - beginning	624	8,840	5,908	8,129	32,705	30,590
Cash and investments - ending	\$ 3,513	\$ -	\$ 2,000	\$ -	\$ (2,566)	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 3,513	\$ -	\$ 2,000	\$ -	\$ (2,566)	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 3,513	\$ -	\$ 2,000	\$ -	\$ (2,566)	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	3,513	-	2,000	-	(2,566)	-
Total cash and investment fund balance - ending	\$ 3,513	\$ -	\$ 2,000	\$ -	\$ (2,566)	\$ -

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, 2009
 (Continued)

	Title III FY 2008-2009	Fiscal Stabilization	Pension Bond Debt Service	School Bus Replacement	Construction	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 153,729	\$ 104,482	\$ 851,430	\$ 1,980,462
State sources	-	-	-	-	-	201,575
Federal sources	16,800	571,733	-	-	-	1,251,694
Temporary loans	-	-	76,000	-	-	695,925
Other	-	-	-	-	-	9,898
Total receipts	16,800	571,733	229,729	104,482	851,430	4,139,554
Disbursements:						
Current:						
Instruction	16,157	-	-	-	-	504,279
Support services	-	-	-	194,605	-	952,814
Noninstructional services	-	-	-	-	-	420,513
Facilities acquisition and construction	-	-	-	-	850,659	850,659
Debt services	-	-	178,271	-	-	862,357
Nonprogrammed charges	-	-	-	-	-	16,163
Total disbursements	16,157	-	178,271	194,605	850,659	3,606,785
Excess (deficiency) of receipts over disbursements	643	571,733	51,458	(90,123)	771	532,769
Other financing sources (uses):						
Sale of capital assets	-	-	4	2	-	1,236
Transfers in	-	-	7,200	-	-	14,700
Transfers out	-	-	-	(63,000)	-	(166,500)
Total other financing sources (uses)	-	-	7,204	(62,998)	-	(150,564)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	643	571,733	58,662	(153,121)	771	382,205
Cash and investments - beginning	-	-	(71,151)	155,361	325,248	783,436
Cash and investments - ending	<u>\$ 643</u>	<u>\$ 571,733</u>	<u>\$ (12,489)</u>	<u>\$ 2,240</u>	<u>\$ 326,019</u>	<u>\$ 1,165,641</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 643	\$ 571,733	\$ -	\$ 2,240	\$ 326,019	\$ 1,178,130
Restricted assets:						
Cash and investments	-	-	(12,489)	-	-	(12,489)
Total cash and investment assets - ending	<u>\$ 643</u>	<u>\$ 571,733</u>	<u>\$ (12,489)</u>	<u>\$ 2,240</u>	<u>\$ 326,019</u>	<u>\$ 1,165,641</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ (12,489)	\$ -	\$ -	\$ (12,489)
Unrestricted	643	571,733	-	2,240	326,019	1,178,130
Total cash and investment fund balance - ending	<u>\$ 643</u>	<u>\$ 571,733</u>	<u>\$ (12,489)</u>	<u>\$ 2,240</u>	<u>\$ 326,019</u>	<u>\$ 1,165,641</u>

NORTH WHITE SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	Scholarships and Awards	Donations and Bequests	Totals
Additions:			
Contributions:			
Other	\$ -	\$ 7,480	\$ 7,480
Deductions:			
Administrative and general	-	6,256	6,256
Excess of total additions over total deductions	-	1,224	1,224
Cash and investment fund balance - beginning	120	6,106	6,226
Cash and Investments - June 30	<u>\$ 120</u>	<u>\$ 7,330</u>	<u>\$ 7,450</u>
Net assets:			
Cash and investments	\$ 120	\$ 7,330	\$ 7,450
Total net assets - cash and investment basis held in trust	<u>\$ 120</u>	<u>\$ 7,330</u>	<u>\$ 7,450</u>

NORTH WHITE SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009

	<u>Scholarships and Awards</u>	<u>Donations and Bequests</u>	<u>Totals</u>
Additions:			
Contributions:			
Other	\$ -	\$ 6,833	\$ 6,833
Deductions:			
Administrative and general	-	8,078	8,078
Deficiency of total additions over total deductions	-	(1,245)	(1,245)
Cash and investment fund balance - beginning	120	7,330	7,450
Cash and Investments - June 30	<u>\$ 120</u>	<u>\$ 6,085</u>	<u>\$ 6,205</u>
Net assets:			
Cash and investments	\$ 120	\$ 6,085	\$ 6,205
Total net assets - cash and investment basis held in trust	<u>\$ 120</u>	<u>\$ 6,085</u>	<u>\$ 6,205</u>

NORTH WHITE SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008

	Payroll	Extra-Curricular Wages	Totals
Additions:			
Agency fund additions	\$ 1,903,188	\$ 1,435	\$ 1,904,623
Deductions:			
Agency fund deductions	1,913,756	1,435	1,915,191
Deficiency of total additions over total deductions	(10,568)	-	(10,567)
Cash and investment fund balance - beginning	24,537	7	24,544
Cash and investment fund balance - ending	\$ 13,969	\$ 7	\$ 13,977

NORTH WHITE SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009

	<u>Payroll</u>	<u>Extra-Curricular Wages</u>	<u>Totals</u>
Additions:			
Agency fund additions	\$ 1,884,423	\$ 2,075	\$ 1,886,498
Deductions:			
Agency fund deductions	<u>1,868,069</u>	<u>1,976</u>	<u>1,870,045</u>
Excess of total additions over total deductions	16,354	99	16,453
Cash and investment fund balance - beginning	<u>13,969</u>	<u>7</u>	<u>13,976</u>
Cash and investment fund balance - ending	<u>\$ 30,323</u>	<u>\$ 106</u>	<u>\$ 30,429</u>

NORTH WHITE SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2009

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Monon Elementary School Facility	\$ 8,376,528	\$ 1,484,000
Tax Warrants	3,794,000	3,794,000
Bonds payable:		
General obligation bonds:		
Pension Bonds	1,105,000	178,242
Energy Savings Bonds	<u>2,317,883</u>	<u>408,456</u>
Total governmental activities debt	<u>\$ 15,593,411</u>	<u>\$ 5,864,698</u>

NORTH WHITE SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

SEGREGATION OF DUTIES – DEFICIENCY IN INTERNAL CONTROLS

Control activities were not selected and developed at various levels to reduce risks of error and/or fraud of the financial statements. The School Corporation has not separated incompatible activities related to all areas of the financial statements. Failure to establish these controls could enable material misstatements to go undetected.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OLD OUTSTANDING CHECKS (WARRANTS)

Our review of the bank reconciliements as of June 30, 2009, revealed checks in the amount of \$3,171.77 outstanding in excess of two years.

IC 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."

IC 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."

IC 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."

NORTH WHITE SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

OVERDRAWN FUND BALANCES

The following funds were overdrawn in the 2007-2008 school year:

Adult Education State Grant	\$ 20,689
Kids in Action SY 2006-2007	6,475
Pension Bond Debt Service	71,151

The following funds were overdrawn in the 2008-2009 school year:

Adult Education State Grant	\$ 26,754
Title II Part A SY 2007-2008	2,566
Pension Bond Debt Service	12,486

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)

CAPITAL ASSET RECORDS

The capital asset record presented for audit did not include any construction in progress for the Buffalo Elementary HVAC project for \$628,730 and Reynolds Elementary School roofing and track project for \$37,748 that were in progress and expended as of June 30, 2009.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded on the applicable Capital Assets 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)

TEXTBOOK RENTAL RECEIPTS (Applies to all Schools)

Receipts for the textbook rental fees were not properly maintained. Not all receipts were dated. All copies of receipts were removed from the receipt books and were not maintained in numerical order. The School Corporation did not document which receipts were included in each deposit. A similar comment was in the prior Reports B26389 and B31692.

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)

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
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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, 2008 and 2009. 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, 2008 and 2009.

Internal Control Over Compliance

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

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

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

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

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

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

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

January 11, 2010

NORTH WHITE SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2008 and 2009

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 06-30-08	Total Federal Awards Expended 06-30-09
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 53,536	\$ 58,733
National School Lunch Program	10.555		<u>198,982</u>	<u>224,380</u>
Total for federal grantor agency			<u>252,518</u>	<u>283,113</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Adult Education - Basic Grants to States				
	84.002		2,639	-
		2006-2007	42,200	6,747
		2007-2008	-	<u>45,126</u>
		2008-2009	<u>-</u>	<u>-</u>
Total for program			<u>44,839</u>	<u>51,873</u>
Title I Grants to Local Educational Agencies				
	84.010		26,118	-
		07-775	196,253	29,016
		08-775	-	<u>190,367</u>
		09-775	<u>-</u>	<u>-</u>
Total for program			<u>222,371</u>	<u>219,383</u>
Migrant Education - State Grant Program				
	84.011		1,088	-
		06/07RM2	10,343	827
		07/08RM2	-	<u>36,811</u>
		08/09RM2	<u>-</u>	<u>-</u>
Total for program			<u>11,431</u>	<u>37,638</u>
Pass-Through Indiana Department of Workforce Development				
Career and Technical Education - Basic Grant to States				
	84.048		5,000	-
		CPR6426	7,331	5,000
		CPR7426	-	<u>15,840</u>
		CPR8426	<u>-</u>	<u>-</u>
Total for program			<u>12,331</u>	<u>20,840</u>
Pass-Through Indiana Department of Education				
Safe and Drug Free Schools and Communities - State Grants				
	84.186		2,573	-
		8515-06	3,534	624
		8515-07	<u>-</u>	<u>-</u>
Total for program			<u>6,107</u>	<u>624</u>
State Grants for Innovative Programs				
	84.298		1,799	-
		07-8515	<u>-</u>	<u>-</u>
Education Technology State Grants				
	84.318		42,230	-
		2006-2007	36,633	38,090
		2007-2008	<u>-</u>	<u>-</u>
Total for program			<u>78,863</u>	<u>38,090</u>
English Language Acquisition Grants				
	84.365		2,727	-
		2006-2007	19,244	629
		2007-2008	-	<u>16,157</u>
		2008-2009	<u>-</u>	<u>-</u>
Total for program			<u>21,971</u>	<u>16,786</u>
Improving Teacher Quality State Grants				
	84.367		19,788	-
		06-8515	24,864	27,705
		07-8515	-	<u>32,566</u>
		08-8515	<u>-</u>	<u>-</u>
Total for program			<u>44,652</u>	<u>60,271</u>
Total for federal grantor agency			<u>444,364</u>	<u>445,505</u>
Total federal awards expended			<u>\$ 696,882</u>	<u>\$ 728,618</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, 2008 and 2009. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2008	2009
School Breakfast Program	10.553	\$ 3,700	\$ 5,400
National School Lunch Program	10.555	13,754	20,632

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

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Child Nutrition Cluster Title 1 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

NORTH WHITE SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II – Financial Statement Findings

FEDERAL FINDING 2009-1, DEFICIENCY IN INTERNAL CONTROLS

Control Activities were not selected and developed at various levels to reduce risks of error and/or fraud of the financial statements. The School Corporation has not separated incompatible activities related to all areas of the financial statements. Failure to establish these controls could enable material misstatements or fraud to go undetected.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

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

Nicholas G. Eccles
Superintendent

W. Dean Cook
Director of Transportation/Buildings and Grounds

Shellie Ruemler
Treasurer

121 W. State Road 16 – Monon, Indiana 47959 – (219)-253-6618 – FAX (219)-253-6488

January 7, 2010

Section II – Financial Statement Finding

FEDERAL FINDING 2009-1, DEFICIENCY IN INTERNAL CONTROLS

Control activities should be selected and developed at various levels to reduce risks and/or fraud of the financial statements. The Corporation has not separated incompatible activities related to all areas of the financial statements. Failure to establish these controls could enable material misstatements or fraud to go undetected.

Governmental units should have internal control in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual of Indiana Public School Corporations, Chapter 9)

The Corporation will implement procedures that will safeguard controls over cash and other assets and segregate duties by function. For example, receipts will be written by someone other than the person depositing the money; vendor checks will be processed by someone other than the person reconciling the bank statements; and payroll will be processed by someone other than the person who prepares the contracts.

Sincerely,

Shellie Ruemler, Treasurer
North White School Corporation

NORTH WHITE SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on January 11, 2010, with Shellie Ruemler, Treasurer; and Nicholas G. Eccles, Superintendent of Schools. The officials concurred with our audit findings.