

Form **990**

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2007

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the **2007** calendar year, or tax year beginning **JUL 1, 2007** and ending **JUN 30, 2008**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions	C Name of organization SANDHILLS INDEPENDENT SCHOOL CORPORATION		D Employer identification number 23-7125932
		Number and street (or P O box if mail is not delivered to street address) Room/suite P.O. BOX 290		E Telephone number 910-692-6920
		City or town, state or country, and ZIP + 4 SOUTHERN PINES, NC 28388		F Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)

G Website: **WWW.ONEALSCHOOL.ORG**
J Organization type (check only one) 501(c) (3) (insert no) 4947(a)(1) or 527
K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.
L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 **7,731,947.**

H and I are not applicable to section 527 organizations
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates **N/A**
H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number **N/A**
M Check if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

SCANNED DEC 10 2008 Revenue

Net Assets	1	Contributions, gifts, grants, and similar amounts received				
	a	Contributions to donor advised funds	1a			
	b	Direct public support (not included on line 1a)	1b		679,415.	
	c	Indirect public support (not included on line 1a)	1c			
	d	Government contributions (grants) (not included on line 1a)	1d			
	e	Total (add lines 1a through 1d) (cash \$ 679,415. noncash \$ _____)				1e 679,415.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)				2 5,757,791.
	3	Membership dues and assessments				3
	4	Interest on savings and temporary cash investments				4 205,161.
	5	Dividends and interest from securities				5 63,522.
	6a	Gross rents	6a	SEE STATEMENT 1	14,345.	
	b	Less rental expenses	6b			
	c	Net rental income or (loss) Subtract line 6b from line 6a				6c 14,345.
	7	Other investment income (describe _____)				7
	8a	Gross amount from sales of assets other than inventory		(A) Securities 616,869.	(B) Other	
	b	Less cost or other basis and sales expenses		596,445.		
	c	Gain or (loss) (attach schedule)		20,424.		
	d	Net gain or (loss) Combine line 8c, columns (A) and (B)		STMT 2		8d 20,424.
	9	Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>				
	a	Gross revenue (not including \$ 0. of contributions reported on line 1b)	9a		172,983.	
b	Less direct expenses other than fundraising expenses	9b				
c	Net income or (loss) from special events Subtract line 9b from line 9a				9c 172,983.	
10a	Gross sales of inventory, less returns and allowances	10a				
b	Less cost of goods sold	10b				
c	Gross profit or (loss) from sales of inventory (attach schedule) Subtract line 10b from line 10a				10c	
11	Other revenue (from Part VII, line 103)				11 221,861.	
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11				12 7,135,502.	
Net Expenses	13	Program services (from line 44, column (B))			13 4,519,100.	
	14	Management and general (from line 44, column (C))			14 2,254,965.	
	15	Fundraising (from line 44, column (D))			15 58,673.	
	16	Payments to affiliates (attach schedule)			16	
	17	Total expenses. Add lines 16 and 44, column (A)				17 6,832,738.
Net Assets	18	Excess or (deficit) for the year Subtract line 17 from line 12			18 302,764.	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))			19 6,921,747.	
	20	Other changes in net assets or fund balances (attach explanation)		SEE STATEMENT 4	20 <697,899.>	
	21	Net assets or fund balances at end of year Combine lines 18, 19, and 20			21 6,526,612.	

RECEIVED
 NOV 19 2008
 OGDEN, UT
 IRS-OSC

723001 12-27-07

LHA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions

Form 990 (2007)

917 9

Part II Statement of Functional Expenses

All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ <u>0</u> . noncash \$ <u>0</u> . If this amount includes foreign grants, check here <input type="checkbox"/> 22a				
22b Other grants and allocations (attach schedule) (cash \$ <u>807,735</u> . noncash \$ <u>0</u> . If this amount includes foreign grants, check here <input type="checkbox"/> 22b	807,735.	807,735.	STATEMENT 5	
23 Specific assistance to individuals (attach schedule) 23				
24 Benefits paid to or for members (attach schedule) 24				
25a Compensation of current officers, directors, key employees, etc listed in Part V-A 25a	247,875.	0.	247,875.	0.
b Compensation of former officers, directors, key employees, etc listed in Part V-B 25b	0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) 25c				
26 Salaries and wages of employees not included on lines 25a, b, and c 26	2,983,213.	2,283,803.	699,410.	
27 Pension plan contributions not included on lines 25a, b, and c 27	149,454.	104,009.	45,445.	
28 Employee benefits not included on lines 25a - 27 28	251,763.	185,555.	66,208.	
29 Payroll taxes 29	243,630.	175,063.	68,567.	
30 Professional fundraising fees 30				
31 Accounting fees 31				
32 Legal fees 32				
33 Supplies 33				
34 Telephone 34				
35 Postage and shipping 35				
36 Occupancy 36				
37 Equipment rental and maintenance 37	15,931.	15,931.		
38 Printing and publications 38				
39 Travel 39				
40 Conferences, conventions, and meetings 40				
41 Interest 41	266,704.		266,704.	
42 Depreciation, depletion, etc. (attach schedule) 42	329,566.	329,566.		
43 Other expenses not covered above (itemize):				
a UTILITIES, INSURANCE & 43a				
b OTHER PLANT EXPENSES 43b	437,879.	44,126.	393,753.	
c MATERIALS AND SUPPLIES 43c	166,286.	118,502.	47,784.	
d SPECIAL ANNUAL EVENT 43d	58,673.			58,673.
e MISCELLANEOUS EXPENSES 43e	746,116.	326,897.	419,219.	
f TRANSPORTATION 43f	127,913.	127,913.		
g 43g				
44 Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15) 44	6,832,738.	4,519,100.	2,254,965.	58,673.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A , (ii) the amount allocated to Program services \$ N/A ,
 (iii) the amount allocated to Management and general \$ N/A , and (iv) the amount allocated to Fundraising \$ N/A

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments

What is the organization's primary exempt purpose? ► <u>SEE STATEMENT 6</u>	Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	
a EDUCATION AND SCHOOL RELATED ACTIVITIES FOR GRADES K - 12TH FOR 464 STUDENTS. (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	 4,519,100.
b (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
c (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
d (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e Other program services (attach schedule) (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	4,519,100.

Part IV Balance Sheets (See the instructions)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year	
Assets	45 Cash - non-interest-bearing	6,990,220.	45	4,687,674.	
	46 Savings and temporary cash investments	426,260.	46	878,661.	
	47 a Accounts receivable	47a 71,523.			
	b Less: allowance for doubtful accounts	47b 1,000.	77,849.	47c 70,523.	
	48 a Pledges receivable	48a 1,432,546.			
	b Less: allowance for doubtful accounts	48b	1,903,408.	48c 1,432,546.	
	49 Grants receivable		49		
	50 a Receivables from current and former officers, directors, trustees, and key employees		50a		
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		50b		
	51 a Other notes and loans receivable	51a		51c	
	b Less: allowance for doubtful accounts	51b			
	52 Inventories for sale or use		52		
	53 Prepaid expenses and deferred charges		25,772.	53 29,575.	
	54 a Investments - publicly-traded securities	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54a	
	b Investments - other securities	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b	
55 a Investments - land, buildings, and equipment: basis	55a				
b Less: accumulated depreciation	55b		55c		
56 Investments - other	SEE STATEMENT 7	2,228,770.	56	2,061,519.	
57 a Land, buildings, and equipment: basis	57a 12,929,471.				
b Less: accumulated depreciation	57b 2,736,536.	7,739,136.	57c 10,192,935.		
58 Other assets, including program-related investments (describe ▶ INTEREST RATE SWAP)		46,800.	58	<252,656.>	
59 Total assets (must equal line 74). Add lines 45 through 58		19,438,215.	59	19,100,777.	
Liabilities	60 Accounts payable and accrued expenses	750,204.	60	913,040.	
	61 Grants payable		61		
	62 Deferred revenue	1,766,264.	62	1,861,125.	
	63 Loans from officers, directors, trustees, and key employees		63		
	64 a Tax-exempt bond liabilities	STMT 8	10,000,000.	64a	9,800,000.
	b Mortgages and other notes payable		64b		
	65 Other liabilities (describe ▶)		65		
66 Total liabilities. Add lines 60 through 65		12,516,468.	66	12,574,165.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67 Unrestricted	4,425,720.	67	4,669,145.	
	68 Temporarily restricted	1,498,350.	68	853,012.	
	69 Permanently restricted	997,677.	69	1,004,455.	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.				
	70 Capital stock, trust principal, or current funds		70		
	71 Paid-in or capital surplus, or land, building, and equipment fund		71		
	72 Retained earnings, endowment, accumulated income, or other funds		72		
	73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)		6,921,747.	73	6,526,612.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73		19,438,215.	74	19,100,777.

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

Table with 5 main rows (a-e) and sub-rows (1-4, d1-d2, b1-b4). Total revenue is 7,135,502.

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

Table with 5 main rows (a-e) and sub-rows (1-4, d1-d2, b1-b4). Total expenses is 6,832,738.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions)

Table with 5 columns: (A) Name and address, (B) Title and average hours per week devoted to position, (C) Compensation (if not paid, enter -0-), (D) Contributions to employee benefit plans & deferred compensation plans, (E) Expense account and other allowances. Row 1: SEE STATEMENT 11, 212,101, 28,551, 7,223.

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

Table with 4 columns: Question, Yes, No. Rows include: 75 a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings (18); 75 b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) (X); 75 c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." (X); 75 d Does the organization have a written conflict of interest policy? (X)

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits

(If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

Table with 5 columns: (A) Name and address, (B) Loans and Advances, (C) Compensation (if not paid, enter -0-), (D) Contributions to employee benefit plans & deferred compensation plans, (E) Expense account and other allowances. Row 1: NONE

Part VI Other Information (See the instructions)

Table with 4 columns: Question, Yes, No. Rows include: 76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change (X); 77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes. (X); 78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? (X); 78 b If "Yes," has it filed a tax return on Form 990-T for this year? (N/A); 79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement (X); 80 a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? (X); 80 b If "Yes," enter the name of the organization (N/A) and check whether it is [] exempt or [] nonexempt; 81 a Enter direct and indirect political expenditures. (See line 81 instructions.) (0); 81 b Did the organization file Form 1120-POL for this year? (X)

Part VI Other Information (continued)		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
	82b N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	N/A		
85 a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?		
	N/A		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?		
	N/A		
	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c	Dues, assessments, and similar amounts from members		
	85c N/A		
d	Section 162(e) lobbying and political expenditures		
	85d N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
	85e N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
	85f N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
	N/A		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
	N/A		
86	501(c)(7) organizations Enter: a Initiation fees and capital contributions included on line 12		
	86a N/A		
b	Gross receipts, included on line 12, for public use of club facilities		
	86b N/A		
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders		
	87a N/A		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
	87b N/A		
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under section 4911 <u>0.</u> , section 4912 <u>0.</u> , section 4955 <u>0.</u>		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <u>0.</u>		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization <u>0.</u>		
e	All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
f	All organizations Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
	89g		
90 a	List the states with which a copy of this return is filed <u>NC</u>		
b	Number of employees employed in the pay period that includes March 12, 2007	90b	90
91 a	The books are in care of <u>SANDHILLS INDEPENDENT SCHOOL CORPOR</u> Telephone no <u>910-692-6920</u> Located at <u>3300 AIRPORT ROAD, SOUTHERN PINES, NC</u> ZIP + 4 <u>28388</u>		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country <u>N/A</u> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b	X

Part VI Other Information (continued) Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c Yes No
 If "Yes," enter the name of the foreign country N/A

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here
 and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A

Part VII Analysis of Income-Producing Activities (See the instructions)

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
Note: Enter gross amounts unless otherwise indicated					
93 Program service revenue:					
a EDUCATION SERVICE & FEE					5,629,983.
b AUXILLARY SERVICES					127,808.
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	205,161.	
96 Dividends and interest from securities			14	63,522.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property			16	14,345.	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			01	20,424.	
101 Net income or (loss) from special events			01	172,983.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a MISCELLANEOUS			01	221,861.	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		698,296.	5,757,791.
105 Total (add line 104, columns (B), (D), and (E))					6,456,087.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93A	BASIC SUPPORT OF THE SCHOOL OPERATIONS AND STAFF SALARIES
93B	PROVIDES EXTRACURRICULAR ACTIVITES & CHILD CARE

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13). N/A

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- ----- -----			
b	----- ----- -----			
c	----- ----- -----			
Totals				

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- ----- -----			
b	----- ----- -----			
c	----- ----- -----			
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here: **Edward T. Phillips, CFO** (Signature) | **11-13-08** (Date)
 Signature of officer: _____ Date: _____
EDWARD T. PHILLIPS, CFO
 Type or print name and title

Paid Preparer's Use Only: **Donna B. Johnson, CPA** (Signature)
 Preparer's signature: _____
 Firm's name (or yours if self-employed), address, and ZIP + 4: **DAVENPORT, MARVIN, JOYCE**
509 WEST MAIN STREET
SANFORD, NC 27332

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

2007

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

SANDHILLS INDEPENDENT SCHOOL CORPORATION

Employer identification number

23 7125932

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions List each one If there are none, enter "None ")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
BRENDA B. JACKSON 158 FRANK PARKER ROAD, ROCKINGHAM, NC	ASST. HEAD FOR INSTR 40.00	67,108.	4,690.	39,646.
JAMES R. MILES 435 CLEARFIELD LANE, SOUTHERN PINES,	DIR./LOWER 40.00	70,108.	4,667.	4,449.
EDWARD T. PHILLIPS 1665 N. MAIN STREET, GOLDSTON, NC 272	CFO 40.00	75,108.	5,250.	4,459.
STEVEN DAHL 11 OVERECUP LANE, PINEHURST, NC 28374	DIR/ATHLETICS 40.00	57,108.	4,520.	14,277.
RICH THOMPKINS 202 BROOKLYN STREET, CARTHAGE, NC 28	DIR/MIDDLE SCHOOL 40.00	75,108.	3,750.	4,387.
Total number of other employees paid over \$50,000 ▶	0			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions List each one (whether individuals or firms) If there are none, enter "None ")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services ▶	0	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms If there are none, enter "None " See page 2 of the instructions)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of other contractors receiving over \$50,000 for other services ▶	0	

Part III **Statements About Activities** (See page 2 of the instructions)

		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities		X
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
e	Transfer of any part of its income or assets?		X
3	Did the organization make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments)		
3a	SEE STATEMENT 12	X	
3b	Did the organization have a section 403(b) annuity plan for its employees?	X	
3c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement		X
3d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g If "No," complete lines 4f and 4g		
4a	Did the organization make any taxable distributions under section 4966?		X
4b	Did the organization make a distribution to a donor, donor advisor, or related person?	N/A	
4c	Enter the total number of donor advised funds owned at the end of the tax year	N/A	
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year		N/A
f	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts		0.
g	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year		0.

Part IV Reason for Non-Private Foundation Status (See pages 4 through 8 of the instructions)

I certify that the organization is not a private foundation because it is (Please check only **ONE** applicable box)

- 5 A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6 A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7 A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8 A federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9 A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ► _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 11b A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 12 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc , functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3) Check the box that describes the type of supporting organization
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations. (See page 8 of the instructions)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					►

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See page 8 of the instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting. N/A
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)					
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					
23 Total of lines 15 through 22	0.	0.	0.	0.	0.
24 Line 23 minus line 17					
25 Enter 1% of line 23					

26 Organizations described on lines 10 or 11:					
a Enter 2% of amount in column (e), line 24					26a N/A
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.					26b N/A
c Total support for section 509(a)(1) test. Enter line 24, column (e).					26c N/A
d Add: Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____					26d N/A
e Public support (line 26c minus line 26d total)					26e N/A
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f N/A %

27 Organizations described on line 12:					
a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____					
c Add: Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c N/A
d Add: Line 27a total _____ and line 27b total _____					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test. Enter amount on line 23, column (e)					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %

28 Unusual Grants. For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See page 9 of the instructions)

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	X	
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	X	
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement) ADVERTISEMENTS IN THE LOCAL NEWSPAPERS	X	
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	X	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	X	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	X	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)	X	
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?		X
b	Admissions policies?		X
c	Employment of faculty or administrative staff?		X
d	Scholarships or other financial assistance?		X
e	Educational policies?		X
f	Use of facilities?		X
g	Athletic programs?		X
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)		X
34 a	Does the organization receive any financial aid or assistance from a governmental agency?		X
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement		X
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	X	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 11 of the instructions) N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

Check **a** if the organization belongs to an affiliated group Check **b** if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred)		(a) Affiliated group totals	(b) To be completed for all electing organizations
		N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount Enter the amount from the following table -			
If the amount on line 40 is -	The lobbying nontaxable amount is -		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	41	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44		

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below See the instructions for lines 45 through 50 on page 13 of the instructions)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities (For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions) N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 14 of the instructions)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of

- (i) Cash
- (ii) Other assets

b Other transactions

- (i) Sales or exchanges of assets with a noncharitable exempt organization
- (ii) Purchases of assets from a noncharitable exempt organization
- (iii) Rental of facilities, equipment, or other assets
- (iv) Reimbursement arrangements
- (v) Loans or loan guarantees
- (vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

	Yes	No
51a(i)		X
a(ii)		X
b(i)		X
b(ii)		X
b(iii)		X
b(iv)		X
b(v)		X
b(vi)		X
c		X

N/A

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3) or in section 527? Yes No

b If "Yes," complete the following schedule N/A

(a) Name of organization	(b) Type of organization	(c) Description of relationship

FORM 990	RENTAL INCOME	STATEMENT	1
KIND AND LOCATION OF PROPERTY		ACTIVITY NUMBER	GROSS RENTAL INCOME
RENTAL OF POOL AND OTHER FACILITIES		1	14,345.
TOTAL TO FORM 990, PART I, LINE 6A			14,345.

FORM 990	GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES	STATEMENT	2
----------	---	-----------	---

DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
MF CAPITAL GAINS	63,655.	0.	0.	63,655.
565.878 SHS LIFESTRATEGY MODERATE GROWTH LTCG	11,725.	10,942.	0.	783.
1241.679 SHS AMERICAN MUTUAL	37,014.	32,825.	0.	4,189.
1254.644 SHS AMERICAN BALANCED	25,043.	23,202.	0.	1,841.
562.014 SHS EURO PACIFIC	31,349.	16,571.	0.	14,778.
721 SHS CAPITAL INCOME BLDR	47,586.	31,986.	0.	15,600.
19 SHS FUNDAMENAL INVSTRS	850.	575.	0.	275.
5002 SHS INCOME FUND OF AMERICA	102,991.	78,341.	0.	24,650.
2703 SHS NEW PRESPECTIVE FUND	99,930.	76,144.	0.	23,786.
2897.142 SHS INCOME FUND OF AMERICA	59,219.	46,727.	0.	12,492.
937 SHS INVESTMENT CO. OF AMERICA	32,926.	29,909.	0.	3,017.
1436 SHS NEW PRESPECTIVE FUND	53,089.	41,123.	0.	11,966.
904.198 SHS BOND FUND OF AMERICA	11,821.	11,629.	0.	192.
62.479 SHS CAPITAL INCOME BLDR.	3,750.	4,124.	0.	<374.>
283.661 SHS INTERMEDIATE BOND	3,750.	3,846.	0.	<96.>
362.059 SHS CAPITAL WORLD GROWTH & INC.	17,509.	9,636.	0.	7,873.
298.003 SHS INVESTMENT CO. OF AMERICA	10,472.	8,740.	0.	1,732.
261.785 SHS BOND FUND OF AMERICA	3,343.	3,458.	0.	<115.>
MASS DISPOSAL OF FIXED ASSETS	0.	166,667.	0.	<166,667.>
GAIN FROM STOCK SALES	847.	0.	0.	847.
TO FORM 990, PART I, LINE 8	616,869.	596,445.	0.	20,424.

FORM 990	SPECIAL EVENTS AND ACTIVITIES				STATEMENT	3
DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME OR (LOSS)	
SPECIAL ANNUAL EVENT	172,983.		172,983.		172,983.	
TO FM 990, PART I, LINE 9	172,983.		172,983.		172,983.	

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES		STATEMENT	4
DESCRIPTION				AMOUNT
CHANGE IN MARKET VALUE OF INVESTMENTS				<398,443.>
UNREALIZED LOSS ON INTEREST RATE SWAP				<299,456.>
TOTAL TO FORM 990, PART I, LINE 20				<697,899.>

FORM 990	CASH GRANTS AND ALLOCATIONS TO OTHERS	STATEMENT 5
----------	--	-------------

CLASS OF ACTIVITY/DONEE'S NAME AND ADDRESS	AMOUNT
FLEX TUITION CREDIT	589,013.
FACULTY REMISSION	197,515.
DISCOUNTS	21,207.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22B	807,735.

FORM 990	STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE PART III	STATEMENT 6
----------	--	-------------

EXPLANATION

THE O'NEAL SCHOOL IS A COLLEGE PREPARATORY SCHOOL DEDICATED TO THE DEVELOPMENT OF THE ACADEMIC EXCELLENCE, STRENGTH OF CHARACTER AND PHYSICAL WELL-BEING OF ITS STUDENTS IN AN ENVIRONMENT WHERE INTEGRITY, SELF-DISCIPLINE, AND CONSIDERATION FOR OTHERS ARE FUNDAMENTAL.

FORM 990	OTHER INVESTMENTS	STATEMENT 7
----------	-------------------	-------------

DESCRIPTION	VALUATION METHOD	AMOUNT
INCOME FUND OF AMERICA	MARKET VALUE	129,254.
INVESTMENT COMPANY OF AMERICA	MARKET VALUE	117,860.
BOND FUND OF AMERICA	MARKET VALUE	134,677.
NEW PERSPECTIVE FUND	MARKET VALUE	60,108.
CAPITAL WORLD GROWTH	MARKET VALUE	0.
FUNDAMENTAL INVESTORS	MARKET VALUE	74,284.
GROWTH FUND OF AMERICA	MARKET VALUE	205,235.
AMCAP FUND	MARKET VALUE	114,406.

BOND ISSUANCE COSTS	COST	168,241.
AMERICAN BALANCED FUND	MARKET VALUE	0.
EURO PACIFIC GROWTH FUND	MARKET VALUE	0.
CAPITAL INCOME BUILDERS	MARKET VALUE	119,346.
INTERMEDIATE BOND FUND	MARKET VALUE	129,112.
WASHINGTON MUTUAL	MARKET VALUE	116,430.
AMERICAN MUTUAL	MARKET VALUE	0.
LIFESTRATEGY MODERATE GROWTH	MARKET VALUE	635,241.
SMALLCAP WORLD	MARKET VALUE	57,325.
		<hr/>
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		2,061,519.
		<hr/> <hr/>

FORM 990	TAX-EXEMPT BOND LIABILITIES OUTSTANDING	STATEMENT	8
----------	---	-----------	---

PURPOSE OF ISSUE

CONSTRUCTION

USE BY THIRD PARTY	UNEXPENDED BOND PROCEEDS	AMOUNT OF ISSUE OUTSTANDING
NO	0.	9,800,000.

TOTAL INCLUDED ON FORM 990, PART IV, LINE 64A	9,800,000.
---	------------

FORM 990	OTHER REVENUE NOT INCLUDED ON FORM 990	STATEMENT	9
----------	--	-----------	---

DESCRIPTION	AMOUNT
BOARD DESIGNATED OPERATING INCOME - TRANSFER	200,000.
UNREALIZED LOSS ON INTEREST RATE SWAP	<398,443.>
TOTAL TO FORM 990, PART IV-A	<198,443.>

FORM 990	OTHER EXPENSES NOT INCLUDED ON FORM 990	STATEMENT	10
----------	---	-----------	----

DESCRIPTION	AMOUNT
UNREALIZED LOSS ON INTEREST RATE SWAP	299,456.
BOARD DESIGNATED OPERATING INCOME - TRANSFER	200,000.
RETIREMENT OF PROPERTY AND EQUIPMENT	166,668.
TOTAL TO FORM 990, PART IV-B	666,124.

FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, STATEMENT 11
 TRUSTEES AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
TERRY BROWN 4072 AIRPORT RD PINEHURST, NC 28374	TRUSTEE 1.00	0.	0.	0.
LYNN DEJACO 155 MEMORIAL DRIVE PINEHURST, NC 28374	VICE CHAIR 2.00	0.	0.	0.
ALLEN AVERBOOK 210 FRYE RD PINEHURST, NC 28374	TRUSTEE 1.00	0.	0.	0.
CRAIG FULLER 1600 MORGANTON RD., R-8 PINEHURST, NC 28370	TRUSTEE 1.00	0.	0.	0.
RICH GOUGH 28 ROYAL COUNTY DOWN PINEHURST, NC 28374	TRUSTEE 1.00	0.	0.	0.
BRENDA GUTSCHMIDT 235 PINEY GROVE POINT NEW LONDON, NC 28127-8668	TRUSTEE 1.00	0.	0.	0.
CHIP HASTY 165 FRYE ROAD PINEHURST, NC 28374	CHAIR 2.00	0.	0.	0.
CHRISTA DUFFY 1600 MORGANTON RD., Y-32 PINEHURST, NC 28374	TRUSTEE 1.00	0.	0.	0.
KONNI MCMURRAY 1600 MORGANTON ROAD, Y-72 PINEHURST, NC 28374	TREASURER 2.00	0.	0.	0.
BEV O'DONNELL 1901 WINDSONG ROAD SANFORD, NC 27330	SECRETARY 2.00	0.	0.	0.
PETER POTTLE 375 SOUTH VALLEY ROAD SOUTHERN PINES, NC 28387	TRUSTEE 1.00	0.	0.	0.

SANDHILLS INDEPENDENT SCHOOL CORPORATION

23-7125932

BILL HORNER 3468 CHRIS COLE ROAD SANFORD, NC 27332	TRUSTEE 1.00	0.	0.	0.
LLOYD SULLIVAN P.O. BOX 406 SOUTHERN PINES, NC 28388	TRUSTEE 1.00	0.	0.	0.
JOHN L. NEISWENDER 39 STONEYKIRK DRIVE PINEHURST, NC 28374	HEADMASTER 40.00	212,101.	28,551.	7,223.
HOLLY FLOYD 480 EAST CONNECTICUT AVE. SOUTHERN PINES, NC 28387	TRUSTEE 1.00	0.	0.	0.
STAN BRADSHAW 75 BROOKHAVEN ROAD PINEHURST, NC 28374	TRUSTEE 2.00	0.	0.	0.
MARTY HEFFNER 140 NORTH VALLEY ROAD SOUTHERN PINES, NC 28387	TRUSTEE 2.00	0.	0.	0.
HU POSTON 1300 FURR ROAD VASS, NC 28394	TRUSTEE 2.00	0.	0.	0.
LINDLEY FLEURY 285 BETHESDA ROAD SOUTHERN PINES, NC 28387	TRUSTEE 1.00	0.	0.	0.
ALICE ROBBINS P.O. BOX 2135 PINEHURST, NC 28370	TRUSTEE 1.00	0.	0.	0.
LAURIE TREXLER 44 GLASGOW DRIVE PINEHURST, NC 28374	TRUSTEE 1.00	0.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		<u>212,101.</u>	<u>28,551.</u>	<u>7,223.</u>

SCHEDULE A EXPLANATION OF QUALIFICATIONS TO RECEIVE PAYMENTS STATEMENT 12
PART III, LINE 3A

SCHOLARSHIPS AND GRANTS ARE AWARDED BASED ON FINANCIAL AND SCHOLASTIC NEEDS

Asset *	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: 03-15-11120-00											
1382	Bradshaw Hall Multi-Purpose	8/15/02	1,757,933 77	0 00	0 00	217,112 32	43,948 34	261,060 66	1,496,873 11	S/L	40 0
1422	Paving, curb & gutter	8/15/02	95,975 00	0 00	0 00	23,593 85	4,798 75	28,392 60	67,582 40	S/L	20 0
1423	Heating & A/C	8/15/02	114,539 00	0 00	0 00	56,315 01	11,453 90	67,768 91	46,770 09	S/L	10 0
1424	BH - Landscaping	8/28/02	26,643 50	0 00	0 00	6,438 87	1,332 18	7,771 05	18,872 45	S/L	20 0
1425	Wireless Network	8/30/02	34,740 42	0 00	0 00	16,791 20	3,474 04	20,265 24	14,475 18	S/L	10 0
1426	Furniture	8/15/02	145,049 08	0 00	0 00	71,315 81	14,504 91	85,820 72	59,228 36	S/L	10 0
1451	Computer Room Door Installation	9/16/03	1,326 95	0 00	0 00	124 39	33 17	157 56	1,169 39	S/L	40 0
		03-15-11120-00	2,176,207 72	0 00c	0 00	391,691 45	79,545 29	471,236 74	1,704,970 98		
Group: 03-15-11125-00											
1485	Activities Center	6/30/08	603,003 24	0 00c	0 00	0 00	0 00	0 00	603,003 24	Memo	0 0
		03-15-11125-00	603,003 24	0 00c	0 00	0 00	0 00	0 00	603,003 24		
Group: 03-15-11210-00											
200	Band Room	6/01/85	38,500 00	0 00	0 00	27,723 57	1,241 94	28,965 51	9,534 49	S/L	31 0
350	Band Room Heating & A/C	10/23/98	2,618 00	0 00	0 00	733 37	84 45	817 82	1,800 18	S/L	31 0
1452	Band Room Renovation	7/25/03	4,203 50	0 00	0 00	411 60	105 09	516 69	3,686 81	S/L	40 0
1453	Carpet	7/31/03	3,570 84	0 00	0 00	1,398 57	357 08	1,755 65	1,815 19	S/L	10 0
		03-15-11210-00	48,892 34	0 00c	0 00	30,267 11	1,788 56	32,055 67	16,836 67		
Group: 03-15-11230-00											
210	Taws Middle School	6/01/75	827,668 00	0 00	0 00	827,668 00	0 00	827,668 00	0 00	S/L	31 0
270	Library	6/01/85	4,491 00	0 00	0 00	3,232 52	144 87	3,377 39	1,113 61	S/L	31 0
340	New Roof - Middle School	8/01/97	91,359 00	0 00	0 00	27,570 81	2,947 06	30,517 87	60,841.13	S/L	31 0
390	Taws MS - Pool Renovation	10/02/98	122,387 00	0 00	0 00	34,278 36	3,947 97	38,226 33	84,160 67	S/L	31 0
1350	Gym Renovations	2/10/00	64,678 00	0 00	0 00	11,992 38	1,616 95	13,609 33	51,068 67	S/L	40 0
		03-15-11230-00	1,110,583 00	0 00c	0 00	904,742 07	8,656 85	913,398 92	197,184 08		
Group: 03-15-11231-00											
1381	Taws Middle School Renovations	8/21/03	1,089,109 36	0 00	0 00	104,372 97	27,227 73	131,600 70	957,508 66	S/L	40 0
1454	Middle School Heating & A/C	8/21/03	194,464 00	0 00	0 00	18,636 13	4,861 60	23,497 73	170,966 27	S/L	40 0
1455	Middle School Landscaping	9/05/03	17,802 75	0 00	0 00	3,412 20	890 14	4,302 34	13,500 41	S/L	20 0
1456	Middle School Furniture	10/17/03	16,523 90	0 00	0 00	6,058 76	1,652 39	7,711 15	8,812 75	S/L	10 0
		03-15-11231-00	1,317,900 01	0 00c	0 00	132,480 06	34,631 86	167,111 92	1,150,788 09		
Group: 03-15-11232-00											
1475	Gym Renovation	8/15/05	179,672 87	0 00	0 00	8,609 32	4,491 82	13,101 14	166,571 73	S/L	40 0
		03-15-11232-00	179,672 87	0 00c	0 00	8,609 32	4,491 82	13,101 14	166,571 73		

Asset *	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: 03-15-11410-00											
220 *	Tate Lower School	6/01/85	391,142 00	0 00	0 00	281,662 23	6,308 74	287,970 97	103,171 03	S/L	31 0
360 *	Tate - Lower School Heating & A/C	10/23/98	1,081 00	0 00	0 00	302 47	17 44	319 91	761 09	S/L	31 0
370 *	Tate - Lower School New Flooring	10/31/98	41,476 00	0 00	0 00	11,617 05	668 97	12,286 02	29,189 98	S/L	31 0
	03-15-11410-00		433,699 00	0 00c	0 00	293,581 75	6,995 15	300,576 90	133,122 10		
	*Less: Dispositions		433,699 00	0 00	0 00	293,581 75	0 00	300,576 90	133,122 10		
	Net 03-15-11410-00		0 00	0 00c	0 00	0 00	6,995 15	0 00	0 00		
Group: 03-15-11415-00											
1476	McMurray Hall	1/04/08	3,328,749 76	0 00c	0 00	0 00	41,609 37	41,609 37	3,287,140.39	S/L	40 0
1503	McMurray Hall- Furniture	1/04/08	110,000 50	0.00c	0 00	0 00	5,500 03	5,500 03	104,500 47	S/L	10 0
1504	McMurray Hall- Landscaping	1/04/08	40,871 59	0 00c	0 00	0 00	1,021 79	1,021 79	39,849 80	S/L	20 0
	03-15-11415-00		3,479,621 85	0 00c	0 00	0 00	48,131 19	48,131 19	3,431,490 66		
Group: 03-15-11710-00											
260	Weight Room	6/01/85	16,750 00	0 00	0 00	12,062 19	540 32	12,602 51	4,147 49	S/L	31 0
	03-15-11710-00		16,750 00	0 00c	0 00	12,062 19	540 32	12,602 51	4,147 49		
Group: 03-15-11720-00											
1383	Maintenance Building	4/01/01	22,221 80	0 00	0 00	3,472 13	555 54	4,027 67	18,194 13	S/L	40 0
1412	Gutters	7/01/01	748 00	0 00	0 00	299 22	49 87	349 09	398 91	S/L	15 0
1413	3 ton Lennox Heat Pump	1/01/02	2,429 50	0 00	0 00	431 04	78 37	509 41	1,920 09	S/L	31 0
	03-15-11720-00		25,399 30	0 00c	0 00	4,202 39	683 78	4,886 17	20,513 13		
Group: 03-15-11820-00											
180	Upper School Building	8/21/97	94,751 00	0 00	0 00	28,594 40	3,056 48	31,650 88	63,100 12	S/L	31 0
280	Buildings & Grounds	6/01/93	1,695 00	0 00	0 00	770 31	54 68	824 99	870 01	S/L	31 0
290	Upper School Building	10/31/98	67,754 00	0 00	0 00	18,977 09	2,185 61	21,162 70	46,591 30	S/L	31 0
310	Carpet	8/18/94	3,109 00	0 00	0 00	1,308 84	100 29	1,409 13	1,699 87	S/L	31 0
320	Carpet	9/21/94	1,560 00	0 00	0 00	657 14	50 32	707 46	852 54	S/L	31 0
330	Improvements	6/01/94	10,720 00	0 00	0 00	4,512 16	345 81	4,857 97	5,862 03	S/L	31 0
1280	Landscaping - Meyers Hall - New L	4/01/00	45,802 22	0 00	0 00	16,603 30	2,290 11	18,893 41	26,908 81	S/L	20 0
1290	Well - Meyers Hall - New Upper Sc	4/01/00	8,775 80	0 00	0 00	3,181 23	438 79	3,620 02	5,155 78	S/L	20 0
1300	Paving - Meyers Hall - New Upper :	4/01/00	97,817 00	0 00	0 00	35,458 66	4,890 85	40,349 51	57,467 49	S/L	20 0
1310	Meyers Hall - New Upper School	4/01/00	1,627,042 93	0 00	0 00	294,901 51	40,676 07	335,577 58	1,291,465 35	S/L	40 0
1385	Meyers Hall - New Upper School	9/01/01	104,412 72	0 00	0 00	15,226 87	2,610 32	17,837 19	86,575 53	S/L	40 0
	03-15-11820-00		2,063,439 67	0 00c	0 00	420,191 51	56,699 33	476,890 84	1,586,548 83		
Group: 03-15-11830-00											
1387	Meyer Hall Addition	9/01/01	278,829 27	0 00	0 00	40,662 59	6,970 73	47,633 32	231,195 95	S/L	40 0
1414	Meyer Hall Addition - landscaping	9/01/01	10,215 00	0 00	0 00	2,979 38	510 75	3,490 13	6,724 87	S/L	20 0

Asset *	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: 03-15-11830-00 (continued)											
1415	Meyer Hall Addition - furniture	9/01/01	13,205 48	0 00	0 00	11,004 58	1,886 50	12,891 08	314 40	S/L	7 0
1427	Lockers	8/30/02	2,960 00	0 00	0 00	1,430 67	296 00	1,726 67	1,233 33	S/L	10 0
		03-15-11830-00	305,209 75	0 00c	0 00	56,077 22	9,663 98	65,741 20	239,468 55		
Group: 03-15-11850-00											
1384	Campus Infrastructure	9/01/01	7,481 44	0 00	0 00	1,091 06	187 04	1,278 10	6,203 34	S/L	40 0
1429	Data Backbone - LS & MS	9/23/02	16,261 53	0 00	0 00	7,724 21	1,626.15	9,350 36	6,911 17	S/L	10 0
1430	Campus lighting	11/14/03	4,750 00	0 00	0 00	870 83	237 50	1,108 33	3,641 67	S/L	20 0
1457	Campus Parking Improvements	7/15/04	11,550 00	0 00	0 00	1,732 50	577 50	2,310 00	9,240 00	S/L	20 0
1486 *	Paving - MS entrance	7/27/06	4,950 00	0 00	0 00	226 88	123 75	350 63	4,599 37	S/L	20 0
1488	Phase 1- New loop road & storm dr.	1/04/08	351,787 96	0 00c	0 00	0 00	8,794 70	8,794 70	342,993 26	S/L	20 0
1490	Fiber Optic	6/30/07	19,666 49	0 00	0 00	0 00	3,277 75	3,277 75	16,388 74	S/L	6 0
1505	Phase 2- parking, storm drainage &	6/30/08	11,818 30	0 00c	0 00	0 00	0 00	0 00	11,818 30	Memo	20 0
		03-15-11850-00	428,265 72	0 00c	0 00	11,645 48	14,824 39	26,469 87	401,795 85		
		*Less: Dispositions	4,950 00	0 00	0 00	226 88	0 00	350 63	4,599 37		
		Net 03-15-11850-00	423,315 72	0 00c	0 00	11,418 60	14,824 39	26,119 24	397,196 48		
Group: 03-15-11880-00											
1330 *	Lower School Capital Projects - 1 T	10/01/99	23,421 22	0 00	0 00	9,075 72	585 53	9,661 25	13,759 97	S/L	20 0
1340 *	Lower School Capital Projects - 1 T	10/01/99	23,421 21	0 00	0 00	9,075 72	585 53	9,661 25	13,759 96	S/L	20 0
1388 *	Lower School Bridge	7/01/00	2,281 36	0 00	0 00	798 49	57 03	855 52	1,425 84	S/L	20 0
		03-15-11880-00	49,123 79	0 00c	0 00	18,949 93	1,228 09	20,178 02	28,945 77		
		*Less: Dispositions	49,123 79	0 00	0 00	18,949 93	0 00	20,178 02	28,945 77		
		Net 03-15-11880-00	0 00	0 00c	0 00	0 00	1,228 09	0 00	0 00		
Group: 03-15-12000-00											
790	Land	6/01/85	238,215 00	0 00	0 00	0 00	0 00	0 00	238,215 00	Land	0 0
1410	Land-Demolition costs relating to D	3/01/01	26,613 14	0 00	0 00	0 00	0 00	0 00	26,613 14	Land	0 0
		03-15-12000-00	264,828 14	0 00c	0 00	0 00	0 00	0 00	264,828 14		
Group: 03-15-13000-00											
1386	Baseball Field	9/01/01	53,274 89	0 00	0 00	17,166 34	2,663 74	19,830 08	33,444 81	S/L	20 0
1416	Baseball field irrigation	9/01/01	10,200 00	0 00	0 00	3,966 67	680 00	4,646 67	5,553 33	S/L	15 0
1417	Baseball field grass	9/01/01	4,000 00	0 00	0 00	1,555 57	266 67	1,822 24	2,177 76	S/L	15 0
1418	Chain link fencing	9/01/01	12,215 00	0 00	0 00	3,562 71	610 75	4,173 46	8,041 54	S/L	20 0
1419	Scoreboard	9/01/01	1,500 00	0 00	0 00	1,250 02	214 29	1,464 31	35 69	S/L	7 0
1458	Tennis Courts	6/02/04	71,010 00	0 00	0 00	10,947 38	3,550 50	14,497 88	56,512 12	S/L	20 0
1469	Tennis Courts Irrigation & Landscap	10/28/04	3,300 00	0 00	0 00	440 00	165 00	605 00	2,695 00	S/L	20 0
1470	Tennis Court Bleachers	5/06/05	1,873 00	0 00	0 00	405 82	187 30	593 12	1,279 88	S/L	10 0
1477	GymGuard - floor covering & stora	11/16/05	8,011 00	0 00	0 00	2,536 82	1,602 20	4,139 02	3,871 98	S/L	5 0
1491	Gym-scoring table & cover	9/28/06	3,260 00	0 00	0 00	244 50	326 00	570 50	2,689 50	S/L	10 0

Book Asset Detail 7/01/07 - 6/30/08

Asset *	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: 03-15-13000-00 (continued)											
1492	Gym-sound system	11/15/06	5,095 00	0 00	0 00	339 67	509 50	849.17	4,245 83	S/L	10 0
1506	Tennis Court Screen	2/14/08	1,870 00	0 00c	0 00	0 00	77 92	77 92	1,792 08	S/L	10 0
		03-15-13000-00	175,608 89	0 00c	0 00	42,415 50	10,853 87	53,269 37	122,339 52		
Group: 03-15-15100-00											
810 *	Furniture & Fixtures	6/01/90	157,273 00	0 00	0 00	157,273 00	0 00	157,273.00	0 00	S/L	7 0
980	Office Furniture	10/14/96	4,095 00	0 00	0 00	4,095 00	0 00	4,095 00	0 00	S/L	7 0
1000	Office Furniture	1/28/99	8,707.00	0 00	0 00	8,707 00	0 00	8,707 00	0 00	S/L	7 0
1389	10 Tables-30x60, MS	9/30/00	1,390 00	0 00	0 00	1,340 35	49 65	1,390 00	0 00	S/L	7 0
1390	60 chairs, sled base, MS	9/30/00	1,575 00	0 00	0 00	1,518 75	56 25	1,575 00	0 00	S/L	7 0
1391	20 Desks, wire basket, MS	10/06/00	1,099 80	0 00	0 00	1,060 50	39 30	1,099 80	0 00	S/L	7 0
1392	12 Desks, Pecan, MS	8/01/00	588 00	0 00	0 00	581 00	7 00	588 00	0 00	S/L	7 0
1393	Window Windsor Shade Blinds, US	8/01/00	2,490 00	0 00	0 00	2,490 00	0 00	2,490 00	0 00	S/L	5 0
1394	Carpet Rms, #8 & 9, computer lab	8/01/00	914 23	0 00	0 00	903 32	10 91	914 23	0 00	S/L	7 0
1395	Hussman Comm Water Cooler	9/01/00	1,300 00	0 00	0 00	1,269 02	30 98	1,300 00	0 00	S/L	7 0
1396	Carpet/Asbestos containment, Red t	3/01/01	4,193 92	0 00	0 00	3,794 49	399 43	4,193 92	0 00	S/L	7 0
1428	Lockers	10/31/02	2,815 00	0 00	0 00	1,313 67	281 50	1,595.17	1,219 83	S/L	10 0
1478	Lockers - US	10/31/05	1,470 00	0 00	0 00	245 00	147 00	392 00	1,078 00	S/L	10 0
1493	Lockers-US	11/08/06	3,210 00	0 00	0 00	214 00	321 00	535 00	2,675 00	S/L	10 0
1507	Fire Alarm System	8/28/07	10,421 87	0 00c	0 00	0 00	868 49	868 49	9,553 38	S/L	10 0
1508	12' x 10' Transportation Storage Bu	2/25/08	1,280 00	0 00c	0 00	0 00	42 67	42 67	1,237 33	S/L	10 0
		03-15-15100-00	202,822 82	0 00c	0 00	184,805 10	2,254 18	187,059 28	15,763 54		
		*Less: Dispositions	157,273 00	0 00	0 00	157,273 00	0 00	157,273 00	0 00		
		Net 03-15-15100-00	45,549 82	0 00c	0 00	27,532 10	2,254 18	29,786 28	15,763 54		
Group: 03-15-15210-00											
400 *	Equipment	6/01/93	151,575 00	0 00	0 00	151,575 00	0 00	151,575 00	0 00	S/L	5 0
420	Scoreboard	10/31/94	2,656 00	0 00	0 00	2,656 00	0 00	2,656 00	0 00	S/L	5 0
440	Toro Lawn Tractor	9/19/95	5,404 00	0 00	0 00	5,404 00	0 00	5,404 00	0 00	S/L	5 0
480 *	Office Equipment	6/01/90	22,224.00	0 00	0 00	22,224 00	0 00	22,224 00	0 00	S/L	5 0
500 *	1 Computer	10/07/94	1,057 00	0 00	0 00	1,057 00	0 00	1,057 00	0 00	S/L	5 0
510 *	1 Computer	6/21/94	1,057 00	0 00	0 00	1,057 00	0 00	1,057 00	0 00	S/L	5 0
540 *	1 Computer	6/15/95	1,649 00	0 00	0 00	1,649 00	0 00	1,649 00	0 00	S/L	5 0
550 *	1 Computer	3/05/96	1,678 00	0 00	0 00	1,678 00	0 00	1,678 00	0 00	S/L	5 0
600 *	1 Computer	8/10/95	1,217 00	0 00	0 00	1,217 00	0 00	1,217 00	0 00	S/L	5 0
640	Telephone System - AT&T Lease	7/12/95	27,824 00	0 00	0 00	27,824 00	0 00	27,824 00	0 00	S/L	5 0
650	Telephone System - AT&T Lease	10/10/96	4,534 00	0 00	0 00	4,534 00	0 00	4,534 00	0 00	S/L	5 0
660 *	1 Pronex Pentium 133 Computer	6/04/96	1,763 00	0 00	0 00	1,763 00	0 00	1,763 00	0 00	S/L	5 0
670	1 Acroprint Time Clock	4/18/97	349 00	0 00	0 00	349 00	0 00	349 00	0 00	S/L	5 0
680 *	1 Pronex Pentium 133 Computer	7/12/96	1,505 00	0 00	0 00	1,505 00	0 00	1,505 00	0 00	S/L	5 0
690 *	1 HP Deskjet Printer	10/10/96	1,681 00	0 00	0 00	1,681 00	0 00	1,681 00	0 00	S/L	5 0
700 *	1 HP Laserjet Printer	10/04/96	1,347 00	0 00	0 00	1,347 00	0 00	1,347 00	0 00	S/L	5 0
720	US - Workstations (GE Capital)	10/08/97	32,231 00	0 00	0 00	32,231 00	0 00	32,231 00	0 00	S/L	5 0
750 *	Computer Equipment	9/14/98	3,892 00	0 00	0 00	3,892 00	0 00	3,892 00	0 00	S/L	5 0
770	US - Workstations (GE Cap 2)	11/13/98	18,275 00	0 00	0 00	18,275 00	0 00	18,275 00	0 00	S/L	5 0

Asset *	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: 03-15-15210-00 (continued)											
780	US - Workstations (GE Cap 3)	11/01/98	17,062 00	0 00	0 00	17,062 00	0 00	17,062 00	0 00	S/L	5 0
1180	Presario 4170ES 5/166 (GE Capital	6/30/00	6,726 49	0 00	0 00	6,726 49	0 00	6,726 49	0 00	S/L	5 0
1190	State 120 Gallon Electric LD Comr	3/29/00	1,497 10	0 00	0 00	1,497 10	0 00	1,497 10	0 00	S/L	5 0
1200	Lease Buyout - Merlin Legend Tele	6/12/00	1,374 86	0 00	0 00	1,374 86	0 00	1,374 86	0 00	S/L	5 0
1220 *	Sentence Master Special Software -	8/19/99	1,336 50	0 00	0 00	1,336 50	0 00	1,336 50	0 00	S/L	3 0
1230 *	Development Director Network Ver	10/21/99	4,305 00	0 00	0 00	4,305 00	0 00	4,305 00	0 00	S/L	5 0
1240 *	Compaq Proliant Server 3000 (Supe	3/09/00	10,963 00	0 00	0 00	10,963 00	0 00	10,963 00	0 00	S/L	5 0
1250 *	Software for Compaq Proliant Serve	3/09/00	5,995 00	0 00	0 00	5,995 00	0 00	5,995 00	0 00	S/L	3 0
1360	19 - JVC 27 Television (Dell Lease	1/24/00	5,880 88	0 00	0 00	5,880 88	0 00	5,880 88	0 00	S/L	5 0
1370	24 - AlphaSmart 2000IR (Dell Lease	1/24/00	6,152 00	0 00	0 00	6,152 00	0 00	6,152 00	0 00	S/L	5 0
1380	Software (Dell Lease No 7842002-4	1/24/00	4,439 52	0 00	0 00	4,439 52	0 00	4,439 52	0 00	S/L	3 0
1397	Software, Black Baud	7/01/01	10,733 10	0 00	0 00	10,733 10	0 00	10,733 10	0 00	S/L	3 0
1398	Grass Mower John Deere ZTrack	9/30/00	7,460 53	0 00	0 00	7,194 08	266 45	7,460 53	0 00	S/L	7 0
1399	Collection System, ZTrack	12/07/00	1,253 84	0 00	0 00	1,179 21	74 63	1,253 84	0 00	S/L	7 0
1400 *	10 Radios Kenwood TK260GK5	8/01/00	4,618 00	0 00	0 00	4,618 00	0 00	4,618 00	0 00	S/L	5 0
1401	Merlin Legend Phone System	8/07/00	7,999 99	0 00	0 00	7,999 99	0 00	7,999 99	0 00	S/L	5 0
1402	Accents Sign, Mauser Field	3/26/01	585 00	0 00	0 00	585 00	0 00	585 00	0 00	S/L	5 0
1403	Bocock-Stroud Pitching Machine	12/01/00	1,800 00	0 00	0 00	1,800 00	0 00	1,800 00	0 00	S/L	5 0
1404 *	New Playground Equip Lower Sch	10/11/00	3,500 00	0 00	0 00	3,500 00	0 00	3,500 00	0 00	S/L	5 0
1405 *	Canon Financial Serv (Copiers)	1/08/01	1,110 32	0 00	0 00	1,110 32	0 00	1,110 32	0 00	S/L	5 0
1406	Air Conditioner for Commons	5/08/01	1,600 00	0 00	0 00	1,409 52	190 48	1,600 00	0 00	S/L	7 0
1407	Stackable Flammable Cabinet, MS	5/31/01	722 50	0 00	0 00	627 86	94 64	722 50	0 00	S/L	7 0
1408	Capital Leases	8/31/00	53,931 32	0 00	0 00	53,931 32	0 00	53,931 32	0 00	S/L	5 0
1420	Blackbaud software	7/01/01	1,515 00	0 00	0 00	1,515 00	0 00	1,515 00	0 00	S/L	3 0
1421	Blackbaud software	7/01/01	6,916 50	0 00	0 00	6,916 50	0 00	6,916 50	0 00	S/L	3 0
1431	BH - Dell computers	8/26/02	36,698 68	0 00	0 00	17,737 70	3,669 87	21,407 57	15,291 11	S/L	10 0
1432	Telephone System Upgrade	1/09/03	23,502 94	0 00	0 00	10,576 31	2,350 29	12,926 60	10,576 34	S/L	10 0
1433 *	BH - Norton Virus Software	8/26/02	2,274 00	0 00	0 00	2,274 00	0 00	2,274 00	0 00	S/L	3 0
1434	Bradshaw Hall Network	8/26/02	8,386 35	0 00	0 00	4,053 42	838 64	4,892 06	3,494 29	S/L	10 0
1435	Telephones	9/12/02	841 82	0 00	0 00	406 87	84 18	491.05	350 77	S/L	10 0
1436 *	Admissions Plus Software	10/25/02	2,108 00	0 00	0 00	2,108 00	0 00	2,108 00	0 00	S/L	3 0
1437 *	UltraKey	11/08/02	804 50	0 00	0 00	804 50	0 00	804 50	0 00	S/L	3 0
1438 *	Bh - Tape Backup Software	1/10/03	1,511 92	0 00	0 00	1,511 92	0 00	1,511 92	0 00	S/L	3 0
1439 *	Internet Filter Software	1/06/03	1,332 99	0 00	0 00	1,332 99	0 00	1,332 99	0 00	S/L	3 0
1440	Viewsonic LCD Projector	1/06/03	6,806 33	0 00	0 00	3,062 84	680 63	3,743 47	3,062 86	S/L	10 0
1441	Toro Z Master Z253	9/09/02	6,329 00	0 00	0 00	3,059 02	632 90	3,691 92	2,637 08	S/L	10 0
1442	Sound System	1/06/03	1,895 00	0 00	0 00	852 75	189 50	1,042 25	852 75	S/L	10 0
1443	Dell Computers	5/13/03	5,848 77	0 00	0 00	2,437 00	584 88	3,021 88	2,826 89	S/L	10 0
1444	MagTech System - BOFO Tree	10/18/02	7,533 71	0 00	0 00	3,515 73	753 37	4,269 10	3,264 61	S/L	10 0
1445	Dell Computers - Finance	5/13/03	2,283 70	0 00	0 00	951 54	228 37	1,179 91	1,103 79	S/L	10 0
1459	Club Car-Golf Cart	11/04/03	1,500 00	0 00	0 00	550 00	150 00	700 00	800 00	S/L	10 0
1460	Dell Computer-Finance	11/19/03	1,259 00	0 00	0 00	751 89	209 83	961 72	297 28	S/L	6 0
1461	HP 4200 TN Printer	2/25/04	1,657 00	0 00	0 00	920 57	276 17	1,196 74	460 26	S/L	6 0
1462	Dell PowerEdge 1600 SC-Finance S	2/22/04	3,624 64	0 00	0 00	2,013 70	604 11	2,617 81	1,006 83	S/L	6 0
1463	Legacy Donor Plaque	5/13/04	12,723 93	0 00	0 00	4,029 24	1,272 39	5,301 63	7,422 30	S/L	10 0
1464	Dell Computer-Linda Brown	8/06/03	1,200 99	0 00	0 00	783 99	200 17	984.16	216 83	S/L	6 0
1465	Dell Computer-Jan Simmons	7/27/03	1,200 99	0 00	0 00	783 99	200 17	984 16	216 83	S/L	6 0
1466	Micromatic 17B with battery	7/03/03	3,598 20	0 00	0 00	2,398 80	599 70	2,998 50	599 70	S/L	6 0
1467	Whirlamatic Plus	7/25/03	1,190 00	0 00	0 00	776 80	198 33	975 13	214 87	S/L	6 0

Asset *	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: 03-15-15210-00 (continued)											
1471	Manitowic Ice Machine	8/31/04	1,870 11	0 00	0 00	529 86	187 01	716 87	1,153 24	S/L	10 0
1473	Martin Yale Auto Folder	4/12/05	1,304 98	0 00	0 00	293 62	130 50	424 12	880 86	S/L	10 0
1474	AquaClean 18 FLX Carpet Extracto	6/01/05	2,753 08	0 00	0 00	573 56	275 31	848 87	1,904 21	S/L	10 0
1479	Blackbaud - Raiser's Edge (RE)	2/28/06	7,962 50	0 00	0 00	3,538 89	2,654 17	6,193 06	1,769 44	S/L	3 0
1480	4x2 Cubcadet Big Country	12/09/05	5,000 00	0 00	0 00	791 67	500 00	1,291 67	3,708 33	S/L	10 0
1481	Blackbaud - Education Edge (EE)	8/10/06	15,275 02	0 00	0 00	4,667 37	5,091 67	9,759 04	5,515 98	S/L	3 0
1482	Blackbaud - Financial Edge (FE)	4/01/07	5,400 00	0 00	0 00	450 00	1,800 00	2,250 00	3,150 00	S/L	3 0
1494	Library mobile	8/21/06	3,000 00	0 00	0 00	250 00	300 00	550 00	2,450 00	S/L	10 0
1495	Dell-Finance server	9/12/06	5,337 00	0 00	0 00	444 75	533 70	978 45	4,358 55	S/L	10 0
1496	Dell-Finance computer	5/17/07	1,261 00	0 00	0 00	10 51	126 10	136 61	1,124 39	S/L	10 0
1497	Dell-Communications computer	8/01/06	2,250 76	0 00	0 00	206 32	225 08	431 40	1,819 36	S/L	10 0
1498	Dell-School wide server	2/12/07	4,556 05	0 00	0 00	189 84	455 61	645 45	3,910 60	S/L	10 0
1499	Dell-College counselor computer	4/05/07	1,887 12	0 00	0 00	47 18	188 71	235 89	1,651 23	S/L	10 0
1509	Giant Vac	10/02/07	2,700 00	0 00c	0 00	0 00	202 50	202 50	2,497 50	S/L	10 0
1510	AED's (4)	12/13/07	7,140 00	0 00c	0 00	0 00	416 50	416 50	6,723 50	S/L	10 0
1511	Senior Systems (regis & sched soft)	1/11/08	18,000 00	0 00c	0 00	0 00	3,000 00	3,000 00	15,000 00	S/L	3 0
1512	Dell- 1 86 GHz, 1066 MHz Server	1/07/08	7,449 85	0 00c	0 00	0 00	620 82	620 82	6,829 03	S/L	6 0
1513	Dell- Laptops (3)	1/20/08	5,085 00	0 00c	0 00	0 00	353 13	353 13	4,731 87	S/L	6 0
1514	John Deere tractor & equipment	6/16/08	6,800 00	0 00c	0 00	0 00	0 00	0 00	6,800 00	S/L	10 0
1515	Dell- Tape Drive	10/03/07	1,378 80	0 00c	0 00	0 00	172 35	172 35	1,206 45	S/L	6 0
1516	Sonicwall Network Security	6/30/08	2,728 58	0 00c	0 00	0 00	0 00	0 00	2,728 58	S/L	6 0
	03-15-15210-00		696,648 76	0 00c	0 00	530,457 39	31,582 86	562,040 25	134,608 51		
	*Less: Dispositions		230,504 23	0 00	0 00	230,504 23	0 00	230,504 23	0 00		
	Net 03-15-15210-00		466,144 53	0 00c	0 00	299,953 16	31,582 86	331,536 02	134,608 51		
Group: 03-15-15230-00											
1446	Dell Computers - MS & US	10/16/02	17,915 00	0 00	0 00	8,360 33	1,791 50	10,151 83	7,763 17	S/L	10 0
1447	Enlarger Printmaker	8/26/02	1,715 60	0 00	0 00	829 21	171 56	1,000 77	714 83	S/L	10 0
1448	Pottery Equipment	8/26/02	9,766 52	0 00	0 00	4,720 48	976 65	5,697 13	4,069 39	S/L	10 0
1449	Conrad Etching Press & Stand	2/26/03	1,956 18	0 00	0 00	847 69	195 62	1,043 31	912 87	S/L	10 0
1450	Dell Computers - Yearbook	5/13/03	2,283 70	0 00	0 00	951 54	228 37	1,179 91	1,103 79	S/L	10 0
1483	Dell - notebook storage cart	6/15/06	1,150 00	0 00	0 00	207 64	191 67	399 31	750 69	S/L	6 0
1484	Dell - 18 computer notebooks	6/19/06	19,130 40	0 00	0 00	3,188 40	3,188 40	6,376 80	12,753 60	S/L	6 0
1500	Proview-2 smart boards (AEP)	12/07/06	6,028 00	0 00	0 00	351 63	602 80	954 43	5,073 57	S/L	10 0
1501	Library inventory hand held scanner	7/07/06	1,395 00	0 00	0 00	139 50	139 50	279 00	1,116 00	S/L	10 0
1502	IMAC-Upper School	6/21/07	1,266 00	0 00	0 00	0 00	126 60	126 60	1,139 40	S/L	10 0
1517	McMurray Hall- playground	1/04/08	79,870 49	0 00c	0 00	0 00	3,993 52	3,993 52	75,876 97	S/L	10 0
1518	Smartboard (AEP)	1/04/08	3,101 77	0 00c	0 00	0 00	258 48	258 48	2,843 29	S/L	6 0
1519	Scantron - US	1/08/08	2,613 50	0 00c	0 00	0 00	217 79	217 79	2,395 71	S/L	6 0
1520	McMurray Hall- Dell notebooks & i	1/04/08	18,638 99	0 00c	0 00	0 00	1,553 25	1,553 25	17,085 74	S/L	6 0
	03-15-15230-00		166,831 15	0 00c	0 00	19,596 42	13,635 71	33,232 13	133,599 02		
Group: 03-15-16001-00											
1409	Dodge Bus	8/31/00	43,721 39	0 00	0 00	43,721 39	0 00	43,721 39	0 00	S/L	5 0
1468	2004 Ford Truck	5/20/04	16,794 72	0 00	0 00	10,356 73	3,358 94	13,715 67	3,079 05	S/L	5 0

Book Asset Detail 7/01/07 - 6/30/08

Asset *	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: 03-15-16001-00 (continued)											
		03-15-16001-00	60,516 11	0 00c	0 00	54,078 12	3,358 94	57,437 06	3,079 05		
	Grand Total		13,805,024 13	0 00c	0 00	3,115,853 01	329,566 17	3,445,419 18	10,359,604 95		
	Less: Dispositions		875,550 02	0 00	0 00	700,535 79	0 00	708,882 78	166,667 24		
	Net Grand Total		12,929,474 11	0 00c	0 00	2,415,317 22	329,566 17	2,736,536 40	10,192,937 71		