

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

AUDIT REPORT
OF
NORTH ADAMS COMMUNITY SCHOOLS
ADAMS COUNTY, INDIANA
July 1, 2005 to June 30, 2007



FILED

03/17/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4
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	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets - Cash and Investment Basis	7-8
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances - Cash and Investment Basis - Governmental Funds	9-10
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances - Fiduciary Funds	11-12
Notes to Financial Statements	13-22
Required Supplementary Information:	
Schedule of Funding Progress	23
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances - Cash and Investment Basis - Other Governmental Funds	24-40
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances - Pension Trust Funds	41-42
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances - Private-Purpose Trust Funds	43-48
Schedule of Capital Assets	49
Schedule of Long-Term Debt	50
Audit Results and Comments:	
Guaranteed Energy Savings Contracts	51-52
Overdrawn Cash Balances	53
Supplemental Audit of Federal Awards:	
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	56-57
Schedule of Expenditures of Federal Awards	58-59
Notes to Schedule of Expenditures of Federal Awards	60
Schedule of Findings and Questioned Costs	61
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings	62
Exit Conference	63

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kathleen R. Brown	07-01-05 to 06-30-08
Superintendent of Schools	James D. Compton Wylie Sirk	07-01-05 to 07-31-07 08-01-07 to 06-30-08
President of the School Board	Curtis H. Rash Elsita Canales Steve Scott	07-01-05 to 06-30-06 07-01-06 to 06-30-07 07-01-07 to 06-30-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF NORTH ADAMS COMMUNITY SCHOOLS, ADAMS COUNTY, INDIANA

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

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

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

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

In accordance with Government Auditing Standards, we have also issued a report dated January 7, 2008, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

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

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

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, 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 Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

January 7, 2008



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

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 NORTH ADAMS COMMUNITY SCHOOLS, ADAMS COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of North Adams Community Schools (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated January 7, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

This report is intended solely for the information and use of the School Corporation's management, the School Board, 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 7, 2008

NORTH ADAMS COMMUNITY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2006

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 7,042,870	\$ -	\$ 92,725	\$ (6,950,145)
Support services	11,654,833	821,405	368,143	(10,465,285)
Community services	721,436	-	-	(721,436)
Nonprogrammed charges	1,033,932	-	-	(1,033,932)
Debt service	7,361,301	-	-	(7,361,301)
Total governmental activities	\$ 27,814,372	\$ 821,405	\$ 460,868	(26,532,099)
General receipts:				
Property taxes				10,519,195
Other local sources				1,104,712
State aid				8,915,821
Bonds and loans				4,518,811
Grants and contributions not restricted to specific programs				1,330,294
Sale of property, adjustments, and refunds				480,937
Investment earnings				209,879
Total general receipts				27,079,649
Change in net assets				547,550
Net assets - beginning				6,995,097
Net assets - ending				\$ 7,542,647
<u>Assets</u>				
Cash and investments				\$ 6,039,248
Restricted assets:				
Cash and investments				1,503,399
Total assets				\$ 7,542,647
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 1,503,399
Unrestricted				6,039,248
Total net assets				\$ 7,542,647

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

NORTH ADAMS COMMUNITY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 7,044,789	\$ -	\$ 96,047	\$ (6,948,742)
Support services	11,334,508	827,930	347,879	(10,158,699)
Community services	709,563	-	-	(709,563)
Nonprogrammed charges	1,060,229	-	-	(1,060,229)
Debt service	<u>7,630,926</u>	<u>-</u>	<u>-</u>	<u>(7,630,926)</u>
Total governmental activities	<u>\$ 27,780,015</u>	<u>\$ 827,930</u>	<u>\$ 443,926</u>	<u>(26,508,159)</u>
General receipts:				
Property taxes				11,437,500
Other local sources				1,423,638
State aid				8,443,638
Bonds and loans				4,502,205
Grants and contributions not restricted to specific programs				936,836
Sale of property, adjustments, and refunds				56,355
Investment earnings				<u>273,016</u>
Total general receipts				<u>27,073,188</u>
Change in net assets				565,029
Net assets - beginning				<u>7,542,647</u>
Net assets - ending				<u>\$ 8,107,676</u>
<u>Assets</u>				
Cash and investments				\$ 6,303,067
Restricted assets:				
Cash and investments				<u>1,804,609</u>
Total assets				<u>\$ 8,107,676</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 1,804,609
Unrestricted				<u>6,303,067</u>
Total net assets				<u>\$ 8,107,676</u>

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

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

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 5,219,139	\$ 1,028,002	\$ 2,672,902	\$ 2,377,903	\$ 158,631	\$ 1,197,652	\$ 12,654,229
Intermediate sources	324	-	-	-	-	638	962
State sources	8,992,985	-	-	-	-	647,124	9,640,109
Federal sources	-	-	-	-	-	1,066,874	1,066,874
Bonds and loans	3,012,541	502,090	-	1,004,180	-	-	4,518,811
Sale of property, adjustments and refunds	434,988	3,234	-	33,231	-	9,484	480,937
Total receipts	17,659,977	1,533,326	2,672,902	3,415,314	158,631	2,921,772	28,361,922
Disbursements:							
Current:							
Instruction	6,623,929	-	-	-	-	418,941	7,042,870
Support services	6,264,697	1,030,737	-	2,323,287	194,865	1,841,247	11,654,833
Community services	348,072	-	-	-	-	373,364	721,436
Nonprogrammed charges	1,032,643	-	-	-	-	1,289	1,033,932
Debt services	3,000,000	500,000	2,623,589	850,000	-	387,712	7,361,301
Total disbursements	17,269,341	1,530,737	2,623,589	3,173,287	194,865	3,022,553	27,814,372
Excess (deficiency) of receipts over disbursements	390,636	2,589	49,313	242,027	(36,234)	(100,781)	547,550
Other financing sources (uses):							
Transfers in	19,255	-	-	-	-	42,751	62,006
Transfers out	-	-	-	(19,255)	-	(42,751)	(62,006)
Total other financing sources (uses)	19,255	-	-	(19,255)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	409,891	2,589	49,313	222,772	(36,234)	(100,781)	547,550
Cash and investments - beginning	3,088,141	519,924	1,279,370	1,376,477	164,939	566,246	6,995,097
Cash and investments - ending	<u>\$ 3,498,032</u>	<u>\$ 522,513</u>	<u>\$ 1,328,683</u>	<u>\$ 1,599,249</u>	<u>\$ 128,705</u>	<u>\$ 465,465</u>	<u>\$ 7,542,647</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 3,498,032	\$ 522,513	\$ -	\$ 1,599,249	\$ 128,705	\$ 290,749	\$ 6,039,248
Restricted assets:							
Cash and investments	-	-	1,328,683	-	-	174,716	1,503,399
Total cash and investment assets - ending	<u>\$ 3,498,032</u>	<u>\$ 522,513</u>	<u>\$ 1,328,683</u>	<u>\$ 1,599,249</u>	<u>\$ 128,705</u>	<u>\$ 465,465</u>	<u>\$ 7,542,647</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ 1,328,683	\$ -	\$ -	\$ 174,716	\$ 1,503,399
Unrestricted	3,498,032	522,513	-	1,599,249	128,705	290,749	6,039,248
Total cash and investment fund balance - ending	<u>\$ 3,498,032</u>	<u>\$ 522,513</u>	<u>\$ 1,328,683</u>	<u>\$ 1,599,249</u>	<u>\$ 128,705</u>	<u>\$ 465,465</u>	<u>\$ 7,542,647</u>

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

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

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 5,616,463	\$ 1,114,344	\$ 3,055,424	\$ 2,656,634	\$ 203,601	\$ 1,314,413	\$ 13,960,879
Intermediate sources	324	-	-	-	-	881	1,205
State sources	8,524,550	-	-	-	-	465,138	8,989,688
Federal sources	-	-	-	-	-	834,712	834,712
Bonds and loans	3,001,477	500,243	-	1,000,485	-	-	4,502,205
Sale of property, adjustments and refunds	12,048	7,498	-	10,842	-	25,967	56,355
Total receipts	17,154,862	1,622,085	3,055,424	3,667,961	203,601	2,641,111	28,345,044
Disbursements:							
Current:							
Instruction	6,680,199	-	-	-	-	364,590	7,044,789
Support services	5,958,584	1,015,923	-	2,406,732	207,955	1,745,314	11,334,508
Community services	346,616	-	-	-	-	362,947	709,563
Nonprogrammed charges	1,059,933	-	-	-	-	296	1,060,229
Debt services	3,000,000	500,000	2,741,330	1,028,000	-	361,596	7,630,926
Total disbursements	17,045,332	1,515,923	2,741,330	3,434,732	207,955	2,834,743	27,780,015
Excess (deficiency) of receipts over disbursements	109,530	106,162	314,094	233,229	(4,354)	(193,632)	565,029
Other financing sources (uses):							
Transfers in	61,770	-	-	-	-	66,307	128,077
Transfers out	-	-	(14,779)	(78,254)	-	(35,044)	(128,077)
Total other financing sources (uses)	61,770	-	(14,779)	(78,254)	-	31,263	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	171,300	106,162	299,315	154,975	(4,354)	(162,369)	565,029
Cash and investments - beginning	3,498,032	522,513	1,328,683	1,599,249	128,705	465,465	7,542,647
Cash and investments - ending	<u>\$ 3,669,332</u>	<u>\$ 628,675</u>	<u>\$ 1,627,998</u>	<u>\$ 1,754,224</u>	<u>\$ 124,351</u>	<u>\$ 303,096</u>	<u>\$ 8,107,676</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 3,669,332	\$ 628,675	\$ -	\$ 1,754,224	\$ 124,351	\$ 126,485	\$ 6,303,067
Restricted assets:							
Cash and investments	-	-	1,627,998	-	-	176,611	1,804,609
Total cash and investment assets - ending	<u>\$ 3,669,332</u>	<u>\$ 628,675</u>	<u>\$ 1,627,998</u>	<u>\$ 1,754,224</u>	<u>\$ 124,351</u>	<u>\$ 303,096</u>	<u>\$ 8,107,676</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ 1,627,998	\$ -	\$ -	\$ 176,611	\$ 1,804,609
Unrestricted	3,669,332	628,675	-	1,754,224	124,351	126,485	6,303,067
Total cash and investment fund balance - ending	<u>\$ 3,669,332</u>	<u>\$ 628,675</u>	<u>\$ 1,627,998</u>	<u>\$ 1,754,224</u>	<u>\$ 124,351</u>	<u>\$ 303,096</u>	<u>\$ 8,107,676</u>

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

NORTH ADAMS COMMUNITY SCHOOLS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2006

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ -	\$ 82,533
Investment earnings:		
Interest	37,737	-
Transfers in	<u>735,310</u>	<u>-</u>
Total additions	<u>773,047</u>	<u>82,533</u>
Deductions:		
Benefits	596,955	-
Administrative and general	-	75,674
Transfers out	<u>735,310</u>	<u>-</u>
Total deductions	<u>1,332,265</u>	<u>75,674</u>
Excess (deficiency) of total additions over total deductions	(559,218)	6,859
Cash and investment fund balance - beginning	<u>1,082,854</u>	<u>24,500</u>
Cash and investment fund balance - ending	<u>\$ 523,636</u>	<u>\$ 31,359</u>
Net assets:		
Cash and investments	<u>\$ 523,636</u>	<u>\$ 31,359</u>
Total net assets - cash and investment basis held in trust	<u>\$ 523,636</u>	<u>\$ 31,359</u>

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

NORTH ADAMS COMMUNITY SCHOOLS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2007

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ -	\$ 65,677
Investment earnings:		
Interest	29,867	-
Transfers in	<u>-</u>	<u>16,800</u>
Total additions	<u>29,867</u>	<u>82,477</u>
Deductions:		
Benefits	88,083	-
Administrative and general	-	40,234
Transfers out	<u>-</u>	<u>16,800</u>
Total deductions	<u>88,083</u>	<u>57,034</u>
Excess (deficiency) of total additions over total deductions	(58,216)	25,443
Cash and investment fund balance - beginning	<u>523,636</u>	<u>31,359</u>
Cash and investment fund balance - ending	<u>\$ 465,420</u>	<u>\$ 56,802</u>
Net assets:		
Cash and investments	<u>\$ 465,420</u>	<u>\$ 56,802</u>
Total net assets - cash and investment basis held in trust	<u>\$ 465,420</u>	<u>\$ 56,802</u>

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

NORTH ADAMS COMMUNITY SCHOOLS
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 Adams Community Schools

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 South Adams Schools, Adams Central Community Schools, Southern Wells Community Schools, Northern Wells Community Schools and Bluffton-Harrison Metropolitan School District in a joint venture to operate Adams-Wells Special Services Cooperative (Co-op) which was created to provide instruction for handicapped children. The Co-op's continued existence depends on continued funding by the School Corporations. Complete financial statements for the Co-op can be obtained from the Co-op's administrative offices at 925 North Main Street, Bluffton, Indiana, 46714.

The School Corporation is also a participant with South Adams Schools, Adams Central Community Schools, Southern Wells Community Schools, Northern Wells Community Schools, Bluffton-Harrison Metropolitan School District, Huntington County Community School Corporation and Jay School Corporation in a joint venture to operate Area 18 Cooperative (Co-op) which was created to provide occupational training to students. The Co-op's continued existence depends on continued funding by the School Corporations. Complete financial statements for the Co-op can be obtained from the Co-op's administrative offices at 805 E. Harrison Street, Bluffton, Indiana, 46714.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

NORTH ADAMS COMMUNITY SCHOOLS
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, liabilities, 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 transportation operating fund accounts for financial resources for the transportation of school children to and from school.

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

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

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

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for the activities of the Retirement/Severance Bond and the Post-Retirement/Severance Future Benefit Funds, which accumulate resources for pension benefit payments.

The private-purpose trust funds report trust arrangements under which principal and income benefit students of low income households.

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.

NORTH ADAMS COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

3. Compensated Absences

a. Sick Leave

Employees earn sick leave at rates from 7 days to 12 days per year. Unused sick leave may be accumulated to a maximum of 200 days. Accumulated sick leave is not paid to employees upon termination.

b. Vacation Leave

Nonteaching or administrative and noncertified School Corporation employees earn vacation leave at rates from 5 days to 20 days per year based upon the number of years of service. Vacation leave does not accumulate from year to year.

c. Personal Leave

School Corporation employees earn personal leave at the rate of 3 days per year. Unused personal leave from 1 to 2 days may be carried over to the next year. Accumulated personal leave is not paid to employees upon termination.

NORTH ADAMS COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

4. Capital Assets

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

5. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary 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.

6. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

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

F. Internal and Interfund Balances and Activities

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

NORTH ADAMS COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

NORTH ADAMS COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Cash and Investment Balance Deficits

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

Fund	June 30, 2006	June 30, 2007
Textbook Rental	\$ 210,354	\$ 239,012
Kids First 2005-2006	4,635	-
CBCAP 2004-2006	5,015	-
Lifelong Learning and Technology Center	-	15,649
Healthy Families 2006-2007	-	13,585

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 and Investments

Deposits

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

B. Interfund Transfers

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

Transfer From	Transfer To	For the Year Ended June 30, 2006	For the Year Ended June 30, 2007
Debt Service Fund	Textbook Rental Fund	\$ -	\$ 14,779
Capital Projects Fund	General Fund	19,255	61,770
Capital Projects Fund	Other governmental funds	-	16,484
Other governmental funds	Other governmental funds	42,751	35,044
Totals		<u>\$ 62,006</u>	<u>\$ 128,077</u>

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

NORTH ADAMS COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

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

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

Medical Benefits to Employees

During 1984, the School Corporation joined the School Employees' Benefit Trust, a public entity risk pool currently operating as a common risk management and insurance program for fourteen member governmental entities. This risk pool was formed in 1980. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to employees. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$150,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$150,000 limit.

B. Holding Corporations

The School Corporation has entered into capital leases with Belmont Middle School Building Corporation and North Adams Community Schools Renovation Building Corporation (the lessors). The lessors were organized as for profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related parties of the School Corporation. Lease payments during the year 2005-2006 totaled \$2,504,961 and during the year 2006-2007 totaled \$2,591,330.

C. Pension Plans

1. Agent Multiple-Employer and Single-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.

NORTH ADAMS COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 176,189
Interest on net pension obligation	(20,192)
Adjustment to annual required contribution	23,011
Annual pension cost	179,008
Contributions made	164,548
Increase in net pension obligation	14,460
Net pension obligation, beginning of year	(278,515)
Net pension obligation, end of year	\$ (264,055)
Contribution rates:	
School Corporation	9%
Plan members	3%
Actuarial valuation date	07-01-06
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

NORTH ADAMS COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Assumptions	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	06-30-04	\$ 150,017	123%	\$ (260,306)
	06-30-05	160,802	111%	(278,515)
	06-30-06	179,008	92%	(264,055)

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

NORTH ADAMS COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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 7% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2007, 2006, and 2005, were \$198,931, \$189,951, and \$177,466, respectively. The School Corporation contributed 100% of the required contribution for each of the fiscal years.

NORTH ADAMS COMMUNITY SCHOOLS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 2,929,500	\$ 3,166,910	\$ (237,410)	93%	\$ 2,729,775	(9%)
07-01-05	3,071,345	3,452,172	(380,827)	89%	2,717,872	(14%)
07-01-06	3,258,310	3,540,143	(281,833)	92%	2,738,360	(10%)

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

	Special Education Preschool	School Lunch	Textbook Rental	Child Care High School	Educational License Plate	Alternative Education	School Safety Award
Receipts:							
Local sources	\$ 16,928	\$ 638,016	\$ 183,903	\$ 30,038	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	638	-	-
State sources	51,697	14,325	26,803	-	-	7,644	2,856
Federal sources	-	327,015	-	-	-	-	-
Sale of property, adjustments and refunds	-	665	3,270	1,749	-	-	-
Total receipts	68,625	980,021	213,976	31,787	638	7,644	2,856
Disbursements:							
Current:							
Instruction	63,300	-	-	-	-	15,509	-
Support services	-	987,906	276,532	1,953	-	18	-
Community services	-	-	-	20,439	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	63,300	987,906	276,532	22,392	-	15,527	-
Excess (deficiency) of receipts over disbursements	5,325	(7,885)	(62,556)	9,395	638	(7,883)	2,856
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,325	(7,885)	(62,556)	9,395	638	(7,883)	2,856
Cash and investments - beginning	21,464	75,420	(147,798)	14,776	1,031	15,527	-
Cash and investments - ending	\$ 26,789	\$ 67,535	\$ (210,354)	\$ 24,171	\$ 1,669	\$ 7,644	\$ 2,856
Cash and Investment Assets - Ending							
Cash and investments	\$ 26,789	\$ 67,535	\$ (210,354)	\$ 24,171	\$ 1,669	\$ 7,644	\$ 2,856
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 26,789	\$ 67,535	\$ (210,354)	\$ 24,171	\$ 1,669	\$ 7,644	\$ 2,856
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	26,789	67,535	(210,354)	24,171	1,669	7,644	2,856
Total cash and investment fund balance - ending	\$ 26,789	\$ 67,535	\$ (210,354)	\$ 24,171	\$ 1,669	\$ 7,644	\$ 2,856

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

	ACCES Award Grant	Child Care Project	Gifted and Talented 2005-2006	Gifted and Talented 2003-2004	Gifted and Talented 2002-2003	Collaborative Inquiry	Gifted and Talented 2004-2005
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	113,977	331	14,444	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	113,977	331	14,444	-	-	-	-
Disbursements:							
Current:							
Instruction	7,992	-	5,689	3,340	238	-	1,232
Support services	127,058	6	309	320	-	504	74
Community services	-	720	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	135,050	726	5,998	3,660	238	504	1,306
Excess (deficiency) of receipts over disbursements	(21,073)	(395)	8,446	(3,660)	(238)	(504)	(1,306)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(21,073)	(395)	8,446	(3,660)	(238)	(504)	(1,306)
Cash and investments - beginning	34,035	395	-	4,298	238	1,226	3,939
Cash and investments - ending	\$ 12,962	\$ -	\$ 8,446	\$ 638	\$ -	\$ 722	\$ 2,633
Cash and Investment Assets - Ending							
Cash and investments	\$ 12,962	\$ -	\$ 8,446	\$ 638	\$ -	\$ 722	\$ 2,633
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 12,962	\$ -	\$ 8,446	\$ 638	\$ -	\$ 722	\$ 2,633
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	12,962	-	8,446	638	-	722	2,633
Total cash and investment fund balance - ending	\$ 12,962	\$ -	\$ 8,446	\$ 638	\$ -	\$ 722	\$ 2,633

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

	Lifelong Learning and Technology Center	Gifted and Talented 2001-2002	Kid's First Trust	CBCAP 2004-2006	Healthy Families 2004-2005	Healthy Families 2005-2006	Kid's First 2005-2006
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ (98,998)	\$ 31,204	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	9,333	20,000	151,063	189,201	44,333
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	-	9,333	20,000	52,065	220,405	44,333
Disbursements:							
Current:							
Instruction	-	129	-	-	-	-	-
Support services	-	149	1,189	3,682	15,891	32,640	6,787
Community services	39,594	-	5,663	17,671	43,492	169,063	42,181
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	39,594	278	6,852	21,353	59,383	201,703	48,968
Excess (deficiency) of receipts over disbursements	(39,594)	(278)	2,481	(1,353)	(7,318)	18,702	(4,635)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(39,594)	(278)	2,481	(1,353)	(7,318)	18,702	(4,635)
Cash and investments - beginning	74,989	278	(2,481)	(3,662)	7,318	-	-
Cash and investments - ending	\$ 35,395	\$ -	\$ -	\$ (5,015)	\$ -	\$ 18,702	\$ (4,635)
Cash and Investment Assets - Ending							
Cash and investments	\$ 35,395	\$ -	\$ -	\$ (5,015)	\$ -	\$ 18,702	\$ (4,635)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 35,395	\$ -	\$ -	\$ (5,015)	\$ -	\$ 18,702	\$ (4,635)
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	35,395	-	-	(5,015)	-	18,702	(4,635)
Total cash and investment fund balance - ending	\$ 35,395	\$ -	\$ -	\$ (5,015)	\$ -	\$ 18,702	\$ (4,635)

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

	Non-English Speaking Program	School Technology	Bellmont Middle School Class of 1998-1999	Band Uniform	Bellmont Middle School C.L.A.S.S. 2001-2002	Bellmont Middle School C.L.A.S.S. 2000-2001	Even Start 2005-2006
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	1,117	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	200,000
Sale of property, adjustments and refunds	-	3,623	-	-	-	-	-
Total receipts	1,117	3,623	-	-	-	-	200,000
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	55,856
Support services	-	-	-	-	-	-	113,056
Community services	-	-	-	-	-	-	825
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-	169,737
Excess (deficiency) of receipts over disbursements	1,117	3,623	-	-	-	-	30,263
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,117	3,623	-	-	-	-	30,263
Cash and investments - beginning	-	53,551	288	973	150	232	-
Cash and investments - ending	\$ 1,117	\$ 57,174	\$ 288	\$ 973	\$ 150	\$ 232	\$ 30,263
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,117	\$ 57,174	\$ 288	\$ 973	\$ 150	\$ 232	\$ 30,263
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,117	\$ 57,174	\$ 288	\$ 973	\$ 150	\$ 232	\$ 30,263
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,117	57,174	288	973	150	232	30,263
Total cash and investment fund balance - ending	\$ 1,117	\$ 57,174	\$ 288	\$ 973	\$ 150	\$ 232	\$ 30,263

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

	Even Start 2004-2005	Even Start 2004-2005	Title 1 2004-2005	Title 1 2005-2006	Title V 2005-2006	Title V 2004-2006
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	22,200	203,969	9,119	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	-	22,200	203,969	9,119	-
Disbursements:						
Current:						
Instruction	4,011	417	31,353	145,947	-	-
Support services	22,666	20,285	12,577	41,588	-	44
Community services	2,415	169	-	2,585	4,930	8,569
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	29,092	20,871	43,930	190,120	4,930	8,613
Excess (deficiency) of receipts over disbursements	(29,092)	(20,871)	(21,730)	13,849	4,189	(8,613)
Other financing sources (uses):						
Transfers in	-	-	-	37,200	5,551	-
Transfers out	-	-	(37,200)	-	-	-
Total other financing sources (uses)	-	-	(37,200)	37,200	5,551	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(29,092)	(20,871)	(58,930)	51,049	9,740	(8,613)
Cash and investments - beginning	29,092	20,871	58,930	-	-	16,220
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 51,049	\$ 9,740	\$ 7,607
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ 51,049	\$ 9,740	\$ 7,607
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ 51,049	\$ 9,740	\$ 7,607
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	51,049	9,740	7,607
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ 51,049	\$ 9,740	\$ 7,607

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

	Title V 2003-2004	Serve America	Adult Education and Family Literacy 2005-2006	Adult Education State Grant 2005-2006	Drug Free Schools 2003-2004	Drug Free Schools 2005-2006
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	5,000	34,422	-	-	11,103
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	5,000	34,422	-	-	11,103
Disbursements:						
Current:						
Instruction	-	-	11,001	1,459	-	-
Support services	1,229	45	18,661	1,664	2,344	550
Community services	10,143	4,905	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	11,372	4,950	29,662	3,123	2,344	550
Excess (deficiency) of receipts over disbursements	(11,372)	50	4,760	(3,123)	(2,344)	10,553
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(5,551)
Total other financing sources (uses)	-	-	-	-	-	(5,551)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,372)	50	4,760	(3,123)	(2,344)	5,002
Cash and investments - beginning	11,372	9	-	3,123	2,344	-
Cash and investments - ending	\$ -	\$ 59	\$ 4,760	\$ -	\$ -	\$ 5,002
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 59	\$ 4,760	\$ -	\$ -	\$ 5,002
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 59	\$ 4,760	\$ -	\$ -	\$ 5,002
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	59	4,760	-	-	5,002
Total cash and investment fund balance - ending	\$ -	\$ 59	\$ 4,760	\$ -	\$ -	\$ 5,002

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

	Drug Free Schools 2001-2002	Title IV Drug Free 2004-2006	Title II 2000-2002	Business Marketing Education Academy	Business and Marketing Curriculum Development	Business and Marketing Professional Development
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	20,000	-
Sale of property, adjustments and refunds	-	121	-	-	-	-
Total receipts	-	121	-	-	20,000	-
Disbursements:						
Current:						
Instruction	-	-	-	4,126	20,717	538
Support services	1,860	2,577	1,785	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	1,860	2,577	1,785	4,126	20,717	538
Excess (deficiency) of receipts over disbursements	(1,860)	(2,456)	(1,785)	(4,126)	(717)	(538)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,860)	(2,456)	(1,785)	(4,126)	(717)	(538)
Cash and investments - beginning	2,141	2,866	2,646	4,126	717	538
Cash and investments - ending	\$ 281	\$ 410	\$ 861	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 281	\$ 410	\$ 861	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 281	\$ 410	\$ 861	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	281	410	861	-	-	-
Total cash and investment fund balance - ending	\$ 281	\$ 410	\$ 861	\$ -	\$ -	\$ -

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

	Internship Guidelines Project	Information Technology Training	I.C.E. Professional Development	Area 18 Vocational Education 2005-2006	Area 18 Vocational Education 2004-2005	Alternative Fuel Award 2005-2007
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,768
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	29,221	82,093	-
Sale of property, adjustments and refunds	-	-	-	56	-	-
Total receipts	-	-	-	29,277	82,093	1,768
Disbursements:						
Current:						
Instruction	1,942	5,546	1,949	29,222	7,428	-
Support services	-	-	-	-	1,934	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	1,289
Debt services	-	-	-	-	-	-
Total disbursements	1,942	5,546	1,949	29,222	9,362	1,289
Excess (deficiency) of receipts over disbursements	(1,942)	(5,546)	(1,949)	55	72,731	479
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,942)	(5,546)	(1,949)	55	72,731	479
Cash and investments - beginning	1,942	5,546	1,949	-	(72,731)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 55	\$ -	\$ 479
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ 55	\$ -	\$ 479
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ 55	\$ -	\$ 479
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	55	-	479
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ 55	\$ -	\$ 479

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

	NIWIB 2004-2005 Grant	Title II 2005-2006	Title II, Part D 2005-2006	Retirement Bond	Business Office Funds	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 371,186	\$ 23,607	\$ 1,197,652
Intermediate sources	-	-	-	-	-	638
State sources	-	-	-	-	-	647,124
Federal sources	13,724	104,291	4,717	-	-	1,066,874
Sale of property, adjustments and refunds	-	-	-	-	-	9,484
Total receipts	<u>13,724</u>	<u>104,291</u>	<u>4,717</u>	<u>371,186</u>	<u>23,607</u>	<u>2,921,772</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	-	418,941
Support services	10,294	99,084	7,503	-	26,483	1,841,247
Community services	-	-	-	-	-	373,364
Nonprogrammed charges	-	-	-	-	-	1,289
Debt services	-	-	-	387,712	-	387,712
Total disbursements	<u>10,294</u>	<u>99,084</u>	<u>7,503</u>	<u>387,712</u>	<u>26,483</u>	<u>3,022,553</u>
Excess (deficiency) of receipts over disbursements	<u>3,430</u>	<u>5,207</u>	<u>(2,786)</u>	<u>(16,526)</u>	<u>(2,876)</u>	<u>(100,781)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	42,751
Transfers out	-	-	-	-	-	(42,751)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,430	5,207	(2,786)	(16,526)	(2,876)	(100,781)
Cash and investments - beginning	<u>(3,430)</u>	<u>93,000</u>	<u>7,557</u>	<u>191,242</u>	<u>29,989</u>	<u>566,246</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 98,207</u>	<u>\$ 4,771</u>	<u>\$ 174,716</u>	<u>\$ 27,113</u>	<u>\$ 465,465</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 98,207	\$ 4,771	\$ -	\$ 27,113	\$ 290,749
Restricted assets:						
Cash and investments	-	-	-	174,716	-	174,716
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 98,207</u>	<u>\$ 4,771</u>	<u>\$ 174,716</u>	<u>\$ 27,113</u>	<u>\$ 465,465</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 174,716	\$ -	\$ 174,716
Unrestricted	-	98,207	4,771	-	27,113	290,749
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 98,207</u>	<u>\$ 4,771</u>	<u>\$ 174,716</u>	<u>\$ 27,113</u>	<u>\$ 465,465</u>

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

	Special Education Preschool	Rainy Day	School Lunch	Textbook Rental	Child Care High School	Educational License Plate	Alternative Education
Receipts:							
Local sources	\$ 16,864	\$ -	\$ 643,099	\$ 196,870	\$ 10,839	\$ -	\$ -
Intermediate sources	-	-	-	-	-	881	-
State sources	55,821	-	13,570	29,006	-	-	7,273
Federal sources	-	-	305,303	-	-	-	-
Sale of property, adjustments and refunds	-	-	783	6,877	1,060	-	-
Total receipts	72,685	-	962,755	232,753	11,899	881	7,273
Disbursements:							
Current:							
Instruction	71,500	-	-	-	-	-	7,644
Support services	-	-	973,379	276,190	4,816	-	-
Community services	-	-	-	-	15,812	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	71,500	-	973,379	276,190	20,628	-	7,644
Excess (deficiency) of receipts over disbursements	1,185	-	(10,624)	(43,437)	(8,729)	881	(371)
Other financing sources (uses):							
Transfers in	-	16,484	-	14,779	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	16,484	-	14,779	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,185	16,484	(10,624)	(28,658)	(8,729)	881	(371)
Cash and investments - beginning	26,789	-	67,535	(210,354)	24,171	1,669	7,644
Cash and investments - ending	\$ 27,974	\$ 16,484	\$ 56,911	\$ (239,012)	\$ 15,442	\$ 2,550	\$ 7,273
Cash and Investment Assets - Ending							
Cash and investments	\$ 27,974	\$ 16,484	\$ 56,911	\$ (239,012)	\$ 15,442	\$ 2,550	\$ 7,273
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 27,974	\$ 16,484	\$ 56,911	\$ (239,012)	\$ 15,442	\$ 2,550	\$ 7,273
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	27,974	16,484	56,911	(239,012)	15,442	2,550	7,273
Total cash and investment fund balance - ending	\$ 27,974	\$ 16,484	\$ 56,911	\$ (239,012)	\$ 15,442	\$ 2,550	\$ 7,273

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

	School Safety Award	ACCES Award Grant	Bellmont High School Learning Math	Gifted and Talented 2006-2007	Gifted and Talented 2005-2006	Gifted and Talented 2003-2004	Collaborative Inquiry
Receipts:							
Local sources	\$ -	\$ -	\$ 1,800	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	135,158	-	14,444	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	135,158	1,800	14,444	-	-	-
Disbursements:							
Current:							
Instruction	-	-	-	6,881	5,008	638	-
Support services	2,856	121,196	-	314	376	-	25
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	2,856	121,196	-	7,195	5,384	638	25
Excess (deficiency) of receipts over disbursements	(2,856)	13,962	1,800	7,249	(5,384)	(638)	(25)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,856)	13,962	1,800	7,249	(5,384)	(638)	(25)
Cash and investments - beginning	2,856	12,962	-	-	8,446	638	722
Cash and investments - ending	\$ -	\$ 26,924	\$ 1,800	\$ 7,249	\$ 3,062	\$ -	\$ 697
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 26,924	\$ 1,800	\$ 7,249	\$ 3,062	\$ -	\$ 697
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 26,924	\$ 1,800	\$ 7,249	\$ 3,062	\$ -	\$ 697
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	26,924	1,800	7,249	3,062	-	697
Total cash and investment fund balance - ending	\$ -	\$ 26,924	\$ 1,800	\$ 7,249	\$ 3,062	\$ -	\$ 697

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

	Gifted and Talented 2004-2005	Lifelong Learning and Technology Center	Healthy Families 2006-2007	CBCAP 2004-2006	Healthy Families 2005-2006	Kid's First 2005-2006	Non-English Speaking Program
Receipts:							
Local sources	\$ -	\$ -	\$ 49,528	\$ -	\$ 10,989	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	166,478	8,333	25,347	8,867	841
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	32	-	-	-	-
Total receipts	-	-	216,038	8,333	36,336	8,867	841
Disbursements:							
Current:							
Instruction	2,387	-	-	-	-	-	-
Support services	246	-	33,812	392	13,885	1,068	-
Community services	-	51,044	195,811	2,926	41,153	3,164	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	2,633	51,044	229,623	3,318	55,038	4,232	-
Excess (deficiency) of receipts over disbursements	(2,633)	(51,044)	(13,585)	5,015	(18,702)	4,635	841
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,633)	(51,044)	(13,585)	5,015	(18,702)	4,635	841
Cash and investments - beginning	2,633	35,395	-	(5,015)	18,702	(4,635)	1,117
Cash and investments - ending	\$ -	\$ (15,649)	\$ (13,585)	\$ -	\$ -	\$ -	\$ 1,958
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ (15,649)	\$ (13,585)	\$ -	\$ -	\$ -	\$ 1,958
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ (15,649)	\$ (13,585)	\$ -	\$ -	\$ -	\$ 1,958
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	(15,649)	(13,585)	-	-	-	1,958
Total cash and investment fund balance - ending	\$ -	\$ (15,649)	\$ (13,585)	\$ -	\$ -	\$ -	\$ 1,958

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

	School Technology	Bellmont Middle School Class of 1998-1999	Band Uniform	Bellmont Middle School C.L.A.S.S. 2001-2002	Bellmont Middle School C.L.A.S.S. 2000-2001	Even Start 2005-2006	Even Start 2006-2007
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	169,750
Sale of property, adjustments and refunds	17,215	-	-	-	-	-	-
Total receipts	17,215	-	-	-	-	-	169,750
Disbursements:							
Current:							
Instruction	-	-	-	-	-	9,768	43,769
Support services	-	288	-	150	195	20,495	82,386
Community services	-	-	973	-	-	-	28,251
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	288	973	150	195	30,263	154,406
Excess (deficiency) of receipts over disbursements	17,215	(288)	(973)	(150)	(195)	(30,263)	15,344
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	17,215	(288)	(973)	(150)	(195)	(30,263)	15,344
Cash and investments - beginning	57,174	288	973	150	232	30,263	-
Cash and investments - ending	\$ 74,389	\$ -	\$ -	\$ -	\$ 37	\$ -	\$ 15,344
Cash and Investment Assets - Ending							
Cash and investments	\$ 74,389	\$ -	\$ -	\$ -	\$ 37	\$ -	\$ 15,344
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 74,389	\$ -	\$ -	\$ -	\$ 37	\$ -	\$ 15,344
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	74,389	-	-	-	37	-	15,344
Total cash and investment fund balance - ending	\$ 74,389	\$ -	\$ -	\$ -	\$ 37	\$ -	\$ 15,344

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

	Title 1 Northwest School Improvement	Title 1 2005-2006	Title 1 2006-2007	Title V 2006-2007	Title V 2005-2006	Title V 2004-2006
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	12,389	18,500	173,688	4,390	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	12,389	18,500	173,688	4,390	-	-
Disbursements:						
Current:						
Instruction	7,884	23,458	132,644	-	-	-
Support services	3,638	11,918	46,042	-	786	889
Community services	-	3,197	246	5,539	8,113	6,718
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	11,522	38,573	178,932	5,539	8,899	7,607
Excess (deficiency) of receipts over disbursements	867	(20,073)	(5,244)	(1,149)	(8,899)	(7,607)
Other financing sources (uses):						
Transfers in	-	-	30,976	4,068	-	-
Transfers out	-	(30,976)	-	-	-	-
Total other financing sources (uses)	-	(30,976)	30,976	4,068	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	867	(51,049)	25,732	2,919	(8,899)	(7,607)
Cash and investments - beginning	-	51,049	-	-	9,740	7,607
Cash and investments - ending	<u>\$ 867</u>	<u>\$ -</u>	<u>\$ 25,732</u>	<u>\$ 2,919</u>	<u>\$ 841</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 867	\$ -	\$ 25,732	\$ 2,919	\$ 841	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 867</u>	<u>\$ -</u>	<u>\$ 25,732</u>	<u>\$ 2,919</u>	<u>\$ 841</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	867	-	25,732	2,919	841	-
Total cash and investment fund balance - ending	<u>\$ 867</u>	<u>\$ -</u>	<u>\$ 25,732</u>	<u>\$ 2,919</u>	<u>\$ 841</u>	<u>\$ -</u>

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

	Serve America	Adult Education and Family Literacy 2005-2006	Adult Education and Family Literacy 2006-2007	Drug Free Schools 2005-2006	Drug Free Schools 2006-2007	Drug Free Schools 2001-2002
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	31,748	-	8,136	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	-	31,748	-	8,136	-
Disbursements:						
Current:						
Instruction	-	3,424	8,432	-	-	-
Support services	59	1,336	21,355	2,765	708	281
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	59	4,760	29,787	2,765	708	281
Excess (deficiency) of receipts over disbursements	(59)	(4,760)	1,961	(2,765)	7,428	(281)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(4,068)	-
Total other financing sources (uses)	-	-	-	-	(4,068)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(59)	(4,760)	1,961	(2,765)	3,360	(281)
Cash and investments - beginning	59	4,760	-	5,002	-	281
Cash and investments - ending	\$ -	\$ -	\$ 1,961	\$ 2,237	\$ 3,360	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ 1,961	\$ 2,237	\$ 3,360	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 1,961	\$ 2,237	\$ 3,360	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	1,961	2,237	3,360	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 1,961	\$ 2,237	\$ 3,360	\$ -

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

	Title IV Drug Free 2004-2006	Title II 2000-2002	Area 18 Vocational Education 2005-2006	Area 18 Vocational Education 2006-2007	21st Century Northwest Year 1	Alternative Fuel Award 2005-2007
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 530	\$ -	\$ 946
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	730	26,414	20,000	1,392
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	-	730	26,944	20,000	2,338
Disbursements:						
Current:						
Instruction	-	-	785	26,414	-	1,370
Support services	410	255	-	-	650	1,129
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	296
Debt services	-	-	-	-	-	-
Total disbursements	410	255	785	26,414	650	2,795
Excess (deficiency) of receipts over disbursements	(410)	(255)	(55)	530	19,350	(457)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(410)	(255)	(55)	530	19,350	(457)
Cash and investments - beginning	410	861	55	-	-	479
Cash and investments - ending	\$ -	\$ 606	\$ -	\$ 530	\$ 19,350	\$ 22
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 606	\$ -	\$ 530	\$ 19,350	\$ 22
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 606	\$ -	\$ 530	\$ 19,350	\$ 22
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	606	-	530	19,350	22
Total cash and investment fund balance - ending	\$ -	\$ 606	\$ -	\$ 530	\$ 19,350	\$ 22

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

	Title II 2005-2006	Title II, Part D 2005-2006	Title II, Part A 2006-2006	Retirement Bond	Business Office Funds	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 363,491	\$ 19,457	\$ 1,314,413
Intermediate sources	-	-	-	-	-	881
State sources	-	-	-	-	-	465,138
Federal sources	43,000	-	19,272	-	-	834,712
Sale of property, adjustments and refunds	-	-	-	-	-	25,967
Total receipts	43,000	-	19,272	363,491	19,457	2,641,111
Disbursements:						
Current:						
Instruction	-	-	12,584	-	-	364,590
Support services	86,838	4,337	1,520	-	28,329	1,745,314
Community services	-	-	-	-	-	362,947
Nonprogrammed charges	-	-	-	-	-	296
Debt services	-	-	-	361,596	-	361,596
Total disbursements	86,838	4,337	14,104	361,596	28,329	2,834,743
Excess (deficiency) of receipts over disbursements	(43,838)	(4,337)	5,168	1,895	(8,872)	(193,632)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	66,307
Transfers out	-	-	-	-	-	(35,044)
Total other financing sources (uses)	-	-	-	-	-	31,263
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(43,838)	(4,337)	5,168	1,895	(8,872)	(162,369)
Cash and investments - beginning	98,207	4,771	-	174,716	27,113	465,465
Cash and investments - ending	<u>\$ 54,369</u>	<u>\$ 434</u>	<u>\$ 5,168</u>	<u>\$ 176,611</u>	<u>\$ 18,241</u>	<u>\$ 303,096</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 54,369	\$ 434	\$ 5,168	\$ -	\$ 18,241	\$ 126,485
Restricted assets:						
Cash and investments	-	-	-	176,611	-	176,611
Total cash and investment assets - ending	<u>\$ 54,369</u>	<u>\$ 434</u>	<u>\$ 5,168</u>	<u>\$ 176,611</u>	<u>\$ 18,241</u>	<u>\$ 303,096</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 176,611	\$ -	\$ 176,611
Unrestricted	54,369	434	5,168	-	18,241	126,485
Total cash and investment fund balance - ending	<u>\$ 54,369</u>	<u>\$ 434</u>	<u>\$ 5,168</u>	<u>\$ 176,611</u>	<u>\$ 18,241</u>	<u>\$ 303,096</u>

NORTH ADAMS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2006

	Retirement/ Severance Bond	Post-Retirement/ Severance Future Benefit	Totals
Additions:			
Investment earnings:			
Interest	\$ 18,951	\$ 18,786	\$ 37,737
Transfers in	-	735,310	735,310
Total additions	18,951	754,096	773,047
Deductions:			
Benefits	428,312	168,643	596,955
Transfers out	735,310	-	735,310
Total deductions	1,163,622	168,643	1,332,265
Excess (deficiency) of total additions over total deductions	(1,144,671)	585,453	(559,218)
Cash and investment fund balance - beginning	1,144,671	(61,817)	1,082,854
Cash and investment fund balance - ending	\$ -	\$ 523,636	\$ 523,636
Net assets:			
Cash and investments	\$ -	\$ 523,636	\$ 523,636
Total net assets - cash and investment basis held in trust	\$ -	\$ 523,636	\$ 523,636

NORTH ADAMS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2007

	Retirement/ Severance Bond	Post-Retirement/ Severance Future Benefit	Totals
Additions:			
Investment earnings:			
Interest	\$ -	\$ 29,867	\$ 29,867
Deductions:			
Benefits	-	88,083	88,083
Excess (deficiency) of total additions over total deductions	-	(58,216)	(58,216)
Cash and investment fund balance - beginning	-	523,636	523,636
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 465,420</u>	<u>\$ 465,420</u>
Net assets:			
Cash and investments	<u>\$ -</u>	<u>\$ 465,420</u>	<u>\$ 465,420</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 465,420</u>	<u>\$ 465,420</u>

NORTH ADAMS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2006

	Niblick Summer School	DFC Even Start 2004-2005	Adams County Foundation Grant	Comp Invention	DFC Even Start 2003-2004
Additions:					
Contributions:					
Other	\$ 15,100	\$ 10,000	\$ 700	\$ 800	\$ -
Deductions:					
Administrative and general	13,109	6,191	830	675	2,622
Excess (deficiency) of total additions over total deductions	1,991	3,809	(130)	125	(2,622)
Cash and investment fund balance - beginning	4,518	(2,029)	167	-	2,622
Cash and Investments - June 30	<u>\$ 6,509</u>	<u>\$ 1,780</u>	<u>\$ 37</u>	<u>\$ 125</u>	<u>\$ -</u>
Net assets:					
Cash and investments	<u>\$ 6,509</u>	<u>\$ 1,780</u>	<u>\$ 37</u>	<u>\$ 125</u>	<u>\$ -</u>
Total net assets - cash and investment basis held in trust	<u>\$ 6,509</u>	<u>\$ 1,780</u>	<u>\$ 37</u>	<u>\$ 125</u>	<u>\$ -</u>

NORTH ADAMS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Worthman Trust	Even Start High School	Healthy Families High School	Southeast Special Education	GED Lifelong Learning
Additions:					
Contributions:					
Other	\$ -	\$ -	\$ 2,162	\$ -	\$ 4,016
Deductions:					
Administrative and general	2,099	393	3,078	152	3,060
Excess (deficiency) of total additions over total deductions	(2,099)	(393)	(916)	(152)	956
Cash and investment fund balance - beginning	2,932	393	1,007	3,651	4,653
Cash and Investments - June 30	<u>\$ 833</u>	<u>\$ -</u>	<u>\$ 91</u>	<u>\$ 3,499</u>	<u>\$ 5,609</u>
Net assets:					
Cash and investments	<u>\$ 833</u>	<u>\$ -</u>	<u>\$ 91</u>	<u>\$ 3,499</u>	<u>\$ 5,609</u>
Total net assets - cash and investment basis held in trust	<u>\$ 833</u>	<u>\$ -</u>	<u>\$ 91</u>	<u>\$ 3,499</u>	<u>\$ 5,609</u>

NORTH ADAMS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Certification High School Test	DFC Even Start 2005-2006	After School Child Care	Area 18 Culinary Arts	Totals
Additions:					
Contributions:					
Other	\$ -	\$ 40,000	\$ 9,755	\$ -	\$ 82,533
Deductions:					
Administrative and general	-	30,454	12,615	396	75,674
Excess (deficiency) of total additions over total deductions	-	9,546	(2,860)	(396)	6,859
Cash and investment fund balance - beginning	399	-	5,386	801	24,500
Cash and Investments - June 30	<u>\$ 399</u>	<u>\$ 9,546</u>	<u>\$ 2,526</u>	<u>\$ 405</u>	<u>\$ 31,359</u>
Net assets:					
Cash and investments	<u>\$ 399</u>	<u>\$ 9,546</u>	<u>\$ 2,526</u>	<u>\$ 405</u>	<u>\$ 31,359</u>
Total net assets - cash and investment basis held in trust	<u>\$ 399</u>	<u>\$ 9,546</u>	<u>\$ 2,526</u>	<u>\$ 405</u>	<u>\$ 31,359</u>

NORTH ADAMS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007

	Niblick Summer School	DFC Even Start 2004-2005	Adams County Foundation Grant	Comp Invention	Worthman Trust	Cultural Competency Mini-Grant
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ -	\$ 1,358	\$ -	\$ 4,000
Transfers In	-	-	-	-	-	-
Total additions	-	-	-	1,358	-	4,000
Deductions:						
Administrative and general	3,047	1,780	37	125	-	1,958
Transfers out	-	-	-	-	-	-
Total deductions	3,047	1,780	37	125	-	1,958
Excess (deficiency) of total additions over total deductions	(3,047)	(1,780)	(37)	1,233	-	2,042
Cash and investment fund balance - beginning	6,509	1,780	37	125	833	-
Cash and Investments - June 30	<u>\$ 3,462</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,358</u>	<u>\$ 833</u>	<u>\$ 2,042</u>
Net assets:						
Cash and investments	<u>\$ 3,462</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,358</u>	<u>\$ 833</u>	<u>\$ 2,042</u>
Total net assets - cash and investment basis held in trust	<u>\$ 3,462</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,358</u>	<u>\$ 833</u>	<u>\$ 2,042</u>

NORTH ADAMS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Healthy Families High School	Southeast Special Education	GED Lifelong Learning	Certification High School Test	Adams County Learning Center
Additions:					
Contributions:					
Other	\$ 262	\$ -	\$ 17,986	\$ -	\$ 12,590
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,800</u>
Total additions	<u>262</u>	<u>-</u>	<u>17,986</u>	<u>-</u>	<u>29,390</u>
Deductions:					
Administrative and general	282	117	3,652	-	737
Transfers out	<u>-</u>	<u>-</u>	<u>16,800</u>	<u>-</u>	<u>-</u>
Total deductions	<u>282</u>	<u>117</u>	<u>20,452</u>	<u>-</u>	<u>737</u>
Excess (deficiency) of total additions over total deductions	(20)	(117)	(2,466)	-	28,653
Cash and investment fund balance - beginning	<u>91</u>	<u>3,499</u>	<u>5,609</u>	<u>399</u>	<u>-</u>
Cash and Investments - June 30	<u>\$ 71</u>	<u>\$ 3,382</u>	<u>\$ 3,143</u>	<u>\$ 399</u>	<u>\$ 28,653</u>
Net assets:					
Cash and investments	<u>\$ 71</u>	<u>\$ 3,382</u>	<u>\$ 3,143</u>	<u>\$ 399</u>	<u>\$ 28,653</u>
Total net assets - cash and investment basis held in trust	<u>\$ 71</u>	<u>\$ 3,382</u>	<u>\$ 3,143</u>	<u>\$ 399</u>	<u>\$ 28,653</u>

NORTH ADAMS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	DFC Even Start 2005-2006	DFC Even Start 2007	After School Child Care	Area 18 Culinary Arts	Totals
Additions:					
Contributions:					
Other	\$ -	\$ 20,000	\$ 9,481	\$ -	\$ 65,677
Transfers In	-	-	-	-	16,800
Total additions	-	20,000	9,481	-	82,477
Deductions:					
Administrative and general	9,424	7,613	11,462	-	40,234
Transfers out	-	-	-	-	16,800
Total deductions	9,424	7,613	11,462	-	57,034
Excess (deficiency) of total additions over total deductions	(9,424)	12,387	(1,981)	-	25,443
Cash and investment fund balance - beginning	9,546	-	2,526	405	31,359
Cash and Investments - June 30	<u>\$ 122</u>	<u>\$ 12,387</u>	<u>\$ 545</u>	<u>\$ 405</u>	<u>\$ 56,802</u>
Net assets:					
Cash and investments	<u>\$ 122</u>	<u>\$ 12,387</u>	<u>\$ 545</u>	<u>\$ 405</u>	<u>\$ 56,802</u>
Total net assets - cash and investment basis held in trust	<u>\$ 122</u>	<u>\$ 12,387</u>	<u>\$ 545</u>	<u>\$ 405</u>	<u>\$ 56,802</u>

NORTH ADAMS COMMUNITY SCHOOLS
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

June 30, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 233,725
Buildings	28,123,316
Improvements other than buildings	446,674
Machinery and equipment	<u>9,549,831</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 38,353,546</u>

NORTH ADAMS COMMUNITY SCHOOLS
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
June 30, 2007

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:		
Bellmont Middle School Renovation	\$ 6,055,000	\$ 1,227,763
North Adams Community Schools Renovations	14,202,140	1,413,973
North Adams Community Schools Guaranteed Energy Savings	5,170,000	462,276
Computer Equipment	77,667	40,287
Computer Equipment	300,000	55,833
Technology	89,155	31,365
Duplicators	76,596	23,568
Copiers	70,624	21,580
Copiers	75,072	20,141
Notes and loans payable	512,810	359,977
Bonds payable:		
General obligation bonds:		
Finance Retirement/Severance Liabilities	6,965,000	361,596
Total governmental activities debt	<u>\$ 33,594,064</u>	<u>\$ 4,018,359</u>

NORTH ADAMS COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS

GUARANTEED ENERGY SAVINGS CONTRACTS

North Adams Community Schools entered into a guaranteed energy savings contract with American Energy Conservation, Inc., (Exelon Services Inc.) on December 31, 1998. The total amount of the contract was \$2,765,160. The total amount of guaranteed energy savings was \$429,073. The total amount of guaranteed operational savings was \$345,929. No information was presented for audit to document guaranteed operational savings.

The contract states in part: "Operational savings exist when an improvement implemented under this program reduces future repair or replacement costs that would have otherwise been expended if the improvement was not implemented. The operational savings are described on the attached page and shall be added to the energy savings to arrive at the total guaranteed savings. Because it is impossible to accurately measure the actual operational savings after improvements are implemented, North Adams Community Schools agrees that upon execution of this contract the operational savings summarized on the following pages are considered satisfied throughout the term of this agreement."

A similar comment appeared in prior Report B26351.

Statutory and Other Compliance Guideline Provisions

The Public Works Law, Indiana Code 36-1-12-1(e), states in part: "As an alternative to this chapter, the governing body . . . may . . . enter into a guaranteed energy savings contract as permitted under IC 36-1-12.5."

Effective March 21, 2002, Indiana Code 36-1-12.5-1 states in part: "As used in this chapter, 'energy conservation measure' means a school facility alteration or an alteration of a structure (as defined in IC 36-1-10-2) designed to reduce energy consumption costs or other operating costs . . . including future:

- (A) labor costs;
- (B) costs for contracted services; and
- (C) related capital expenditures."

Indiana Code 36-1-12.5-5(a) concerning energy savings contracts states in part: "The governing body may enter into . . . a guaranteed energy savings contract with a qualified provider to reduce the school corporation's or the political subdivision's energy consumption costs or operating costs if, after review of the report described in section 6 of this chapter, the governing body finds: (1) that the amount the governing body would spend on the energy conservation measures under the contract and that are recommended in the report is not likely to exceed the amount to be saved in energy consumption costs and other operating costs over ten (10) years from the date of installation if the recommendations in the report were followed; and (2) in the case of a guaranteed energy savings contract, the qualified provider provides a written guarantee as described in subsection (d)(2)."

Indiana Code 36-1-12.5-5(d) states in part: "An agreement to participate in . . . guaranteed energy savings contract under this section must provide that: . . . (2) in the case of the guaranteed energy savings contract: (A) the savings in energy and operating costs due to the energy conservation measures are guaranteed to cover the costs of the payments for the measures; and (B) the qualified provider will reimburse the school corporation or political subdivision for the difference between the guaranteed savings and the actual savings . . ."

NORTH ADAMS COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

Effective March 21, 2002, Indiana Code 36-1-12.5-0.5 states: "As used in this chapter, 'actual savings' includes stipulated savings."

Indiana Code 36-1-12.5-0.7 states: "As used in this chapter, 'causally connected work' means work that is required to properly implement an energy conservation measure."

Indiana Code 36-1-12.5-3.7 states in part: "As used in this chapter, 'stipulated savings' are assumed savings that are documented by industry engineering standards."

Indiana Code 36-1-12.5-11 states in part:

"(a) A guaranteed energy savings contract that includes stipulated savings must specify the methodology used to calculate the savings using industry engineering standards.

(b) Stipulated savings may be used for energy conservation measures including . . . (9) Any work that is causally connected to the energy conservation measures listed in subdivisions (1) through (8).

(c) The guaranteed energy savings contract shall:

(1) describe stipulated savings for:

(A) energy conservation measures; and

(B) work causally connected to the energy conservation measures; and

(2) document assumptions by industry engineering standards."

Repayment of Costs in Excess of Savings

North Adams Community Schools' officials conveyed that the items shown as "agreed upon" or "stipulated savings" have been predetermined. Furthermore, North Adams Community Schools' officials do not have available for audit and conveyed they do not plan in the future to have any additional information to document actual operating or energy savings. Accordingly, with due regards for the remaining contract time for which information may be presented to document actual operating and energy savings (effective March 21, 2002 "stipulated savings" documented by "industry engineering standards"), North Adams Community Schools' should request reimbursement from American Energy Conservation, Inc., for costs which did not result in an actual reduction of energy consumption costs or other operating costs (or effective March 21, 2002, stipulated savings which were not supported by "industry engineering standards") at the end of the contract term in accordance with IC 36-1-12.5-5(d)(2)(B).

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

NORTH ADAMS COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

OVERDRAWN CASH BALANCES

The cash balances of the Textbook Rental Fund, Lifelong Learning and Technology Center Fund and Healthy Families 2006-2007 Fund were overdrawn at June 30, 2007. A similar comment appeared in prior Report B26351.

The cash 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)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF NORTH ADAMS COMMUNITY SCHOOLS, ADAMS COUNTY, INDIANA

Compliance

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

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

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

Internal Control Over Compliance

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

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

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

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

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

This report is intended solely for the information and use of the School Corporation's management, the School Board, 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 7, 2008

NORTH ADAMS COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2006 and 2007

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-06	Total Federal Awards Expended 06-30-07
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 40,641	\$ 49,973
National School Lunch Program	10.555		<u>285,862</u>	<u>324,633</u>
Total for federal grantor agency			<u>326,503</u>	<u>374,606</u>
<u>U.S. DEPARTMENT OF LABOR</u>				
Pass-Through Northeast Indiana Workforce Investment Board				
WIA Cluster				
WIA Youth Activities	17.259		<u>10,294</u>	<u>-</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Adult Education - State Grant Program	84.002			
		FY05-8027	3,123	-
		FY2005 0101	29,662	4,760
		FY2007-8027	<u>-</u>	<u>29,787</u>
Total for program			<u>32,785</u>	<u>34,547</u>
Title I Grants to Local Educational Agencies	84.010			
		05-0025	81,130	-
		06-0025	190,120	69,549
		07-0025	-	178,932
		07-0025	<u>-</u>	<u>11,522</u>
Total for program			<u>271,250</u>	<u>260,003</u>
Vocational Education - Basic Grants to States	84.048			
		04-1352-0025	4,126	-
		04-1333A-0025	20,717	-
		04-1360-0025	538	-
		04-1405-0025	1,942	-
		04-1363-0025	5,546	-
		04-1361-0025	1,949	-
		05-4700-0025	9,362	-
		07-4700-8445	-	26,414
		2005-2007	<u>29,222</u>	<u>786</u>
Total for program			<u>73,402</u>	<u>27,200</u>
Safe and Drug Free Schools and Communities - State Grants	84.186			
		01-131	1,860	281
		03-028	2,344	-
		04-080	2,577	409
		05-102	6,101	2,765
		0025-06	<u>-</u>	<u>4,776</u>
Total for program			<u>12,882</u>	<u>8,231</u>
Even Start - State Educational Agencies	84.213			
		S213C040015	29,092	-
		S213C040015	20,871	-
		FY06/1010	169,737	30,263
		FY07/1006	<u>-</u>	<u>154,406</u>
Total for program			<u>219,700</u>	<u>184,669</u>

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

NORTH ADAMS COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2006 and 2007
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-06	Total Federal Awards Expended 06-30-07
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
Eisenhower Professional Development State Grants	84.281			
		00-044	5	113
		01-028	1,780	142
Total for program			<u>1,785</u>	<u>255</u>
State Grants for Innovative Programs	84.298			
		03-040	11,372	-
		04-138	8,613	7,607
		05-083	4,930	8,899
		06-0025	-	5,539
Total for program			<u>24,915</u>	<u>22,045</u>
Education Technology State Grants	84.318			
		FY2003	5,072	-
		FY2004	1,819	666
		2005-2007	613	3,671
Total for program			<u>7,504</u>	<u>4,337</u>
Improving Teacher Quality State Grants	84.367			
		03-065	3,220	-
		04-120	78,176	11,605
		05-555	17,688	71,163
		06-0025	-	4,070
Total for program			<u>99,084</u>	<u>86,838</u>
Total for federal grantor agency			<u>743,307</u>	<u>628,125</u>
<u>U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
Pass-Through Indiana Department of Education				
Learn and Serve America - School and Community Based Programs	94.004		4,950	59
Total federal awards expended			<u>\$ 1,085,054</u>	<u>\$ 1,002,790</u>

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

NORTH ADAMS COMMUNITY SCHOOLS
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 North Adams Community Schools (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 School Corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Noncash Assistance

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

Program Title	Federal CFDA Number	Year Ended June 30, 2006	Year Ended June 30, 2007
Child Nutrition Cluster:			
Food Commodities			
School Breakfast Program	10.553	\$ 4,650	\$ 9,245
National School Lunch Program	10.555	<u>32,211</u>	<u>60,058</u>
Total for cluster		<u>\$ 36,861</u>	<u>\$ 69,303</u>

NORTH ADAMS COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
 Material weaknesses identified? no
 Significant deficiency 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 deficiency 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 I Grants to Local Educational Agencies

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

NORTH ADAMS COMMUNITY SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

NORTH ADAMS COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on January 7, 2008, with Kathleen R. Brown, Treasurer; Wylie Sirk, Superintendent of Schools; and JoEllen Eidam, School Board member. The officials concurred with our audit findings.