

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

NORTH ADAMS COMMUNITY SCHOOLS
ADAMS COUNTY, INDIANA

July 1, 2009 to June 30, 2011



FILED
02/01/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Larry G. Carty	07-01-09 to 06-30-12
Superintendent of Schools	Wylie Sirk	07-01-09 to 06-30-12
President of the School Board	Gary Giessler Curtis Rash Michelle Stimpson Timothy B. Ehlerding	07-01-09 to 04-30-10 05-01-10 to 06-30-10 07-01-10 to 06-30-11 07-01-11 to 06-30-12



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 THE FINANCIAL STATEMENT
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

We have audited the accompanying financial statement of the North Adams Community Schools (School Corporation), for the years ended June 30, 2010 and 2011. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the years ended June 30, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated December 15, 2011, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. 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 financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, 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 financial statement and, accordingly, we express no opinion on them.

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

STATE BOARD OF ACCOUNTS

December 15, 2011



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

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

We have audited the financial statement of the North Adams Community Schools (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated December 15, 2011. 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 opinion on the financial statement, 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 deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
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 statement is 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.

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

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

STATE BOARD OF ACCOUNTS

December 15, 2011

FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

NORTH ADAMS COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2010 and 2011

	Cash and Investments 07-01-09		Other Financing Sources (Uses)		Cash and Investments 06-30-10		Other Financing Sources (Uses)		Cash and Investments 06-30-11	
	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements
General	\$ 126,292	\$ 12,623,786	\$ 12,596,838	\$ 27,325	\$ 180,565	\$ 12,288,571	\$ 11,605,037	\$ 1,052	\$ 865,151	
Debt Service	1,954,124	3,480,382	3,504,740	(1,434)	1,928,332	3,256,553	3,460,816	(7,983)	1,716,086	
Retirement Bond - Debt Service	320,550	613,960	621,431	-	313,079	587,179	623,551	-	276,707	
Capital Projects	1,753,132	2,504,788	2,867,677	(400,000)	990,243	2,090,892	1,775,198	-	1,305,937	
Transportation Operating	873,619	1,612,779	1,456,516	(300,000)	729,882	1,288,054	1,245,771	35,798	807,963	
Transportation Bus Replacement	339,496	528,138	-	(575,000)	292,634	640,652	-	-	933,286	
Special Education Preschool	27,325	33,000	33,000	(27,325)	-	-	-	-	-	
Local Rainy Day	379,192	-	212,467	1,275,000	1,441,725	414	441,543	-	1,000,596	
Post-Retirement/Severance Future Benefits	282,240	8,941	104,564	-	186,617	848	81,974	-	105,491	
Lunch	138,792	1,203,614	1,106,792	-	235,614	1,293,841	1,222,014	-	307,441	
Book Rental	(196,281)	253,691	266,515	1,434	(207,671)	190,710	131,265	7,983	(140,243)	
Levy Excess	-	-	-	-	-	35,798	-	(35,798)	-	
Child Care - High School	9,096	33,118	31,113	-	11,101	36,925	35,098	-	12,928	
Educational License Plates	3,394	300	-	-	3,694	355	-	-	4,049	
Alternative Education - ACCES	6,862	7,079	6,137	-	7,804	9,585	6,763	-	10,626	
Southeast Early Intervention 2007-2008	24,829	139,569	154,958	-	9,440	-	9,266	-	174	
Early Intervention 2009-2010	-	-	-	-	-	75,179	47,607	-	27,572	
Walmart Award - Monmouth	-	1,300	-	-	1,300	-	1,122	-	178	
Walmart Northwest Award	-	1,200	336	-	864	-	25	-	839	
Walmart Southeast Award	-	1,300	222	-	1,078	-	499	-	579	
Ruth Giessler Memorial	-	635	629	-	6	-	6	-	-	
Niblick Summer School	577	-	577	-	-	-	-	-	-	
ACCF - Belmont Middle School 2010-2011	-	-	-	-	-	300	294	-	6	
North Adams Special Education/Autism	-	-	-	-	-	2,500	2,500	-	-	
Camp Invention	1,380	-	1,000	-	380	-	-	-	380	
Talent Initiative	-	-	-	-	-	4,500	-	-	4,500	
North Adams School Grant	-	-	-	-	-	300	189	-	111	
Healthy Families High School	496	6,950	1,505	-	5,941	11,507	2,181	-	15,267	
Southeast Special Education	3,111	-	133	-	2,978	-	188	-	2,790	
G.E.D.	3,769	4,579	5,946	-	2,402	3,964	4,816	-	1,550	
Certification High School Test	399	-	-	-	399	-	-	-	399	
Adams County Learning Center	12,381	-	-	-	12,381	-	-	-	12,381	
DFC Even Start 2008	1,906	-	1,906	-	-	-	-	-	-	
Textbook Assistance Award	-	1,200	1,200	-	-	-	-	-	-	
After School Child Care - Northwest	2,044	555	-	-	2,599	-	-	-	2,599	
Area 18 Culinary Arts 2000	405	-	405	-	-	-	-	-	-	
Southeast Nickelodeon Just Play	2,001	-	1,554	-	447	-	-	-	447	
H1N1 Health Service Grant	-	2,980	2,602	-	378	-	-	-	378	
Gifted and Talented 2008-2009	7,286	-	7,286	-	-	-	-	-	-	
Gifted and Talented 2009-2010	-	34,908	30,342	-	4,566	1	4,155	-	412	
Gifted and Talented 2010-2011	-	-	-	-	-	33,843	17,259	-	16,584	
Medicaid Reimbursement	-	-	-	-	-	20,976	11,000	-	9,976	
IN Arts Commission 2010	-	3,750	-	-	3,750	1,250	5,000	-	-	
Healthy Families 2008-2009	(6,040)	72,868	66,828	-	-	-	-	-	-	

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

NORTH ADAMS COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2010 and 2011
(Continued)

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
Healthy Families 2009-2010	-	186,794	212,921	-	(26,127)	72,047	45,920	-	-
Healthy Families 2010-2011	-	-	-	-	-	176,189	197,394	-	(21,205)
Non-English Speaking Program	63	4,140	4,163	-	40	3,009	2,840	-	209
School Technology	85,489	17,003	45,980	-	56,512	6,248	42,410	-	20,350
Classroom Innovation Grant	-	-	-	-	-	-	16,306	-	(16,306)
Even Start 2009-2010 Grant	-	143,371	111,922	-	31,449	20,999	52,448	-	-
Even Start Family Literacy 2008-2009	51,061	-	51,061	-	-	-	-	-	-
Even Start 2010-2011	-	-	-	-	-	121,122	121,004	-	118
Title I 2008-2009	47,009	24,800	52,669	(19,140)	-	-	-	-	-
Title I 2009-2010	-	212,694	210,340	19,140	21,494	24,318	34,787	(11,025)	-
Title I 2010-2011	-	-	-	-	-	212,275	212,238	11,025	11,062
Title V, Part A 2007-2008	993	1,237	2,230	-	-	-	-	-	-
Adult Education Family Literacy 2008-2009	477	-	477	-	-	-	-	-	-
Adult Education Family Literacy 2009-2010	-	33,457	19,301	-	14,156	-	14,156	-	-
Adult Education Family Literacy 2010-2011	-	-	-	-	-	6,865	6,338	-	527
Drug Free Schools 2007-2008	2,895	-	2,895	-	-	-	-	-	-
Drug Free Schools 2008-2009	5,364	-	1,440	-	3,924	-	3,924	-	-
Drug Free Schools 2009-2010	-	4,760	1,029	-	3,731	477	5,239	-	(1,031)
School Safety Grant 2009-2010	-	20,001	20,001	-	-	-	-	-	-
2009 Team Nutrition Mini-Grant	-	-	-	-	-	6,076	4,359	-	1,717
SAAC Partnership 2009-2010 Grant	-	300	300	-	-	-	-	-	-
Project Lead The Way 2010-2011	-	-	-	-	-	11,307	11,307	-	-
Middle School - Project Lead The Way 2010-2012	-	-	-	-	-	10,000	13,524	-	(3,524)
Project Lead The Way 2009-2010	-	11,986	11,986	-	-	-	-	-	-
Project Lead The Way - Middle School - Summer 2010	-	2,000	809	-	1,191	-	1,191	-	-
Area 18 Vocational Education 2009-2010	-	19,121	18,667	-	454	-	454	-	-
Area 18 Vocational Education 2010-2011	-	-	-	-	-	25,906	25,906	-	-
Project Lead The Way	4,748	-	4,748	-	-	-	-	-	-
21st Century Northwest - Year 1	67,152	189,002	291,146	-	(34,992)	45,065	10,073	-	-
21st Century Learning Center	-	-	-	-	-	359,029	353,191	-	5,838
McKinney - Vento Education for Homeless	55,000	-	54,792	-	208	-	208	-	-
Title II, Part A 2006-2008	61,793	89,535	114,198	-	37,130	97,106	130,686	-	3,550
Title III, LEP Grant 2009-2010	1,264	3,642	3,940	-	966	3,171	1,977	-	2,160
Safe Schools Healthy Students	-	545,297	640,833	-	(95,536)	117,412	21,876	-	-
Safe Schools Healthy Students 2010-2011 Year III	-	-	-	-	-	650,198	650,198	-	-
Fiscal Stabilization 2009	175,463	420,613	596,076	-	-	-	-	-	-
Title I - Grants to LEAs Stimulus	27,647	82,921	50,783	-	59,785	55,281	90,759	-	24,307
McKinney - Vento Education for Homeless Stimulus	-	58,182	13,989	-	44,193	13,824	57,898	-	119
School Lunch Equipment - Southeast 2009-2010 Stimulus	-	11,173	11,173	-	-	-	-	-	-
Totals	\$ 6,658,795	\$ 25,257,399	\$ 25,635,088	\$ -	\$ 6,281,106	\$ 23,912,621	\$ 22,863,748	\$ 1,052	\$ 7,331,031

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

NORTH ADAMS COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT

Note 1. 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 accompanying financial statement presents the financial information for the School Corporation (primary government).

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The regulatory 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.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources which include distributions from the State of Indiana to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

NORTH ADAMS COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Federal sources which include distributions from the federal government to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which include outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

NORTH ADAMS COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Other financing sources and uses

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

Proceeds of long-term debt which include money received in relation to the issuance of bonds or other long-term debt issues.

Sale of capital assets which include money received when land, buildings, or equipment owned by the School Corporation is sold.

Transfers in which include money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out which include money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

NORTH ADAMS COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The School Corporation may be 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; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the School Corporation by recording as a disbursement and replacement items purchased.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is 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 this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) 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 members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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. That report may be obtained by contacting:

NORTH ADAMS COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is 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 Indiana Public Retirement System (INPRS) 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 members' contributions, set by state statute at 3 percent 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.

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was prepared and/or approved by management of the School Corporation. It is presented as intended by the School Corporation.

NORTH ADAMS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010

	General	Debt Service	Retirement Bond - Debt Service	Capital Projects	Transportation Operating	Transportation Bus Replacement	Special Education Preschool	Local Rainy Day	Post - Retirement/ Severance Future Benefits
Cash and investments - beginning	\$ 126,292	\$ 1,954,124	\$ 320,550	\$ 1,753,132	\$ 873,619	\$ 339,496	\$ 27,325	\$ 379,192	\$ 282,240
Receipts:									
Local sources	238,651	3,480,382	613,960	2,369,827	1,298,220	528,138	-	-	8,941
Intermediate sources	2,330	-	-	-	-	-	-	-	-
State sources	12,361,409	-	-	-	-	-	33,000	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	122,319	307,509	-	-	-	-
Other	21,396	-	-	12,642	7,050	-	-	-	-
Total receipts	<u>12,623,786</u>	<u>3,480,382</u>	<u>613,960</u>	<u>2,504,788</u>	<u>1,612,779</u>	<u>528,138</u>	<u>33,000</u>	<u>-</u>	<u>8,941</u>
Disbursements:									
Current:									
Instruction	7,953,157	-	-	-	-	-	33,000	46,699	78,177
Support services	3,591,369	-	-	772,254	956,516	-	-	163,768	26,387
Noninstructional services	314,662	-	-	-	-	-	-	-	-
Facilities acquisition and construction	730	-	-	1,095,423	-	-	-	2,000	-
Debt services	-	3,504,740	621,431	1,000,000	500,000	-	-	-	-
Nonprogrammed charges	736,920	-	-	-	-	-	-	-	-
Total disbursements	<u>12,596,838</u>	<u>3,504,740</u>	<u>621,431</u>	<u>2,867,677</u>	<u>1,456,516</u>	<u>-</u>	<u>33,000</u>	<u>212,467</u>	<u>104,564</u>
Excess (deficiency) of receipts over disbursements	<u>26,948</u>	<u>(24,358)</u>	<u>(7,471)</u>	<u>(362,889)</u>	<u>156,263</u>	<u>528,138</u>	<u>-</u>	<u>(212,467)</u>	<u>(95,623)</u>
Other financing sources (uses):									
Transfers in	27,325	-	-	-	-	-	-	1,275,000	-
Transfers out	-	(1,434)	-	(400,000)	(300,000)	(575,000)	(27,325)	-	-
Total other financing sources (uses)	<u>27,325</u>	<u>(1,434)</u>	<u>-</u>	<u>(400,000)</u>	<u>(300,000)</u>	<u>(575,000)</u>	<u>(27,325)</u>	<u>1,275,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>54,273</u>	<u>(25,792)</u>	<u>(7,471)</u>	<u>(762,889)</u>	<u>(143,737)</u>	<u>(46,862)</u>	<u>(27,325)</u>	<u>1,062,533</u>	<u>(95,623)</u>
Cash and investments - ending	<u>\$ 180,565</u>	<u>\$ 1,928,332</u>	<u>\$ 313,079</u>	<u>\$ 990,243</u>	<u>\$ 729,882</u>	<u>\$ 292,634</u>	<u>\$ -</u>	<u>\$ 1,441,725</u>	<u>\$ 186,617</u>

NORTH ADAMS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Lunch	Book Rental	Child Care - High School	Educational License Plates	Alternative Education - ACCES	Southeast Early Intervention 2007-2008	Walmart Award - Monmouth	Walmart Northwest Award
Cash and investments - beginning	\$ 138,792	\$ (196,281)	\$ 9,096	\$ 3,394	\$ 6,862	\$ 24,829	\$ -	\$ -
Receipts:								
Local sources	570,849	189,554	33,118	-	-	-	1,300	1,200
Intermediate sources	-	-	-	300	-	-	-	-
State sources	-	59,847	-	-	7,079	139,569	-	-
Federal sources	621,949	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	10,816	4,290	-	-	-	-	-	-
Total receipts	<u>1,203,614</u>	<u>253,691</u>	<u>33,118</u>	<u>300</u>	<u>7,079</u>	<u>139,569</u>	<u>1,300</u>	<u>1,200</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	6,137	154,775	-	-
Support services	50,425	266,515	668	-	-	183	-	336
Noninstructional services	1,056,367	-	30,445	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>1,106,792</u>	<u>266,515</u>	<u>31,113</u>	<u>-</u>	<u>6,137</u>	<u>154,958</u>	<u>-</u>	<u>336</u>
Excess (deficiency) of receipts over disbursements	<u>96,822</u>	<u>(12,824)</u>	<u>2,005</u>	<u>300</u>	<u>942</u>	<u>(15,389)</u>	<u>1,300</u>	<u>864</u>
Other financing sources (uses):								
Transfers in	-	1,434	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,434</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>96,822</u>	<u>(11,390)</u>	<u>2,005</u>	<u>300</u>	<u>942</u>	<u>(15,389)</u>	<u>1,300</u>	<u>864</u>
Cash and investments - ending	<u>\$ 235,614</u>	<u>\$ (207,671)</u>	<u>\$ 11,101</u>	<u>\$ 3,694</u>	<u>\$ 7,804</u>	<u>\$ 9,440</u>	<u>\$ 1,300</u>	<u>\$ 864</u>

NORTH ADAMS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Walmart Southeast Award	Ruth Giessler Memorial	Niblick Summer School	Camp Invention	Healthy Families High School	Southeast Special Education	G.E.D.	Certification High School Test
Cash and investments - beginning	\$ -	\$ -	\$ 577	\$ 1,380	\$ 496	\$ 3,111	\$ 3,769	\$ 399
Receipts:								
Local sources	1,300	635	-	-	6,950	-	4,579	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>1,300</u>	<u>635</u>	<u>-</u>	<u>-</u>	<u>6,950</u>	<u>-</u>	<u>4,579</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	-	-	577	1,000	-	133	5,946	-
Support services	222	629	-	-	1,505	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>222</u>	<u>629</u>	<u>577</u>	<u>1,000</u>	<u>1,505</u>	<u>133</u>	<u>5,946</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,078</u>	<u>6</u>	<u>(577)</u>	<u>(1,000)</u>	<u>5,445</u>	<u>(133)</u>	<u>(1,367)</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,078</u>	<u>6</u>	<u>(577)</u>	<u>(1,000)</u>	<u>5,445</u>	<u>(133)</u>	<u>(1,367)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,078</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 380</u>	<u>\$ 5,941</u>	<u>\$ 2,978</u>	<u>\$ 2,402</u>	<u>\$ 399</u>

NORTH ADAMS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Adams County Learning Center	DFC Even Start 2008	Textbook Assistance Award	After School Child Care - Northwest	Area 18 Culinary Arts 2000	Southeast Nickelodeon Just Play	H1N1 Health Service Grant	Gifted and Talented 2008-2009
Cash and investments - beginning	\$ 12,381	\$ 1,906	\$ -	\$ 2,044	\$ 405	\$ 2,001	\$ -	\$ 7,286
Receipts:								
Local sources	-	-	1,200	555	-	-	-	-
Intermediate sources	-	-	-	-	-	-	2,980	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	1,200	555	-	-	2,980	-
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	7,286
Support services	-	-	1,200	-	-	-	2,602	-
Noninstructional services	-	1,906	-	-	405	1,554	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	1,906	1,200	-	405	1,554	2,602	7,286
Excess (deficiency) of receipts over disbursements	-	(1,906)	-	555	(405)	(1,554)	378	(7,286)
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	-	(1,906)	-	555	(405)	(1,554)	378	(7,286)
Cash and investments - ending	\$ 12,381	\$ -	\$ -	\$ 2,599	\$ -	\$ 447	\$ 378	\$ -

NORTH ADAMS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Gifted and Talented 2009-2010	IN Arts Commission 2010	Healthy Families 2008-2009	Healthy Families 2009-2010	Non-English Speaking Program	School Technology	Even Start 2009-2010 Grant	Even Start Family Literacy 2008-2009
Cash and investments - beginning	\$ -	\$ -	\$ (6,040)	\$ -	\$ 63	\$ 85,489	\$ -	\$ 51,061
Receipts:								
Local sources	550	-	11,244	44	-	17,003	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	34,358	3,750	61,624	186,750	4,140	-	-	-
Federal sources	-	-	-	-	-	-	143,371	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>34,908</u>	<u>3,750</u>	<u>72,868</u>	<u>186,794</u>	<u>4,140</u>	<u>17,003</u>	<u>143,371</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	30,342	-	-	-	4,163	-	24,626	24,571
Support services	-	-	-	-	-	45,980	73,325	25,834
Noninstructional services	-	-	66,828	212,921	-	-	13,971	656
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>30,342</u>	<u>-</u>	<u>66,828</u>	<u>212,921</u>	<u>4,163</u>	<u>45,980</u>	<u>111,922</u>	<u>51,061</u>
Excess (deficiency) of receipts over disbursements	<u>4,566</u>	<u>3,750</u>	<u>6,040</u>	<u>(26,127)</u>	<u>(23)</u>	<u>(28,977)</u>	<u>31,449</u>	<u>(51,061)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>4,566</u>	<u>3,750</u>	<u>6,040</u>	<u>(26,127)</u>	<u>(23)</u>	<u>(28,977)</u>	<u>31,449</u>	<u>(51,061)</u>
Cash and investments - ending	<u>\$ 4,566</u>	<u>\$ 3,750</u>	<u>\$ -</u>	<u>\$ (26,127)</u>	<u>\$ 40</u>	<u>\$ 56,512</u>	<u>\$ 31,449</u>	<u>\$ -</u>

NORTH ADAMS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Title I 2008-2009	Title I 2009-2010	Title V, Part A 2007-2008	Adult Education Family Literacy 2008-2009	Adult Education Family Literacy 2009-2010	Drug Free Schools 2007-2008	Drug Free Schools 2008-2009	Drug Free Schools 2009-2010
Cash and investments - beginning	\$ 47,009	\$ -	\$ 993	\$ 477	\$ -	\$ 2,895	\$ 5,364	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	24,800	212,694	1,237	-	33,457	-	-	4,760
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>24,800</u>	<u>212,694</u>	<u>1,237</u>	<u>-</u>	<u>33,457</u>	<u>-</u>	<u>-</u>	<u>4,760</u>
Disbursements:								
Current:								
Instruction	52,669	193,528	-	444	15,037	-	-	-
Support services	-	16,570	47	33	4,264	2,895	1,440	1,029
Noninstructional services	-	242	2,183	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>52,669</u>	<u>210,340</u>	<u>2,230</u>	<u>477</u>	<u>19,301</u>	<u>2,895</u>	<u>1,440</u>	<u>1,029</u>
Excess (deficiency) of receipts over disbursements	<u>(27,869)</u>	<u>2,354</u>	<u>(993)</u>	<u>(477)</u>	<u>14,156</u>	<u>(2,895)</u>	<u>(1,440)</u>	<u>3,731</u>
Other financing sources (uses):								
Transfers in	-	19,140	-	-	-	-	-	-
Transfers out	<u>(19,140)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(19,140)</u>	<u>19,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(47,009)</u>	<u>21,494</u>	<u>(993)</u>	<u>(477)</u>	<u>14,156</u>	<u>(2,895)</u>	<u>(1,440)</u>	<u>3,731</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 21,494</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,156</u>	<u>\$ -</u>	<u>\$ 3,924</u>	<u>\$ 3,731</u>

NORTH ADAMS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	School Safety Grant 2009-2010	SAAC Partnership 2009-2010 Grant	Project Lead the Way 2009-2010	Project Lead the Way - Middle School - Summer 2010	Area 18 Vocational Education 2009-2010	Project Lead the Way	21st Century Northwest - Year I	McKinney - Vento Education for Homeless
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,748	\$ 67,152	\$ 55,000
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	300	-	-	-	-	-	-
Federal sources	20,001	-	11,986	2,000	19,121	-	189,002	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	20,001	300	11,986	2,000	19,121	-	189,002	-
Disbursements:								
Current:								
Instruction	-	-	11,986	809	18,667	32	33,468	-
Support services	20,001	150	-	-	-	4,716	192,755	-
Noninstructional services	-	150	-	-	-	-	64,923	54,792
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	20,001	300	11,986	809	18,667	4,748	291,146	54,792
Excess (deficiency) of receipts over disbursements	-	-	-	1,191	454	(4,748)	(102,144)	(54,792)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	36,567	-
Transfers out	-	-	-	-	-	-	(36,567)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	1,191	454	(4,748)	(102,144)	(54,792)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 1,191	\$ 454	\$ -	\$ (34,992)	\$ 208

NORTH ADAMS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Title II, Part A 2006-2008	Title III, LEP Grant 2009-2010	Safe Schools Healthy Students	Fiscal Stabilization 2009	Title I - Grants to LEAs Stimulus	McKinney - Vento Education for Homeless Stimulus	School Lunch Equipment - Southeast 2009-2010 Stimulus	Totals
Cash and investments - beginning	\$ 61,793	\$ 1,264	\$ -	\$ 175,463	\$ 27,647	\$ -	\$ -	\$ 6,658,795
Receipts:								
Local sources	-	-	-	-	-	-	-	9,378,200
Intermediate sources	-	-	-	-	-	-	-	5,610
State sources	-	-	-	-	-	-	-	12,891,826
Federal sources	89,535	3,642	545,296	420,613	82,921	58,182	11,173	2,495,740
Temporary loans	-	-	-	-	-	-	-	429,828
Other	-	-	1	-	-	-	-	56,195
Total receipts	<u>89,535</u>	<u>3,642</u>	<u>545,297</u>	<u>420,613</u>	<u>82,921</u>	<u>58,182</u>	<u>11,173</u>	<u>25,257,399</u>
Disbursements:								
Current:								
Instruction	-	-	-	84,974	50,783	-	-	8,832,986
Support services	114,198	3,940	-	76,771	-	916	-	6,419,443
Noninstructional services	-	-	640,833	863	-	13,073	11,173	2,487,947
Facilities acquisition and construction	-	-	-	135	-	-	-	1,098,288
Debt services	-	-	-	-	-	-	-	5,626,171
Nonprogrammed charges	-	-	-	433,333	-	-	-	1,170,253
Total disbursements	<u>114,198</u>	<u>3,940</u>	<u>640,833</u>	<u>596,076</u>	<u>50,783</u>	<u>13,989</u>	<u>11,173</u>	<u>25,635,088</u>
Excess (deficiency) of receipts over disbursements	<u>(24,663)</u>	<u>(298)</u>	<u>(95,536)</u>	<u>(175,463)</u>	<u>32,138</u>	<u>44,193</u>	<u>-</u>	<u>(377,689)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	1,359,466
Transfers out	-	-	-	-	-	-	-	(1,359,466)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(24,663)</u>	<u>(298)</u>	<u>(95,536)</u>	<u>(175,463)</u>	<u>32,138</u>	<u>44,193</u>	<u>-</u>	<u>(377,689)</u>
Cash and investments - ending	<u>\$ 37,130</u>	<u>\$ 966</u>	<u>\$ (95,536)</u>	<u>\$ -</u>	<u>\$ 59,785</u>	<u>\$ 44,193</u>	<u>\$ -</u>	<u>\$ 6,281,106</u>

NORTH ADAMS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011

	General	Debt Service	Retirement Bond - Debt Service	Capital Projects	Transportation Operating	Transportation Bus Replacement	Local Rainy Day	Post - Retirement/ Severance Future Benefits	Lunch
Cash and investments - beginning	\$ 180,565	\$ 1,928,332	\$ 313,079	\$ 990,243	\$ 729,882	\$ 292,634	\$ 1,441,725	\$ 186,617	\$ 235,614
Receipts:									
Local sources	147,199	3,190,918	587,179	2,087,702	1,284,163	640,652	414	848	564,722
Intermediate sources	87	-	-	-	-	-	-	-	-
State sources	12,132,975	65,510	-	-	-	-	-	-	13,583
Federal sources	-	-	-	-	-	-	-	-	705,638
Other	8,310	125	-	3,190	3,891	-	-	-	9,898
Total receipts	12,288,571	3,256,553	587,179	2,090,892	1,288,054	640,652	414	848	1,293,841
Disbursements:									
Current:									
Instruction	7,108,448	-	-	-	-	-	30,171	58,094	-
Support services	3,286,725	-	-	653,501	935,474	-	392,481	23,880	52,969
Noninstructional services	294,561	-	-	-	-	-	-	-	1,169,045
Facilities acquisition and construction	667	-	-	998,269	-	-	-	-	-
Debt services	-	3,460,816	623,551	123,428	310,297	-	-	-	-
Nonprogrammed charges	914,636	-	-	-	-	-	18,891	-	-
Total disbursements	11,605,037	3,460,816	623,551	1,775,198	1,245,771	-	441,543	81,974	1,222,014
Excess (deficiency) of receipts over disbursements	683,534	(204,263)	(36,372)	315,694	42,283	640,652	(441,129)	(81,126)	71,827
Other financing sources (uses):									
Sale of capital assets	1,052	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	35,798	-	-	-	-
Transfers out	-	(7,983)	-	-	-	-	-	-	-
Total other financing sources (uses)	1,052	(7,983)	-	-	35,798	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	684,586	(212,246)	(36,372)	315,694	78,081	640,652	(441,129)	(81,126)	71,827
Cash and investments - ending	\$ 865,151	\$ 1,716,086	\$ 276,707	\$ 1,305,937	\$ 807,963	\$ 933,286	\$ 1,000,596	\$ 105,491	\$ 307,441

NORTH ADAMS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Book Rental	Levy Excess	Child Care - High School	Educational License Plates	Alternative Education - ACCES	Southeast Early Intervention 2007-2008	Early Intervention 2009-2010	Walmart Award - Monmouth	Walmart Northwest Award
Cash and investments - beginning	\$ (207,671)	\$ -	\$ 11,101	\$ 3,694	\$ 7,804	\$ 9,440	\$ -	\$ 1,300	\$ 864
Receipts:									
Local sources	138,277	-	36,925	74	-	-	-	-	-
Intermediate sources	-	-	-	281	-	-	-	-	-
State sources	47,749	35,798	-	-	9,585	-	75,179	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	4,684	-	-	-	-	-	-	-	-
Total receipts	190,710	35,798	36,925	355	9,585	-	75,179	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	6,763	9,266	47,607	-	-
Support services	131,265	-	-	-	-	-	-	1,122	25
Noninstructional services	-	-	35,098	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	131,265	-	35,098	-	6,763	9,266	47,607	1,122	25
Excess (deficiency) of receipts over disbursements	59,445	35,798	1,827	355	2,822	(9,266)	27,572	(1,122)	(25)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	7,983	-	-	-	-	-	-	-	-
Transfers out	-	(35,798)	-	-	-	-	-	-	-
Total other financing sources (uses)	7,983	(35,798)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	67,428	-	1,827	355	2,822	(9,266)	27,572	(1,122)	(25)
Cash and investments - ending	\$ (140,243)	\$ -	\$ 12,928	\$ 4,049	\$ 10,626	\$ 174	\$ 27,572	\$ 178	\$ 839

NORTH ADAMS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Walmart Southeast Award	Ruth Giessler Memorial	ACCF - Bellmont Middle School 2010-2011	North Adams Special Education/ Autism	Camp Invention	Talent Initiative	North Adams School Grant	Healthy Families High School
Cash and investments - beginning	\$ 1,078	\$ 6	\$ -	\$ -	\$ 380	\$ -	\$ -	\$ 5,941
Receipts:								
Local sources	-	-	300	2,500	-	4,500	300	11,507
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	300	2,500	-	4,500	300	11,507
Disbursements:								
Current:								
Instruction	-	-	294	2,500	-	-	-	-
Support services	499	6	-	-	-	-	189	2,181
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	499	6	294	2,500	-	-	189	2,181
Excess (deficiency) of receipts over disbursements	(499)	(6)	6	-	-	4,500	111	9,326
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(499)	(6)	6	-	-	4,500	111	9,326
Cash and investments - ending	\$ 579	\$ -	\$ 6	\$ -	\$ 380	\$ 4,500	\$ 111	\$ 15,267

NORTH ADAMS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Southeast Special Education	G.E.D.	Certification High School Test	Adams County Learning Center	After School Child Care - Northwest	Southeast Nickelodeon Just Play	H1N1 Health Service Grant	Gifted and Talented 2009-2010
Cash and investments - beginning	\$ 2,978	\$ 2,402	\$ 399	\$ 12,381	\$ 2,599	\$ 447	\$ 378	\$ 4,566
Receipts:								
Local sources	-	3,964	-	-	-	-	-	1
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	3,964	-	-	-	-	-	1
Disbursements:								
Current:								
Instruction	188	4,816	-	-	-	-	-	4,155
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	188	4,816	-	-	-	-	-	4,155
Excess (deficiency) of receipts over disbursements	(188)	(852)	-	-	-	-	-	(4,154)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(188)	(852)	-	-	-	-	-	(4,154)
Cash and investments - ending	\$ 2,790	\$ 1,550	\$ 399	\$ 12,381	\$ 2,599	\$ 447	\$ 378	\$ 412

NORTH ADAMS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Gifted and Talented 2010-2011	Medicaid Reimbursement	IN Arts Commission 2010	Healthy Families 2009-2010	Healthy Families 2010-2011	Non-English Speaking Program	School Technology	Classroom Innovation Grant
Cash and investments - beginning	\$ -	\$ -	\$ 3,750	\$ (26,127)	\$ -	\$ 40	\$ 56,512	\$ -
Receipts:								
Local sources	-	-	-	22,926	38,650	-	3,019	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	33,843	6,408	1,250	49,121	137,539	3,009	3,229	-
Federal sources	-	14,568	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>33,843</u>	<u>20,976</u>	<u>1,250</u>	<u>72,047</u>	<u>176,189</u>	<u>3,009</u>	<u>6,248</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	17,259	-	-	-	-	2,799	-	-
Support services	-	-	-	-	-	41	42,410	16,306
Noninstructional services	-	-	5,000	45,920	197,394	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	11,000	-	-	-	-	-	-
Total disbursements	<u>17,259</u>	<u>11,000</u>	<u>5,000</u>	<u>45,920</u>	<u>197,394</u>	<u>2,840</u>	<u>42,410</u>	<u>16,306</u>
Excess (deficiency) of receipts over disbursements	<u>16,584</u>	<u>9,976</u>	<u>(3,750)</u>	<u>26,127</u>	<u>(21,205)</u>	<u>169</u>	<u>(36,162)</u>	<u>(16,306)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>16,584</u>	<u>9,976</u>	<u>(3,750)</u>	<u>26,127</u>	<u>(21,205)</u>	<u>169</u>	<u>(36,162)</u>	<u>(16,306)</u>
Cash and investments - ending	<u>\$ 16,584</u>	<u>\$ 9,976</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,205)</u>	<u>\$ 209</u>	<u>\$ 20,350</u>	<u>\$ (16,306)</u>

NORTH ADAMS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Even Start 2009-2010 Grant	Even Start 2010-2011	Title I 2009-2010	Title I 2010-2011	Adult Education Family Literacy 2009-2010	Adult Education Family Literacy 2010-2011	Drug Free Schools 2008-2009	Drug Free Schools 2009-2010
Cash and investments - beginning	\$ 31,449	\$ -	\$ 21,494	\$ -	\$ 14,156	\$ -	\$ 3,924	\$ 3,731
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	20,999	121,122	24,318	212,275	-	6,865	-	477
Other	-	-	-	-	-	-	-	-
Total receipts	20,999	121,122	24,318	212,275	-	6,865	-	477
Disbursements:								
Current:								
Instruction	9,066	38,710	33,429	197,210	6,757	6,338	-	-
Support services	36,721	82,098	1,261	10,946	7,399	-	3,924	5,239
Noninstructional services	6,661	196	97	4,082	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	52,448	121,004	34,787	212,238	14,156	6,338	3,924	5,239
Excess (deficiency) of receipts over disbursements	(31,449)	118	(10,469)	37	(14,156)	527	(3,924)	(4,762)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	11,025	-	-	-	-
Transfers out	-	-	(11,025)	-	-	-	-	-
Total other financing sources (uses)	-	-	(11,025)	11,025	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(31,449)	118	(21,494)	11,062	(14,156)	527	(3,924)	(4,762)
Cash and investments - ending	\$ -	\$ 118	\$ -	\$ 11,062	\$ -	\$ 527	\$ -	\$ (1,031)

NORTH ADAMS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	2009 Team Nutrition Mini-Grant	Project Lead the Way 2010-2011	Middle School - Project Lead the Way - 2010-2012	Project Lead the Way - Middle School - Summer 2010	Area 18 Vocational Education 2009-2010	Area 18 Vocational Education 2010-2011	21st Century Northwest - Year I	21st Century Learning Center
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 1,191	\$ 454	\$ -	\$ (34,992)	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	6,076	11,307	10,000	-	-	25,906	45,065	359,029
Other	-	-	-	-	-	-	-	-
Total receipts	<u>6,076</u>	<u>11,307</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>25,906</u>	<u>45,065</u>	<u>359,029</u>
Disbursements:								
Current:								
Instruction	-	11,307	13,524	1,191	454	25,906	-	-
Support services	-	-	-	-	-	-	8,165	353,191
Noninstructional services	4,359	-	-	-	-	-	1,908	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>4,359</u>	<u>11,307</u>	<u>13,524</u>	<u>1,191</u>	<u>454</u>	<u>25,906</u>	<u>10,073</u>	<u>353,191</u>
Excess (deficiency) of receipts over disbursements	<u>1,717</u>	<u>-</u>	<u>(3,524)</u>	<u>(1,191)</u>	<u>(454)</u>	<u>-</u>	<u>34,992</u>	<u>5,838</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,717</u>	<u>-</u>	<u>(3,524)</u>	<u>(1,191)</u>	<u>(454)</u>	<u>-</u>	<u>34,992</u>	<u>5,838</u>
Cash and investments - ending	<u>\$ 1,717</u>	<u>\$ -</u>	<u>\$ (3,524)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,838</u>

NORTH ADAMS COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	McKinney - Vento Education for Homeless	Title II, Part A 2006-2008	Title III, LEP Grant 2009-2010	Safe Schools Healthy Students	Safe Schools Healthy Students 2010-2011 Year III	Title I - Grants to LEAs Stimulus	McKinney - Vento Education for Homeless Stimulus	Totals
Cash and investments - beginning	\$ 208	\$ 37,130	\$ 966	\$ (95,536)	\$ -	\$ 59,785	\$ 44,193	\$ 6,281,106
Receipts:								
Local sources	-	-	-	-	-	-	-	8,766,740
Intermediate sources	-	-	-	-	-	-	-	368
State sources	-	-	-	-	-	-	-	12,614,778
Federal sources	-	97,106	3,171	21,876	650,198	55,281	13,824	2,405,101
Other	-	-	-	95,536	-	-	-	125,634
Total receipts	-	97,106	3,171	117,412	650,198	55,281	13,824	23,912,621
Disbursements:								
Current:								
Instruction	-	-	-	-	-	89,472	-	7,725,724
Support services	-	130,686	1,977	-	-	1,287	-	6,181,968
Noninstructional services	208	-	-	21,876	650,198	-	57,898	2,494,501
Facilities acquisition and construction	-	-	-	-	-	-	-	998,936
Debt services	-	-	-	-	-	-	-	4,518,092
Nonprogrammed charges	-	-	-	-	-	-	-	944,527
Total disbursements	208	130,686	1,977	21,876	650,198	90,759	57,898	22,863,748
Excess (deficiency) of receipts over disbursements	(208)	(33,580)	1,194	95,536	-	(35,478)	(44,074)	1,048,873
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	1,052
Transfers in	-	-	-	-	-	-	-	54,806
Transfers out	-	-	-	-	-	-	-	(54,806)
Total other financing sources (uses)	-	-	-	-	-	-	-	1,052
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(208)	(33,580)	1,194	95,536	-	(35,478)	(44,074)	1,049,925
Cash and investments - ending	\$ -	\$ 3,550	\$ 2,160	\$ -	\$ -	\$ 24,307	\$ 119	\$ 7,331,031

NORTH ADAMS COMMUNITY SCHOOLS
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2011

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>Ending Balance</u>
Capital assets not being depreciated:	
Land	\$ 222,600
Buildings	26,287,354
Improvements other than buildings	465,003
Machinery and equipment	<u>7,609,773</u>
Total capital assets not being depreciated	<u>\$ 34,584,730</u>

NORTH ADAMS COMMUNITY SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2011

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	Fund
Capital leases:			
Bellmont Middle School Renovation	\$ 1,785,000	\$ 1,243,969	Debt Service
North Adams Community Schools Renovations	10,827,140	1,811,588	Debt Service
North Adams Community Schools Guaranteed Energy Savings	4,115,000	462,870	Debt Service
Computer Equipment	67,514	23,952	Capital Projects
Copiers	67,062	35,280	Capital Projects
Technology - Radio Tower	65,172	62,374	Capital Projects
Bonds payable:			
General obligation bonds:			
Finance Retirement/Severance Liabilities	<u>6,135,000</u>	<u>625,096</u>	Retirement Bond - Debt Service
Total debt	<u>\$ 23,061,888</u>	<u>\$ 4,265,129</u>	

NORTH ADAMS COMMUNITY SCHOOLS
AUDIT RESULT AND COMMENT

OVERDRAWN CASH BALANCES

The cash balance of the Book Rental Fund was overdrawn as follows:

<u>Fund</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>
Book Rental	\$ <u>207,671</u>	\$ <u>140,243</u>

A similar comment appeared in prior Report B35651.

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)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

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

Compliance

We have audited the compliance of the 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, 2010 and 2011. 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, 2010 and 2011. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2011-1.

Internal Control Over Compliance

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

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)

in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

A deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

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

STATE BOARD OF ACCOUNTS

December 15, 2011

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

NORTH ADAMS COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011

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 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 117,033	\$ -
		FY09-10 FY10-11	-	118,168
Total for program			<u>117,033</u>	<u>118,168</u>
National School Lunch Program	10.555		519,419	-
		FY09-10 FY10-11	-	551,048
Total for program			<u>519,419</u>	<u>551,048</u>
Summer Food Service Program for Children	10.559		30,660	-
		FY09-10 FY10-11	-	98,528
Total for program			<u>30,660</u>	<u>98,528</u>
Total for cluster			<u>667,112</u>	<u>767,744</u>
Team Nutrition Grants	10.574		-	4,358
		FY10-11		
ARRA - Child Nutrition Discretionary Grants Limited Availability, Recovery Act	10.579		11,173	-
		FY09-10		
Total for federal grantor agency			<u>678,285</u>	<u>772,102</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010		52,669	-
Regular Funding		09-0025		
Regular Funding		10-0025	210,340	34,785
Regular Funding		11-0025	-	212,239
Total for program			<u>263,009</u>	<u>247,024</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389		50,783	6,685
		10-0025 11-0025	-	84,073
Total for program			<u>50,783</u>	<u>90,758</u>
Total for cluster			<u>313,792</u>	<u>337,782</u>
Education for Homeless Children and Youth Cluster				
Education for Homeless Children and Youth	84.196		54,792	208
		FY2008-2009		
ARRA - Education for Homeless Children and Youth, Recovery Act	84.387		916	-
Transportation		FY2009-2010 FY2009-2010 FY2010-2011	13,073	41,927
			-	15,972
Total for program			<u>13,989</u>	<u>57,899</u>
Total for cluster			<u>68,781</u>	<u>58,107</u>
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394		596,072	-
		FY2009-2010		
Direct Grant				
Safe and Drug-Free Schools and Communities - National Programs	84.184		545,299	117,411
		FY2009-2010 FY2010-2011	-	636,832
Total for program			<u>545,299</u>	<u>754,243</u>
Pass-Through Indiana Department of Education				
Adult Education - Basic Grants to States	84.002		477	-
		FY2009-8027 FY2010-8027 FY2011-8027	19,301	8,096
			-	6,337
Total for program			<u>19,778</u>	<u>14,433</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, 2010 and 2011
(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 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Bluffton-Harrison Metropolitan School District Career and Technical Education - Basic Grants to States	84.048			
		10-4700-8445	19,121	-
		11-4700-8445	-	25,907
Total for program			<u>19,121</u>	<u>25,907</u>
Pass-Through Indiana Department of Education Safe and Drug-Free Schools and Communities - State Grants	84.186			
		0025-07	2,895	-
		08-0025	1,440	3,924
		09-0025	1,029	5,238
		10-30	20,000	-
Total for program			<u>25,364</u>	<u>9,162</u>
Even Start - State Educational Agencies	84.213			
		FY2009-1001	51,061	-
		FY2009-1010	111,921	52,449
		FY2010	-	121,123
Total for program			<u>162,982</u>	<u>173,572</u>
Pass-Through Indiana Department of Workforce Development Tech-Prep Education	84.243			
		C1-10-PLTW-9-687	11,986	-
		A58-1-11CI-066	-	11,306
Total for program			<u>11,986</u>	<u>11,306</u>
Pass-Through Indiana Department of Education Twenty-First Century Community Learning Centers	84.287			
		FY2008-2009-0025	30,585	-
		FY2009-2010-0025	260,559	10,074
		FY2010-2011-0025	-	353,192
Total for program			<u>291,144</u>	<u>363,266</u>
State Grants for Innovative Programs	84.298			
		07-0025	2,183	-
Pass-Through South Adams Schools English Language Acquisition Grants	84.365			
		FY2008-2009	1,264	-
		FY2009-2010	2,674	865
		FY2010-2011	-	1,011
Total for program			<u>3,938</u>	<u>1,876</u>
Pass-Through Indiana Department of Education Improving Teacher Quality State Grants	84.367			
		07-0025	27,011	-
		08-0025	76,478	19,837
		FY09	10,707	95,516
		FY10	-	15,332
Total for program			<u>114,196</u>	<u>130,685</u>
Total for federal grantor agency			<u>2,174,636</u>	<u>1,880,339</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass-Through Boys and Girls Club of Adams County Drug-Free Communities Support Program Grants	93.276			
		5H79SP013635-04	300	-
Total for federal grantor agency			<u>300</u>	<u>-</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Pass-Through Indiana Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036			
		DR1766	9,413	-
Total for federal grantor agency			<u>9,413</u>	<u>-</u>
Total federal awards expended			<u>\$ 2,862,634</u>	<u>\$ 2,652,441</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

Note 1. 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 cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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 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.

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2010 and 2011. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	Year Ended June 30, 2010	Year Ended June 30, 2011
Child Nutrition Cluster:			
Food Commodities			
School Breakfast Program	10.553	\$ 10,819	\$ 11,409
National School Lunch Program	10.555	<u>47,542</u>	<u>50,697</u>
Total for cluster		<u>\$ 58,361</u>	<u>\$ 62,106</u>

NORTH ADAMS COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	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?	yes

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.213	Child Nutrition Cluster Title I, Part A Cluster State Fiscal Stabilization Fund Cluster Even Start – State 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.

NORTH ADAMS COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2011 – 1 - CASH MANAGEMENT

Federal Agency: U.S. Department of Education
Federal Program: ARRA - Title I Grants to Local Educational Agencies, Recovery Act
CFDA Number: 84.389
Federal Award Number and Year: 10-0025, 11-0025
Pass-Through Entity: Indiana Department of Education

Amounts received by the School Corporation for the ARRA - Title I Grants to Local Educational Agencies, Recovery Act grant were drawn down in advance for the 2009-2010 school year. For the 2010-2011 school year, a cash reimbursement form was required to receive reimbursement of expenditures. The cash balance of the grant exceeded the allowable cash balance based on estimated future requirements for 21 of the 24 months during the audit period. The cash balance of the grant at June 30, 2011, was \$24,307, which was approximately 15 percent of the total grant award. During December 2009, the School Corporation requested that no additional funds be advanced to them until the July 2010 cash request. One final distribution of \$55,280 was received in March 2011 which increased the cash balance beyond the allowable amount for the remainder of the audit period. The last expenditure from the grant was made in September 2011.

34 CFR 80.20 (b)(7) states:

"Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

Surplus cash indicates noncompliance with the cash management requirement as set forth by the grant agreement. Additionally, failure to minimize the cash on hand may cause future funding to be reduced by the pass-through agency.

We recommended that the School Corporation officials develop and implement procedures and controls to ensure that the time between the receipt and disbursement of federal funds is minimized according to the grant requirements.

NORTH ADAMS COMMUNITY SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.



North Adams
Community Schools
Every Child, Every Chance, Every Day

625 Stadium Dr.
Decatur, IN 46733-2721
260/724-7146

Wylie Sirk – Superintendent
Larry Carty – Business Manager
Miriam Hopkins – Technology
Krista Schloss – Programs and Assessments

November 21, 2011

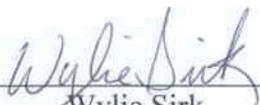
Indiana State Board of Accounts
302 West Washington Street, Room E418
Indianapolis, IN 46204

Re: Corrective Action Plan

FEDERAL FINDING 2011 - 1, CASH MANAGEMENT

Federal Agency: U. S. Department of Education
Federal Program: ARRA – Title I Grants to Local Educational Agencies
CFDA Number: 84.389
Federal Award Number and Year: 10-0025
Pass-through Entity: Indiana Department of Education

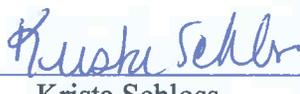
North Adams Community Schools will make every reasonable effort to comply with minimizing the time elapsing between the transfer of funds from the U. S. Treasury and disbursement by grantees. Development of procedures will be undertaken to facilitate both the tracking of expenses and the timely utilization of received funds.



Wylie Sirk
Superintendent



Larry G. Carty
Business Manager/Treasurer



Krista Schloss
Program/Assessment Director

NORTH ADAMS COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on December 15, 2011, with Larry G. Carty, Treasurer; Wylie Sirk, Superintendent of Schools; and Timothy B. Ehlerding, President of the School Board. The officials concurred with our audit finding.