CAMANCHE COMMUNITY SCHOOL DISTRICT
Camanche, Iowa

FINANCIAL STATEMENTS
June 30, 2004

CAMANCHE COMMUNITY SCHOOL DISTRICT

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CAMANCHE COMMUNITY SCHOOL DISTRICT

OFFICIALS

Name	Title	Term Expires
	Board of Education (Before September, 2003 Election)	
John Thomas	President	2005
Gary Haines	Vice-President	2005
Gary Cross	Member	2003
Tom Klahn	Member	2003
Pat Bryan	Member	2004
Steve Campie	Member	2004
Shelly McCausland	Member	2004
	Board of Education (After September, 2003 Election)	
John Thomas	President	2005
Pat Bryan	Vice-President	2004
Steve Campie	Member	2004
Shelly McCausland	Member	2004
Darcy Thornton	Member	2005
Pam Baretich	Member	2006
Mike Dunn	Member	2006
	School Officials	
Thomas E. Parker	Superintendent	2004
Roxanne L. Aude	Business Director Board Secretary/Treasurer	2004
Jerry D. Van Scoy	Attorney	Indefinite

Clifton Gunderson LLP
Certified Public Accountants & Consultants

Independent Auditor's Report

To the Board of Education
Camanche Community School District

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Camanche Community School District, Camanche, Iowa, as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of District officials. 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, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and provisions 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Camanche Community School District as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 12 to the financial statements, during the year ended June 30, 2004, Camanche Community School District adopted Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*; Statement No. 38, *Certain Financial Statement Note Disclosures*; Statement No. 41, *Budgetary Comparison Schedule - Perspective Differences*; and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2004, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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 accessing the results of our audit.

Offices in 13 states and Washington, DC

Member of HLB International

The management's discussion and analysis and budgetary comparison information on pages 4-14 and 44-46 are not a required part of the basic financial statements, but are supplemental 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 supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Camanche Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2003 (which are not presented herein) and expressed an unqualified opinion on those financial statements. The supplemental information included in Schedules 1 through 5, is presented for purposes of additional analysis 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.

Clifton Gunderson LLP

Clinton, Iowa
August 30, 2004

CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2004

Camanche Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2004. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

Because the District is implementing new reporting standards for this fiscal year with significant changes in content and structure, much of the information is not easily comparable to prior years. However, in future years, comparisons will be more meaningful and will go further in explaining the District's financial position and results of operations.

2004 FINANCIAL HIGHLIGHTS

- General Fund revenues decreased from $7,498,738 in fiscal 2003 to $7,070,740 in fiscal 2004, while General Fund expenditures increased from $7,191,220 in fiscal 2003 to $7,204,262 in fiscal 2004. The District's General Fund balance decreased from $665,863 in fiscal 2003 to $589,307 in fiscal 2004, an 11% decrease.

- The decrease in General Fund revenues was attributable to a 2.5% across the board reduction in school foundation aid and property/mobile home taxes received. As a result, the District funded a portion of the current year General Fund expenditures from the carryover fund balance.

- The increase in General Fund expenditures is partly due to the increase in salaries, benefits and utilities. An increase in health insurance claims also contributed to the increase in expenditures.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Camanche Community School District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental services were financed in the short-term as well as what remains for future spending. Fund financial statements report Camanche Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Camanche Community School District acts solely as an agent or custodian for the benefit of those outside of the District.

Notes to financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplemental Information further explains and supports the financial statements with a comparison of the District's budget for the year.

Other Supplemental Information provides detailed information about the nonmajor Special Revenue Funds.

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

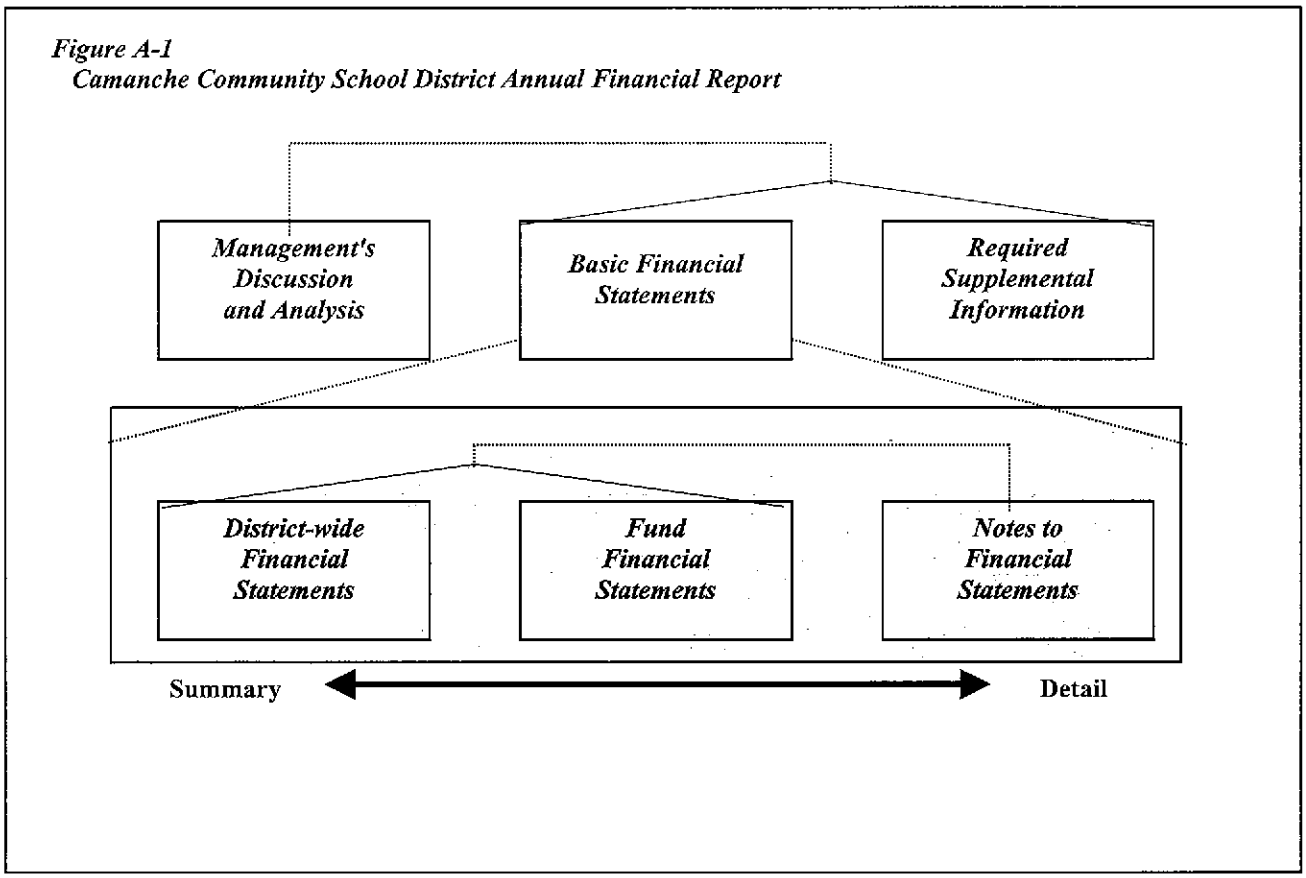

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-2
Major Features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and adult education	Instances in which the District administers resources on behalf of someone else, such as scholarship programs
Required financial statements	• Statement of net assets • Statement of activities	• Balance sheet • Statement of revenues, expenditures and changes in fund balances	• Statement of net assets • Statement of revenues, expenses and changes in fund net assets • Statement of cash flows	• Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report the District's net assets and how they have changed. Net assets - the difference between the District's assets and liabilities - are one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net assets are an indicator of whether financial position is improving or deteriorating. To assess the District's overall health, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

In the government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.

- *Business-type activities*: The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds, or to show that it is properly using certain revenues, such as federal grants.

The District has three kinds of funds:

1) *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The District's governmental funds include the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

2) *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's Enterprise Funds, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The District currently has one Enterprise Fund, the School Nutrition Fund.

The required financial statements for proprietary funds include a statement of net assets; a statement of revenues, expenses and changes in net assets, and a statement of cash flows.

3) *Fiduciary funds*: The District is the trustee, or fiduciary, for assets that belong to others. These funds include Private-Purpose Trust and Agency Funds.

- Private-Purpose Trust Fund - The District accounts for outside donations for scholarships for individual students in this fund.

- Agency Funds - These are funds through which the District administers and accounts for certain federal and/or state grants on behalf of other Districts and certain revenue collected for students, teachers, and others.

The District is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The required financial statements for fiduciary funds includes a statement of fiduciary net assets and a statement of changes in fiduciary net assets.

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The District adopted GASB Statement No. 34 during 2004. Therefore, a comparative analysis of Government-wide data will not be represented until fiscal year 2005 when comparative balances are available.

Net assets may serve, over time, as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by $5,144,686 as of June 30, 2004.

A portion of the District's net assets (73.3%) reflects its investment in capital assets (e.g., land, land improvements, buildings and building improvements, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The Government-wide statements also include $5,149,331 in long-term liabilities (see Note 6 on pages 38-39), including general obligation bonds and compensated absences.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of the District's net assets for the fiscal year ended June 30, 2004.

	Governmental Activities	Business-Type Activities	Total
Current assets	$ 6,665,877	$ 78,057	$ 6,743,934
Capital assets, net of accumulated depreciation	8,797,695	30,899	8,828,594
Total assets	15,463,572	108,956	15,572,528
Current liabilities	5,278,225	286	5,278,511
Long-term liabilities	5,149,331	-	5,149,331
Total liabilities	10,427,556	286	10,427,842
Net assets			
Invested in capital assets, net of related debt	3,737,695	30,899	3,768,594
Restricted	106,840	-	106,840
Unrestricted	1,191,481	77,771	1,269,252
Total net assets	$ 5,036,016	$ 108,670	$ 5,144,686

The largest portion of the District's net assets is the invested in capital assets (e.g., land, land improvements, buildings and building improvements, and machinery and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with sources other than capital assets.

Restricted net assets represent resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net assets were $106,840 at year end.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements were $1,269,252 at year end.

Changes in net assets. The District's total revenue for the fiscal year ended June 30, 2004 was $8,828,132. The total cost of all programs and services was $8,882,220. The following table presents a summary of the changes in net assets for the fiscal year ended June 30, 2004.

	Governmental Activities	Business-Type Activities	Total
Revenues			
Program revenues			
Charges for services	$ 973,769	$ 216,002	$ 1,189,771
Operating grants, contributions, and restricted interest	143,030	157,165	300,195
General revenues			
Property and mobile home tax	3,136,879	-	3,136,879
Local option sales taxes	495,712	-	495,712
AEA flowthrough	253,750	-	253,750
Unrestricted investment earnings	11,105	1,196	12,301
Unrestricted state aid	2,664,783	-	2,664,783
Other	774,741	-	774,741
Total revenues	8,453,769	374,363	8,828,132
Expenses			
Instruction	4,967,708	-	4,967,708
Support services			
Student services	240,156	-	240,156
Instructional staff services	388,427	-	388,427
Administration services	863,212	-	863,212
Operation and maintenance of plant services	556,384	-	556,384
Transportation services	193,566	-	193,566
Central support services	52,202	-	52,202
Non-instructional programs	14,771	333,148	347,919
Other expenditures			
Facilities acquisitions	269,686	-	269,686
Long-term debt interest and finance charges	229,526	-	229,526
AEA flowthrough	253,750	-	253,750
Depreciation (unallocated)	519,684	-	519,684
Total expenses	8,549,072	333,148	8,882,220
Change in net assets	$ (95,303)	$ 41,215	$ (54,088)

Property and local option sales tax and unrestricted state grants account for 71% of the total revenue. The District's expenses primarily relate to instruction and support services, which account for 82% of the total expenses.

Governmental Activities

Revenues for governmental activities were $8,453,769 and expenses were $8,549,072.

The following table presents the cost of the District's functional governmental activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District taxpayers by each of these functions.

	Total Expenses	Net (Expenses) Revenues
Instruction	$ 4,967,708	$ (3,880,637)
Support services		
Student services	240,156	(240,156)
Instructional staff services	388,427	(388,427)
Administration services	863,212	(863,212)
Operations and maintenance of plant services	556,384	(541,384)
Transportation services	193,566	(181,538)
Central support services	52,202	(52,202)
Non-instructional programs	14,771	(14,771)
Other expenditures		
Facilities acquisitions	269,686	(266,986)
Long-term debt interest and finance charges	229,526	(229,526)
AEA flowthrough	253,750	(253,750)
Depreciation (unallocated)	519,684	(519,684)
Total expenses	$ 8,549,072	$ (7,432,273)

- The cost of all governmental activities this year was $8,549,072.
- Federal and State governments and charges for services subsidized certain governmental activities with grants and contributions and other local revenues of $1,116,799.

Net cost of governmental activities ($7,432,273), was financed by general revenues, which are made up of primarily property and local option sales tax ($3,632,591) and state aid ($2,664,783). Investment earnings, sale of equipment and miscellaneous sources accounted for $1,039,596.

Business-Type Activities

Revenues for business-type activities were $374,363 and expenses were $333,148. The District's business-type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

During the year ended June 30, 2004, the District experienced an increase in student participation in the School Nutrition Fund. This increase resulted in increased revenue to the School Nutrition Fund, which the District has obligated for the self-sufficiency of the Food Service Department's salaries, benefits, utilities, supplies and equipment.

INDIVIDUAL FUND ANALYSIS

As previously noted, Camanche Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported a combined fund balance of $1,406,047, slightly above last year's ending fund balance of $1,378,586.

Governmental Fund Highlights

- The District's deteriorating General Fund financial position is the result of many factors. A decrease in tax and grant revenue resulted in decreased revenues overall. The decrease in revenues coupled by the District's increase in General Fund expenditures required the District to use carryover fund balance to meet its financial obligations during the year.

- The General Fund balance decreased from $665,863 to $589,307, due in part to the negotiated salary and benefits settlement, the reduction in state aid and existing expenditure commitments of the District.

- The Debt Service Fund balance increased from $260,229 in fiscal 2003 to $279,741 in fiscal 2004. Expenditures decreased because the bond interest payment was smaller in fiscal 2004 compared to fiscal 2003. Property tax relief has occurred in the Debt Service Fund due to some Local Option Sales and Services Tax money being used.

Proprietary Fund Highlights

School Nutrition Fund net assets increased from $67,455 at June 30, 2003 to $108,670 at June 30, 2004, representing an increase of approximately 61%. For fiscal 2004, the District offered a school lunch program to provide students with the option of an a la carte meal along with individual items at lunch with little additional cost to the program. This change resulted in an increase in meals served and a related increase in revenue and net assets.

BUDGETARY HIGHLIGHTS

Over the course of the year, Camanche Community School District did not amend its annual budget.

The District's receipts were $145,920 more than budgeted receipts, a variance of 1.7%.

Total expenditures were less than budgeted, due primarily to the District's budget for the General Fund. It is the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed actual expenditures for the year.

In spite of the District's budgetary practice, the certified budget was exceeded in the instruction and other expenditures functional areas due to the unanticipated participation in early retirement and unforeseen expenses incurred with building repairs and updates which led to unexpected expenditures in the Management Fund and Local Option Sales and Services Tax Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2004, the District had invested $8,828,594 in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of $89,852 from last year, primarily due to machinery and equipment. Total depreciation expense for the year was $526,799.

The following schedule presents capital asset balances net of depreciation for the fiscal year ended June 30, 2004.

	Governmental Activities	Business-Type Activities	Total
Land	$ 21,939	$ -	$ 21,939
Land improvements	545,063	-	545,063
Buildings and building improvements	7,931,795	-	7,931,795
Machinery and equipment	298,898	30,899	329,797
Total	$ 8,797,695	$ 30,899	$ 8,828,594

Additional information on the District's capital assets can be found in Note 5 on pages 37-38 of this report.

Long-Term Debt

At June 30, 2004, the District had $5,149,331 in general obligation and other long-term debt outstanding. This represents a decrease of approximately 5.35% from last year. Additional information about the District's long-term debt is presented in Note 6 on pages 38-39 of this report.

	Amount
General obligation bonds	$ 5,060,000
Compensated absences	89,331
Total	$ 5,149,331

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect its financial health in the future:

- The District enrollment increasing from the 2003-2004 school year to the 2004-2005 school year.

- An evaluation has been done regarding the condition of the transportation vehicles. It has been determined that new buses and vehicles will be put on a rotation for replacement. To pay for these purchases, the District could use resources from either the Local Option Sales and Service Tax Fund or the Physical Plant and Equipment Levy Fund.

- The District is self-funded with Health Care/Prescription Drug Insurance. The rising costs in these two areas are constantly being monitored.

- The offering of the Early Retirement Incentive to the District's employees. There are 21 certified and classified employees who would qualify to participate in the Early Retirement Incentive.

- The expiration of the 21st Century Grant for the after school program has resulted in activities being cut along with three fulltime and several part-time employees. At this time submittal funding has not been found for the continuation of the after school program.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Business and Finance Office, Camanche Community School District, 702 13th Avenue, Camanche, Iowa 52730.

BASIC FINANCIAL STATEMENTS

EXHIBIT A

CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
June 30, 2004

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 298,577	$ 59,043	$ 357,620
Investments	1,578,509	-	1,578,509
Property taxes receivable			
Current year delinquent	41,319	-	41,319
Succeeding year	3,132,000	-	3,132,000
Other receivables	19,841	12,044	31,885
Due from other governments	117,157	-	117,157
Inventories	-	6,970	6,970
ISCAP investments	1,475,664	-	1,475,664
ISCAP accrued interest receivable	2,810	-	2,810
Capital assets, net of accumulated depreciation	8,797,695	30,899	8,828,594
Total assets	15,463,572	108,956	15,572,528
LIABILITIES			
Accounts payable and accrued liabilities	63,547	286	63,833
Accrued payroll and deductions	494,317	-	494,317
Accrued interest payable	18,395	-	18,395
Incurred but not reported claims	83,000	-	83,000
ISCAP warrants payable	1,467,000	-	1,467,000
ISCAP accrued interest payable	4,261	-	4,261
ISCAP unamortized premium	15,705	-	15,705
Deferred revenue	3,132,000	-	3,132,000
Long-term liabilities			
Portion due within one year:			
Bonds payable	335,000	-	335,000
Compensated absences	89,331	-	89,331
Portion due after one year:			
Bonds payable	4,725,000	-	4,725,000
Total liabilities	10,427,556	286	10,427,842
NET ASSETS			
Investment in capital assets, net of related debt	3,737,695	30,899	3,768,594
Restricted for:			
Management levy	24,858	-	24,858
Physical plant and equipment levy	28,055	-	28,055
Other special revenue purposes	53,927	-	53,927
Unrestricted	1,191,481	77,771	1,269,252
Total net assets	$ 5,036,016	$ 108,670	$ 5,144,686

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2004

		Program Revenues	
Functions/Programs	**Expenses**	**Charges for Service**	**Operating Grants, Contributions, and Restricted Interest**
Governmental activities:			
Instruction			
Regular instruction	$ 2,970,421	$ 432,358	$ 30,342
Special instruction	1,113,405	323,806	67,368
Other instruction	883,882	202,877	30,320
	4,967,708	959,041	128,030
Support services			
Student services	240,156	-	-
Instructional staff services	388,427	-	-
Administration services	863,212	-	-
Operation and maintenance of plant services	556,384	-	15,000
Transportation services	193,566	12,028	-
Central support services	52,202	-	-
	2,293,947	12,028	15,000
Non-instructional programs	14,771	-	-
Other expenditures			
Facilities acquisition	269,686	2,700	-
Long-term debt interest and finance charges	229,526	-	-
AEA flow through	253,750	-	-
Depreciation (unallocated)	519,684	-	-
	1,272,646	2,700	-
Total governmental activities	8,549,072	973,769	143,030
Business-type activities:			
Non-instructional programs			
School nutrition	333,148	216,002	157,165
Total	$ 8,882,220	$ 1,189,771	$ 300,195

General revenues:
Property tax levied for:
General purposes
Debt service
Capital outlay
Local option sales tax
Unrestricted student book fees
Unrestricted state aid
AEA flow through
Unrestricted investment earnings
Miscellaneous
Total general revenues

CHANGE IN NET ASSETS

NET ASSETS, BEGINNING OF YEAR, AS RESTATED

NET ASSETS, END OF YEAR

Net (Expenses) Revenues and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
$ (2,507,721)	$ -	$(2,507,721)
(722,231)	-	(722,231)
(650,685)	-	(650,685)
(3,880,637)	-	(3,880,637)
(240,156)	-	(240,156)
(388,427)	-	(388,427)
(863,212)	-	(863,212)
(541,384)	-	(541,384)
(181,538)	-	(181,538)
(52,202)	-	(52,202)
(2,266,919)	-	(2,266,919)
(14,771)	-	(14,771)
(266,986)	-	(266,986)
(229,526)	-	(229,526)
(253,750)	-	(253,750)
(519,684)	-	(519,684)
(1,269,946)	-	(1,269,946)
(7,432,273)	-	(7,432,273)
-	40,019	40,019
(7,432,273)	40,019	(7,392,254)
2,631,146	-	2,631,146
433,192	-	433,192
72,541	-	72,541
495,712	-	495,712
84,959	-	84,959
2,664,783	-	2,664,783
253,750	-	253,750
11,105	1,196	12,301
689,782	-	689,782
7,336,970	1,196	7,338,166
(95,303)	41,215	(54,088)
5,131,319	67,455	5,198,774
$ 5,036,016	$ 108,670	$ 5,144,686

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

EXHIBIT C

CAMANCHE COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2004

	General	Debt Service	Nonmajor Governmental Funds	Total
ASSETS				
Cash and cash equivalents	$ 211,052	$ -	$ 87,525	$ 298,577
Investments	929,240	274,418	374,851	1,578,509
Property taxes receivable				
Current year delinquent	33,014	5,323	2,982	41,319
Succeeding year	2,559,000	353,000	220,000	3,132,000
Other receivables	19,841	-	-	19,841
Due from other governments	43,012	-	74,145	117,157
ISCAP investments	1,475,664	-	-	1,475,664
ISCAP accrued interest receivable	2,810	-	-	2,810
TOTAL ASSETS	$ 5,273,633	$ 632,741	$ 759,503	$ 6,665,877
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	$ 61,043	$ -	$ 2,504	$ 63,547
Accrued payroll and deductions	494,317	-	-	494,317
Incurred but not reported claims	83,000	-	-	83,000
ISCAP warrants payable	1,467,000	-	-	1,467,000
ISCAP accrued interest payable	4,261	-	-	4,261
ISCAP unamortized premium	15,705	-	-	15,705
Deferred revenue	2,559,000	353,000	220,000	3,132,000
Total liabilities	4,684,326	353,000	222,504	5,259,830
Fund balances				
Reserved for:				
Debt service	-	279,741	-	279,741
Unreserved	589,307	-	536,999	1,126,306
Total fund balances	589,307	279,741	536,999	1,406,047
TOTAL LIABILITIES AND FUND BALANCES	$ 5,273,633	$ 632,741	$ 759,503	$ 6,665,877

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

CAMANCHE COMMUNITY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
June 30, 2004

Total fund balances of governmental funds (page 19)	$ 1,406,047
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	8,797,695
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(18,395)
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	(5,149,331)
Net assets of governmental activities (page 16)	$ 5,036,016

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

EXHIBIT E

CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2004

	General	Debt Service	Nonmajor Governmental Funds	Total
REVENUES				
Local sources				
Local taxes	$ 2,474,156	$ 433,192	$ 725,243	$ 3,632,591
Tuition	756,164	-	-	756,164
Other	278,547	1,863	222,896	503,306
State sources	3,203,821	-	-	3,203,821
Federal sources	358,052	-	-	358,052
Total revenues	7,070,740	435,055	948,139	8,453,934
EXPENDITURES				
Current operating:				
Instruction				
Regular instruction	2,992,524	-	-	2,992,524
Special instruction	1,113,405	-	-	1,113,405
Other instruction	579,039	-	307,997	887,036
Total instruction	4,684,968	-	307,997	4,992,965
Support services				
Student services	250,037	-	-	250,037
Instructional staff services	388,427	-	-	388,427
Administration services	807,189	-	70,881	878,070
Operation and maintenance of plant services	580,789	-	-	580,789
Transportation services	173,320	-	38,832	212,152
Central support services	51,011	-	-	51,011
Total support services	2,250,773	-	109,713	2,360,486
Non-instructional programs	14,771	-	-	14,771

CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2004

	General	Debt Service	Nonmajor Governmental Funds	Total
EXPENDITURES (CONTINUED)				
Current operating (continued):				
Other expenditures				
Facilities acquisition	$ -	$ -	$ 268,958	$ 268,958
Long-term debt				
Principal	-	305,000	-	305,000
Interest and finance charges	-	230,543	-	230,543
AEA flow through	253,750	-	-	253,750
Total other expenditures	253,750	535,543	268,958	1,058,251
Total expenditures	7,204,262	535,543	686,668	8,426,473
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(133,522)	(100,488)	261,471	27,461
OTHER FINANCING SOURCES (USES)				
Operating transfers in	66,966	120,000	10,000	196,966
Operating transfers out	(10,000)	-	(186,966)	(196,966)
Total other financing sources (uses)	56,966	120,000	(176,966)	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(76,556)	19,512	84,505	27,461
FUND BALANCES, BEGINNING OF YEAR	665,863	260,229	452,494	1,378,586
FUND BALANCES, END OF YEAR	$ 589,307	$ 279,741	$ 536,999	$ 1,406,047

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

CAMANCHE COMMUNITY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2004

Net change in fund balances - total governmental funds (page 22)		$ 27,461
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the Statement of Net Assets and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:		
Capital outlays	$ 104,983	
Depreciation expense	(519,684)	
		(414,701)
Loss on disposal of assets		(165)
Repayment of long-term debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets.		305,000
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due:		
Change in accrued interest payable		1,017
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Change in compensated absences		(13,915)
Change in net assets of governmental activities (page 18)		$ (95,303)

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

EXHIBIT G

CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUND
June 30, 2004

	Enterprise Fund - School Nutrition
ASSETS	
Current assets:	
Cash and cash equivalents	$ 59,043
Other receivables	12,044
Inventories	6,970
Total current assets	78,057
Noncurrent assets:	
Furniture and equipment	154,144
Less accumulated depreciation	(123,245)
Total noncurrent assets	30,899
Total assets	108,956
LIABILITIES	
Accounts payable and accrued liabilities	286
NET ASSETS	
Invested in capital assets	30,899
Unrestricted	77,771
Total net assets	$ 108,670

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

EXHIBIT H

CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUND
Year Ended June 30, 2004

	Enterprise Fund - School Nutrition
OPERATING REVENUES	
Local sources	
Food service sales	$ 216,002
OPERATING EXPENSES	
Non-instructional programs	
Food service operations	
Salaries	112,772
Employee benefits	25,039
Other purchased services	34,382
Supplies	153,068
Depreciation	7,115
Other operating costs	772
Total operating expenses	333,148
Operating loss	(117,146)
NON-OPERATING REVENUES	
State sources	4,834
Federal sources	
Federal food commodities	19,396
Federal subsidy	132,935
Interest on investments	1,196
Total non-operating revenues	158,361
CHANGE IN NET ASSETS	41,215
NET ASSETS, BEGINNING OF YEAR	67,455
NET ASSETS, END OF YEAR	$ 108,670

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

EXHIBIT I

CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2004

	Enterprise Fund - School Nutrition
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from sale of lunches and breakfasts	$ 203,958
Cash payments to employees for services	(137,811)
Cash payments to suppliers for goods and services	(188,996)
Net cash used in operating activities	(122,849)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Operating grants received	157,165
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of equipment	(4,677)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	1,196
NET INCREASE IN CASH AND CASH EQUIVALENTS	30,835
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	28,208
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 59,043

CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2003

	Enterprise Fund - School Nutrition
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	$ (117,146)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	7,115
Increase in other receivables	(12,044)
Decrease in inventories	760
Decrease in accounts payable	(1,534)
Net cash used in operating activities	$ (122,849)

NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

During the year ended June 30, 2004, the District received $19,396 of federal commodities.

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2004

	Private Purpose Trust Scholarship	Agency Fund
ASSETS		
Cash and cash equivalents	$ 838	$ 1,290
Investments	26,036	-
Total assets	26,874	1,290
LIABILITIES		
Due to other groups	-	1,290
NET ASSETS		
Reserved for scholarships	$ 26,874	$ -

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year Ended June 30, 2004

	Private Purpose Trust Scholarship
ADDITIONS	
Local sources	
Interest	$ 191
Memorials/contributions	2,000
Total additions	2,191
DEDUCTIONS	
Support services	
Scholarships awarded	7,500
CHANGE IN NET ASSETS	(5,309)
NET ASSETS, BEGINNING OF YEAR	32,183
NET ASSETS, END OF YEAR	$ 26,874

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Camanche Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. The geographic area served includes the City of Camanche, Iowa, and the nearby surrounding agricultural territory in Clinton County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Camanche Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District. The Camanche Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

B. Basis of Presentation

Government-wide financial statements - The statement of net assets and the statement of activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for service.

The statement of net assts presents the District's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other nonmajor governmental funds.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenses, including instructional, support and other costs.

The Debt Service Fund is utilized to account for the payment of interest and principal on the District's general long-term debt.

The District's major proprietary fund is the Enterprise, School Nutrition Fund. This fund is used to account for the food service operations of the District.

The District also reports fiduciary funds, which focus on net assets and changes in net assets. The District's fiduciary funds included the following:

The Private Purpose Trust Scholarship Fund is used to account for assets held by the District under trust agreements which require income earned to be used to benefit individuals through scholarship awards.

The Agency Fund is used to account for assets held by the District as an agent for individuals, private organizations and other governments. The Agency Fund is custodial in nature, assets equal liabilities, and does not involve measurement of results of operations.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year-end.

Property tax, intergovernmental revenue (shared revenues, grants, and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments, and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

The proprietary fund of the District applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expense from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund is charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (continued)

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the balance sheet:

Cash, Pooled Investments and Cash Equivalents - The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust which is valued at amortized cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, they have a maturity date no longer than three months.

Property Tax Receivable - Property tax in the governmental funds are accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the Government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2002 assessed property valuations; is for the tax accrual period July 1, 2003 through June 30, 2004 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2003.

Due from Other Governments - Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories - Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Fund Equity (continued)

Capital Assets - Capital assets, which include property, furniture, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide statement of net assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Land	$ 500
Land improvements	500
Buildings	500
Furniture and equipment	500

Property, furniture and equipment are depreciated using the straight line method of depreciation over the following estimated useful lives:

Buildings	50 years
Improvements other than buildings	20-50 years
Furniture and equipment	5-15 years

Salaries and Benefits Payable - Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which is payable in July and August, have been accrued as liabilities.

Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenues consist of property tax receivables not collected within sixty days after year end.

Deferred revenue on the statement of net assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Compensated Absences - District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for employees that have resigned or retired. The compensated absences liability has been computed based on the rates of pay in effect at June 30, 2004. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Fund Equity (continued)

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the statement of net assets.

Fund Balances - In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Restricted Net Assets - In the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

E. Budgeting and Budgetary Control

The budgetary comparison and related disclosures are reported as Required Supplemental Information. During the year ended June 30, 2004, disbursements in the instruction and other expenditures functional areas exceeded the amounts budgeted and the District did not exceed its General Fund unspent authorized budget.

NOTE 2 - CASH AND POOLED INVESTMENTS

The District's deposits in banks at June 30, 2004 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The District had investments in the Iowa Schools Joint Investment Trust which are valued at an amortized cost of $1,578,509 for the governmental funds and $26,036 for the fiduciary funds pursuant to Rule 2a-7 under the Investment Company Act of 1940. Governmental Accounting Standards Board Statement No. 3 requires investments to be categorized to give an indication of the level of risk assumed by the District at year end. The District's investment in the Iowa Schools Joint Investment Trust is not subject to risk categorization.

NOTE 3 - INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2004 is as follows:

	Transfers In	Transfers Out
General	$ 66,966	$ 10,000
Debt service	120,000	-
Nonmajor governmental funds		
Management fund	-	66,966
Student activity fund	10,000	-
Local option sales and service tax fund	-	120,000
Total	$ 196,966	$ 196,966

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

NOTE 4 - IOWA SCHOOL CASH ANTICIPATION PROGRAM (ISCAP)

The District participates in the Iowa School Cash Anticipation Program (ISCAP). ISCAP is a program of the Iowa Association of School Boards and is designed to provide funds to participating entities during periods of cash deficits. ISCAP is funded by a semi-annual issuance of anticipatory warrants, which mature as noted below. The warrant sizing of each school corporation is based on a projection of cash flow needs during the semiannual period. ISCAP accounts are maintained for each participating entity, and monthly statements are provided regarding their cash balance, interest earnings, and amounts available for withdrawal for each outstanding series of warrants. Bankers Trust Co. NA is the trustee for the program. A summary of the District's participation in ISCAP as of June 30, 2004 is as follows:

Series	Warrant Date	Final Warrant Maturity	Invest-ments	Accrued Interest Receivable	Warrants Payable	Accrued Interest Payable
2003-2004B	1/30/04	1/28/05	$ 516,494	$ 2,810	$ 513,000	$ 4,261
2004-2005A	6/30/04	6/30/05	959,170	-	954,000	-
Total			$1,475,664	$ 2,810	$1,467,000	$ 4,261

NOTE 4 - IOWA SCHOOL CASH ANTICIPATION PROGRAM (ISCAP) (CONTINUED)

The District pledges its state foundation aid payments and General Fund receipts as security for warrants issued. Repayments must be made when General Fund receipts are received. If a balance is outstanding on the last date the funds are available to be drawn, then the District must repay the outstanding withdrawal from its General Fund receipts. In addition, the District must make minimum warrant repayments on the 25th of each month immediately following the final date that the warrant proceeds may be used in an amount equal to 25% of the warrant amount. The District had no ISCAP advance activity in the General Fund for the year ended June 30, 2004.

The warrants bear an interest rate and the available proceeds of the warrants are invested at an interest rate as shown below:

Series	Interest Rates on Warrants	Interest Rates on Investments
2003-2004B	2.00%	1.3100%
2004-2005A	3.00%	2.4630%

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2004 is as follows:

	Balance June 30, 2003, as Restated (Note 12)	Additions	Deletions	Balance June 30, 2004
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 21,939	$ -	$ -	$ 21,939
Capital assets being depreciated:				
Land improvements	1,039,412	-	-	1,039,412
Buildings and building improvements	13,271,634	-	-	13,271,634
Machinery and equipment	4,306,628	104,983	19,808	4,391,803
Total capital assets being depreciated	18,617,674	104,983	19,808	18,702,849
Less accumulated depreciation for:				
Land improvements	451,116	43,233	-	494,349
Buildings and building improvements	5,029,213	310,626	-	5,339,839
Machinery and equipment	3,946,723	165,825	19,643	4,092,905
Total accumulated depreciation	9,427,052	519,684	19,643	9,927,093
Total capital assets being depreciated, net	9,190,622	(414,701)	165	8,775,756
Governmental activities capital assets, net	$9,212,561	$ (414,701)	$ 165	$8,797,695

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Balance June 30, 2003	Additions	Deletions	Balance June 30, 2004
Business-type activities:				
Furniture and equipment	$ 149,467	$ 4,677	$ -	$ 154,144
Less accumulated depreciation	116,130	7,115	-	123,245
Business-type activities capital assets, net	$ 33,337	$ (2,438)	$ -	$ 30,899

Depreciation expense was charged by the District as follows:

Governmental activities:	
Support services:	
Depreciation (unallocated)	$ 519,684
Business-type activities:	
Food services	$ 7,115

NOTE 6 - LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2004 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
General obligation bonds	$5,365,000	$ -	$ 305,000	$5,060,000	$ 335,000
Compensated absences	75,416	13,915	-	89,331	89,331
Total	$5,440,416	$ 13,915	$ 305,000	$5,149,331	$ 424,331

On May 1, 2001, the District issued $5,925,000 in General Obligation Refunding Bonds with interest rates ranging between 4.000% and 4.750%. The District issued the bonds to advance refund $5,650,000 of the outstanding General Obligation Bonds issued June 1, 1997, with interest rates ranging from 5.250% to 5.375%. The District used the net proceeds to purchase U.S. government securities that were deposited in an irrevocable trust to provide for all future debt service on the refunded 1997 bonds. As a result the refunded 1997 bonds are considered defeased, and the District has removed the liability from its accounts. The outstanding principal of the defeased bonds is $4,950,000 at June 30, 2004.

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

Bonds Payable

Details of the District's June 30, 2004 general obligation bonded indebtedness are as follows:

Year Ending June 30,	Bond Issue of May 2, 2001			
	Interest Rate	Principal	Interest	Total
2005	4.00%	$ 335,000	$ 217,443	$ 552,443
2006	4.00%	345,000	203,942	548,942
2007	4.00%	360,000	189,942	549,942
2008	4.10%	375,000	175,442	550,442
2009	4.20%	390,000	159,955	549,955
2010	4.30%	405,000	143,568	548,568
2011	4.40%	425,000	126,037	551,037
2012	4.50%	445,000	107,222	552,222
2013	4.60%	465,000	87,083	552,083
2014	4.70%	485,000	65,578	550,578
2015	4.70%	505,000	42,667	547,667
2016	4.75%	525,000	18,698	543,698
Total		$5,060,000	$1,537,577	$6,597,577

NOTE 7 - DUE FROM OTHER GOVERNMENTS

Amounts due from other governments by Fund as of June 30, 2004 are as follows:

	General Fund
State appropriations	
Vocational aid	$ 9,031
Federal appropriations	
Safe and drug free schools	2,558
21st century grant	19,407
Title V grant	5,730
Total federal appropriations	27,695
Miscellaneous	
Special education tuition	4,032
Other	2,254
Total miscellaneous	6,286
Total due from other governments	$ 43,012

NOTE 7 - DUE FROM OTHER GOVERNMENTS (CONTINUED)

	Local Option Sales and Service Tax Fund
Miscellaneous	
Local option sales tax	$ 74,145

NOTE 8 - PENSION AND RETIREMENT BENEFITS

The District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplemental information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 3.70% of their annual covered salary and the District is required to contribute 5.75% of annual covered payroll for the years ended June 30, 2004, 2003 and 2002. Contribution requirements are established by State statute. The District's contribution to IPERS for the years ended June 30, 2004, 2003, and 2002 were $246,573, $236,420, and $241,309, respectively, equal to the required contributions for each year.

NOTE 9 - RISK MANAGEMENT

Camanche Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. There have been no significant reductions in insurance coverage from coverage in the prior year. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District also has a self-funded health insurance plan. The District purchases commercial insurance to provide for aggregate stop-loss coverage for the excess of 120% of estimated claims for the plan year and specific stop-loss reinsurance coverage for the excess of $35,000 in insured claims for any one covered individual. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

Payments are made to the plan based on actuarial estimates of amounts needed to pay prior and current year claims and to establish a reserve for catastrophe losses. There is no reserve at June 30, 2004.

NOTE 10 - AREA EDUCATION AGENCY

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled $253,750 for the year ended June 30, 2004 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

NOTE 11 - CONTINGENT LIABILITY

In accordance with Iowa Code, the District has elected to reimburse the Iowa Employment Security Commission for benefits paid by the commission to former employees of the District. This election is in lieu of the District making deposits with the Commission based on a predetermined contribution rate. The amount of the contingent liability for future payments is indeterminable.

NOTE 12 - ACCOUNTING CHANGE AND RESTATEMENTS

Governmental Accounting Standards Board (GASB) Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements* was implemented during the year ended June 30, 2004. The interpretation modifies when compensated absence and early retirement liabilities are recorded under the modified accrual basis of accounting.

Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*; Statement No. 38, *Certain Financial Statement Note Disclosures*; and Statement No. 41, *Budgetary Comparison Schedule - Perspective Differences*; were implemented during the year ended June 30, 2004. The statements create new basic financial statements for reporting the District's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

NOTE 12 - ACCOUNTING CHANGE AND RESTATEMENTS (CONTINUED)

The government-wide financial statements split the District's programs between business-type and governmental activities. The beginning net asset amount for governmental activities has been restated to include capital assets, long-term liabilities and the changes in assets and liabilities at July 1, 2003 caused by the conversion to the accrual basis of accounting.

	Fund			
	General	Debt Service	Nonmajor	Total
Net assets, June 30, 2003, as previously reported	$ 665,863	$ 260,229	$ 452,494	$ 1,378,586
GASB 34 adjustments:				
Capital assets, net of accumulated depreciation of $9,427,052				9,212,561
Long-term liabilities:				
Bonds			$(5,365,000)	
Compensated absences			(75,416)	
				(5,440,416)
Accrued interest payable				(19,412)
Net assets, July 1, 2003, as restated				$ 5,131,319

This information is an integral part of the accompanying financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

CAMANCHE COMMUNITY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN BALANCES - BUDGET AND ACTUAL - CASH BASIS - ALL GOVERNMENTAL FUNDS AND PROPRIETARY FUND
REQUIRED SUPPLEMENTAL INFORMATION
Year Ended June 30, 2004

	Governmental Fund Actual	Proprietary Fund Actual	Total Actual	Budgeted Amounts Original	Budgeted Amounts Final	Final to Actual Variance - Positive (Negative)
RECEIPTS						
Local sources	$ 5,030,736	$ 229,842	$ 5,260,578	$ 4,687,222	$ 4,687,222	$ 573,356
State sources	3,198,359	4,248	3,202,607	3,323,781	3,323,781	(121,174)
Federal sources	352,907	108,831	461,738	768,000	768,000	(306,262)
Total receipts	8,582,002	342,921	8,924,923	8,779,003	8,779,003	145,920
DISBURSEMENTS						
Instruction	5,308,136	-	5,308,136	4,976,182	4,976,182	(331,954)
Support services	2,143,328	-	2,143,328	2,167,214	2,167,214	23,886
Non-instructional programs	12,623	312,086	324,709	962,000	962,000	637,291
Other expenditures	1,091,735	-	1,091,735	1,035,274	1,035,274	(56,461)
Total disbursements	8,555,822	312,086	8,867,908	9,140,670	9,140,670	272,762
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	26,180	30,835	57,015	(361,667)	(361,667)	418,682
BALANCES, BEGINNING OF YEAR	1,850,751	28,208	1,878,959	1,403,006	1,403,006	475,953
BALANCES, END OF YEAR	$ 1,876,931	$ 59,043	$ 1,935,974	$ 1,041,339	$ 1,041,339	$ 894,635

CAMANCHE COMMUNITY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE -
BUDGET TO GAAP RECONCILIATION
REQUIRED SUPPLEMENTAL INFORMATION
Year Ended June 30, 2004

	Governmental Funds		
	Cash Basis	**Accrual Adjustments**	**Modified Accrual Basis**
Revenues	$ 8,582,002	$ (128,068)	$ 8,453,934
Expenditures	8,555,822	(129,349)	8,426,473
Net	26,180	1,281	27,461
Beginning fund balances	1,850,751	(472,165)	1,378,586
ENDING FUND BALANCES	$ 1,876,931	$ (470,884)	$ 1,406,047

	Proprietary Fund Enterprise		
	Cash Basis	**Accrual Adjustments**	**Modified Accrual Basis**
Revenues	$ 342,921	$ 31,442	$ 374,363
Expenses	312,086	21,062	333,148
Net	30,835	10,380	41,215
Beginning net assets	28,208	39,247	67,455
ENDING NET ASSETS	$ 59,043	$ 49,627	$ 108,670

CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTAL INFORMATION - BUDGETARY REPORTING
June 30, 2004

In accordance with the Code of Iowa, The Board of Education annually adopts a budget following required public notice and hearing for all funds, except private-purpose trust and agency funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the cash basis. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functional areas, not by fund or fund type. These four functional areas are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

During the year ended June 30, 2004, disbursements in the instruction and other expenditures functions exceeded the amounts budgeted and the District did not exceed its General Fund unspent authorized budget.

OTHER SUPPLEMENTAL INFORMATION

SCHEDULE 1

CAMANCHE COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2004

	Management Fund	Student Activity Fund	Physical Plant and Equipment Fund	Local Option Sales and Service Tax Fund	Klinge Library Fund	Other Funds	Total
ASSETS							
Cash (overdrafts) and cash equivalents	$ 22,810	$ 56,431	$ (1,575)	$ 8,437	$ -	$ 1,422	$ 87,525
Investments	-	-	28,696	319,252	26,903	-	374,851
Property taxes receivable							
Current year delinquent	2,048	-	934	-	-	-	2,982
Succeeding year	150,000	-	70,000	-	-	-	220,000
Due from other governments	-	-	-	74,145	-	-	74,145
TOTAL ASSETS	$ 174,858	$ 56,431	$ 98,055	$ 401,834	$ 26,903	$ 1,422	$ 759,503
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued liabilities	$ -	$ 2,504	$ -	$ -	$ -	$ -	$ 2,504
Deferred revenue	150,000	-	70,000	-	-	-	220,000
Total liabilities	150,000	2,504	70,000	-	-	-	222,504
Fund balances:							
Unreserved	24,858	53,927	28,055	401,834	26,903	1,422	536,999
TOTAL LIABILITIES AND FUND BALANCES	$ 174,858	$ 56,431	$ 98,055	$ 401,834	$ 26,903	$ 1,422	$ 759,503

SCHEDULE 2

CAMANCHE COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2004

	Management Fund	Student Activity Fund	Physical Plant and Equipment Fund	Local Option Sales and Service Tax Fund	Klinge Library Fund	Other Funds	Total
REVENUES							
Local sources							
Local taxes	$ 156,990	$ -	$ 72,541	$ 495,712	$ -	$ -	$ 725,243
Other	229	203,427	2,903	16,184	144	9	222,896
Total revenues	157,219	203,427	75,444	511,896	144	9	948,139
EXPENDITURES							
Current operating:							
Instruction							
Other instruction	85,427	222,570	-	-	-	-	307,997
Support services							
Administration services	70,881	-	-	-	-	-	70,881
Transportation services	-	-	38,832	-	-	-	38,832
Other expenditures							
Facilities acquisition	-	-	52,088	216,870	-	-	268,958
Total expenditures	156,308	222,570	90,920	216,870	-	-	686,668
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	911	(19,143)	(15,476)	295,026	144	9	261,471
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	10,000	-	-	-	-	10,000
Operating transfers out	(66,966)	-	-	(120,000)	-	-	(186,966)
Total other financing sources (uses)	(66,966)	10,000	-	(120,000)	-	-	(176,966)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(66,055)	(9,143)	(15,476)	175,026	144	9	84,505
FUND BALANCES, BEGINNING OF YEAR	90,913	63,070	43,531	226,808	26,759	1,413	452,494
FUND BALANCES, END OF YEAR	$ 24,858	$ 53,927	$ 28,055	$ 401,834	$ 26,903	$ 1,422	$ 536,999

SCHEDULE 3

CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
Year Ended June 30, 2004

Account	Balance, Beginning of Year	Revenues and Interfund Transfers	Expenditures	Intrafund Transfers	Balance, End of Year
Drama	$ 348	$ 5,104	$ 5,880	$ 393	$ (35)
MS drama	318	1,904	1,034	(393)	795
Music boosters	1,636	2,136	3,000	-	772
Band boosters	2,050	12,692	14,028	-	714
Fine arts boosters	869	6,668	4,641	-	2,896
Cross country	-	841	841	-	-
Boys basketball	4,086	8,021	10,046	-	2,061
Boys football	(309)	12,118	11,809	-	-
Boys baseball	(13)	6,780	6,827	-	(60)
Boys track	-	2,393	3,861	1,443	(25)
Boys tennis	(89)	733	884	240	-
Boys golf	-	-	155	156	1
Boys wrestling	100	2,294	4,223	1,829	-
Girls basketball	-	2,717	3,584	867	-
Girls volleyball	-	5,338	6,019	681	-
Girls softball	-	1,260	2,086	826	-
Girls track	(124)	6,683	5,590	-	969
Girls tennis	(644)	1,545	332	-	569
Indian basketball - boys	4,632	1,015	3,742	(800)	1,105
Indian basketball - girls	2,088	1,650	3,670	-	68
Indian volleyball	651	-	31	(500)	120
Indian baseball	649	-	5,017	4,144	(224)
Indian softball	3,840	-	3,195	(825)	(180)
Summer tennis	3,121	1,730	3,212	(240)	1,399
Activity tickets	1,301	4,590	596	(5,295)	-
Junior wrestling	1,009	490	1,092	(307)	100
Cheerleaders	936	3,827	3,690	-	1,073
Dance team	283	2,801	2,370	-	714
Athletic boosters	1,054	26,554	25,621	(1)	1,986
Athletic fund raising	4,893	22,406	20,393	(1,217)	5,689
T & I Club	291	713	925	-	79
Camanche Teen Club	7,210	10,023	8,172	-	9,061
Peer Helpers	113	-	40	-	73

SCHEDULE 3
(CONTINUED)

CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
Year Ended June 30, 2004

Account	Balance, Beginning of Year	Revenues and Interfund Transfers	Expenditures	Intrafund Transfers	Balance, End of Year
A.F.S. students	$ 216	$ 301	$ 355	$ (1)	$ 161
U.N. Club	-	60	383	323	-
Computer Club	98	-	-	-	98
National Honor Society	-	60	254	194	-
S.A.D.D.	650	1,047	1,069	-	628
Student Council	1,461	1,579	1,834	-	1,206
Business club	194	4,484	2,069	-	2,609
Key Club	599	1,272	1,577	-	294
Care account	660	-	-	-	660
Securities/investments	1,094	551	353	(962)	330
Class of 2003	-	15	-	(15)	-
Class of 2004	2,976	1,484	3,975	(539)	(54)
Class of 2005	189	12,063	10,167	-	2,085
Class of 2006	23	379	92	-	310
Class of 2007	-	49	49	-	-
Elementary school activity snacks	3,364	8,680	7,259	-	4,785
Elementary music	865	732	889	-	708
Elementary book fair	776	3,297	3,016	-	1,057
Junior high activity snacks	3,139	9,621	11,733	-	1,027
Junior high concession sales	24	904	495	-	433
High school activity snacks	2,181	9,360	7,948	(1)	3,592
High school concession sales	4,262	2,463	2,447	-	4,278
TOTAL	$ 63,070	$ 213,427	$ 222,570	$ -	$ 53,927

SCHEDULE 4

CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
June 30, 2004

	Balance, Beginning of Year	Additions	Deductions	Balance, End of Year
STUDENT INSURANCE				
Assets				
Cash and investments	$ 550	$ 262	$ 262	$ 550
Liabilities				
Other payables	$ 550	$ 262	$ 262	$ 550
TEACHERS REVOLVING				
Assets				
Cash and investments	$ 1,081	$ 5,858	$ 6,272	$ 667
Liabilities				
Other payables	$ 1,081	$ 5,858	$ 6,272	$ 667
CAMANCHE URBAN FORESTERS				
Assets				
Cash and investments	$ 73	$ -	$ -	$ 73
Liabilities				
Other payables	$ 73	$ -	$ -	$ 73
CLOSE UP				
Assets				
Cash and investments	$ -	$ 8,765	$ 8,765	$ -
Liabilities				
Other payables	$ -	$ 8,765	$ 8,765	$ -
21st CENTURY				
Assets				
Cash and investments	$ -	$ 307,475	$ 307,475	$ -
Due from other governments	27,693	-	27,693	-
Total assets	$ 27,693	$ 307,475	$ 335,168	$ -
Liabilities				
Accounts payable	$ 27,693	$ -	$ 27,693	$ -
Other payables	-	307,475	307,475	-
Total liabilities	$ 27,693	$ 307,475	$ 335,168	$ -
TOTAL				
Assets				
Cash and investments	$ 1,704	$ 322,360	$ 322,774	$ 1,290
Due from other governments	27,693	-	27,693	-
Total assets	$ 29,397	$ 322,360	$ 350,467	$ 1,290
Liabilities				
Accounts payable	$ 27,693	$ -	$ 27,693	$ -
Other payables	1,704	322,360	322,774	1,290
Total liabilities	$ 29,397	$ 322,360	$ 350,467	$ 1,290

CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES
For the Last Four Years

	Modified Accrual Basis			
	2004	2003	2002	2001
REVENUES				
Local sources	$ 4,892,061	$ 5,334,572	$ 4,841,560	$ 4,589,162
State sources	3,203,821	3,342,805	3,143,419	3,136,977
Federal sources	358,052	398,655	369,230	139,285
TOTAL REVENUES	$ 8,453,934	$ 9,076,032	$ 8,354,209	$ 7,865,424
EXPENDITURES				
Instruction	$ 4,992,965	$ 4,934,871	$ 4,920,876	$ 4,650,227
Support services				
Student services	250,037	260,547	251,759	302,170
Instructional staff services	388,427	180,873	159,633	168,916
Administration services	878,070	860,027	891,521	935,536
Operation and maintenance of plant services	580,789	580,360	559,040	605,642
Transportation services	212,152	131,569	133,727	180,389
Central support services	51,011	55,851	39,997	56,237
Non-instructional programs	14,771	225,935	219,128	26,718
Other expenditures				
Facilities acquisition	268,958	275,994	373,758	204,236
Long-term debt				
Principal	305,000	300,000	260,000	225,000
Interest and finance charges	230,543	242,693	274,956	312,631
AEA flowthrough	253,750	271,600	280,013	271,720
TOTAL EXPENDITURES	$ 8,426,473	$ 8,320,320	$ 8,364,408	$ 7,939,422

Clifton Gunderson LLP
Certified Public Accountants & Consultants

Independent Auditor's 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 Board of Education
Camanche Community School District
Camanche, Iowa

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Camanche Community School District as of and for the year ended June 30, 2004, which collectively comprise Camanche Community School District's basic financial statements and have issued our report thereon dated August 30, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, Chapter 11 of the Code of Iowa, 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 Camanche Community School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Camanche Community School District'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 that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2004 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of the statutes. The prior year statutory comment has been repeated as item III-B-04.

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This report, a public record by law, is intended solely for the information and use of the officials, employees, and citizens of the Camanche Community School District and other parties to whom the District may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the District during the course of our audit.

Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Clifton Gunderson LLP

Clinton, Iowa
August 30, 2004

CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2004

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified opinion

Internal control over financial reporting:

• Material weakness(es) identified?	x	yes		no
• Reportable condition(s) identified that are not considered to be material weaknesses?		yes	x	none reported
Noncompliance material to financial statements noted?		yes	x	no

Section II - Financial Statement Findings

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

REPORTABLE CONDITIONS:

No matters were noted.

CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2004

Section III - Other Findings Related to Required Statutory Reporting

III-A-04 Official Depositories - Official depositories have been approved by the District. The maximum deposit amounts approved were not exceeded during the year ended June 30, 2004.

III-B-04 Certified Budget - Disbursements for the year ended June 30, 2004, exceeded the amount budgeted in the instruction and other expenditures functional areas.

Recommendation - The budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before disbursements were allowed to exceed the budget.

Response - Unanticipated participation in early retirement and unforeseen expenses incurred with infrastructure lead to the unexpected expenditures in the Management Fund and Local Options Sales and Service Tax Fund. All funds will be monitored more closely with the published budget being appropriately amended if it is determined that expenditures will exceed the published amount.

III-C-04 Questionable Expenditures - No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

III-D-04 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted.

III-E-04 Business Transactions - No business transactions between the District and District officials or employees were noted.

III-F-04 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.

III-G-04 Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.

III-H-04 Certified Enrollment - No instances of noncompliance was noted in the basic enrollment data certified to the Department of Education.

III-I-04 Deposits and Investments - No instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the District's investment policy were noted.

III-J-04 Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely and we noted no significant deficiencies in the amounts reported.