

GEORGE - LITTLE ROCK COMMUNITY SCHOOL DISTRICT

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2006

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GEORGE - LITTLE ROCK COMMUNITY SCHOOL DISTRICT

OFFICIALS

<u>NAME</u>	<u>TITLE</u>	<u>TERM EXPIRES</u>
Board of Education Elected in 2005		
Warren Tiedeman	President	2008
Roger Jurrens	Vice President	2006
Kory Hayenga	Board Member	2006
Amy Jurrens	Board Member	2007
Donnell Nagle	Board Member	2007
School Officials		
Joanne Smith	Superintendent	Indefinite
Delinda Kruger	District Secretary/Treasurer and Business Manager	Indefinite
Thomas Whorley	Attorney	Indefinite

Dan Heard, CPA
David O. Halse, CPA
Kyle Ebel, CPA
Aleene Williams, CPA

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Certified Public Accountants
710 SOUTH UNION STREET, P.O. BOX 108
ROCK RAPIDS, IOWA 51246

Independent Auditor's Report

To the Board of Education of the
George - Little Rock Community School District

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of George - Little Rock Community School District, George and Little Rock, Iowa, as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of George - Little Rock Community School District at June 30, 2006, and the respective changes in financial positions and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Governmental Auditing Standards, we have also issued our reports dated October 11, 2006 on our consideration of the George - Little Rock Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 6 through 15 and 38 through 41 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management

regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise George - Little Rock Community School District's basic financial statements. We previously audited, the District and the individual Districts that merged in the prior year, in accordance with the standards referred to in the second paragraph of this report, the general-purpose financial statements for the three years ended June 30, 2005 (none of which are presented herein) and expressed unqualified opinions on those financial statements. Other supplemental information included in Schedules 1 through 4, 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 our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the financial statements taken as a whole.

Heard Halse & Co.

October 11, 2006

Management's Discussion and Analysis

George - Little Rock 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, 2006. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2006 Financial Highlights

- The General Fund revenues increased from \$3,836,334 in fiscal year 2005 and to \$4,027,234 in fiscal year 2006, while General Fund expenditures increased from \$3,974,351 in fiscal year 2005 to \$4,109,972 in fiscal 2006. The District's General Fund balance decreased from \$350,524 in fiscal 2005 to \$267,786 in fiscal 2006, a 23.6% decrease.
- The increase in General Fund revenues was attributable to an increase in local and state revenue in fiscal 2006. The increase in expenditures was due primarily to an increase in salaries.
- The bonds issued for the construction projects resulted in an increase in interest income as funds are invested until needed to pay the construction costs in 2006 and 2007.
- The local option sales and services tax (SILO) became effective January 1, 2004. Revenues collected were \$194,371 in 2005 and \$230,922 in 2006 which were used for Architect Fees for the new additions to the schools in 2005 and for debt service in 2006.

Using this Annual Report

The annual report consists of a series 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 the George - Little Rock 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 George - Little Rock 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 George - Little Rock Community School District acts solely as an agent or custodian for the benefit of those outside of the District.
- Notes to the financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.
- Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year.
- Other Supplementary 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 related to one another.

Figure A-1
George - Little Rock Community School District Annual Financial Report

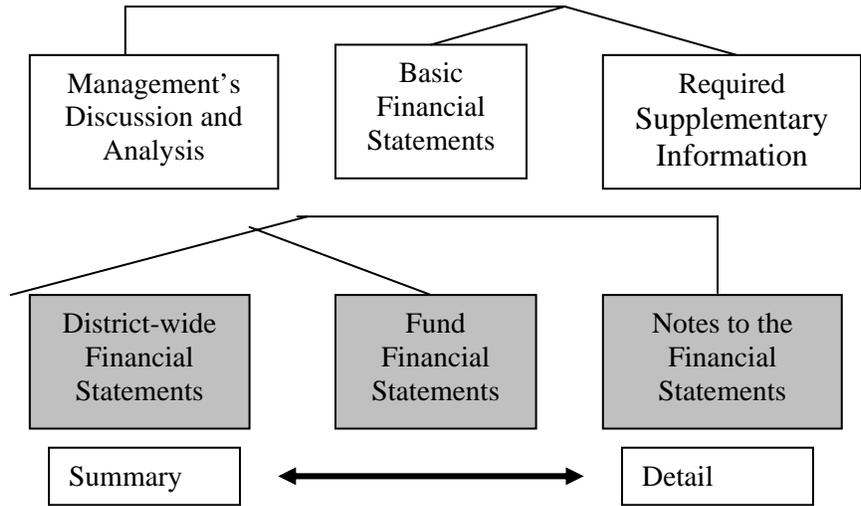


Figure A-2 below summarizes the major features of the District’s financial statements, including the portion of the District’s activities covered and the types of information contained.

Figure A-2: Major Features of the District Wide and Fund Financial Statements				
	Government-wide Statements	Fund Financial Statements		
		Governmental Funds		Proprietary Funds
Scope	Entire district	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 is included here
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 		<ul style="list-style-type: none"> • Statement of net assets • Statement of revenues, expenditures, and changes in fund net assets • Statement of cash flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial 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, and short-term and long-term
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

REPORTING THE DISTRICT’S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The government-wide 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 position. Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating. To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school building and other facilities.

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 taxes and state aid finance most of these activities.
- *Business-type activities:* The District charges fees to help it 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 repay its long-term debts, or to show that it is properly using certain revenues, such as federal grants.

The District has three kinds of funds:

- *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 funds statements provide a detailed short-term view that helps the reader 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 Funds.

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

- *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 Fund, one type of proprietary fund, is the same as its business-type activities, but provides 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 governmental funds include a balance sheet, a statement of revenues, expenditures and changes in fund balance and a statement of cash flows.

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

Government-wide Financial Analysis

Figure A-3 below provides a summary of the District's net assets at June 30, 2006 compared to June 30, 2005.

Figure A-3 Condensed Statement of Net Assets (Expressed in Thousands)							
	Governmental Activities		Business type Activities		Total Activities		Total Change
	June 30,		June 30,		June 30,		June 30,
	2006	2005	2006	2005	2006	2005	2005-2006
Current and other assets	\$ 7,022	\$ 2,751	\$ 11	\$ 25	\$ 7,033	\$ 2,776	153.4%
Capital assets	2,604	1,149	6	8	2,610	1,157	125.6%
Total assets	9,626	3,900	17	33	9,643	3,933	145.2%
Long-term Liabilities	4,737	-	-	-	4,737	-	100.0%
Other Liabilities	2,817	2,237	13	12	2,830	2,249	25.8%
Total Liabilities	7,554	2,237	13	12	7,567	2,249	236.5%
Net Assets							
Invested in capital assets, net of related debt	(2,148)	1,149	6	8	(2,142)	1,157	(285.13%)
Restricted	3,960	166	-	-	3,960	166	2285.5%
Unrestricted	262	347	(2)	13	260	360	(27.78%)
Total net assets	<u>\$ 2,074</u>	<u>\$ 1,662</u>	<u>\$ 4</u>	<u>\$ 21</u>	<u>\$ 2,078</u>	<u>\$ 1,683</u>	<u>23.5%</u>

The District's combined net assets increased by 23 percent or approximately \$395,000 over the prior year. The largest increase is due to the construction project currently going on. The project will be completed in 2007 school year. 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 increased approximately \$3,794,000 over the prior year. The increase was primarily a result of the capital projects continued during the year with funds remaining to pay for the construction projects to be completed in 2007.

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 the legal requirements – decreased approximately \$100,000 or 27.8 percent. This reduction in unrestricted net assets was a result of the District using carryover fund balance to meet its financial obligations during the year.

Figure A-4 shows the changes in net assets for the year ended June 30, 2006.

Figure A-4
Changes in Net Assets
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Total School District		Total Change
	2006	2005	2006	2005	2006	2005	2005-2006
Revenue							
Program revenue:							
Charges for service	\$ 346	\$ 304	\$ 107	\$ 104	\$ 453	\$ 408	11.03%
Operating grants, contributions and restricted interest	598	599	85	86	683	685	(0.29%)
Capital grants, contributions and restricted interest	197	45	-	-	197	45	337.78%
General revenues:							
Property tax	1,990	1,649	-	-	1,990	1,649	20.68%
Local option sales and service tax	231	194	-	-	231	194	19.07%
Unrestricted state grants	1,848	1,821	-	-	1,848	1,821	1.48%
Other	24	31	-	-	24	31	(22.58%)
Total revenues	<u>5,234</u>	<u>4,643</u>	<u>192</u>	<u>190</u>	<u>5,426</u>	<u>4,833</u>	<u>12.27%</u>
Program expenses:							
Governmental activities:							
Instruction	3,103	2,956	-	-	3,103	2,956	4.97%
Support service	1,366	1,239	-	-	1,366	1,239	10.25%
Non-instructional programs	-	1	209	204	209	205	1.95%
Other expenses	361	165	-	-	361	165	118.79%
Total expenses	<u>4,830</u>	<u>4,361</u>	<u>209</u>	<u>204</u>	<u>5,039</u>	<u>4,565</u>	<u>10.38%</u>
Change in net assets	<u>\$ 404</u>	<u>\$ 282</u>	<u>\$ (17)</u>	<u>\$ (14)</u>	<u>\$ 387</u>	<u>\$ 268</u>	<u>44.40%</u>

Property tax, local option sales and service tax, and unrestricted state grants account for 77.7 percent of the total revenue. The District's expenses primarily relate to instruction and support services, which account for 92.5 percent of the total expenses.

Governmental Activities

Revenues for governmental activities were \$5,234,000 and expenses were \$4,830,000. In a difficult budget year, the District was able to balance the budget by trimming expenses to match available revenues.

The following table presents the total and net cost of the District's major governmental activities: instruction, support services, non-instructional programs and other expenses.

Figure A-5
Total and Net Cost of Governmental Activities
(Expressed in Thousands)

	Total Cost of Services			Net Cost of Services		
	2006	2005	Change 2005-2006	2006	2005	Change 2005-2006
Instruction	\$ 3,103	\$ 2,956	4.97%	\$ 2,348	\$ 2,246	4.54%
Support services	1,366	1,239	10.25%	1,332	1,195	11.46%
Non-instructional programs	-	1	(100.00%)	-	1	(100.00%)
Other expenses	361	165	118.79%	9	(28)	(132.14%)
Totals	\$ 4,830	\$ 4,361	10.75%	\$ 3,689	\$ 3,414	8.06%

- The cost financed by users of the District's programs was \$346,135.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$597,522.
- The net cost of governmental activities was financed with \$2,220,837 in property and other taxes and \$1,848,261 in unrestricted state grants.

Business Type Activities

Revenues for business type activities were \$192,015 and expenses were \$209,534. 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.

INDIVIDUAL FUND ANALYSIS

As previously noted, George - Little Rock 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 \$4,438,761, well above last year's ending fund balances of \$470,088. The primary reason for the increase in combined fund balances in fiscal 2006 is due to capital projects started during the past year.

Governmental Fund Highlights

- The District's declining General Fund financial position is the result of many factors. The biggest factor being that increases in State Funding are not keeping up with inflation.
- The General Fund balance decreased from \$350,524 to \$267,786, due in part to the increases in expenditures in the last year.
- The Physical Plant and Equipment Levy (PEEL) Fund balance increased from \$50,853 in fiscal 2005 to \$53,147 in fiscal 2006. Revenues decreased \$142,564 and expenditures decreased \$195,307. This was mainly due to the construction projects which began in the prior year are being reported in the capital project fund
- The Public Education Recreation Levy (PERL) Fund balance decreased from \$19,292 in fiscal 2005 to \$14,490 in fiscal 2006. Revenues decreased while the expenses increased during the year.

- The Capital Projects Fund balance increased due to the sale of \$5,045,000 in general obligation and revenue bonds during fiscal 2006. The District ended fiscal 2005 with a \$37,034 balance and ended fiscal 2006 ended with a balance of \$3,863,698 consisting primarily of unexpended bond proceeds which will be expended as the project is completed.

Proprietary Fund Highlights

School Nutrition Fund cash balance decreased from \$19,144 at June 30, 2005 to \$4,806 at June 30, 2006, representing a decrease of \$14,338. This is due primarily from increases in wages and benefits.

BUDGETARY HIGHLIGHTS

The District's receipts were \$332,546 more than budgeted receipts, with a variance of 6.5%. The most significant variance resulted from the increases in local revenues and state revenues.

Total expenditures were less than budgeted, due primarily to the District's budget for the Capital Project that was not completed before the end of the school year. 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 non-instructional functional areas due to the timing of disbursements paid at year-end without sufficient time to amend the certified budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2006, the District had invested \$2.6 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This represents a net increase of 125.6% from last year. More detailed information about the District's capital assets is presented in Note 5 to the financial statements. Depreciation expense for the year was \$89,548.

The original cost of the District's capital assets was \$5.2 million. Governmental funds account for \$5.1 million, with the remainder of \$0.1 million accounted for in the Proprietary, School Nutrition Fund.

The largest change in capital asset activity during the year occurred in the construction in progress category. The District's construction in progress totaled \$1,643,043 at June 30, 2006, compared to \$232,901 reported at June 30, 2005. This significant increase resulted from construction activity financed by the issuance of voter approved general obligation bonds and revenue bonds totaling \$5,045,000 in fiscal 2006 for construction of additions to buildings at George and Little Rock schools.

Figure A-6
Capital Assets, net of Depreciation
(expressed in thousands)

	Governmental Activities		Business type Activities		Total School District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2006	2005	2006	2005	2006	2005	2005-2006
Land	\$ 39	\$ 39	\$ -	\$ -	\$ 39	\$ 39	0.00%
Construction in progress	1,643	233	-	-	1,643	233	605.15%
Buildings	498	529	-	-	498	529	(5.86%)
Improvements other than buildings	91	101	-	-	91	101	(9.90%)
Furniture and Equipment	333	247	6	8	339	255	32.94%
Totals	<u>\$ 2,604</u>	<u>\$ 1,149</u>	<u>\$ 6</u>	<u>\$ 8</u>	<u>\$ 2,610</u>	<u>\$ 1,157</u>	<u>125.58%</u>

Long-Term Debt

At June 30, 2006, the District had \$4,951,989 in general obligation, revenue and other long-term debt outstanding compared to \$0 last year. (See Figure A-7) Additional information about the District's long-term debt is presented in Note 6 to the financial statements.

In March 2005, the District's voters authorized the issuance of \$4,360,000 in general obligation bonds to pay for construction of the additions to buildings in George and Little Rock. Planning for the project started in fiscal 2005 and bonds were sold during fiscal 2006. At the same time the District issued \$685,000 of local option sales and services tax revenue bonds for the same project. The District had total outstanding bonded indebtedness at June 30, 2006 of \$4,910,000.

The District also had a note payable for musical instruments of \$4,182 and early retirement obligations of \$44,991 at June 30, 2006 with \$7,184 due on July 1, 2006 and \$37,807 long term.

Figure A-7
Outstanding Long-Term Obligations
(Expressed in Thousands)

	Total School District		Total Change
	June 30,		June 30,
	2006	2005	2005-2006
General Obligation Bonds	4,225,000	-	100.000%
Note Payable	4,182	-	100.000%
Revenue Bonds	685,000	-	100.000%
Early Retirement	37,807	-	100.000%
Totals	<u>\$ 4,951,989</u>	<u>\$ -</u>	<u>100.000%</u>

Economic Factors Bearing on the District's Future

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

- The financial history of the State of Iowa's support for public K-12 schools has translated into restricted levels of state aid funding for education at the local level.

Future needs of the district will continue to grow and it is hoped that allowable growth would match the needs of public K-12 education.

- District enrollment increased in fiscal year 2005-2006 by 11 students to a budget enrollment of 515. Under Iowa's school finance formula, funding is highly dependent upon enrollment. During the 2005-2006 school year, George - Little Rock students who open enroll out to other districts increased by 6 students, from 27 to 33. Because George - Little Rock is the resident district, the student is counted for state funding, but then funding is paid to the receiving district. Future enrollment stability is a critical element in maintaining a sound financial foundation.
- Fiscal 2007 will be the last year of a three-year contract with George-Little Rock Education Association. The District will negotiate a new agreement during fiscal 2007. Settlements in excess of "new money" or allowable growth in state funding will have an adverse effect on the District's General Fund budget and related fund balance.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and 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 Delinda Kruger, Board Secretary/Business Manager at the George - Little Rock Community School District, 500 E. Indiana Ave., George, IA 51237 or 712-475-3311.

BASIC FINANCIAL STATEMENTS

George - Little Rock Community School District
Statement of Net Assets
June 30, 2006

Exhibit A

	Governmental Activities	Business Type Activities	Totals
Assets			
Cash and cash equivalents:			
Other	\$ 5,006,539	\$ 4,806	\$ 5,011,345
Receivables:			
Property tax:			
Delinquent	28,668	-	28,668
Succeeding year	1,879,132	-	1,879,132
Local option sales taxes	15,856	-	15,856
Accounts	85,746	-	85,746
Accrued interest:			
Other	3,906	-	3,906
Due from other governments	2,552	-	2,552
Inventories	-	5,722	5,722
Capital assets, net of accumulated depreciation	2,604,481	5,613	2,610,094
Total assets	9,626,880	16,141	9,643,021
Liabilities			
Accounts payable	329,906	-	329,906
Salaries and benefits payable	360,232	12,744	372,976
Accrued interest payable	25,515		25,515
Deferred revenue - succeeding year property tax	1,879,132	-	1,879,132
Long-term liabilities:			
Portion due within one year:			
General obligation bonds payable	140,000		140,000
Revenue bonds payable	75,000		75,000
Note payable	4,182		4,182
Early Retirement	7,184		7,184
Portion due after one year:			
General obligation bonds payable	4,085,000		4,085,000
Revenue bonds payable	610,000		610,000
Early Retirement	37,807		37,807
Total liabilities	7,553,958	12,744	7,566,702
Net assets			
Invested in capital assets, net of related debt	(2,148,481)	5,613	(2,142,868)
Restricted for:			
Physical plant and equipment levy	42,122	-	42,122
Other special revenue purposes	42,136	-	42,136
Capital projects	3,863,698	-	3,863,698
Other	6,207	-	6,207
Unrestricted	261,579	(2,216)	259,363
Total net assets	\$ 2,072,922	\$ 3,397	\$ 2,076,319

See notes to financial statements.

George - Little Rock Community School District
Statement of Activities
June 30, 2006

Functions/Programs	Program Revenues			
	Expenses	Charges for Service	Operating Grants Contributions and Restricted Interest	Capital Grants Contributions and Restricted Interest
Governmental activities:				
Instruction:				
Regular instruction	\$ 2,236,764	\$ 92,525	\$ 254,579	\$ -
Special instruction	483,495	45,226	147,219	-
Other instruction	382,275	205,918	8,785	-
	3,102,534	343,669	410,583	-
Support services:				
Student services	96,344	-	30,851	-
Instructional staff services	77,188	-	-	-
Administration Services	534,224	-	-	-
Operation and maintenance of plant services	387,082	2,466	-	-
Transportation services	270,991	-	1,012	-
	1,365,829	2,466	31,863	-
Non-instructional programs				
	-	-	-	-
Other expenditures:				
Facilities acquisition	-	-	-	197,224
Long-term debt interest	206,117	-	-	-
AEA flow-through	155,076	-	155,076	-
Depreciation (unallocated)*	-	-	-	-
	361,193	-	155,076	197,224
Total governmental activities	4,829,556	346,135	597,522	197,224
Business type activities:				
Non-instructional programs:				
Food service operations	209,534	106,690	85,325	-
Total	\$ 5,039,090	\$ 452,825	\$ 682,847	\$ 197,224
General Revenues:				
Property tax levied for:				
General purposes				
Debt service				
Local option sales and services tax				
Unrestricted state grants				
Unrestricted investment earnings				
Other				
Total general revenues				
Change in net assets				
Net assets beginning of year				
Net assets end of year				

See notes to financial statements.

Exhibit B

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business Type Activities	Total
\$ (1,889,660)	\$ -	\$ (1,889,660)
(291,050)	-	(291,050)
(167,572)	-	(167,572)
<u>(2,348,282)</u>	<u>-</u>	<u>(2,348,282)</u>
(65,493)	-	(65,493)
(77,188)	-	(77,188)
(534,224)	-	(534,224)
(384,616)	-	(384,616)
(269,979)	-	(269,979)
<u>(1,331,500)</u>	<u>-</u>	<u>(1,331,500)</u>
-	-	-
197,224	-	197,224
(206,117)	-	(206,117)
-	-	-
-	-	-
<u>(8,893)</u>	<u>-</u>	<u>(8,893)</u>
<u>(3,688,675)</u>	<u>-</u>	<u>(3,688,675)</u>
-	(17,519)	(17,519)
<u>(3,688,675)</u>	<u>(17,519)</u>	<u>(3,706,194)</u>
1,648,192	-	1,648,192
341,723	-	341,723
230,922	-	230,922
1,848,261	-	1,848,261
13,148	134	13,282
10,781	-	10,781
<u>4,093,027</u>	<u>134</u>	<u>4,093,161</u>
404,352	(17,385)	386,967
1,668,570	20,781	1,689,351
<u>\$ 2,072,922</u>	<u>\$ 3,396</u>	<u>\$ 2,076,318</u>

George - Little Rock Community School District
 Balance Sheet
 Governmental Funds
 June 30, 2006

Exhibit C

	General	Debt Service	Capital Projects	Nonmajor Special Revenue	Total
Assets					
Cash and pooled investments:					
Other	\$ 539,339	\$ 194,876	\$ 4,158,724	\$ 113,600	\$ 5,006,539
Receivables:					
Property tax:					
Delinquent	21,818	4,151	-	2,699	28,668
Local option sales taxes	-		15,856	-	15,856
Accounts	85,746	-	-	-	85,746
Accrued interest:					
Other	-	-	3,818	88	3,906
Due from other governments	2,552	-	-	-	2,552
Total assets	<u>649,455</u>	<u>199,027</u>	<u>4,178,398</u>	<u>116,387</u>	<u>5,143,267</u>
 Liabilities and Fund Balances					
Liabilities:					
Accounts payable	15,206	-	314,700	-	329,906
Salaries and benefits payable	366,463	-	-	953	367,416
Total liabilities	<u>381,669</u>	<u>-</u>	<u>314,700</u>	<u>953</u>	<u>697,322</u>
Fund balances:					
Reserved for debt service	-	199,027	-	-	199,027
Reserved for capital projects	-		3,863,698	-	3,863,698
Reserved for Management levy	-		-	5,661	5,661
Reserved for Physical Plant and Equipment levy	-		-	67,637	67,637
Reserve Other	6,207		-	42,136	48,343
Unreserved	261,579	-	-	-	261,579
Total fund balances	<u>267,786</u>	<u>199,027</u>	<u>3,863,698</u>	<u>115,434</u>	<u>4,445,945</u>
Total liabilities and fund balances	<u>\$ 649,455</u>	<u>\$ 199,027</u>	<u>\$ 4,178,398</u>	<u>\$ 116,387</u>	<u>\$ 5,143,267</u>

See notes to financial statements.

George - Little Rock Community School District
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets
June 30, 2006

Exhibit D

Total fund balances of governmental funds (page 20)	\$ 4,445,945
Amounts reported for governmental activities in the Statements 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.	2,604,481
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.	-
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.	(25,515)
Long-term liabilities, including bonds and notes payable and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(4,951,989)</u>
Net assets of governmental activities (page 19)	<u><u>\$ 2,072,922</u></u>

See notes to financial statements.

George - Little Rock Community School District
Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds
June 30, 2006

Exhibit E

	General	Debt Service	Capital Projects	Nonmajor Special Revenue	Total
Revenues:					
Local sources:					
Local tax	\$ 1,426,032	\$ 341,723	\$ 230,922	\$ 222,160	\$ 2,220,837
Tuition	108,869	-	-	-	108,869
Other	47,199	3,548	189,351	214,307	454,405
Intermediate sources	1,697	-	-	-	1,697
State sources	2,234,068	211	-	4,452	2,238,731
Federal sources	209,369	-	-	-	209,369
Total Revenues	4,027,234	345,482	420,273	440,919	5,233,908
Expenditures:					
Current:					
Instruction:					
Regular instruction	1,964,665	-	-	212,970	2,177,635
Special instruction	483,495	-	-	-	483,495
Other instruction	378,093	-	-	-	378,093
	2,826,253	-	-	212,970	3,039,223
Support services:					
Student services	96,344	-	-	-	96,344
Instructional staff services	75,428	-	-	-	75,428
Administration Services	458,600	-	-	75,624	534,224
Operation and maintenance of plant services	277,857	-	-	77,492	355,349
Transportation services	220,414	-	-	18,054	238,468
	1,128,643	-	-	171,170	1,299,813
Non-instructional programs					
Other expenditures:	-	-	-	-	-
Facilities acquisition	-	-	1,425,870	67,467	1,493,337
Long-term debt principal	-	135,000	-	-	135,000
Long-term debt interest	-	180,602	-	-	180,602
AEA flow-through	155,076	-	-	-	155,076
	155,076	315,602	1,425,870	67,467	1,964,015
Total expenditures	4,109,972	315,602	1,425,870	451,607	6,303,051
Excess (deficiency) of revenues over (under) expenditures	(82,738)	29,880	(1,005,597)	(10,688)	(1,069,143)
Other financing sources (uses):					
Operating transfers in (out)	-	169,147	(169,147)	-	-
General obligation bonds issued	-	-	4,360,000	-	4,360,000
Revenue bonds issued	-	-	685,000	-	685,000
Total other financing sources (uses)	-	169,147	4,875,853	-	5,045,000
Net Change in fund balances	(82,738)	199,027	3,870,256	(10,688)	3,975,857
Fund balances beginning of year	350,524	-	(6,558)	126,122	470,088
Fund balances end of year	\$ 267,786	\$ 199,027	\$ 3,863,698	\$ 115,434	\$ 4,445,945

See notes to financial statements.

George - Little Rock 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, 2006

Exhibit F

Net change in fund balance - total governmental funds (page 22)		\$ 3,975,857
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 not reported in the Statement of Net Assets and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures exceeded depreciation expense in the current year, as follows:		
Expenditures for capital assets	1,493,337	
Depreciation expense	<u>(87,338)</u>	1,405,999
Certain delinquent property tax not collected for several months after year end is not considered available revenue and is deferred in the governmental funds.		
		-
Proceeds from issuing long-term liabilities provided current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Current year issues exceeded repayments, as follows:		
Issued	(5,051,273)	
Repaid	<u>137,091</u>	(4,914,182)
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.		
		(25,515)
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, as follows:		
Early retirement	37,807	
Compensated absences	<u>-</u>	<u>(37,807)</u>
Change in net assets of governmental activities (page 19)		\$ <u><u>404,352</u></u>

See notes to financial statements.

George - Little Rock Community School District
Statement of Net Assets
Proprietary Fund
June 30, 2006

Exhibit G

	School Nutrition
Assets	
Cash and cash equivalents	\$ 4,806
Accounts receivable	
Inventories	5,722
Capital assets, net of accumulated depreciation	5,613
Total assets	16,141
Liabilities	
Salaries and benefits payable	12,744
Total Liabilities	12,744
Net Assets	
Invested in capital assets, net of related debt	5,613
Unrestricted	(2,216)
Total net assets	\$ 3,397

See notes to financial statements.

George - Little Rock Community School District
Statement of Revenues, Expenses and Changes in
Fund Net Assets - Proprietary Fund
June 30, 2006

Exhibit H

	School Nutrition
Operating revenues:	
Local sources:	
Charges for service	\$ 106,690
Operating expenses:	
Non-instructional programs:	
Food service operations:	
Salaries	92,151
Benefits	12,421
Purchased services	2,486
Supplies	100,266
Depreciation	2,210
Total operating expenses	209,534
Operating loss	(102,844)
Non-operating revenues:	
State sources	2,721
Federal sources	82,604
Interest Income	134
Total non-operating revenues	85,459
Change in net assets	(17,385)
Net assets beginning of year	20,781
Net assets end of year	\$ 3,396

See notes to financial statements.

George - Little Rock Community School District
Statement of Cash Flows
Proprietary Fund
Year ended June 30, 2006

EXHIBIT I

	School Nutrition
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 106,690
Cash paid to employees for services	(103,472)
Cash paid to supplies for goods or services	(85,669)
Net cash used by operating activities	(82,451)
Cash flows from non-capital financing activities:	
State grants received	2,721
Federal grants received	65,257
Net cash provided by non-capital financing activities	67,978
Cash flows from capital and related financing activities:	
Sale of capital assets	-
Acquisition of capital assets	-
Net cash used by capital and related financing activities	-
Cash flows from investing activities:	
Interest on Investments	135
Net increase in cash and cash equivalents	(14,338)
Cash and cash equivalents beginning of year	19,144
Cash and cash equivalents end of year	\$ 4,806
Reconciliation of operating loss to net cash used by operating activities	
Operating Loss	\$ (102,844)
Adjustments to reconcile operating loss to net cash used by operating activities	
Commodities used	17,034
Depreciation	2,210
(Increase) Decrease in inventories	49
Increase (Decrease) in salaries and benefits payable	1,100
Net cash used by operating activities	\$ (82,451)

Non-cash investing, capital and financing activities:

During the year ended June 30, 2006, the District received \$17,347 of federal commodities.

See notes to financial statements.

GEORGE - LITTLE ROCK COMMUNITY SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2006

(1) Summary of Significant Accounting Policies

The George - Little Rock Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the cities of George, Little Rock and Boyden, Iowa and the predominately agricultural territory in Lyon, Sioux and Osceola Counties. 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 U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, George - Little Rock Community School District has included all funds, organizations, account groups, 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 George - Little Rock 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 Assets 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 attributable 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 imposed by management, which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those 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 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 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 revenues 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 expenditures, 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 Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

The District reports the following major proprietary fund:

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

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 revenues (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 the District receives cash.

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 expenses from non-operating 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 non-operating revenues and expenses.

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 and non-negotiable certificates of deposit, which are stated at 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, have a maturity date no longer than three months.

Property Tax Receivable – Property tax in governmental funds is 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 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 become 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, 2004 assessed property valuations; is for the tax accrual period July 1, 2005 through June 30, 2006 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2005.

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.

Capital Assets – Capital assets, which include property, furniture and equipment, are reported in the applicable governmental or business type activity 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 repair 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.

<u>Asset Class</u>	<u>Amount</u>
Land	\$ 2,500
Buildings	2,500
Improvements other than buildings	2,500
Furniture and equipment:	
School Nutrition Fund equipment	2,500
Other furniture and equipment	2,500

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (in Years)
Buildings	100 years
Improvements other than buildings	15 - 50 years
Furniture and equipment:	3 - 15 years

Salaries and Benefits Payable – Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are 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 represents 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 revenue consists of unspent grant proceeds as well as property tax receivable and other receivables not collected within sixty days after year-end.

Deferred revenue in 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.

Long-term liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activity column in the Statement of Net Assets.

Fund Equity – 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. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2006, disbursements in the instruction and support services functional areas exceeded the amounts budgeted and the District did not exceed its General Fund unspent authorized budget.

(2) **Cash and Pooled Investments**

The District’s deposits in banks at June 30, 2006 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.

(3) Due From and Due to Other Funds

There were no interfund receivables and payables at June 30, 2006.

(4) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2006 is as follows:

<u>Transfer to</u>	<u>Transfer from:</u>	<u>Amount</u>
Debt Service	Physical Plant and Equipment Levy	\$ 169,147
		<u>\$ 169,147</u>

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

(5) Capital Assets

Capital assets activity for the year ended June 30, 2006 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 39,270	\$ -	\$ -	\$ 39,270
Construction in progress	232,901	1,410,142	-	1,643,043
Total capital assets not being depreciated	272,171	1,410,142	-	1,682,313
Capital assets being depreciated:				
Buildings	1,830,228	-	-	1,830,228
Improvements other than buildings	438,840	-	-	438,840
Furniture and equipment	548,441	634,535	67,203	1,115,773
Total capital assets being depreciated	2,817,509	634,535	67,203	3,384,841
Less accumulated depreciation for:				
Buildings	1,301,265	31,255	-	1,332,520
Improvements other than buildings	338,183	9,480	-	347,663
Furniture and equipment	301,237	548,456	67,203	782,490
Total accumulated depreciation	1,940,685	589,191	67,203	2,462,673
Total capital assets being depreciated, net	876,824	45,344	-	922,168
Governmental activities capital assets, net	\$ 1,148,995	\$ 1,455,486	\$ -	\$ 2,604,481
Business type activities:				
Furniture and equipment	\$ 113,186	\$ -	\$ -	\$ 113,186
Less accumulated depreciation	(105,364)	(2,210)	-	(107,574)
Business type activities capital assets, net	\$ 7,822	\$ (2,210)	\$ -	\$ 5,612

Depreciation expense was charged to the following functions:

Governmental activities:

Instruction:

Regular 21,322

Support services:

Instructional staff 1,760

Operation and maintenance of plant 31,733

Transportation 32,523

Total depreciation expense - governmental activities \$ 87,338

Business type activities:

Food service operations \$ 2,210

(6) Long-Term Debt

A summary of changes in long-term debt for the year ended June 30, 2006, is as follows:

LONG - TERM LIABILITIES

	Balance			Balance	Due
	Beginning		Reductions	End	Within
	of Year	Additions		of Year	One Year
Revenue Bonds	\$ -	\$ 685,000		\$ 685,000	\$ 75,000
General Obligation	-	4,360,000	135,000	4,225,000	140,000
Loan Payable	-	6,273	2,091	4,182	2,091
Early Retirement	-	37,807		37,807	7,184
Total	\$ -	\$ 5,089,080	\$ 137,091	\$ 4,951,989	\$ 224,275

General Obligation Bonds Payable

Details of the District's June 30, 2006 general obligation bonded indebtedness are as follows:

Year Ending June, 30	Interest Rates	Bond Issue July 1, 2005		
		Series 2005A		
		Principal	Interest	Total
2007	4%	\$ 140,000	\$ 176,200	316,200
2008	4%	150,000	170,600	320,600
2009	4%	155,000	164,600	319,600
2010	4%	165,000	158,400	323,400
2011	4%	170,000	151,800	321,800
2012-2016	4 - 4.25%	985,000	649,088	1,634,088
2017-2021	4%	1,240,000	422,238	1,662,238
2022-2025	4%	1,220,000	132,388	1,352,388
		<u>4,225,000</u>	<u>2,025,314</u>	<u>6,250,314</u>

Revenue Bonds Payable

Details of the District's June 30, 2006 local option sales and services tax revenue bonded indebtedness are as follows:

Year Ending	Interest	Bond Issue July 1, 2005		
		Series 2005B		
		Principal	Interest	Total
2007	3.00%	75,000	22,225	97,225
2008	3.10%	80,000	19,860	99,860
2009	3.20%	80,000	17,340	97,340
2010	3.30%	85,000	14,658	99,658
2011	3.40%	85,000	11,810	96,810
2012	3.60%	90,000	8,745	98,745
2013	3.70%	95,000	5,368	100,368
2014	3.80%	95,000	1,805	96,805
		<u>685,000</u>	<u>101,810</u>	<u>786,810</u>

The local option sales and services tax revenue bonds were issued for the purpose of defraying a portion of the cost of school infrastructure. The bonds are payable solely from the proceeds of the local option sales and services tax revenues

received by the District. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District.

The resolution providing for the issuance of the local option sales and service tax revenue bonds includes the following provisions:

1. A sinking fund to be established for all proceeds of the Local Option Sales and Services tax revenue must be deposited.
2. The amounts to be deposited into the sinking fund shall be equal to the amount of principal and interest coming due on the bonds and any other obligations payable from the Local Option Tax Revenues.
3. A reserve fund is required to be maintained on deposit an amount equal to the lesser of 10% of the proceeds of the Series 2005B or 125% of the average annual debt service on Series 2005B

The District did comply with all of the provisions during the year ended June 30, 2006. The required reserve account was established by the District with a balance of \$68,500 and the sinking fund had \$91,141.

Note Payable

During the year the District entered into a purchase contract for musical instruments for \$6,273 with the initial payment of \$2,091. The note does not bear any interest and has the right to return the instruments and cancel the contract. The District will make annual installments of \$2,091 on September 1, 2006 and 2007.

During the year ended June 30, 2006, the District made interest payments totaling \$178,142 under the agreements.

(7) Termination Benefits

The District offers a voluntary early retirement plan to its employees. Eligible employees must have completed at least fifteen years of continuous service in the district and must have reached the age of fifty-five on or before June 30 in the calendar year in which early retirement commences. The application for early retirement is subject to approval by the Board of Directors by February 1 of the applicable year.

Early retirement benefits are a flat \$2,000 per year for 5 years and health insurance payments based on the retirement year rate until the retiree reaches 65 years of age. If health insurance rates go up the retiree will need to pay the difference.

At June 30, 2006, the District has obligations to one participant with a total liability of \$44,991. Details of the early retirement obligations at June 30, 2006 are as follows:

Year Ending	Compensation	Health Insurance	Total
2007	2,000	5,184	7,184
2008	2,000	5,184	7,184
2009	2,000	5,184	7,184
2010	2,000	5,184	7,184
2011	2,000	5,184	7,184
Thereafter	-	9,071	9,071
	<u>10,000</u>	<u>34,991</u>	<u>44,991</u>

(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 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 supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, IA, 50306-9117.

Plan members are required to contribute 3.70% of their annual salary and the District is required to contribute 5.75% of annual payroll. Contribution requirements are established by State statute. The District's contribution to IPERS for the years ended June 30, 2006, 2005, and 2004 were \$150,038, \$126,172 and \$135,363 respectively, equal to the required contributions for each year.

(9) Risk Management

George - Little Rock 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. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(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 \$155,076 for the year ended June 30, 2006, and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

(11) Construction in Progress

The District has started a capital project to make improvements to the schools in George and Little Rock. Hoogendoorn Construction, Inc. of Canton, SD was awarded the contract for \$4,980,750 on November 14, 2005. As of June 30, 2006, costs of \$1,233,125 had been incurred against the contract. The balance of \$3,747,625 remaining at June 30, 2006 will be paid as work on the project progresses.

George – Little Rock Community School District
Required Supplementary Information

George - Little Rock Community School District
 Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances -
 Budget and Actual - All Governmental Funds and Proprietary Fund
 Required Supplementary Information
 Year ended June 30, 2006

	Governmental Funds Actual	Proprietary Funds Actual
Receipts:		
Local Sources	\$ 2,784,111	\$ 106,824
Intermediate sources	1,697	-
State sources	2,238,731	2,721
Federal sources	209,369	82,604
Total receipts	<u>5,233,908</u>	<u>192,149</u>
Disbursements:		
Instruction	3,039,223	-
Support services	1,299,813	-
Non-instructional programs	-	209,534
Other expenditures	1,964,015	-
Total disbursements	<u>6,303,051</u>	<u>209,534</u>
Deficiency of receipts under disbursements	(1,069,143)	(17,385)
Other financing sources, net	<u>5,045,000</u>	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	3,975,857	(17,385)
Balances beginning of year	<u>470,088</u>	<u>20,781</u>
Balances end of year	<u>\$ 4,445,945</u>	<u>\$ 3,396</u>

See accompanying independent auditor's report.

Total Actual	Budgeted Amounts		Final to Actual Variance
	Original	Final	
\$ 2,890,935	\$ 2,638,902	\$ 2,638,902	\$ 252,033
1,697	-	-	1,697
2,241,452	2,216,499	2,216,499	24,953
291,973	238,110	238,110	53,863
<u>5,426,057</u>	<u>5,093,511</u>	<u>5,093,511</u>	<u>332,546</u>
3,039,223	2,910,000	2,910,000	129,223
1,299,813	1,320,000	1,320,000	(20,187)
209,534	182,000	182,000	27,534
1,964,015	4,293,086	4,293,086	(2,329,071)
<u>6,512,585</u>	<u>8,705,086</u>	<u>8,705,086</u>	<u>(2,192,501)</u>
(1,086,528)	(3,611,575)	(3,611,575)	2,525,047
<u>5,045,000</u>	<u>-</u>	<u>-</u>	<u>5,045,000</u>
3,958,472	(3,611,575)	(3,611,575)	7,570,047
490,869	5,672,331	5,672,331	(5,181,462)
<u>\$ 4,449,341</u>	<u>\$ 2,060,756</u>	<u>\$ 2,060,756</u>	<u>\$ 2,388,585</u>

George – Little Rock Community School District
Notes to Required Supplementary Information – Budgetary Reporting
Year ended June 30, 2006

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standard Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

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.

Forma and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund or fund type. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function 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 District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

During the year ended June 30, 2006, disbursements in the instruction function and non-instructional programs exceeded the amounts budgeted but the District did not exceed its General Fund unspent authorized budget.

**George – Little Rock Community School District
Other Supplementary Information**

George - Little Rock Community School District
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2006

Schedule 1

	Management Levy	Student Activity	Physical Plant and Equipment Levy	Public Education Recreation Levy	Total
Assets					
Cash and cash Equivalents:					
Cash	\$ 4,933	\$ 37,048	\$ 51,384	\$ 15,235	\$ 108,600
Investments	-	5,000	-	-	5,000
Receivables:					
Property tax:					
Delinquent	728	-	1,763	208	2,699
Accrued interest	-	88	-	-	88
Total assets	5,661	42,136	53,147	15,443	116,387
Liabilities and Fund Equity					
Liabilities:					
Salaries and benefits payable	-	-	-	953	953
Deferred revenue - succeeding year	-	-	-	-	-
Total liabilities	-	-	-	953	953
Fund equity:					
Unreserved fund balances	5,661	42,136	53,147	14,490	115,434
Total liabilities and fund equity	\$ 5,661	\$ 42,136	\$ 53,147	\$ 15,443	\$ 116,387

See accompanying independent auditor's report.

George - Little Rock Community School District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year ended June 30, 2006

Schedule 2

	Management Levy	Student Activity	Physical Plant and Equipment Levy	Public Education Recreation Levy	Total
Revenues:					
Local sources:					
Local tax	\$ 59,934	\$ -	\$ 145,115	\$ 17,111	\$ 222,160
Other	3,565	206,764	3,978	-	214,307
State sources	37	-	4,404	11	4,452
Total revenues	<u>63,536</u>	<u>206,764</u>	<u>153,497</u>	<u>17,122</u>	<u>440,919</u>
Expenditures:					
Current:					
Instruction:					
Regular instruction	-	212,970	-	-	212,970
Support services:					
Administration Services	-	-	75,624	-	75,624
Operation and maintenance of plant services	65,510	-	8,112	3,870	77,492
Student Transportation	-	-	-	18,054	18,054
Other expenditures:					
Facilities acquisition	-	-	67,467	-	67,467
Total expenditures	<u>65,510</u>	<u>212,970</u>	<u>151,203</u>	<u>21,924</u>	<u>451,607</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,974)</u>	<u>(6,206)</u>	<u>2,294</u>	<u>(4,802)</u>	<u>(10,688)</u>
Other financing sources (uses):					
Operating transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,974)</u>	<u>(6,206)</u>	<u>2,294</u>	<u>(4,802)</u>	<u>(10,688)</u>
Fund balances beginning of year	<u>7,635</u>	<u>48,342</u>	<u>50,853</u>	<u>19,292</u>	<u>126,122</u>
Fund balances end of year	<u>\$ 5,661</u>	<u>\$ 42,136</u>	<u>\$ 53,147</u>	<u>\$ 14,490</u>	<u>\$ 115,434</u>

See accompanying independent auditor's report.

George - Little Rock Community School District
 Schedule of Changes in Special Revenue Fund, Student Activity Accounts
 Year ended June 30, 2006

Schedule 3

Account	Balance Beginning of Year	Revenues and Interfund Transfers	Expenditures	Intra- Fund Transfers	Balance End of Year
Adult Education	627	50	-	(677)	-
Annual	4,515	9,123	10,476		3,162
Resale	1,044	31,517	33,837	1,276	-
General	1,367	31,533	32,832	(68)	-
Athletics	-	8,942	1,900	(7,042)	-
Baseball	-	-	2,026	2,026	-
Basketball:					
Boys	-	19,277	20,513	1,236	-
Boys Fundraiser	953	11,914	13,059	192	-
Girls	-	7,177	4,789	(2,388)	-
Track:					
Boys	-	161	2,329	2,168	-
Girls	-	137	1,484	1,347	-
Softball	-	1,314	3,322	2,008	-
Wrestling	-	2,280	2,146	(134)	-
Football	-	-	346	346	-
Golf:					
Boys	-	22	497	475	-
Girls	-	-	518	518	-
Volleyball	322	3,234	4,212	656	-
Cross Country	-	1,285	2,758	1,473	-
Cheerleaders	-	796	1,603	807	-
Music - Vocal	256	3,363	3,204		415
Music - Instrumental	140	3,324	3,168		296
Music Boosters	343	-	-		343
Music Resale	-	-	-		-
Recreation Club	381	28	100		309
Faculty	890	1,378	1,428		840
Future Farmers of America	198	19,916	19,744		370
Future Farmers /Savings	3,711	37	-		3,748
National Honor Society	71	484	507		48
MS Student Council	415	-	45		370
HS Student Council	1,724	1,616	1,403		1,937
Border Lodge Scholarship	-	-	-		-
Thomson Memorial Scholarship	-	200	200		-
Broadway Bound	236	-	-		236
Investor Group	2,004	2,489	2,909		1,584
Drama Club	-	2,797	5,350	2,553	-
Speech Tournament	-	4,366	1,785	(2,581)	-
Summer Recreation	1,713	2,653	4,383	17	-
Interest on Investments	-	531	-	(442)	89
Athletics Resale	-	-	-		-

George - Little Rock Community School District
Schedule of Changes in Special Revenue Fund, Student Activity Accounts
Year ended June 30, 2005

Schedule 3

Account	Balance Beginning of Year	Revenues and Interfund Transfers	Expenditures	Intra- Fund Transfers	Balance End of Year
Class of:					
2006	2,719	-	1,191		1,528
2007	-	8,353	6,149		2,204
2008	408	841	855		394
2009	386	640	64		962
2010	201	333	266		268
2011	130	607	485		252
2012	-	1,060	848		212
Insurance	-	1,222	1,222		-
NOW Interest	-	314	-	(314)	-
MS Magazines	5,522	7,270	5,777	(4,432)	2,583
MS Yearbook	-	1,458	1,992	534	-
Newspaper	-	39	546	507	-
Pictures	-	61	-	(61)	-
MS Reading Program	-	1,140	1,071		69
Steve Groenwold Memorial	40	-	-		40
Jim Schaar Memorial	42	-	-		42
Mexico Trip	330	-	330		-
Virgil Krull Memorial	-	200	-		200
Band Fundraiser	15,417	4,455	3,401		16,471
Workkeys	601	-	-		601
Vending Machine	1,017	4,980	4,818		1,179
Promotions	619	1,847	1,082		1,384
	<u>\$ 48,342</u>	<u>\$ 206,764</u>	<u>\$ 212,970</u>	<u>\$ -</u>	<u>\$ 42,136</u>

See accompanying independent auditor's report.

George - Little Rock Community School District
 Schedule of Revenues by Source and Expenditures by Function
 All Governmental Funds
 For the Last Four Years

Schedule 4

	Modified Accrual Basis			
	2006	2005	2004	2003
Revenues:				
Local sources:				
Local tax	\$ 2,220,837	\$ 1,843,801	\$ 1,686,118	\$ 1,843,822
Tuition	108,869	95,412	78,793	638,544
Other	454,405	240,651	285,002	360,236
Intermediate sources	1,697	1,344	-	-
State sources	2,238,731	2,134,833	1,941,302	1,822,910
Federal sources	209,369	283,336	179,640	280,417
Total	<u>5,233,908</u>	<u>4,599,377</u>	<u>4,170,855</u>	<u>4,945,929</u>
Expenditures:				
Instruction:				
Regular instruction	2,177,635	1,981,506	1,838,852	2,107,000
Special instruction	483,495	557,850	571,727	608,721
Other instruction	378,093	394,355	292,522	457,608
Support services:				
Student services	96,344	72,976	48,851	75,569
Instructional staff services	75,428	80,801	75,841	53,004
Administration Services	534,224	464,367	628,640	611,925
Operation and maintenance of plant services	355,349	321,735	250,703	233,077
Transportation services	238,468	223,469	193,493	214,410
Central support services	-	-	-	6,190
Non-instructional programs	209,534	204,343	168,946	172,890
Other expenditures:				
Facilities acquisition	1,493,337	579,680	287,585	280,423
Long-term debt interest	180,602	18,360	17,000	15,000
AEA flow-through	155,076	149,090	146,587	157,934
Total	<u>\$ 6,377,585</u>	<u>\$ 5,048,532</u>	<u>\$ 4,520,747</u>	<u>\$ 4,993,751</u>

See accompanying independent auditor's report.

George – Little Rock Community School District

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Independent Auditor's Report on Compliance and 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 of
George - Little Rock Community School District:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of George - Little Rock Community School District as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued our report thereon dated October 11, 2006. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the George - Little Rock 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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in Part I of the accompanying Schedule of Findings.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we believe item I-06-A is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the George - Little Rock 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 object 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. However, we noted certain immaterial instances of noncompliance that are described in Part II of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2006 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit is 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 those statutes.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of George - Little Rock Community School District and other parties to whom George - Little Rock Community School District may report including federal awarding agencies and pass-through entities. 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 George - Little Rock Community School 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.

Heard Halse & Co.

October 11, 2006

George - Little Rock Community School District
Schedule of Findings
Year ended June 30, 2006

Part I: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

REPORTABLE CONDITIONS:

I-06-A Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties, which are incompatible. We noted that the same person did all cash receipts and disbursements and bookkeeping and deposit functions.

Recommendation - We realize segregation of duties is difficult with a limited number of office employees. However, the District should review its control procedures to obtain the maximum internal control possible under the circumstances.

Response - We will continue to review our procedures and implement additional controls where possible.

Conclusion - Response accepted.

George - Little Rock Community School District
Schedule of Findings
Year ended June 30, 2006

Part II: Other Findings Related to Required Statutory Reporting:

- II-06-A Official Depository – Official depositories have been approved by the District. The maximum deposit amounts approved were not exceeded during the year ended June 30, 2006.
- II-06-B Certified Budget - Disbursements for the year ended June 30, 2006, exceeded the amount budgeted in the instruction and non-instructional program 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 – We will amend our budget before disbursements exceed the budget.
Conclusion – Response accepted.
- II-06-C Questionable Expenditures - No disbursements were noted that might not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.
- II-06-D Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- II-06-E Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. Coverage amounts should be reviewed annually to insure adequacy for current operations.
- II-06-F Board Minutes - No transactions requiring Board approval, which had not been approved by the Board, were noted.
- II-06-G Deposits and Investments - No instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the Districts’ investment policy were noted.
- II-06-H Certified Annual Report - The Certified Annual Report was certified to the Iowa Department of Education timely.
- II-06-I Certified Enrollment – No variances in the basic enrollment data certified to the Department of Education were noted.
- II-06-J Business Transactions – No business transactions between the District and District officials or employees were noted.