



CAMANCHE COMMUNITY SCHOOL DISTRICT
Camanche, Iowa

FINANCIAL STATEMENTS
June 30, 2007

CAMANCHE COMMUNITY SCHOOL DISTRICT

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CAMANCHE COMMUNITY SCHOOL DISTRICT

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>Board of Education</u> (Before September, 2006 Election)		
John Thomas	President	2008
Steve Campie	Vice-President	2007
Pam Baretich	Member	2006
Mike Dunn	Member	2006
Chad Delzell	Member	2007
Shelley McCausland	Member	2007
Darcy Thornton	Member	2008
<u>Board of Education</u> (After September, 2006 Election)		
John Thomas	President	2008
Steve Campie	Vice-President	2007
Chad Delzell	Member	2007
Shelley McCausland	Member	2007
Darcy Thornton	Member	2008
Pam Baretich	Member	2009
Mike Dunn	Member	2009
<u>School Officials</u>		
Thomas E. Parker	Superintendent	2007
Roxanne L. Aude	Business Director Board Secretary/Treasurer	2007
Jerry D. Van Scoy	Attorney	Indefinite

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, 2007, 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 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, business-type activities, each major fund, and the aggregate remaining fund information of Camanche Community School District as of June 30, 2007, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2007, 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 assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 4-18 and 48-49 are not required parts of the basic financial statements, but are supplemental 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 required 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, 2006 (which are not presented herein) and expressed unqualified opinions 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 Henderson LLP

Clinton, Iowa
December 10, 2007

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

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, 2007. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2007 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$7,812,852 in fiscal 2006 to \$8,288,632 in fiscal 2007, while General Fund expenditures increased from \$7,782,429 in fiscal 2006 to \$7,861,102 in fiscal 2007. The District's General Fund balance increased from \$284,771 in fiscal 2006 to \$818,422 in fiscal 2007, a 187.4% increase.
- The increase in General Fund revenues was attributable to an increase in interest rates, an increase in enrollment plus state allowable growth resulting in more State Foundation Aid and Teacher Compensation/Salary Improvement funding.
- The increase in General Fund expenditures is due to the increase in salaries/benefits and fuel costs, in conjunction with an increase in Teacher Quality pay outs.

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.

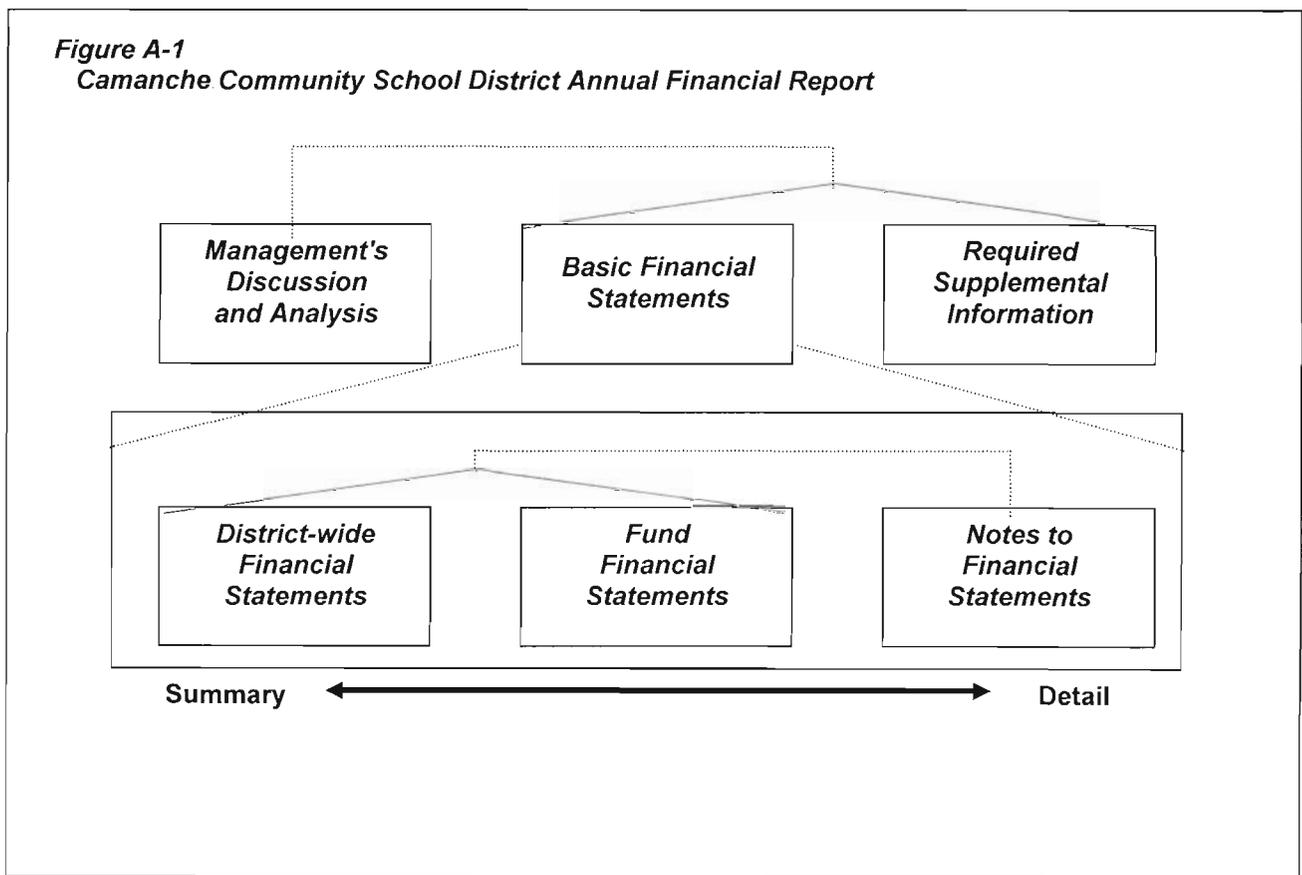
Notes to financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

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.



**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

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	<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, expenses, and changes in net assets • Statement of cash flows 	<ul style="list-style-type: none"> • 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 year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

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.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

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 include 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.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

Government-Wide Financial Analysis

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 \$6,200,238 as of June 30, 2007.

A portion of the District's net assets (64.7%) reflects its invested 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 are still outstanding. Although the District's invested 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 \$4,140,454 in long-term liabilities (see Note 6 on page 43), 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 years ended June 30, 2007 and 2006:

2007

	Governmental Activities	Business- Type Activities	Total
Current assets	\$ 7,805,774	\$ 124,024	\$ 7,929,798
Capital assets, net of accumulated depreciation	<u>8,021,328</u>	<u>27,583</u>	<u>8,048,911</u>
Total assets	<u>15,827,102</u>	<u>151,607</u>	<u>15,978,709</u>
Current liabilities	5,592,644	45,373	5,638,017
Long-term liabilities	<u>4,140,454</u>	<u>-</u>	<u>4,140,454</u>
Total liabilities	<u>9,733,098</u>	<u>45,373</u>	<u>9,778,471</u>
Net assets			
Invested in capital assets, net of related debt	3,986,328	27,583	4,013,911
Restricted	1,094,751	-	1,094,751
Unrestricted	<u>1,012,925</u>	<u>78,651</u>	<u>1,091,576</u>
Total net assets	<u>\$ 6,094,004</u>	<u>\$ 106,234</u>	<u>\$ 6,200,238</u>

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

2006

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Current assets	\$ 7,721,470	\$ 109,269	\$ 7,830,739
Capital assets, net of accumulated depreciation	<u>8,246,712</u>	<u>23,383</u>	<u>8,270,095</u>
Total assets	<u>15,968,182</u>	<u>132,652</u>	<u>16,100,834</u>
Current liabilities	6,376,586	47	6,376,633
Long-term liabilities	<u>4,468,216</u>	<u>-</u>	<u>4,468,216</u>
Total liabilities	<u>10,844,802</u>	<u>47</u>	<u>10,844,849</u>
Net assets			
Invested in capital assets, net of related debt	3,866,712	23,383	3,890,095
Restricted	786,625	-	786,625
Unrestricted	<u>470,043</u>	<u>109,222</u>	<u>579,265</u>
Total net assets	<u>\$ 5,123,380</u>	<u>\$ 132,605</u>	<u>\$ 5,255,985</u>

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 invested 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 \$1,094,751 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 \$1,091,576 at year end.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

Changes in net assets. The District's total revenue for the fiscal year ended June 30, 2007 was \$10,429,489 and June 30, 2006 was \$9,780,458. The total cost of all programs and services was \$9,485,236 and \$9,501,712, respectively. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2007 and 2006:

<u>2007</u>	Governmental Activities	Business- Type Activities	Total
Revenues			
Program revenues			
Charges for services	\$ 1,080,882	\$ 215,215	\$ 1,296,097
Operating grants, contributions, and restricted interest	556,867	164,854	721,721
General revenues			
Property tax	3,633,781	-	3,633,781
Local option sales tax	646,479	-	646,479
Unrestricted student book fees	26,817	-	26,817
Unrestricted state aid	3,451,735	-	3,451,735
AEA flow through	298,934	-	298,934
Unrestricted investment earnings	118,974	847	119,821
Loss on sale of capital assets	(16,279)	-	(16,279)
Miscellaneous	250,383	-	250,383
Total revenues	<u>10,048,573</u>	<u>380,916</u>	<u>10,429,489</u>
Expenses			
Instruction	5,441,255	-	5,441,255
Support services			
Student services	262,217	-	262,217
Instructional staff services	216,922	-	216,922
Administration services	1,148,738	-	1,148,738
Operation and maintenance of plant services	724,667	-	724,667
Transportation services	217,111	-	217,111
Non-instructional programs	-	407,287	407,287
Other expenditures			
Facilities acquisitions	136,362	-	136,362
Long-term debt interest and finance charges	200,262	-	200,262
AEA flow through	298,934	-	298,934
Depreciation (unallocated)	431,481	-	431,481
Total expenses	<u>9,077,949</u>	<u>407,287</u>	<u>9,485,236</u>
Change in net assets	<u>\$ 970,624</u>	<u>\$ (26,371)</u>	<u>\$ 944,253</u>

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

<u>2006</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Revenues			
Program revenues			
Charges for services	\$ 1,143,444	\$ 203,981	\$ 1,347,425
Operating grants, contributions, and restricted interest	472,343	185,624	657,967
General revenues			
Property tax	3,236,771	-	3,236,771
Local option sales tax	555,079	-	555,079
Unrestricted student book fees	38,701	-	38,701
Unrestricted state aid	3,355,896	-	3,355,896
AEA flow through	273,321	-	273,321
Unrestricted investment earnings	67,939	1,089	69,028
Miscellaneous	<u>246,270</u>	<u>-</u>	<u>246,270</u>
Total revenues	<u>9,389,764</u>	<u>390,694</u>	<u>9,780,458</u>
Expenses			
Instruction	5,441,727	-	5,441,727
Support services			
Student services	235,996	-	235,996
Instructional staff services	216,847	-	216,847
Administration services	1,097,291	-	1,097,291
Operation and maintenance of plant services	728,301	-	728,301
Transportation services	217,664	-	217,664
Non-instructional programs	-	427,759	427,759
Other expenditures			
Facilities acquisitions	233,379	-	233,379
Long-term debt interest and finance charges	203,643	-	203,643
AEA flow through	273,321	-	273,321
Depreciation (unallocated)	<u>425,784</u>	<u>-</u>	<u>425,784</u>
Total expenses	<u>9,073,953</u>	<u>427,759</u>	<u>9,501,712</u>
Change in net assets	<u>\$ 315,811</u>	<u>\$ (37,065)</u>	<u>\$ 278,746</u>

Property and local option sales tax and unrestricted state grants account for 74.1% of the total revenue for fiscal year 2007. The District's expenses primarily relate to instruction and support services, which account for 84.5% of the total expenses for fiscal year 2007.

Governmental Activities

Revenues for governmental activities were \$10,048,573 and expenses were \$9,077,949 for June 30, 2007. Revenues for governmental activities were \$9,389,764 and expenses were \$9,073,953 for June 30, 2006.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

The following tables present the cost of the District's functional governmental activities. The tables also show 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.

2007

	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Instruction	\$ 5,441,255	\$ (3,820,052)
Support services		
Student services	262,217	(262,217)
Instructional staff services	216,922	(216,922)
Administration services	1,148,738	(1,148,738)
Operation and maintenance of plant services	724,667	(718,443)
Transportation services	217,111	(206,789)
Non-instructional programs	-	-
Other expenditures		
Facilities acquisitions	136,362	(136,362)
Long-term debt interest and finance charges	200,262	(200,262)
AEA flow through	298,934	(298,934)
Depreciation (unallocated)	<u>431,481</u>	<u>(431,481)</u>
Total expenses	<u>\$ 9,077,949</u>	<u>\$(7,440,200)</u>

- The cost of all governmental activities this year was \$9,077,949.
- Federal and State governments and charges for services subsidized certain governmental activities with grants and contributions and other local revenues of \$1,637,749.

Net cost of governmental activities (\$7,440,200), was financed by general revenues, which are made up of primarily property and local option sales tax (\$4,280,260) and state aid (\$3,451,735). Investment earnings and miscellaneous sources accounted for \$369,357.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

2006

	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Instruction	\$ 5,441,727	\$ (3,873,327)
Support services		
Student services	235,996	(235,996)
Instructional staff services	216,847	(216,847)
Administration services	1,097,291	(1,097,291)
Operation and maintenance of plant services	728,301	(703,272)
Transportation services	217,664	(195,306)
Non-instructional programs	-	-
Other expenditures		
Facilities acquisitions	233,379	(233,379)
Long-term debt interest and finance charges	203,643	(203,643)
AEA flow through	273,321	(273,321)
Depreciation (unallocated)	<u>425,784</u>	<u>(425,784)</u>
Total expenses	<u>\$ 9,073,953</u>	<u>\$(7,458,166)</u>

- The cost of all governmental activities for 2006 was \$9,073,953.
- Federal and State governments and charges for services subsidized certain governmental activities with grants and contributions and other local revenues of \$1,615,787.

Net cost of governmental activities (\$7,458,166), was financed by general revenues, which are made up of primarily property and local option sales tax (\$3,791,850) and state aid (\$3,355,896). Investment earnings and miscellaneous sources accounted for \$314,209.

Business-Type Activities

Revenues for business-type activities were \$380,916 and expenses were \$407,287 for June 30, 2007. Revenues for business-type activities were \$390,694 and expenses were \$427,759 for June 30, 2006. 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.

The decrease in the revenues and expenses were attributed to a decrease in overall student participation in the School Nutrition Program.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

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 \$2,226,655, above last year's ending fund balance of \$1,361,013.

Governmental Fund Highlights

- The District's improved General Fund financial position is the result of many factors. An increase in revenues and a decrease in expenditures were contributing factors in the improvement in the General Fund financial position.
- The General Fund balance increased from \$284,771 to \$818,422, due in part to the constant monitoring of maintaining expenses.
- The Debt Service Fund balance remained relatively constant, increasing slightly from \$289,617 in fiscal 2006 to \$313,482 in fiscal 2007.

Proprietary Fund Highlights

School Nutrition Fund net assets decreased from \$132,605 at June 30, 2006 to \$106,234 at June 30, 2007, representing a decrease of approximately 19.9%. The District experienced a decrease in student participation in the School Nutrition Program resulting in a decrease in meals served.

BUDGETARY HIGHLIGHTS

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

The District's receipts were \$270,010 more than budgeted receipts, a variance of 2.7%.

Total disbursements were more than budgeted over all. However, one particular function was overspent due to changes in the State's account code structure requirements. It is the District's practice to budget disbursements 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 disbursements for the year.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2007, the District had invested \$8,048,911 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 \$214,874 from last year, primarily due to building improvements and machinery and equipment. Total depreciation expense for the year was \$436,058.

As of June 30, 2006, the District had invested \$8,270,095 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 \$155,554 from last year, primarily due to building improvements and machinery and equipment. Total depreciation expense for the year was \$428,840.

The following schedule presents capital asset balances net of depreciation for the fiscal years ended June 30, 2007:

<u>2007</u>	Governmental Activities	Business- Type Activities	Total
Land	\$ 21,939	\$ -	\$ 21,939
Land improvements	425,096	-	425,096
Buildings and building improvements	7,173,638	-	7,173,638
Machinery and equipment	<u>400,655</u>	<u>27,583</u>	<u>428,238</u>
Total	<u>\$ 8,021,328</u>	<u>\$ 27,583</u>	<u>\$ 8,048,911</u>
<u>2006</u>	Governmental Activities	Business- Type Activities	Total
Land	\$ 21,939	\$ -	\$ 21,939
Land improvements	463,614	-	463,614
Buildings and building improvements	7,457,470	-	7,457,470
Machinery and equipment	<u>303,689</u>	<u>23,383</u>	<u>327,072</u>
Total	<u>\$ 8,246,712</u>	<u>\$ 23,383</u>	<u>\$ 8,270,095</u>

Additional information on the District's capital assets can be found in Note 5 on page 42 of this report.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

Long-Term Debt

At June 30, 2007, the District had \$4,140,454 in general obligation and other long-term debt outstanding. This represents a decrease of approximately 7.3% from the prior year. Additional information about the District's long-term debt is presented in Note 6 on page 43 of this report.

	<u>Amount</u>
General obligation bonds	\$ 4,035,000
Compensated absences	<u>105,454</u>
Total	<u>\$ 4,140,454</u>

At June 30, 2006, the District had \$4,468,216 in general obligation and other long-term debt outstanding. This represents a decrease of approximately 6.9% from the prior year. Additional information about the District's long-term debt is presented in Note 6 on page 43 of this report.

	<u>Amount</u>
General obligation bonds	\$ 4,380,000
Compensated absences	<u>88,216</u>
Total	<u>\$ 4,468,216</u>

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007**

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 decrease from the 2006-2007 school year to the 2007-2008 school year.
- The significant increase in the costs of utilities and fuel.
- Continued evaluation of the condition of the transportation vehicles and the rotation for replacement of these vehicles. Future purchases will be Local Option Sales and Service Tax Fund expenditures.
- The District has moved to fully insured status with Health Care/Prescription Drug Insurance. These two areas are constantly being monitored.
- The offering of the Early Retirement Incentive to the District's employees. There are 20 certified and classified employees who would qualify to participate in the Early Retirement Incentive.
- The negotiation of salaries and benefits for all District employees.
- Continued evaluation of the need for technology upgrades and textbook purchases.

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

CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
June 30, 2007

	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS			
Cash and cash equivalents	\$ 438,489	\$ 112,582	\$ 551,071
Investments	2,181,885	104	2,181,989
Property taxes receivable			
Current year delinquent	64,646	-	64,646
Succeeding year	3,690,000	-	3,690,000
Other receivables	67,317	-	67,317
Due from other governments	70,896	-	70,896
Inventories	-	11,338	11,338
ISCAP investments	1,289,959	-	1,289,959
ISCAP accrued interest receivable	2,582	-	2,582
Capital assets, net of accumulated depreciation	8,021,328	27,583	8,048,911
Total assets	<u>15,827,102</u>	<u>151,607</u>	<u>15,978,709</u>
LIABILITIES			
Accounts payable and accrued liabilities	51,553	-	51,553
Accrued payroll and deductions	535,650	45,373	581,023
Accrued interest payable	13,525	-	13,525
ISCAP warrants payable	1,292,000	-	1,292,000
ISCAP accrued interest payable	329	-	329
ISCAP unamortized premium	9,587	-	9,587
Deferred revenue	3,690,000	-	3,690,000
Long-term liabilities			
Portion due within one year:			
Bonds payable	390,000	-	390,000
Compensated absences	105,454	-	105,454
Portion due after one year:			
Bonds payable	3,645,000	-	3,645,000
Total liabilities	<u>9,733,098</u>	<u>45,373</u>	<u>9,778,471</u>
NET ASSETS			
Invested in capital assets, net of related debt	3,986,328	27,583	4,013,911
Restricted for:			
Management levy	92,674	-	92,674
Physical plant and equipment levy	127,470	-	127,470
Other special revenue purposes	874,607	-	874,607
Unrestricted	1,012,925	78,651	1,091,576
Total net assets	<u>\$ 6,094,004</u>	<u>\$ 106,234</u>	<u>\$ 6,200,238</u>

The accompanying notes are an integral part of the financial statements.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2007**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
Governmental activities:		<u>Charges for Service</u>	<u>Operating Grants, Contributions, and Restricted Interest</u>
Instruction	\$ 5,441,255	\$ 1,071,172	\$ 550,031
Support services			
Student services	262,217	-	-
Instructional staff services	216,922	-	-
Administration services	1,148,738	-	-
Operation and maintenance of plant services	724,667	25	6,199
Transportation services	217,111	9,685	637
	2,569,655	9,710	6,836
Other expenditures			
Facilities acquisition	136,362	-	-
Long-term debt interest and finance charges	200,262	-	-
AEA flow through	298,934	-	-
Depreciation (unallocated)	431,481	-	-
	1,067,039	-	-
Total governmental activities	9,077,949	1,080,882	556,867
Business-type activities:			
Non-instructional programs			
School nutrition	407,287	215,215	164,854
Total	\$ 9,485,236	\$ 1,296,097	\$ 721,721
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			
Loss on sale of capital assets			
Miscellaneous			
Total general revenues			

CHANGE IN NET ASSETS

NET ASSETS, BEGINNING OF YEAR

NET ASSETS, END OF YEAR

EXHIBIT B

Net (Expenses) Revenues
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (3,820,052)	\$ -	\$ (3,820,052)
(262,217)	-	(262,217)
(216,922)	-	(216,922)
(1,148,738)	-	(1,148,738)
(718,443)	-	(718,443)
(206,789)	-	(206,789)
<u>(2,553,109)</u>	<u>-</u>	<u>(2,553,109)</u>
(136,362)	-	(136,362)
(200,262)	-	(200,262)
(298,934)	-	(298,934)
(431,481)	-	(431,481)
<u>(1,067,039)</u>	<u>-</u>	<u>(1,067,039)</u>
(7,440,200)	-	(7,440,200)
<u>-</u>	<u>(27,218)</u>	<u>(27,218)</u>
<u>(7,440,200)</u>	<u>(27,218)</u>	<u>(7,467,418)</u>
3,204,935	-	3,204,935
357,844	-	357,844
71,002	-	71,002
646,479	-	646,479
26,817	-	26,817
3,451,735	-	3,451,735
298,934	-	298,934
118,974	847	119,821
(16,279)	-	(16,279)
250,383	-	250,383
<u>8,410,824</u>	<u>847</u>	<u>8,411,671</u>
970,624	(26,371)	944,253
<u>5,123,380</u>	<u>132,605</u>	<u>5,255,985</u>
<u>\$ 6,094,004</u>	<u>\$ 106,234</u>	<u>\$ 6,200,238</u>

The accompanying notes are an integral part of the financial statements.

CAMANCHE COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2007

EXHIBIT C

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 203,181	\$ -	\$ 235,308	\$ 438,489
Investments	1,047,292	305,138	829,455	2,181,885
Property taxes receivable				
Current year delinquent	51,204	7,635	5,807	64,646
Succeeding year	2,931,000	431,000	328,000	3,690,000
Other receivables	66,608	709	-	67,317
Due from other governments	38,873	-	32,023	70,896
ISCAP investments	1,289,959	-	-	1,289,959
ISCAP accrued interest receivable	<u>2,582</u>	<u>-</u>	<u>-</u>	<u>2,582</u>
TOTAL ASSETS	<u>\$ 5,630,699</u>	<u>\$ 744,482</u>	<u>\$ 1,430,593</u>	<u>\$ 7,805,774</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	\$ 43,711	\$ -	\$ 7,842	\$ 51,553
Accrued payroll and deductions	535,650	-	-	535,650
ISCAP warrants payable	1,292,000	-	-	1,292,000
ISCAP accrued interest payable	329	-	-	329
ISCAP unamortized premium	9,587	-	-	9,587
Deferred revenue	<u>2,931,000</u>	<u>431,000</u>	<u>328,000</u>	<u>3,690,000</u>
Total liabilities	<u>4,812,277</u>	<u>431,000</u>	<u>335,842</u>	<u>5,579,119</u>
Fund balances				
Reserved for:				
Debt service	-	313,482	-	313,482
Unreserved	<u>818,422</u>	<u>-</u>	<u>1,094,751</u>	<u>1,913,173</u>
Total fund balances	<u>818,422</u>	<u>313,482</u>	<u>1,094,751</u>	<u>2,226,655</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,630,699</u>	<u>\$ 744,482</u>	<u>\$ 1,430,593</u>	<u>\$ 7,805,774</u>

The accompanying notes are an integral part of the financial statements.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
June 30, 2007**

Total fund balances of governmental funds (page 23)	\$ 2,226,655
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	8,021,328
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.	(13,525)
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.	<u>(4,140,454)</u>
Net assets of governmental activities (page 20)	<u>\$ 6,094,004</u>

The accompanying notes are an integral part of the financial statements.

CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2007

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
REVENUES				
Local sources				
Local taxes	\$ 2,873,020	\$ 432,223	\$ 975,016	\$ 4,280,259
Tuition	810,361	-	-	810,361
Other	326,163	19,508	327,223	672,894
State sources	4,115,052	-	-	4,115,052
Federal sources	164,036	-	22,250	186,286
Total revenues	<u>8,288,632</u>	<u>451,731</u>	<u>1,324,489</u>	<u>10,064,852</u>
EXPENDITURES				
Current operating:				
Instruction	<u>5,097,100</u>	-	<u>344,155</u>	<u>5,441,255</u>
Support services				
Student services	262,217	-	-	262,217
Instructional staff services	216,922	-	-	216,922
Administration services	1,047,406	-	87,349	1,134,755
Operation and maintenance of plant services	721,765	-	-	721,765
Transportation services	216,758	-	-	216,758
Total support services	<u>2,465,068</u>	-	<u>87,349</u>	<u>2,552,417</u>

CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2007

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
EXPENDITURES (CONTINUED)				
Current operating (continued):				
Other expenditures				
Facilities acquisition	\$ -	\$ -	\$ 358,738	\$ 358,738
Long-term debt				
Principal	-	360,000	-	360,000
Interest and finance charges	-	189,942	-	189,942
Bond issuance costs	-	12,924	-	12,924
AEA flow through	298,934	-	-	298,934
Total other expenditures	<u>298,934</u>	<u>562,866</u>	<u>358,738</u>	<u>1,220,538</u>
Total expenditures	<u>7,861,102</u>	<u>562,866</u>	<u>790,242</u>	<u>9,214,210</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>427,530</u>	<u>(111,135)</u>	<u>534,247</u>	<u>850,642</u>
OTHER FINANCING SOURCES (USES)				
Refunding bonds	-	4,035,000	-	4,035,000
Payments to refunding bond agent	-	(4,020,000)	-	(4,020,000)
Operating transfers in	106,121	120,000	-	226,121
Operating transfers out	-	-	(226,121)	(226,121)
Total other financing sources (uses)	<u>106,121</u>	<u>135,000</u>	<u>(226,121)</u>	<u>15,000</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>533,651</u>	<u>23,865</u>	<u>308,126</u>	<u>865,642</u>
FUND BALANCES, BEGINNING OF YEAR	<u>284,771</u>	<u>289,617</u>	<u>786,625</u>	<u>1,361,013</u>
FUND BALANCES, END OF YEAR	<u>\$ 818,422</u>	<u>\$ 313,482</u>	<u>\$ 1,094,751</u>	<u>\$ 2,226,655</u>

The accompanying notes are an integral part of the 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, 2007**

Net change in fund balances - total governmental funds (page 26) \$ 865,642

***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	\$ 222,376	
Depreciation expense	<u>(431,481)</u>	(209,105)

In the Statement of Activities, the loss on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources. (16,279)

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. 4,380,000

Issuance of debt is a revenue in the governmental funds, but increases long-term liabilities in the statement of net assets. (4,035,000)

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	2,604
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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	<u>(17,238)</u>
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Change in net assets of governmental activities (page 22) **\$ 970,624**

The accompanying notes are an integral part of the financial statements.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUND
June 30, 2007**

	Enterprise Fund - <u>School Nutrition</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 112,582
Investments	104
Inventories	11,338
Total current assets	<u>124,024</u>
Noncurrent assets:	
Furniture and equipment	162,921
Less accumulated depreciation	<u>(135,338)</u>
Total noncurrent assets	<u>27,583</u>
Total assets	<u>151,607</u>
LIABILITIES	
Accounts payable	<u>45,373</u>
NET ASSETS	
Invested in capital assets	27,583
Unrestricted	<u>78,651</u>
Total net assets	<u>\$ 106,234</u>

The accompanying notes are an integral part of the financial statements.

CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUND
Year Ended June 30, 2007

	Enterprise Fund - <u>School Nutrition</u>
OPERATING REVENUES	
Local sources	
Food service sales	\$ 215,215
OPERATING EXPENSES	
Non-instructional programs	
Food service operations	
Salaries	134,782
Employee benefits	22,747
Other purchased services	5,896
Supplies	238,342
Depreciation	4,577
Other operating costs	943
Total operating expenses	<u>407,287</u>
Operating loss	<u>(192,072)</u>
NON-OPERATING REVENUES	
State sources	4,958
Federal sources	
Federal food commodities	18,185
Federal subsidy	141,711
Interest on investments	847
Total non-operating revenues	<u>165,701</u>
CHANGE IN NET ASSETS	(26,371)
NET ASSETS, BEGINNING OF YEAR	<u>132,605</u>
NET ASSETS, END OF YEAR	<u><u>\$ 106,234</u></u>

The accompanying notes are an integral part of the financial statements.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2007**

	Enterprise Fund - <u>School Nutrition</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from sale of lunches and breakfasts	\$ 215,215
Cash payments to employees for services	(157,576)
Cash payments to suppliers for goods and services	<u>(195,986)</u>
Net cash used in operating activities	<u>(138,347)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Operating grants received	<u>164,854</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	<u>(8,777)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(104)
Interest on investments	<u>847</u>
Net cash provided by investing activities	<u>743</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	18,473
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>94,109</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 112,582</u>

CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2007

Enterprise
Fund -
School Nutrition

RECONCILIATION OF OPERATING LOSS TO
NET CASH USED IN OPERATING ACTIVITIES

Operating loss	\$ (192,072)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	4,577
Decrease in inventories	3,822
Decrease in accrued liabilities	(47)
Increase in accounts payable	<u>45,373</u>
Net cash used in operating activities	<u>\$ (138,347)</u>

NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

During the year ended June 30, 2007, the District received \$18,185 of federal commodities.

The accompanying notes are an integral part of the financial statements.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2007**

	Private Purpose Trust <u>Scholarship</u>	Agency <u>Fund</u>
ASSETS		
Cash and cash equivalents	\$ 22,238	\$ 190
LIABILITIES		
Due to other groups	<u>-</u>	<u>190</u>
NET ASSETS		
Reserved for scholarships	<u>\$ 22,238</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year Ended June 30, 2007**

	Private Purpose Trust <u>Scholarship</u>
ADDITIONS	
Local sources	
Interest	\$ 439
Memorials/contributions	<u>2,500</u>
Total additions	2,939
DEDUCTIONS	
Support services	
Scholarships awarded	<u>7,000</u>
CHANGE IN NET ASSETS	(4,061)
NET ASSETS, BEGINNING OF YEAR	<u>26,299</u>
NET ASSETS, END OF YEAR	<u><u>\$ 22,238</u></u>

The accompanying notes are an integral part of the financial statements.

CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

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 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 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.

CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (continued)

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.

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 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.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

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.

CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (continued)

Proprietary funds distinguish operating revenues and expenses 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.

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.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Fund Equity (continued)

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, 2005 assessed property valuations; is for the tax accrual period July 1, 2006 through June 30, 2007 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2006.

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 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	\$ 2,500
Land improvements	2,500
Buildings	2,500
Furniture and equipment	2,500

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.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Fund Equity (continued)

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, 2007. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

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, 2007, disbursements in the support services program functional area exceeded the amount budgeted and the District did not exceed its General Fund unspent authorized budget.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 2 - CASH AND POOLED INVESTMENTS

The District's deposits in banks at June 30, 2007 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.

At June 30, 2007, the District had investments in the Iowa Schools Joint Investment Trust as follows:

	<u>Amortized Cost</u>
Diversified Portfolio	
Governmental activities	<u>\$ 2,181,885</u>

The investments are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Credit Risk - The investments in the Iowa Schools Joint Investment Trust were rated AAA by Moody's Investors Service.

NOTE 3 - INTERFUND TRANSFERS

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

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 106,121	\$ -
Debt service	120,000	-
Management fund	-	106,121
Local option sales and service tax fund	-	120,000
Total	<u>\$ 226,121</u>	<u>\$ 226,121</u>

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

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

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, 2007 is as follows:

<u>Series</u>	<u>Warrant Date</u>	<u>Final Warrant Maturity</u>	<u>Investments</u>	<u>Accrued Interest Receivable</u>	<u>Warrants Payable</u>	<u>Accrued Interest Payable</u>
2006-2007A	6/28/06	6/28/07	\$ -	\$ 2,196	\$ -	\$ 329
2007-2008A	6/28/07	6/27/08	<u>1,289,959</u>	<u>386</u>	<u>1,292,000</u>	<u>-</u>
Total			<u>\$1,289,959</u>	<u>\$ 2,582</u>	<u>\$1,292,000</u>	<u>\$ 329</u>

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. ISCAP advance activity in the General Fund for the year ended June 30, 2007 is as follows:

<u>Series</u>	<u>Balance Beginning of Year</u>	<u>Advances Received</u>	<u>Advances Repaid</u>	<u>Balance End of Year</u>
2006-2007A	\$ -	\$ 750,000	\$ 750,000	\$ -
2007-2008A	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ -</u>	<u>\$ 750,000</u>	<u>\$ 750,000</u>	<u>\$ -</u>

The warrants bear interest and the available proceeds of the warrants are invested at the interest rates shown below:

<u>Series</u>	<u>Interest Rates on Warrants</u>	<u>Interest Rates on Investments</u>
2006-2007A	4.500%	5.676%
2007-2008A	4.500%	5.455%

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2007 is as follows:

	<u>Balance June 30, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
Government 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	13,393,160	15,679	-	13,408,839
Machinery and equipment	<u>3,987,646</u>	<u>206,697</u>	<u>220,867</u>	<u>3,973,476</u>
Total capital assets begin depreciated	<u>18,420,218</u>	<u>222,376</u>	<u>220,867</u>	<u>18,421,727</u>
Less accumulated depreciation for:				
Land improvements	575,798	38,518	-	614,316
Buildings and building improvements	5,935,690	299,511	-	6,235,201
Machinery and equipment	<u>3,683,957</u>	<u>93,452</u>	<u>204,588</u>	<u>3,572,821</u>
Total accumulated depreciation	<u>10,195,445</u>	<u>431,481</u>	<u>204,588</u>	<u>10,422,338</u>
Total capital assets being depreciated, net	<u>8,224,773</u>	<u>(209,105)</u>	<u>16,279</u>	<u>7,999,389</u>
Governmental activities capital assets, net	<u>\$ 8,246,712</u>	<u>\$ (209,105)</u>	<u>\$ 16,279</u>	<u>\$ 8,021,328</u>
Business-type activities:				
Furniture and equipment	\$ 154,144	\$ 8,777	\$ -	\$ 162,921
Less accumulated depreciation	<u>130,761</u>	<u>4,577</u>	<u>-</u>	<u>135,338</u>
Business-type activities capital assets, net	<u>\$ 23,383</u>	<u>\$ 4,200</u>	<u>\$ -</u>	<u>\$ 27,583</u>
Depreciation expense was charged by the District as follows:				
Governmental activities:				
Support services:				
Depreciation (unallocated)				<u>\$ 431,481</u>
Business-type activities:				
Food services				<u>\$ 4,577</u>

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 6 - LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2007 are summarized as follows:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>	<u>Due Within One Year</u>
General obligation bonds	\$4,380,000	\$4,035,000	\$4,380,000	\$4,035,000	\$ 390,000
Compensated absences	<u>88,216</u>	<u>61,787</u>	<u>44,549</u>	<u>105,454</u>	<u>105,454</u>
Total	<u>\$4,468,216</u>	<u>\$4,096,787</u>	<u>\$4,424,549</u>	<u>\$4,140,454</u>	<u>\$ 495,454</u>

On May 30, 2007, the District issued \$4,035,000 in General Obligation Refunding Bonds with an interest rate of 4.000%. The District issued the bonds to call \$4,020,000 of the outstanding General Obligation Bonds issued May 1, 2001, with interest rates ranging from 4.000% to 4.750%. The refunding reduced total debt service payments over the next nine years by \$105,902. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$86,752.

Bonds Payable

Details of the June 30, 2007 general obligation bonded indebtedness are as follows:

<u>Year Ending June 30,</u>	<u>Bond Issue of May 30, 2007</u>			
	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	4.00%	\$ 390,000	\$ 157,948	\$ 547,948
2009	4.00%	395,000	141,900	536,900
2010	4.00%	415,000	125,900	540,900
2011	4.00%	425,000	109,200	534,200
2012	4.00%	445,000	92,000	537,000
2013	4.00%	465,000	74,000	539,000
2014	4.00%	485,000	55,200	540,200
2015	4.00%	500,000	35,600	535,600
2016	4.00%	<u>515,000</u>	<u>15,500</u>	<u>530,500</u>
Total		<u>\$ 4,035,000</u>	<u>\$ 807,248</u>	<u>\$ 4,842,248</u>

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2007**

NOTE 7 - DUE FROM OTHER GOVERNMENTS

Amounts due from other governments by Fund as of June 30, 2007 are as follows:

	<u>General Fund</u>
State appropriations	
Vocational aid	\$ <u>10,652</u>
Federal appropriations	
Title I grant	<u>18,403</u>
Miscellaneous	
Special education tuition	5,253
Other	<u>4,565</u>
Total miscellaneous	<u>9,818</u>
 Total due from other governments	 \$ <u>38,873</u>
	 <u>Local Option Sales and Service Tax Fund</u>
Miscellaneous	
Local option sales tax	\$ <u>32,023</u>

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, 2007, 2006, and 2005. Contribution requirements are established by State statute. The District's contribution to IPERS for the years ended June 30, 2007, 2006, and 2005 were \$273,304, \$260,017, and \$251,270, respectively, equal to the required contributions for each year.

CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

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, 2007.

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 \$298,934 for the year ended June 30, 2007 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.

CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2007

NOTE 12 - TERMINATION BENEFITS

The District offers a voluntary early retirement plan to its employees. Eligible employees must have completed at least ten years of full-time service to the District as of June 30, and must have reached the age of fifty-five before December 31 of the year in which the employee wished to retire. The application for early retirement is subject to approval by the Board of Education and must be submitted before March 1 of the year in which the employee wished to retire.

Early retirement benefits are equal to 25% of the employee's regular contractual salary in effect during the employee's last year of employment. Early retirement benefits are paid in a single installment by July 1 following approval of the early retirement.

At June 30, 2007, the District has no unpaid obligations to participants. Actual early retirement expenditures for the year ended June 30, 2007 totaled \$94,700.

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

REQUIRED SUPPLEMENTAL INFORMATION

CAMANCHE COMMUNITY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS AND PROPRIETARY FUND
REQUIRED SUPPLEMENTAL INFORMATION
Year Ended June 30, 2007

	Governmental Fund <u>Actual</u>	Proprietary Fund <u>Actual</u>	Total <u>Actual</u>	<u>Budgeted Amounts</u>		Final to Actual Variance - Positive (Negative)
				<u>Original</u>	<u>Final</u>	
REVENUES						
Local sources	\$ 5,763,514	\$ 216,062	\$ 5,979,576	\$ 5,678,055	\$ 5,678,055	\$ 301,521
Intermediate sources	-	-	-	2,800	2,800	(2,800)
State sources	4,115,052	4,958	4,120,010	4,079,903	4,079,903	40,107
Federal sources	<u>186,286</u>	<u>159,896</u>	<u>346,182</u>	<u>415,000</u>	<u>415,000</u>	<u>(68,818)</u>
Total revenues	<u>10,064,852</u>	<u>380,916</u>	<u>10,445,768</u>	<u>10,175,758</u>	<u>10,175,758</u>	<u>270,010</u>
EXPENDITURES						
Instruction	5,441,255	-	5,441,255	5,572,500	5,572,500	131,245
Support services	2,552,417	-	2,552,417	2,490,818	2,490,818	(61,599)
Non-instructional programs	-	407,287	407,287	486,000	486,000	78,713
Other expenditures	<u>1,220,538</u>	<u>-</u>	<u>1,220,538</u>	<u>1,321,587</u>	<u>1,321,587</u>	<u>101,049</u>
Total expenditures	<u>9,214,210</u>	<u>407,287</u>	<u>9,621,497</u>	<u>9,870,905</u>	<u>9,870,905</u>	<u>249,408</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	850,642	(26,371)	824,271	304,853	304,853	519,418
OTHER FINANCING SOURCES, NET	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	865,642	(26,371)	839,271	304,853	304,853	534,418
BALANCES, BEGINNING OF YEAR	<u>1,361,013</u>	<u>132,605</u>	<u>1,493,618</u>	<u>1,295,070</u>	<u>1,295,070</u>	<u>198,548</u>
BALANCES, END OF YEAR	<u>\$ 2,226,655</u>	<u>\$ 106,234</u>	<u>\$ 2,332,889</u>	<u>\$ 1,599,923</u>	<u>\$ 1,599,923</u>	<u>\$ 732,966</u>

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTAL INFORMATION -
BUDGETARY REPORTING
June 30, 2007**

This budgetary comparison is presented as Required Supplemental Information in accordance with the 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.

Formal 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 that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District did not amend its' original budgeted disbursements.

During the year ended June 30, 2007, disbursements exceeded the amounts budgeted for the support services program but the District did not exceed its General Fund unspent authorized budget.

OTHER SUPPLEMENTAL INFORMATION

**CAMANCHE COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2007**

	<u>Management Fund</u>	<u>Student Activity Fund</u>	<u>Physical Plant and Equipment Fund</u>	<u>Local Option Sales and Service Tax Fund</u>	<u>Klinge Library Fund</u>	<u>Other Funds</u>	<u>Total</u>
ASSETS							
Cash and cash equivalents	\$ 88,246	\$ 82,614	\$ 64,220	\$ 228	\$ -	\$ -	\$ 235,308
Investments	-	-	61,871	724,734	27,881	14,969	829,455
Property taxes receivable							
Current year delinquent	4,428	-	1,379	-	-	-	5,807
Succeeding year	250,000	-	78,000	-	-	-	328,000
Due from other governments	-	-	-	32,023	-	-	32,023
TOTAL ASSETS	<u>\$ 342,674</u>	<u>\$ 82,614</u>	<u>\$ 205,470</u>	<u>\$ 756,985</u>	<u>\$ 27,881</u>	<u>\$ 14,969</u>	<u>\$ 1,430,593</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 7,842	\$ -	\$ -	\$ 7,842
Deferred revenue	250,000	-	78,000	-	-	-	328,000
Total liabilities	<u>250,000</u>	<u>-</u>	<u>78,000</u>	<u>7,842</u>	<u>-</u>	<u>-</u>	<u>335,842</u>
Fund balances:							
Unreserved	<u>92,674</u>	<u>82,614</u>	<u>127,470</u>	<u>749,143</u>	<u>27,881</u>	<u>14,969</u>	<u>1,094,751</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 342,674</u>	<u>\$ 82,614</u>	<u>\$ 205,470</u>	<u>\$ 756,985</u>	<u>\$ 27,881</u>	<u>\$ 14,969</u>	<u>\$ 1,430,593</u>

**CAMANCHE COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2007**

SCHEDULE 2

	<u>Management Fund</u>	<u>Student Activity Fund</u>	<u>Physical Plant and Equipment Fund</u>	<u>Local Option Sales and Service Tax Fund</u>	<u>Klinge Library Fund</u>	<u>Other Funds</u>	<u>Total</u>
REVENUES							
Local sources							
Local taxes	\$ 250,741	\$ -	\$ 77,796	\$ 646,479	\$ -	\$ -	\$ 975,016
Other	6,315	263,957	3,216	32,855	1,374	19,506	327,223
Federal sources	-	-	22,250	-	-	-	22,250
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	257,056	263,957	103,262	679,334	1,374	19,506	1,324,489
EXPENDITURES							
Current operating:							
Instruction	98,812	242,368	-	-	1,676	1,299	344,155
Support services							
Administration services	87,349	-	-	-	-	-	87,349
Other expenditures							
Facilities acquisition	-	-	79,725	279,013	-	-	358,738
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	186,161	242,368	79,725	279,013	1,676	1,299	790,242
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	70,895	21,589	23,537	400,321	(302)	18,207	534,247
OTHER FINANCING USES							
Operating transfers out	(106,121)	-	-	(120,000)	-	-	(226,121)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(35,226)	21,589	23,537	280,321	(302)	18,207	308,126
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	127,900	61,025	103,933	468,822	28,183	(3,238)	786,625
FUND BALANCES, END OF YEAR	\$ 92,674	\$ 82,614	\$ 127,470	\$ 749,143	\$ 27,881	\$ 14,969	\$ 1,094,751

CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
Year Ended June 30, 2007

Account	Balance, Beginning of Year	Revenues and Interfund Transfers	Expenditures	Balance, End of Year
Drama	\$ 621	\$ 9,081	\$ 8,713	\$ 989
MS drama	2,080	1,179	1,347	1,912
Music boosters	3,017	7,630	7,494	3,153
Band boosters	3,004	7,950	9,215	1,739
Fine arts boosters	2,451	8,569	7,031	3,989
Cross country	-	1,362	1,362	-
Boys basketball	3,206	5,677	5,006	3,877
Boys football	216	13,787	11,258	2,745
Boys baseball	-	8,589	8,589	-
Boys track	-	2,974	2,974	-
Boys tennis	21	146	130	37
Boys golf	-	188	188	-
Boys wrestling	-	8,141	8,141	-
Girls basketball	1,013	4,412	2,903	2,522
Girls volleyball	-	4,472	4,025	447
Girls softball	-	4,528	4,528	-
Girls track	-	6,449	6,449	-
Girls tennis	-	1,742	1,742	-
Gate change	-	650	650	-
Indian basketball - boys	831	4,727	1,588	3,970
Indian basketball - girls	1,236	6,619	4,644	3,211
Indian volleyball	-	50	33	17
Indian softball	-	2,899	2,899	-
Indian football	-	170	-	170
Summer tennis	3,919	5,177	7,293	1,803
Activity tickets	-	1,456	1,456	-
Junior wrestling	5,456	11,615	9,306	7,765
Cheerleaders	983	7,485	6,697	1,771
Dance team	7	-	-	7
MS cheerleaders	-	162	-	162
Athletic boosters	4,847	29,850	28,016	6,681
Gaming license	18	344	73	289
Athletic fund raising	2,557	12,278	13,675	1,160
T & I Club	103	453	526	30
Camanche Teen Club	4,853	22,122	16,389	10,586
Peer Helpers	54	200	212	42

CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
Year Ended June 30, 2007

Account	Balance, Beginning of Year	Revenues and Interfund Transfers	Expenditures	Balance, End of Year
A.F.S. students	\$ 153	\$ 1,073	\$ 894	\$ 332
U.N. Club	-	249	249	-
DJ Club	118	-	-	118
National Honor Society	21	655	349	327
Students Against Stereotyping	14	-	-	14
S.A.D.D.	548	613	315	846
Dare	-	247	174	73
Student Council	1,119	4,798	4,502	1,415
Business club	1,105	2,193	1,815	1,483
Key Club	337	1,456	1,563	230
Spanish Club	-	140	139	1
Care account	610	-	-	610
Securities/investments	675	758	424	1,009
Class of 2006	801	-	801	-
Class of 2007	1,995	-	1,995	-
Class of 2008	300	14,277	13,583	994
Class of 2009	26	350	176	200
Class of 2010	-	146	136	10
Elementary school activity snacks	4,470	7,307	8,215	3,562
Elementary music	123	794	683	234
Elementary book fair	1,094	3,633	4,240	487
Junior high activity snacks	468	6,012	4,620	1,860
Junior high concession sales	375	1,155	1,382	148
High school activity snacks	3,233	12,265	8,599	6,899
High school concession sales	2,947	2,703	2,962	2,688
TOTAL	\$ 61,025	\$ 263,957	\$ 242,368	\$ 82,614

**CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS
Year Ended June 30, 2007**

	<u>Balance, Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, End of Year</u>
STUDENT INSURANCE				
Assets				
Cash and investments	\$ 550	\$ -	\$ 550	\$ -
Liabilities				
Other payables	\$ 550	\$ -	\$ 550	\$ -
 TEACHERS REVOLVING				
Assets				
Cash and investments	\$ 259	\$ 794	\$ 936	\$ 117
Liabilities				
Other payables	\$ 259	\$ 794	\$ 936	\$ 117
 CLOSE UP				
Assets				
Cash and investments	\$ -	\$ 7,560	\$ 7,560	\$ -
Liabilities				
Other payables	\$ -	\$ 7,560	\$ 7,560	\$ -
 CAMANCHE URBAN FORESTERS				
Assets				
Cash and investments	\$ 73	\$ -	\$ -	\$ 73
Liabilities				
Other payables	\$ 73	\$ -	\$ -	\$ 73
 TOTAL				
Assets				
Cash and investments	\$ 882	\$ 8,354	\$ 9,046	\$ 190
Liabilities				
Other payables	\$ 882	\$ 8,354	\$ 9,046	\$ 190

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

	Modified Accrual Basis					
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
REVENUES						
Local sources	\$ 5,763,514	\$ 5,311,704	\$ 4,767,842	\$ 4,892,061	\$ 5,334,572	\$ 4,841,560
State sources	4,115,052	3,905,648	3,865,031	3,203,821	3,342,805	3,143,419
Federal sources	186,286	172,412	243,994	358,052	398,655	369,230
TOTAL REVENUES	<u>\$ 10,064,852</u>	<u>\$ 9,389,764</u>	<u>\$ 8,876,867</u>	<u>\$ 8,453,934</u>	<u>\$ 9,076,032</u>	<u>\$ 8,354,209</u>
EXPENDITURES						
Instruction	\$ 5,441,255	\$ 5,441,727	\$ 5,471,767	\$ 4,992,965	\$ 4,934,871	\$ 4,920,876
Support services						
Student services	262,217	235,996	278,579	250,037	260,547	251,759
Instructional staff services	216,922	216,847	283,682	388,427	180,873	159,633
Administration services	1,134,755	1,083,389	1,067,033	878,070	860,027	891,521
Operation and maintenance of plant services	721,765	726,376	660,476	580,789	580,360	559,040
Transportation services	216,758	217,321	225,443	212,152	131,569	133,727
Central support services	-	-	-	51,011	55,851	39,997
Non-instructional programs	-	-	22,297	14,771	225,935	219,128
Other expenditures						
Facilities acquisition	358,738	388,933	356,478	268,958	275,994	373,758
Long-term debt						
Principal	360,000	345,000	335,200	305,000	300,000	260,000
Interest and finance charges	189,942	204,793	217,792	230,543	242,693	274,956
Bond issuance costs	12,924	-	-	-	-	-
AEA flow through	298,934	273,321	259,215	253,750	271,600	280,013
TOTAL EXPENDITURES	<u>\$ 9,214,210</u>	<u>\$ 9,133,703</u>	<u>\$ 9,177,902</u>	<u>\$ 8,426,473</u>	<u>\$ 8,320,320</u>	<u>\$ 8,364,408</u>

**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, 2007, which collectively comprise Camanche Community School District's basic financial statements and have issued our report thereon dated December 10, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item II-A-07 to be a significant deficiency in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

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 or other matters 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, 2007 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. A statutory comment has been noted as item III-A-07.

Camanche Community School District's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Camanche Community School District's response and, accordingly, we express no opinion on it.

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, 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 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 Henderson LLP

Clinton, Iowa
December 10, 2007

**CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2007**

Part I - Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified opinion

Internal control over financial reporting:

- Material weakness(es) identified? yes x no
- Significant deficiencies(s) identified that are not
considered to be material weaknesses? x yes none reported

Noncompliance material to financial statements noted? yes x no

**CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2007**

Part II - Findings Related to the Financial Statements

SIGNIFICANT DEFICIENCIES:

II-A-07 Financial Statement Preparation - The District engages Clifton Gunderson to assist in preparing its financial statements and accompanying disclosures. However, as independent auditors, Clifton Gunderson cannot be considered part of the District's internal control system. To establish proper internal control over the preparation of its financial statements, including disclosures, the District should design and implement a comprehensive review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such review procedures should be performed by an individual possessing a thorough understanding of applicable generally accepted accounting principles and knowledge of the District's activities and operations.

Recommendation - Management should perform a comprehensive review of the financial statements to ensure that the financial statements, including disclosures, are complete and accurate.

Response - Management will perform a comprehensive review of the financial statements to ensure that the financial statements, including disclosures, are complete and accurate.

Conclusion - Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2007**

Part III - Other Findings Related to Required Statutory Reporting

III-A-07 Certified Budget - Disbursements for the year ended June 30, 2007, exceeded the certified budgeted amount in the support services program function.

Recommendation - The certified 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 - 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.

Conclusion - Response accepted.

III-B-07 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-C-07 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted.

III-D-07 Business Transactions - No business transactions between the District and District officials or employees were noted.

III-E-07 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-F-07 Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.

III-G-07 Certified Enrollment - No variances in the basic enrollment data certified to the Department of Education were noted.

III-H-07 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-I-07 Certified Annual Report - The Certified Annual Report was certified to the Iowa Department of Education timely.