IOWA CENTRAL COMMUNITY COLLEGE

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

JUNE 30, 2004

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OFFICIALS

Name	Title	Term Expires
	Board of Directors *(Before September 2003 Election)*	
Mark R. Crimmins	President	2003
Dr. John E. Hodges	Vice President	2005
Thomas O. Chelesvig	Member	2005
Garland Hanson	Member	2003
Dr. Deborah A. Plahn	Member	2004
H. Jean Lehman	Member	2004
Connie L. Smith	Member	2005
Douglas McDermott	Member	2004
Larry Hecht	Member	2003
	Board of Directors *(After September 2003 Election)*	
Mark R. Crimmins	President	2006
Dr. John E. Hodges	Vice President	2005
Thomas O. Chelesvig	Member	2005
Garland Hanson	Member	2006
Dr. Deborah A. Plahn	Member	2004
H. Jean Lehman	Member	2004
Connie L. Smith	Member	2005
Douglas McDermott	Member	2004
Larry Hecht	Member	2006
	Community College	
Dr. Robert Paxton	President	
Thomas J. Beneke	Vice President	
Marlene A. McComas	Vice President	
Charles D. Peterson	Board Secretary/Treasurer and Vice President of Financial Affairs	

IOWA CENTRAL COMMUNITY COLLEGE

SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Iowa Central Community College
Fort Dodge, Iowa 50501

We have audited the accompanying financial statements of Iowa Central Community College, Fort Dodge, Iowa, and its discretely presented component unit as of and for the year ended June 30, 2004, which collectively comprise the College's basic financial statements listed in the table of contents. These financial statements are the responsibility of Iowa Central Community College's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of Iowa Central Community College and its discretely presented component unit at June 30, 2004, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in Note 16 to the financial statements, during the year ended June 30, 2004, Iowa Central Community College adopted Governmental Accounting Standards Board Statement No. 39, Determining Whether Certain Organizations are Component Units.

In accordance with Government Auditing Standards, we have also issued our reports dated October 29, 2004 on our consideration of Iowa Central Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 4 through 10 and 32 through 33, respectively, are not required parts of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Iowa Central Community College's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2003 (none of which are presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 10, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Fort Dodge, Iowa
October 29, 2004

IOWA CENTRAL COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

FINANCIAL HIGHLIGHTS

- College operating revenues increased in FY04. Tuition revenue increased due to the increase in the tuition rate per credit hour and due to the increase in enrolled credit hours. Auxiliary enterprises revenues increased due to the increase in bookstore sales, the increase in the number of students in College housing, and the increase in the College self-funded employee health plan reserve.

- College operating expenses increased in FY04 primarily due to salary and benefit increases and the increase in part-time salaries because of the increase in student enrollment. The College added classroom space to existing facilities to accommodate the increased enrollment. Older buildings and the deferral of maintenance and repair of buildings over the years caused higher physical facility expenditures.

USING THIS ANNUAL REPORT

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

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

The Basic Financial Statements consist of a statement of net assets, a statement of revenues, expenses and changes in net assets and a statement of cash flows. These provide information about the activities of the College as a whole and present an overall view of the College's finances.

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the College's budget for the year, and Supplementary Information provides detailed information about the individual funds.

REPORTING THE COLLEGE AS A WHOLE

The Statement of Net Assets

The Statement of Net Assets presents the assets, liabilities, and net assets of the College as a whole, as of the end of the fiscal year. The Statement of Net Assets is a point-in-time financial statement. The purpose of this statement is to present a fiscal snapshot of the College to the readers of the financial statements. The Statement of Net Assets includes year-end information concerning current and non-current assets, current and non-current liabilities, and net assets (assets less liabilities). Over time, readers of the financial statements will be able to determine the College's financial position by analyzing the increases and decreases in net assets. This statement is also a good source for readers to determine how much the College owes to outside vendors and creditors. The statement also presents the available assets that can be used to satisfy those liabilities.

Net Assets

	June 30,	
	2004	2003
Current and other assets	**$ 22,448,486**	$ 17,411,430
Capital assets, net of accumulated depreciation	**24,454,075**	21,402,371
Total assets	**46,902,561**	38,813,801
Current liabilities	**11,712,438**	7,396,080
Noncurrent liabilities	**19,317,021**	15,288,434
Total liabilities	**31,029,459**	22,684,514
Net assets:		
Invested in capital assets, net of related debt	**10,967,054**	12,268,937
Restricted	**842,665**	910,285
Unrestricted	**4,063,383**	2,950,065
Total net assets	**$ 15,873,102**	$ 16,129,287

The largest portion of the College's net assets (69%) is invested in capital assets (e.g., land, buildings, and equipment), less the related debt. The debt related to the capital assets is liquidated with resources other than capital assets. The restricted portion of the net assets (5%) includes resources that are subject to external restrictions. The remaining net assets (26%) are the unrestricted net assets that can be used to meet the College's obligations as they come due.

Statement of Revenues, Expenses and Changes in Net Assets

Changes in total net assets as presented on the Statement of Net Assets are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Assets. The purpose of the statement is to present the revenues received by the College, both operating and non-operating, and the expenses paid by the College, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the College.

REPORTING THE COLLEGE AS A WHOLE (Continued)

Statement of Revenues, Expenses and Changes in Net Assets (Continued)

In general, a public college such as Iowa Central Community College, will report an operating loss since the financial reporting model classifies state appropriations and property tax as non-operating revenues. Operating revenues are received for providing goods and services to the students, customers and constituents of the College. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the College. Non-operating revenues are revenues received for which goods and services are not provided. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life.

Changes in Net Assets

	Year ended June 30	
	2004	2003
Operating revenue:		
Tuition and fees	**$ 7,939,107**	$ 7,294,426
Federal appropriations	**6,253,707**	5,763,056
Iowa Industrial New Jobs Training Program	**2,178,176**	1,589,859
Auxiliary	**5,986,107**	5,542,124
Sales and services	**1,087,769**	761,699
Miscellaneous	**123,963**	195,645
Total operating revenue	**23,568,829**	21,146,809
Total operating expenses	**34,712,859**	31,956,816
Operating loss	**(11,144,030)**	(10,810,007)
Nonoperating revenues (expenses):		
State appropriations	**8,146,823**	8,031,162
Property tax	**3,667,753**	3,690,385
Interest income on investments	**225,028**	239,897
Loss on sale of capital assets	**(14,020)**	-
Interest on indebtedness	**(1,137,739)**	(1,198,879)
Net nonoperating revenues (expenses)	**10,887,845**	10,762,565
Decrease in net assets	**(256,185)**	(47,442)
Net assets beginning of year	**16,129,287**	16,176,729
Net assets end of year	**$ 15,873,102**	$ 16,129,287

The Statement of Revenues, Expenses, and Changes in Net Assets reflects a decrease in the net assets at the end of the fiscal year.

REPORTING THE COLLEGE AS A WHOLE (Continued)

Total Revenue by Source

In fiscal year 2004, operating revenues increased as a result of the following changes:

- Tuition and fees increased due to the increase in enrollment and the tuition rate increased from $75 per credit hour in FY03 to $81 per credit hour in FY04.

- Auxiliary enterprises revenue increased primarily due to the enrollment increase and the resulting increase in bookstore sales, the increase in students in College housing, and the increase in premium dollars in the College self-funded employee health plan.

Operating Expenses

	Year ended June 30	
	2004	2003
Education and support:		
Liberal arts and sciences	**$ 4,238,951**	$ 4,149,631
Vocational technical	**4,495,656**	4,477,595
Adult education	**2,197,647**	2,060,345
Cooperative services	**2,383,964**	1,729,195
Administration	**1,328,033**	1,146,434
Student services	**2,925,813**	2,794,751
Learning resources	**313,242**	322,550
Physical plant	**2,293,385**	2,097,486
General institution	**4,996,683**	3,412,740
Auxiliary enterprises	**5,327,782**	4,793,979
Scholarships and grants	**1,623,945**	1,647,898
Workforce Investment Act	**545,466**	743,400
Administrative and collection costs	**996,637**	1,742,321
Depreciation	**1,045,655**	838,491
Total	**$ 34,712,859**	$ 31,956,816

Total Expenses

In fiscal year 2004, operating expenses increased as a result of the following changes:

- Moderate salary and benefit increases given to staff.

- Additional part-time salaries due to increased student enrollment.

- Addition of classroom space to existing facilities.

- Additional maintenance of the expanded facilities and continued maintenance and repair of aging facilities.

REPORTING THE COLLEGE AS A WHOLE (Continued)

Total Expenses (Continued)

- Auxiliary enterprises expenses increased due to higher bookstore sales due to the increase in number of students.

- Increase in medical and dental payments in the College self-funded employee health plan.

Statement of Cash Flows

A statement included in Iowa Central Community College's basic financial statements is the Statement of Cash Flows. The Statement of Cash Flows is an important tool in helping users assess the College's ability to generate future net cash flows, its ability to meet its obligations as they come due, and its need for external financing. The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, non-capital financing, capital financing and investing activities.

Cash Flows

	Year ended June 30	
	2004	2003
Cash provided (used) by:		
Operating activities	**$ (8,731,906)**	$ (9,446,399)
Non-capital financing activities	**12,251,644**	8,914,856
Capital and related financing activities	**(302,836)**	(1,409,470)
Investing activities	**225,028**	239,897
Net increase (decrease) in cash	**3,441,930**	(1,701,116)
Cash beginning of year	**8,908,759**	10,609,875
Cash end of year	**$ 12,350,689**	$ 8,908,759

Cash used by operating activities includes tuition, fees, grants and contracts, net of payments to employees and to suppliers. Cash provided by non-capital financing activities includes state appropriations and local property tax received by the College. Cash used by capital and related financing activities represents the principal payments of debt and the purchase of capital assets. Cash provided by investing activities includes investment income received.

CAPITAL ASSETS

At June 30, 2004, the College had approximately $24.5 million invested in capital assets, net of accumulated depreciation of $11.7 million. Depreciation charges totaled $1,045,655 for FY04. Details of the capital assets are shown below.

Capital Assets, Net, at Year-End

	June 30,	
	2004	2003
Land	**$ 882,616**	$ 882,616
Buildings	**18,043,386**	17,568,418
Construction in progress	**2,060,718**	-
Improvements other than buildings	**1,965,198**	1,620,540
Equipment and vehicles	**1,502,157**	1,330,797
	$ 24,454,075	$ 21,402,371

More detailed information about the College's capital assets is presented in Note 4 to the financial statements.

DEBT

At June 30, 2004, the College had approximately $22 million in debt outstanding, an increase of $4,863,587 from fiscal year 2003. The table below summarizes these amounts by type.

Outstanding Debt

	June 30,	
	2004	2003
Certificates payable	**$ 8,355,000**	$ 7,845,000
Capital loan notes payable	**6,065,000**	2,715,000
Bonds payable	**7,422,021**	6,418,434
	$ 21,842,021	$ 16,978,434

More detailed information about the College's outstanding debt is presented in Note 5 to the financial statements.

ECONOMIC FACTORS

Iowa Central Community College continued to improve its financial position during the current fiscal year. However, the current condition of the economy in the state continues to be a concern for College officials. Some of the realities that may potentially become challenges for the College to meet are:

- State aid for the fiscal year 2005 was increased 3 percent above the amount received in fiscal year 2004 after a 2.5 percent cut in fiscal year 2004. State aid for fiscal year 2005 will still be below the state aid received in fiscal year 2000. Inequitable distribution of state general aid among the community colleges is a major concern.

- Expenses will continue to increase. As the number of students increases, the costs associated with serving them continue to increase.

- Aging facilities at the College require constant maintenance and upkeep.

- Technology continues to expand and current technology becomes outdated presenting an ongoing challenge to maintain up-to-date technology at a reasonable cost.

- Property tax revenue will decrease significantly due to reduced farmland valuation. Overall property valuations decreased 15 percent for 2004-2005.

The College anticipates the current fiscal year will be much like the last and will maintain a close watch over resources to maintain the College's ability to react to unknown issues.

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our customers, taxpayers in the community college district and our creditors with a general overview of the College's finances and to demonstrate the College's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Iowa Central Community College, 330 Avenue M, Fort Dodge, IA 50501.

IOWA CENTRAL COMMUNITY COLLEGE

BASIC FINANCIAL STATEMENTS

IOWA CENTRAL COMMUNITY COLLEGE **Exhibit A**

STATEMENT OF NET ASSETS
June 30, 2004

ASSETS	Primary Government	Component Unit
Current assets:		
Cash and pooled investments	$ 12,333,689	$ 1,135,716
Receivables:		
Accounts	520,721	-
Accrued interest	-	8,655
Property tax:		
Succeeding year	3,731,033	-
Iowa Industrial New Jobs Training Program	4,361,433	-
Due from Iowa Central Community College Foundation	26,284	-
Due from other governments	543,962	-
Inventories	772,464	-
Prepaid expenses	137,331	-
Total current assets	22,426,917	1,144,371
Noncurrent assets:		
Cash and pooled investments	17,000	-
Receivables:		
Iowa Industrial New Jobs Training Program	4,569	-
Capital assets, net of accumulated depreciation	24,454,075	-
Total noncurrent assets	24,475,644	-
Total assets	46,902;561	1,144,371

IOWA CENTRAL COMMUNITY COLLEGE

Exhibit A
(Continued)

STATEMENT OF NET ASSETS
June 30, 2004

LIABILITIES	Primary Government	Component Unit
Current liabilities		
Accounts payable	428,536	-
Salaries and benefits payable	1,324,371	-
Due to Iowa Central Community College	-	26,284
Interest payable	82,131	-
Deferred revenue:		
Succeeding year property tax	3,731,033	-
Other	2,509,009	-
Compensated absences	267,655	-
Deposits held in custody for others	844,703	-
Certificates payable	1,670,000	-
Capital loan notes payable	505,000	-
Bonds payable	350,000	-
Total current liabilities	11,712,438	26,284
Noncurrent liabilities:		
Certificates payable	6,685,000	-
Capital loan notes payable	5,560,000	-
Bonds payable	7,072,021	-
Total noncurrent liabilities	19,317,021	-
Total liabilities	31,029,459	26,284
Net assets		
Invested in capital assets, net of related debt	10,967,054	-
Restricted:		
Nonexpendable:		
Scholarships and fellowships	-	1,103,343
Expendable:		
Scholarships and fellowships	30,015	19,699
Loans	3,620	-
Cash reserve	319,603	-
Other	489,427	-
Unrestricted	4,063,383	(4,955)
Total net assets	$ 15,873,102	$ 1,118,087

See notes to financial statements.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Year Ended June 30, 2004

	Primary Government	Component Unit
Operating revenues:		
Tuition and fees, net of scholarship allowances of $2,155,872	$ 7,939,107	$ -
Federal appropriations	6,253,707	-
Iowa Industrial New Jobs Training Program	2,178,176	-
Auxiliary enterprises revenue, net of scholarship allowances of $567,822	5,986,107	-
Sales and services	1,087,769	1,218
Miscellaneous	123,963	-
Contributions and pledges	-	104,088
Total operating revenues	23,568,829	105,306
Operating expenses:		
Education and support:		
Liberal arts and science	4,238,951	-
Vocational technical	4,495,656	-
Adult education	2,197,647	-
Cooperative services	2,383,964	-
Administration	1,328,033	-
Student services	2,925,813	-
Learning resources	313,242	-
Physical plant	2,293,385	-
General institution	4,996,683	-
Auxiliary enterprises	5,327,782	-
Scholarships and grants	1,623,945	123,580
Workforce Investment Act	545,466	-
Administrative and collection costs	996,637	-
Depreciation	1,045,655	-
Management and general expenses	-	11,854
Total operating expenses	34,712,859	135,434
Operating loss	$ (11,144,030)	$ (30,128)

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE **Exhibit B (Continued)**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Year Ended June 30, 2004

	Primary Government	Component Unit
Nonoperating revenues (expenses):		
State appropriations	$ 8,146,823	$ -
Property tax	3,667,753	-
Interest income from investments	225,028	35,613
Loss on sale of capital assets	(14,020)	-
Interest on indebtedness	(1,137,739)	-
Realized and unrealized (loss) on investments	-	(17,922)
Net nonoperating revenues (expenses)	10,887,845	17,691
Change in net assets	(256,185)	(12,437)
Net assets beginning of year	16,129,287	1,130,524
Net assets end of year	$ 15,873,102	$ 1,118,087

IOWA CENTRAL COMMUNITY COLLEGE **Exhibit C**

STATEMENT OF CASH FLOWS
Year Ended June 30, 2004

Cash Flows from Operating Activities:	
Tuition and fees	$ 7,939,107
Federal appropriations	6,253,707
Iowa Industrial New Jobs Training Program	894,292
Payments to employees for salaries and benefits	(17,679,010)
Payments to suppliers for goods and services	(12,306,484)
Payments to NJTP recipients	(1,585,481)
Scholarships	(1,623,945)
Auxiliary enterprise receipts	5,986,107
Other receipts	3,389,801
Net cash used by operating activities	(8,731,906)
Cash Flows from Non-Capital Financing Activities:	
State appropriations	8,146,823
Property tax	3,667,753
Agency Fund receipts	1,841,434
Agency Fund disbursements	(1,321,671)
Interest paid on debt	(592,695)
Proceeds from issuance of debt	2,275,000
Principal paid on debt	(1,765,000)
Net cash provided by non-capital financing activities	12,251,644
Cash Flows from Capital and Related Financing Activities:	
Acquisition of capital assets	(4,111,379)
Interest paid on debt	(545,044)
Proceeds from issuance of debt	4,920,000
Principal paid on debt	(566,413)
Net cash used by capital and related financing activities	(302,836)
Cash Flows from Investing Activities:	
Interest on investments	225,028
Net increase in cash	3,441,930

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE

Exhibit C
(Continued)

STATEMENT OF CASH FLOWS
Year Ended June 30, 2004

Net increase in cash	$ 3,441,930
Cash beginning of year	8,908,759
Cash end of year	$ 12,350,689
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	$ (11,144,030)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	1,045,655
Changes in assets and liabilities:	
Decrease in accounts receivable	97,387
Increase in NJTP receivable	(1,283,884)
Increase in due from other governments	(239,391)
Decrease in inventories	478
Increase in prepaid expenses	(97,726)
Decrease in accounts payable	(30,870)
Increase in salaries payable	602,683
Increase in interest payable	4,023
Decrease in due to other governments	(22,989)
Increase in deferred revenue	2,320,073
Increase in compensated absences	16,685
Total adjustments	2,412,124
Net cash used by operating activities	$ (8,731,906)

See Notes to Financial Statements.

Note 1. Summary of Significant Accounting Policies

Iowa Central Community College is a publicly supported school established and operated by Merged Area V under the provisions of Chapter 260C of the Code of Iowa. The College offers programs of adult and continuing education, lifelong learning, community education, and up to two years of liberal arts, pre-professional or occupational instruction partially fulfilling the requirements for a baccalaureate degree but confers no more than an associate degree. It also offers up to two years of vocational or technical education, training or retraining to persons who are preparing to enter the labor market. Iowa Central Community College maintains campuses in Fort Dodge, Webster City, Eagle Grove and Storm Lake, Iowa, and has its administrative offices in Fort Dodge. Iowa Central Community College is governed by a Board of Directors whose members are elected from each director district within Merged Area V.

A. Reporting Entity

For financial reporting purposes, Iowa Central Community College has included all funds, organizations, agencies, boards, commissions and authorities. The College 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 College are such that exclusion would cause the Community College'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 College 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 Community College. Iowa Central Community College has no component units which meet the Governmental Accounting Standards Board criteria.

These financial statements present Iowa Central Community College (the primary government) and its component unit. The component unit discussed below is included in the College's reporting entity because of the significance of its operational or financial relationships with the College. Certain disclosures about the component unit are not included because the component units have been audited separately and a report has been issued under separate cover. The audited financial statements are available at the College.

Iowa Central Community College participates in the Iowa Central Community College Foundation, which is a related organization for which the Community College is not financially accountable and its relationship with the Community College is such that exclusion does not cause the Community College's financial statements to be misleading.

Iowa Central Community College Foundation is a legally separate, tax-exempt foundation. The Foundation was established for the purpose of maintaining, developing and extending its facilities and services for the benefit of Iowa Central Community College. The Foundation is governed by a Board of Directors who are appointed by the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of the resources that are held are used for the benefit of Iowa Central Community College.

Note 1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation

GASB Statement No. 35, establishes standards for external financial reporting for public colleges and universities and requires resources to be classified for accounting and reporting purposes into the following four net asset categories:

Invested in Capital Assets, Net of Related Debt: Capital assets, net of accumulated depreciation and outstanding debt obligations attributable to the acquisition, construction or improvement of those assets.

Restricted Net Assets:

Nonexpendable – Net assets subject to externally-imposed stipulations that they be maintained permanently by the College, including the College's permanent endowment funds.

Expendable – Net assets whose use by the College is subject to externally – imposed stipulations that can be fulfilled by actions of the College, pursuant to those stipulations or that expire by the passage of time.

Unrestricted Net Assets: Net assets that are not subject to externally-imposed situations. Examples include: Resources may be designated for specific purposes by action of management or by the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net assets are designated for academic and general programs of the College.

GASB Statement No. 35 also requires the Statements of Net Assets, Revenues, Expenses and Changes in Net Assets, and Cash Flows be reported on a consolidated basis. These basic financial statements report information on all of the activities of the College. For the most part, the effect of interfund activity has been removed from these statements.

C. Supplementary Information

The supplementary information of the College is presented on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenue and expenditures. For reporting purposes, funds that have similar characteristics have been combined into fund groups. The various fund groups and their designated purposes are as follows:

Current Funds – The Current Funds are utilized to account for those economic resources that are expendable for the purpose of performing the primary and supporting missions of the College and consist of the following:

Unrestricted Fund – The Educational and Support subgroup of the Unrestricted Fund accounts for the general operations of the College. All property tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this subgroup. From this subgroup are paid the general operating expenses, the fixed charges and the expenditures for plant assets that are not paid from other funds.

Note 1. Summary of Significant Accounting Policies (Continued)

C. Supplementary Information (Continued)

Current Funds (Continued):

Unrestricted Fund (Continued) - The Auxiliary Enterprises subgroup accounts for activities which are intended to provide non-instructional services for sales to students, staff and/or institutional departments, and which are supplemental to the educational and general objectives of the College. In addition, it accounts for activities which provide instructional and laboratory experiences for students and which incidentally create goods and services that may be sold to students, faculty, staff and the general public.

Restricted Fund – The Restricted Fund is used to account for resources that are available for the operation and support of the educational program but which are restricted as to their use by donors or outside agencies.

Loan Funds – The Loan Funds are used to account for loans to students, and are financed primarily by the federal government.

Plant Funds – The Plant Funds are used to account for transactions relating to investment in the College properties, and consist of the following self-balancing subfunds:

Unexpended – This subfund is used to account for the unexpended resources derived from various sources for the acquisition or construction of plant assets.

Investment in Plant – This subfund is used to account for the excess of the carrying value of plant assets over the related liabilities.

Agency Funds – The Agency Funds are used to account for assets held by the College in a custodial capacity or as an agent for others. Agency Funds' assets equal liabilities. Transactions of the Agency Funds represent charges or credits to the individual asset and liability accounts and do not involve measurement of revenues or expenditures.

D. Measurement Focus and Basis of Accounting

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities as defined in GASB Statement No. 34. Accordingly, the basic financial statements of the College have been prepared 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 met.

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities and Net Assets

Cash and Pooled Investments – Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amount of cash and, at the day of purchase, they have a maturity date not longer than three months.

Due from Other Governments – This represents state aid, grants and reimbursements due from the State of Iowa and grants and reimbursements due from the Federal government.

Inventories – Inventories are valued at lower of cost (first-in, first-out method) or market. The cost is recorded as an expenditure at the time individual inventory items are consumed.

Property Tax Receivable – Property tax receivable is recognized on the levy or lien date, which is the date the tax asking is certified by the Board of Directors to the appropriate County Auditors. Delinquent property tax receivable represents unpaid taxes from the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Directors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Directors is required to certify its budget to the County Auditor by June 1 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 and will not be recognized as revenue until the year for which it is levied.

Receivable for Iowa Industrial New Jobs Training Program (NJTP) – This represents the amount to be remitted to the College for training projects entered into between the College and employers under the provisions of Chapter 260E of the Code of Iowa. The receivable amount is based on expenditures incurred through June 30, 2004 on NJTP projects, including interest incurred on NJTP certificates, less revenues received to date.

Capital Assets – Capital assets, which include land, buildings and improvements, and equipment and vehicles, are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repair that do not add to the value of the assets or materially extend asset lives are not capitalized. No interest costs were capitalized since there were no qualifying assets.

Capital assets are defined by the College as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years:

Assets	Amount
Land, buildings and improvements	$ 5,000
Equipment and vehicles	5,000

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities and Net Assets (Continued)

Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Buildings and improvements	25-50
Equipment and vehicles	5-10

The College does not capitalize or depreciate library books. The value of each book falls below the capital asset threshold and the balance was deemed immaterial to the financial statements.

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

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds, the succeeding year property tax receivable, and other receivables not collected within sixty days after year end.

Compensated Absences – College employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. Amounts representing the cost of compensated absences are recorded as liabilities of the appropriate fund. These liabilities have been computed based on rates of pay in effect at June 30, 2004.

Auxiliary Enterprise Revenues – Auxiliary Enterprise revenues primarily represent revenues generated by the bookstore, food service, word processing, central stores and athletics.

Summer Session – The College operates summer sessions during May, June, and July. Revenues and expenses for the summer sessions are recorded in the appropriate fiscal year. Tuition and fees are allocated based on the load study distributions supplied by the College Registrar.

Tuition and Fees – Tuition and fees revenues are reported net of scholarship allowances, while stipends and other payments made directly to students are presented as scholarship and fellowship expenses.

Operating and Nonoperating Activities – Operating activities, as reported in the Statement of Revenues, Expenses and Changes in Net Assets, are transactions that result from exchange transactions, such as payments received for providing services and payments made for services or goods received. Nonoperating activities include state appropriations, property tax and interest income.

Use of Estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Note 1. Summary of Significant Accounting Policies (Continued)

F. Scholarship Allowances and Student Aid

Financial aid to students is reported in the financial statements under the alternative method, as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid (loans, funds provided to students as awarded by third parties and Federal Direct Lending) is accounted for as third party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a total College basis by allocating the cash payments to students, excluding payments for services, on the ratio of all aid to the aid not considered to be third party aid.

Note 2. Cash and Pooled Investments

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

The College 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 Directors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The College's investments are categorized to give an indication of the level of risk assumed by the College at year end. The College's investments are all category 1, which means the investments are insured or registered or the securities are held by the College or its agent in the College's name.

Note 3. Inventories

The College's inventories at June 30, 2004 are as follows:

Type	Amount
Work in process	$ 345,134
Merchandise held for resale	427,330
	$ 772,464

Note 4. Capital Assets

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

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Capital assets not being depreciated:				
Land	$ 882,616	$ -	$ -	$ 882,616
Construction in progress	-	2,060,718	-	2,060,718
Total capital assets not being depreciated	882,616	2,060,718	-	2,943,334
Capital assets being depreciated:				
Buildings	24,588,158	966,731	-	25,554,889
Improvements other than buildings	1,961,684	440,756	-	2,402,440
Equipment and vehicles	4,669,161	643,174	74,045	5,238,290
Total capital assets being depreciated	31,219,003	2,050,661	74,045	33,195,619
Less accumulated depreciation for:				
Buildings	7,019,740	491,763	-	7,511,503
Improvements other than buildings	341,144	96,098	-	437,242
Equipment and vehicles	3,338,364	457,794	60,025	3,736,133
Total accumulated depreciation	10,699,248	1,045,655	60,025	11,684,878
Total capital assets being depreciated, net	20,519,755	1,005,006	14,020	21,510,741
Capital assets, net	$ 21,402,371	$ 3,065,724	$ 14,020	$ 24,454,075

Furniture and equipment of $50,314 are restricted for the Workforce Investment Act.

Note 5. Changes in Long-Term Debt

A summary of changes in long-term debt for the year ended June 30, 2004 is as follows:

	Certificates Payable	Capital Loan Notes Payable	Bonds Payable	Total
Balance, beginning of year	$ 7,845,000	$ 2,715,000	$ 6,418,434	$ 16,978,434
Additions	2,275,000	3,780,000	1,140,000	7,195,000
Reductions	1,765,000	430,000	140,000	2,335,000
Plus: accretion of discounts on bonds	-	-	3,587	3,587
Balance, end of year	$ 8,355,000	$ 6,065,000	$ 7,422,021	$ 21,842,021

Certificates Payable:

In accordance with agreements dated between June 1, 1995 and July 1, 2003, the College issued certificates totaling $18,125,000 with interest rates ranging from 4.10% to 8.00%. The debt was incurred to fund the development and training costs incurred relative to implementing Chapter 260E of the Code of Iowa, Iowa Industrial New Jobs Training Program (NJTP). NJTP's purpose is to provide tax-aided training for employees of industries which are new to or are expanding their operations within the State of Iowa. Interest is payable semiannually, while principal payments are due annually. The certificates are to be retired by proceeds from anticipated job credits from withholding taxes, incremental property tax, budgeted reserves and, in the case of default, from standby property tax.

The certificates will mature as follows:

Year Ending June 30	Principal	Interest	Total
2005	$ 1,670,000	$ 523,632	$ 2,193,632
2006	1,665,000	430,292	2,095,292
2007	1,530,000	329,342	1,859,342
2008	1,465,000	230,485	1,695,485
2009	1,450,000	197,348	1,647,348
2010-2012	575,000	90,390	665,390
Total	$ 8,355,000	$ 1,801,489	$ 10,156,489

Note 5. Changes in Long-Term Debt (Continued)

Capital Loan Notes Payable:

The College has issued notes for the purchase and construction of student dormitories and other related student facilities as allowed by Section 260C.19 of the Code of Iowa. Details of the College's June 30, 2004 capital loan notes payable indebtedness are as follows:

	Note Issuance of July 1, 2000			
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2005	5.50%	$ 85,000	$ 65,403	$ 150,403
2006	5.60	90,000	60,728	150,728
2007	5.60	95,000	55,688	150,688
2008	5.65	100,000	50,368	150,368
2009-2013	5.75-6.05	605,000	157,175	762,175
2014	6.10	145,000	8,845	153,845
		$ 1,120,000	$ 398,207	$ 1,518,207

	Note Issuance of October 1, 2001			
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2005	3.45	$ 105,000	$ 52,690	$ 157,690
2006	3.65	110,000	49,068	159,068
2007	3.80	110,000	45,053	155,053
2008	3.90	115,000	40,873	155,873
2009-2013	4.00-4.60	670,000	128,313	798,313
2014	4.70	155,000	7,285	162,285
		$ 1,265,000	$ 323,282	$ 1,588,282

Note 5. Changes in Long-Term Debt (Continued)

Capital Loan Notes Payable (Continued):

	Note Issuance of July 1, 2003			
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2005	1.75%	$ 210,000	$ 139,878	$ 349,878
2006	2.00	220,000	68,588	288,588
2007	2.35	225,000	64,188	289,188
2008	2.70	230,000	58,900	288,900
2009-2013	2.90-3.60	1,280,000	186,720	1,466,720
2014	3.70	285,000	10,545	295,545
Total		$ 2,450,000	$ 528,819	$ 2,978,819

	Note Issuance of March 1, 2004			
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2005	1.35%	$ 105,000	$ 49,893	$ 154,893
2006	1.75	110,000	49,013	159,013
2007	2.15	110,000	47,953	157,953
2008	2.50	115,000	46,733	161,733
2009-2013	2.75-3.60	645,000	206,833	851,833
2014	3.75	145,000	114,953	259,953
Total		$ 1,230,000	$ 515,378	$ 1,745,378

Note 5. Changes in Long-Term Debt (Continued)

Bonds Payable:

The College has issued bonds for the construction of student dormitories and other related student facilities as allowed by Section 260C.19 of the Code of Iowa. Details of the College's June 30, 2004 bonded indebtedness are as follows:

	Bond Issuance of April 1, 1997			
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2005	6.00%	$ 165,000	$ 186,300	$ 351,300
2006	6.00	175,000	176,400	351,400
2007	6.00	185,000	165,900	350,900
2008	6.00	195,000	154,800	349,800
2009-2013	6.00	1,170,000	655,500	1,825,500
2014-2017	6.00	1,215,000	114,300	1,329,300
Less: discount on bonds		(27,979)	-	(27,979)
Total		$ 3,077,021	$ 1,453,200	$ 4,530,221

	Bond Issuance of July 1, 1998			
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2005	4.80%	$ 50,000	$ 55,203	$ 105,203
2006	4.85	55,000	52,803	107,803
2007	4.95	60,000	50,135	110,135
2008	5.00	60,000	47,165	107,165
2009-2013	5.10-5.45	360,000	185,638	545,638
2014-2018	5.45	465,000	78,480	543,480
Total		$ 1,050,000	$ 469,424	$ 1,519,424

Note 5. Changes in Long-Term Debt (Continued)

Bonds Payable (Continued):

	Bond Issuance of July 1, 1999			
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2005	4.45%	$ 95,000	$ 117,500	$ 212,500
2006	4.60	100,000	113,273	213,273
2007	4.60	105,000	108,773	213,773
2008	4.70	115,000	103,943	218,943
2009-2013	4.80-5.95	660,000	430,758	1,090,758
2014-2018	5.95	875,000	223,125	1,098,125
2019	5.95	205,000	12,198	217,198
Total		$ 2,155,000	$ 1,109,570	$ 3,264,570

	Bond Issuance of September 1, 2003			
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2005	2.20%	$ 40,000	$ 49,893	$ 89,893
2006	2.65	40,000	49,013	89,013
2007	3.05	40,000	47,953	87,953
2008	3.40	45,000	46,733	91,733
2009-2013	3.60-4.35	315,000	206,833	521,833
2014-2018	4.50-5.10	535,000	114,953	649,953
2019	5.20	125,000	6,500	131,500
Total		$ 1,140,000	$ 521,878	$ 1,661,878

Note 6. Operating Leases

The College has leased various facilities and equipment. These leases have been classified as operating leases and accordingly, all rents are charged as incurred. The leases expire between 2005 and 2011 and require various minimum annual rentals. Certain leases are renewable for additional periods. Some of the leases also require the payment of normal maintenance and insurance on the properties. In most cases, management expects that the leases will be renewed or replaced by other leases. The following is a schedule by year of future minimum rental payments required under operating leases which have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2004:

Year Ending June 30	Amount
2005	$ 188,275
2006	178,841
2007	117,504
2008	108,563
2009	50,247
Thereafter	91,906
Total	$ 735,336

Rents for the year ended June 30, 2004 for all operating leases, except those with terms of a month or less that were not renewed, totaled $211,640.

Note 7. Iowa Public Employees Retirement System (IPERS)

The College 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 supplementary 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 College is required to contribute 5.75% of annual payroll. Contribution requirements are established by state statute. The College's contributions to IPERS for the years ended June 30, 2004, 2003, and 2002 were $464,886, $456,315, and $437,836, respectively, equal to the required contributions for each year.

Note 8. Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF)

The College contributes to the TIAA-CREF retirement program which is a defined contribution plan. TIAA administers the retirement plan for the College. The defined contribution retirement plan provides individual annuities for each plan participant. As required by the Code of Iowa, all eligible College employees must participate in a retirement plan from the date they are employed. Contributions made by both employer and employee vest immediately. As specified by the contract with TIAA-CREF, and in accordance with the Code of Iowa, each employee is required to contribute 3.70% and the College is required to contribute 5.75%. The College's and employees' required and actual contributions to TIAA-CREF for the year ended June 30, 2004 were $241,715 and $155,538, respectively.

Note 9. New Jobs Training Programs

The College administers the Iowa Industrial New Jobs Training Program (NJTP) in Area V in accordance with Chapter 260E of the Code of Iowa. NJTP's purpose is to provide tax-aided training or retraining for employees of industries which are new to or are expanding their operations within the State of Iowa. Certificates are sold by the College to fund approved projects and are to be retired by proceeds from anticipated jobs credits from withholding taxes, incremental property taxes, budgeted reserves and in the case of default, from standby property taxes. Since inception, the College administered eighty-six projects with twenty-two currently receiving project funding. Thirty of the remaining projects have been completed and only repayment of the certificates is left. The remaining thirty-four projects have been completed and the certificates have been paid. In cases where projects exceed the budgeted amounts, the college intends to obtain additional withholding revenue from the companies.

The College also administers the Iowa Small Business New Jobs Training Program (SBNJTP) in Area V in accordance with Chapter 260F of the Code of Iowa. SBNJTP's purpose is to provide tax-aided training or retraining for employees of small businesses which are new to or are expanding their operations within the State of Iowa. Approved small businesses receive loans from the Iowa Employment Training Fund, a State administered fund. Since inception, the College has administered four projects with no project currently receiving funding. All four projects have been completed and the State has been repaid for all four projects.

Note 10. Early Retirement and Contingent Liability

Full-time and certain part-time staff who are between the ages of 55 and 65 and who have at least 10 years of continuous service with the College are eligible for early retirement remuneration. Early retirement begins at the end of the employee's contract. A staff member who accepts early retirement will receive cash benefits on July 1 and January 1 of the following fiscal year.

Of the employees who have elected early retirement as of June 30, 2004, none were entitled to be paid cash benefits. As a result, the liability at June 30, 2004 for those employees who have elected early retirement was $0. Early retirement liability is recorded in the General Restricted Fund, the fund from which benefits are paid. The Community College's early retirement expenses for the year ended June 30, 2004 were $326,999.

As of June 30, 2004, the potential liability, if all eligible employees accepted early retirement, is approximately $562,956.

Note 11. Risk Management

Iowa Central Community College carries commercial insurance purchased from insurers for coverage associated with torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 12. Deficit Fund Balance

The College has a deficit balance in the funds as listed below as of June 30, 2004. Management believes that future transfers from unrestricted current funds will eliminate these deficit balances.

Unrestricted Fund:	
Career Education	$ (14,979)
Restricted Fund:	
Early Retirement	(405,707)
Workforce Investment Act	(41,127)
Unemployment Compensation	(15,454)

Note 13. Construction Commitment

Contracts:

The College has entered into a contract totaling $910,814 for the construction of an addition to the Career Education Center. As of June 30, 2004, $865,273 had been incurred against the contract.

The College has entered into a contract totaling $865,255 for construction of an addition to the Vocational Technical Building. As of June 30, 2004, $863,890 had been incurred against the contract.

The College entered into a contract totaling $1,960,000 for construction of the Workforce Center. As of June 30, 2004, no costs had been incurred against the contract.

Note 14. Subsequent Events

The College has approved construction contract change orders subsequent to June 30, 2004 amounting to $165,037, in relation to the Workforce Center. These are costs the College will incur in addition to the contract amounts disclosed in Note 13 in order to complete each respective project.

Note 15. Self-Insurance Program

Effective July 1, 2000, the College has a self-insurance program for hospitalization and medical coverage for its employees. The College limits its losses through the use of stop-loss policies from insurers. Specific individual losses for claims are limited to $75,000 per year. The College's aggregate annual loss limitation is based on a formula that considers, among other things, the total number of employees and was limited to $2,162,173 as of June 30, 2004. For June 30, 2004, the College paid $1,809,870 under the program.

Note 16. Accounting Change

For the year ended June 30, 2004, the College implemented Governmental Accountings Standards Board Statement No. 39, Determining Whether Certain Organizations Are Component Units. The significant change in the financial statements includes reporting the financial statements of Iowa Central Community College Foundation as a discretely presented component unit. Since the component unit is discretely presented, there is no change in the College's previously reported net assets.

IOWA CENTRAL COMMUNITY COLLEGE

REQUIRED SUPPLEMENTARY INFORMATION

IOWA CENTRAL COMMUNITY COLLEGE

BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES -
BUDGET AND ACTUAL
Required Supplementary Information
Year Ended June 30, 2004

Funds/Levy	Original Budget	Amended Budget	Actual	Variance Between Actual and Amended Budget
Unrestricted	$ 19,900,000	$ 20,100,000	$ 20,001,295	$ 98,705
Restricted	5,445,000	7,045,000	4,546,138	2,498,862
Unemployment	25,000	50,000	44,184	5,816
Tort liability	200,000	230,000	234,186	(4,186)
Insurance	180,000	180,000	175,488	4,512
Early retirement	400,000	400,000	879,452	(479,452)
Equipment replacement	175,709	175,709	175,968	(259)
Total Restricted	6,425,709	8,080,709	6,055,416	2,025,293
Plant	2,706,650	7,406,650	1,210,202	6,196,448
Total	$ 29,032,359	$ 35,587,359	$ 27,266,913	$ 8,320,446

See accompanying Independent Auditor's Report.

IOWA CENTRAL COMMUNITY COLLEGE

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING
June 30, 2004

The Board of Directors annually prepares a budget designating the proposed expenditures for operation of the College on a basis consistent with U. S. generally accepted accounting principles. Following required public notice and hearing, an in accordance with Chapter 260C of the Code of Iowa, the Board of Directors certifies the approved budget to the appropriate county auditors and then submits the budget to the State Board of Education for approval. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Formal and legal budgetary control is based on total operating expenditures.

Budgets are not required to be adopted for the Auxiliary Enterprises subgroup, Workforce Improvement Act Accounts, Scholarships and Grants Accounts, Loan Funds, Endowment Funds and Agency Funds.

SUPPLEMENTARY INFORMATION

IOWA CENTRAL COMMUNITY COLLEGE

BALANCE SHEET - ALL FUNDS
June 30, 2004

Assets	Current Funds		Loan Funds
	Unrestricted	Restricted	
Cash and pooled investments	$ 2,637,154	$ 7,676,378	$ 2,867
Receivables:			
Accounts	425,387	95,334	-
Property tax:			
Succeeding year	1,005,047	1,720,939	-
Iowa Industrial New Jobs Training Program	-	4,366,002	-
Due from other funds	1,398,032	13,658	753
Due from Iowa Central Community College Foundation	26,284	-	-
Due from other governments	186,789	279,670	-
Inventories	772,464	-	-
Prepaid expenses	135,033	-	-
Capital assets:			
Land	-	-	-
Buildings	-	-	-
Construction in progress	-	-	-
Improvements other than buildings	-	-	-
Equipment and vehicles	-	-	-
Accumulated depreciation	-	-	-
Total assets	$ 6,586,190	$ 14,151,981	$ 3,620

See accompanying Independent Auditor's Report.

Schedule 1

Plant Funds					
Unexpended	Investment in Plant	Agency Funds	Adjustments	Total
$ 1,474,152	$ -	$ 560,138	$ -	$ 12,350,689
-	-	-	-	520,721
1,005,047	-	-	-	3,731,033
-	-	-	-	4,366,002
-	-	204,764	(1,617,207)	-
-	-	-	-	26,284
-	-	77,503	-	543,962
-	-	-	-	772,464
-	-	2,298	-	137,331
-	882,616	-	-	882,616
-	25,554,889	-	-	25,554,889
-	2,060,718	-	-	2,060,718
-	2,402,440	-	-	2,402,440
-	5,238,290	-	-	5,238,290
-	-	-	(11,684,878)	(11,684,878)
$ 2,479,199	$ 36,138,953	$ 844,703	$ (13,302,085)	$ 46,902,561

IOWA CENTRAL COMMUNITY COLLEGE

BALANCE SHEET - ALL FUNDS
June 30, 2004

Liabilities and Fund Balances	Current Funds Unrestricted	Current Funds Restricted	Loan Funds
Liabilities:			
Accounts payable	$ 387,380	$ 41,156	$ -
Salaries and benefits payable	761,415	562,956	-
Interest payable	39,350	42,781	-
Due to other funds	1,280,645	149,545	-
Deferred revenue:			
Succeeding year property tax	1,005,047	1,720,939	-
Other	68,450	2,440,559	-
Compensated absences	267,655	-	-
Deposits held in custody for others	-	-	-
Certificates payable	-	8,355,000	-
Capital loan notes payable	-	-	-
Bonds payable	-	-	-
Total liabilities	3,809,942	13,312,936	-
Fund balances:			
Invested in capital assets, net of related debt	-	-	-
Restricted:			
Expendable:			
Scholarships and fellowships	-	30,015	-
Loans	-	-	3,620
Cash reserve	-	319,603	-
Other	-	489,427	-
Unrestricted	1,030,703	-	-
Auxiliary enterprises	1,745,545	-	-
Total fund balances	2,776,248	839,045	3,620
Total liabilities and fund balances	$ 6,586,190	$ 14,151,981	$ 3,620

See accompanying Independent Auditor's Report.

Plant Funds					
Unexpended	Investment in Plant	Agency Funds	Adjustments	Total	
$ -	$ -	$ -	$ -	$	428,536
-	-	-	-		1,324,371
-	-	-	-		82,131
187,017	-	-	(1,617,207)		-
1,005,047	-	-	-		3,731,033
-	-	-	-		2,509,009
-	-	-	-		267,655
-	-	844,703	-		844,703
-	-	-	-		8,355,000
-	6,065,000	-	-		6,065,000
-	7,422,021	-	-		7,422,021
1,192,064	13,487,021	844,703	(1,617,207)		31,029,459
-	22,651,932	-	(11,684,878)		10,967,054
-	-	-	-		30,015
-	-	-	-		3,620
-	-	-	-		319,603
-	-	-	-		489,427
1,287,135	-	-	-		2,317,838
-	-	-	-		1,745,545
1,287,135	22,651,932	-	(11,684,878)		15,873,102
$ 2,479,199	$ 36,138,953	$ 844,703	$ (13,302,085)	$	46,902,561

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL FUNDS
Year Ended June 30, 2004

	Current Funds		Loan
	Unrestricted	Restricted	Funds
Revenues:			
General:			
State appropriations	$ 7,330,536	$ 816,287	$ -
Tuition and fees	10,094,979	-	-
Property tax	1,189,143	1,289,819	-
Federal appropriations	593,670	5,660,037	-
Sales and services	449,881	670,574	-
Interest on investments	81,714	121,903	-
Iowa Industrial New Jobs Training Program	-	2,178,176	-
Increase in plant investment due to plant expenditures	-	-	-
Miscellaneous	104,688	18,895	380
	19,844,611	10,755,691	380
Auxiliary enterprises:			
Tuition and fees	30,610	-	-
Sales and services	6,436,077	-	-
Miscellaneous	125,067	-	-
	6,591,754	-	-
Total revenues	$ 26,436,365	$ 10,755,691	$ 380
Expenditures:			
Education and support:			
Liberal arts and science	$ 4,239,682	$ -	$ -
Vocational technical	4,127,533	407,164	-
Adult education	2,038,589	224,695	-
Cooperative services	816,807	2,178,176	-
Administration	1,126,188	202,115	-
Student services	2,927,490	-	-
Learning resources	313,242	-	-
Physical plant	2,179,714	175,488	-
General institution	2,232,050	2,867,778	-
Total education and support	20,001,295	6,055,416	-

See accompanying Independent Auditor's Report.

Schedule 2

Plant Funds				
Unexpended	Investment in Plant	Adjustments	Total	
$ -	$ -	$ -	$	8,146,823
-	-	(2,155,872)		7,939,107
1,188,791	-	-		3,667,753
-	-	-		6,253,707
-	-	(32,686)		1,087,769
21,411	-	-		225,028
-	-	-		2,178,176
-	4,111,379	(4,111,379)		-
-	-	-		123,963
1,210,202	4,111,379	(6,299,937)		29,622,326
-	-	-		30,610
-	-	(605,647)		5,830,430
-	-	-		125,067
-	-	(605,647)		5,986,107
$ 1,210,202	$ 4,111,379	$ (6,905,584)	$	35,608,433
$ -	$ -	$ (731)	$	4,238,951
-	-	(39,041)		4,495,656
-	-	(65,637)		2,197,647
-	-	(611,019)		2,383,964
-	-	(270)		1,328,033
-	-	(1,677)		2,925,813
-	-	-		313,242
-	-	(61,817)		2,293,385
-	-	(103,145)		4,996,683
-	-	(883,337)		25,173,374

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL FUNDS
Year Ended June 30, 2004

	Current Funds		Loan
	Unrestricted	**Restricted**	**Funds**
Expenditures (Continued):			
Auxiliary enterprises	$ 5,905,512	$ -	$ -
Scholarships and grants	-	4,347,639	-
Workforce Investment Act	-	545,466	-
Administrative and collection costs	-	-	-
Plant asset acquisitions	-	-	-
Disposal of plant assets	-	-	-
Depreciation	-	-	-
Loss on sale of capital assets	-	-	-
Interest on indebtedness	-	-	-
Total expenditures	25,906,807	10,948,521	-
Excess (deficiency) of revenues over (under) expenditures	529,558	(192,830)	380
Transfers:			
Mandatory transfers	-	-	-
Non-mandatory transfers	(594,851)	124,830	-
Total transfers	(594,851)	124,830	-
Net	(65,293)	(68,000)	380
Fund balances beginning of year	2,841,541	907,045	3,240
Fund balances end of year	$ 2,776,248	$ 839,045	$ 3,620

See accompanying Independent Auditor's Report.

Plant Funds				
Unexpended	Investment in Plant	Adjustments	Total	
$ -	$ -	$ (577,730)	$ 5,327,782	
-	-	(2,723,694)	1,623,945	
-	-	-	545,466	
996,637	-	-	996,637	
3,858,562	-	(3,858,562)	-	
-	74,045	(74,045)	-	
-	-	1,045,655	1,045,655	
-	-	14,020	14,020	
-	-	1,137,739	1,137,739	
4,855,199	74,045	(5,919,954)	35,864,618	
(3,644,997)	4,037,334	(985,630)	(256,185)	
-	-	-	-	
4,823,608	(4,353,587)	-	-	
4,823,608	(4,353,587)	-	-	
1,178,611	(316,253)	(985,630)	(256,185)	
108,524	22,968,185	(10,699,248)	16,129,287	
$ 1,287,135	$ 22,651,932	$ (11,684,878)	$ 15,873,102	

IOWA CENTRAL COMMUNITY COLLEGE

UNRESTRICTED FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
EDUCATION AND SUPPORT
Year Ended June 30, 2004

	Education			
	Liberal Arts and Sciences	**Vocational Technical**	**Adult Education**	**Cooperative Services**
Revenues:				
State appropriations	$ 3,650,606	$ 1,539,412	$ 2,140,518	$ -
Tuition and fees	5,251,985	2,562,865	1,503,519	592,318
Property tax	-	-	-	-
Federal appropriations	-	287,705	220,348	60,106
Sales and services	850	(55,437)	120,712	-
Interest on investments	-	-	-	-
Miscellaneous	-	43,288	14,890	-
	8,903,441	4,377,833	3,999,987	652,424
Allocation of support services	917,244	535,059	439,513	19,109
Total revenues	9,820,685	4,912,892	4,439,500	671,533
Expenditures:				
Salaries and benefits	3,973,690	3,624,849	1,641,316	501,356
Services	219,778	95,007	253,132	154,536
Materials and supplies	34,238	337,598	104,829	45,047
Travel	8,743	33,117	39,312	2,143
Plant asset acquisitions	-	36,962	-	-
Loan cancellation and bad debts	-	-	-	-
Private scholarships	-	-	-	113,725
Miscellaneous	3,233	-	-	-
	4,239,682	4,127,533	2,038,589	816,807
Allocation of support services	4,213,768	2,458,032	2,019,097	87,787
Total expenditures	8,453,450	6,585,565	4,057,686	904,594

Schedule 3

Support					Education and Support Total
General Administration	Student Services	Learning Resources	Physical Plant	General Institution	
$ -	$ -	$ -	$ -	$ -	$ 7,330,536
544	53,184	-	-	130,564	10,094,979
1,189,143	-	-	-	-	1,189,143
-	25,511	-	-	-	593,670
-	19,544	865	73,230	290,117	449,881
81,714	-	-	-	-	81,714
42,754	2,325	1,431	-	-	104,688
1,314,155	100,564	2,296	73,230	420,681	19,844,611
(1,314,155)	(100,564)	(2,296)	(73,230)	(420,681)	-
-	-	-	-	-	19,844,611
608,941	2,017,624	207,035	922,360	1,064,747	14,561,918
188,431	450,860	10,366	601,632	747,022	2,720,764
13,655	51,824	94,656	622,439	318,297	1,622,583
27,232	31,651	1,185	1,204	51,892	196,479
-	-	-	32,079	-	69,041
287,929	-	-	-	-	287,929
-	-	-	-	-	113,725
-	375,531	-	-	50,092	428,856
1,126,188	2,927,490	313,242	2,179,714	2,232,050	20,001,295
(1,126,188)	(2,927,490)	(313,242)	(2,179,714)	(2,232,050)	-
-	-	-	-	-	20,001,295

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE

UNRESTRICTED FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
EDUCATION AND SUPPORT
Year Ended June 30, 2004

	Education			
	Liberal Arts and Sciences	**Vocational Technical**	**Adult Education**	**Cooperative Services**
Excess (deficiency) of revenues over (under) expenditures	$ 1,367,235	$ (1,672,672)	$ 381,814	$ (233,061)
Transfers:				
Mandatory transfers	-	-	-	-
Non-mandatory transfers	-	(19,015)	-	-
Total transfers	-	(19,015)	-	-
Net	$ 1,367,235	$ (1,691,687)	$ 381,814	$ (233,061)
Fund balance beginning of year				
Fund balance end of year				

See accompanying Independent Auditor's Report.

Schedule 3
(Continued)

Support					Education and Support Total
General Administration	Student Services	Learning Resources	Physical Plant	General Institution	
$ -	$ -	$ -	$ -	$ -	$ (156,684)
-	-	-	-	-	-
-	-	-	-	221,149	202,134
-	-	-	-	221,149	202,134
$ -	$ -	$ -	$ -	$ 221,149	45,450
					985,253
					$ 1,030,703

IOWA CENTRAL COMMUNITY COLLEGE

UNRESTRICTED FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
AUXILIARY ENTERPRISES
Year Ended June 30, 2004

	Bookstore	Career Education	Child Care	Self-Insurance Program
Revenues:				
Tuition and fees	$ -	$ -	$ -	$ -
Sales and services	2,048,011	137,297	-	2,139,649
Miscellaneous	-	111,197	-	-
Total revenues	2,048,011	248,494	-	2,139,649
Expenditures:				
Salaries and benefits	93,823	4,510	-	-
Services	229,847	76,359	-	2,069,221
Materials and supplies	2,685	50,517	-	-
Travel	-	9,475	-	-
Plant asset acquisitions	-	63,000	-	-
Interest on indebtedness	-	-	-	-
Cost of goods sold	1,524,885	-	-	-
Miscellaneous	-	39,545	-	-
Total expenditures	1,851,240	243,406	-	2,069,221
Excess of revenues over expenditures	196,771	5,088	-	70,428
Transfers:				
Non-mandatory transfers	(346,000)	19,015	-	-
Net	(149,229)	24,103	-	70,428
Fund balances beginning of year	676,065	(39,082)	48	857,411
Fund balances end of year	$ 526,836	$ (14,979)	$ 48	$ 927,839

See accompanying Independent Auditor's Report.

Dormitories	Baseball Complex	Total
$ 30,610	$ -	$ 30,610
2,111,120	-	6,436,077
13,870	-	125,067
2,155,600	-	6,591,754
111,938	-	210,271
861,907	-	3,237,334
222,756	-	275,958
-	-	9,475
-	-	63,000
545,044	-	545,044
-	-	1,524,885
-	-	39,545
1,741,645	-	5,905,512
413,955	-	686,242
(470,000)	-	(796,985)
(56,045)	-	(110,743)
361,705	141	1,856,288
$ 305,660	$ 141	$ 1,745,545

IOWA CENTRAL COMMUNITY COLLEGE

RESTRICTED FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended June 30, 2004

	Scholarships and Grants	Equipment Replacement	Insurance
Revenues:			
State appropriations	$ 214,598	$ -	$ -
Property tax	-	175,968	288,839
Federal appropriations	3,963,170	-	-
Sales and services	-	-	-
Interest on investments	343	-	-
Iowa Industrial New Jobs Training Program	-	-	-
Miscellaneous	18,895	-	-
Total revenues	4,197,006	175,968	288,839
Expenditures:			
Salaries and benefits	-	-	-
Services	-	-	175,488
Materials and supplies	-	-	-
Travel	-	-	-
Interest on indebtedness	-	-	-
Federal Pell Grant program	3,789,554	-	-
Federal Supplemental Educational Opportunity Grant	150,429	-	-
Iowa College Student Aid Commission	237,587	-	-
Remittance to State Treasury	-	-	-
Miscellaneous	170,069	175,968	-
Total expenditures	4,347,639	175,968	175,488

Early Retirement	Unemployment Compensation	Cash Reserve	Tort Liability	Workforce Investment Act	Iowa Industrial New Jobs Training Program
$ -	$ -	$ -	$ -	$ -	$ -
517,614	28,603	-	278,795	-	-
-	-	-	-	545,495	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	2,178,176
-	-	-	-	-	-
517,614	28,603	-	278,795	545,495	2,178,176
879,452	44,184	-	234,186	257,048	-
-	-	-	-	156,766	1,585,481
-	-	-	-	53,911	-
-	-	-	-	4,588	-
-	-	-	-	-	592,695
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	9,528	-
-	-	-	-	63,625	-
879,452	44,184	-	234,186	545,466	2,178,176

Miscellaneous	Total
$ 601,689	$ 816,287
-	1,289,819
1,151,372	5,660,037
670,574	670,574
121,560	121,903
-	2,178,176
-	18,895
2,545,195	10,755,691
1,302,589	2,717,459
677,594	2,595,329
270,016	323,927
35,525	40,113
-	592,695
-	3,789,554
-	150,429
-	237,587
-	9,528
82,238	491,900
2,367,962	10,948,521

IOWA CENTRAL COMMUNITY COLLEGE

RESTRICTED FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended June 30, 2004

	Scholarships and Grants	Equipment Replacement	Insurance
Excess (deficiency) of revenues over (under) expenditures	$ (150,633)	$ -	$ 113,351
Transfers:			
Non-mandatory transfers	154,830	-	-
Net	4,197	-	113,351
Fund balance beginning of year	25,818	-	73,892
Fund balance end of year	$ 30,015	$ -	$ 187,243

See accompanying Independent Auditor's Report.

Early Retirement	Unemployment Compensation	Cash Reserve	Tort Liability	Workforce Investment Act	Iowa Industrial New Jobs Training Program
$ (361,838)	$ (15,581)	$ -	$ 44,609	$ 29	$ -
-	-	-	-	-	-
(361,838)	(15,581)	-	44,609	29	-
(43,869)	127	319,603	121,411	(41,156)	270,468
$ (405,707)	$ (15,454)	$ 319,603	$ 166,020	$ (41,127)	$ 270,468

Miscellaneous	Total
$ 177,233	$ (192,830)
(30,000)	124,830
147,233	(68,000)
180,751	907,045
$ 327,984	$ 839,045

IOWA CENTRAL COMMUNITY COLLEGE **Schedule 6**

AGENCY FUNDS
SCHEDULE OF CHANGES IN DEPOSITS
HELD IN CUSTODY FOR OTHERS
Year Ended June 30, 2004

	Athletics and Student Organizations	Retraining Program	Miscellaneous	Total
Balances beginning of year	$ 3,715	$ (45,787)	$ 367,012	$ 324,940
Additions:				
State appropriations	-	294,403	-	294,403
Tuition and fees	63,030	-	406,725	469,755
Sales and services	88,552	74,323	138,016	300,891
Interest on investments	-	7,654	6,015	13,669
Miscellaneous	681,923	-	80,793	762,716
Total additions	833,505	376,380	631,549	1,841,434
Deductions:				
Salaries and benefits	-	-	59,480	59,480
Services	167,616	-	52,379	219,995
Materials and supplies	227,225	-	58,234	285,459
Travel	132,854	-	33,219	166,073
Scholarships	267,571	-	9,840	277,411
Miscellaneous	37,197	-	276,056	313,253
Total deductions	832,463	-	489,208	1,321,671
Balances end of year	$ 4,757	$ 330,593	$ 509,353	$ 844,703

See accompanying Independent Auditor's Report.

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF CREDIT AND CONTACT HOURS
Year Ended June 30, 2004

	Credit Hours		
Category	**Eligible for Aid**	**Not Eligible for Aid**	**Total**
Arts and Sciences	69,609	-	69,609
Vocational Education	28,822	-	28,822
Adult Education/Continuing Education	-	-	-
Cooperative Programs/Services	-	-	-
Related Services and Activities	-	-	-
	98,431	-	98,431

See accompanying Independent Auditor's Report.

Schedule 7

Contact Hours		
Eligible for Aid	**Not Eligible for Aid**	**Total**
1,411,749	-	1,411,749
806,158	-	806,158
402,493	265,341	667,834
-	19,848	19,848
-	-	-
2,620,400	285,189	2,905,589

IOWA CENTRAL COMMUNITY COLLEGE **Schedule 8**

SCHEDULE OF TAX AND INTERGOVERNMENTAL REVENUES
For the Last Four Years

	Years Ended June 30,			
	2004	2003	2002	2001
Local (property tax)	$ 3,667,753	$ 3,690,385	$ 3,244,893	$ 3,137,430
State	8,146,823	8,031,162	8,951,614	9,589,254
Federal	6,253,707	5,763,056	4,866,529	4,013,155
Total	$ 18,068,283	$ 17,484,603	$ 17,063,036	$ 16,739,839

See accompanying Independent Auditor's Report.

IOWA CENTRAL COMMUNITY COLLEGE **Schedule 9**

SCHEDULE OF CURRENT FUND REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
For the Last Four Years

	Years Ended June 30,			
	2004	2003	2002	2001
Revenues:				
State appropriations	$ 8,146,823	$ 8,031,162	$ 8,295,637	$ 8,938,300
Tuition and fees	10,094,979	9,468,100	8,299,631	6,862,070
Property tax	2,478,962	2,516,079	2,074,461	2,005,575
Federal appropriations	6,253,707	5,763,056	4,866,529	4,013,155
Sales and services	1,120,455	795,362	1,082,770	772,799
Interest on investments	203,617	233,853	295,119	636,141
Iowa Industrial New Jobs Training Program	2,178,176	1,589,859	1,605,970	2,380,662
Auxiliary enterprises	6,591,754	6,084,478	5,591,607	4,982,088
Miscellaneous	123,583	194,835	191,061	176,240
Total	$ 37,192,056	$ 34,676,784	$ 32,302,785	$ 30,767,030
Expenditures:				
Liberal arts and sciences	$ 4,239,682	$ 4,150,928	$ 4,113,994	$ 3,988,276
Vocational technical	4,534,697	4,508,996	3,670,346	3,212,518
Adult education	2,263,284	2,087,055	2,077,024	2,006,406
Cooperative services	2,994,983	2,407,870	2,294,973	2,948,664
Administration	1,328,303	1,153,428	1,611,537	1,519,399
Student services	2,927,490	2,795,901	2,314,860	2,205,252
Learning resources	313,242	322,655	272,675	294,735
Physical plant	2,355,202	2,129,556	2,181,347	1,967,632
General institution	5,099,828	3,450,649	3,535,098	3,763,371
Auxiliary enterprises	5,905,512	5,348,539	4,719,632	3,979,365
Scholarships and grants	4,347,639	4,338,161	3,763,904	2,943,792
Workforce Investment Act	545,466	743,400	574,323	-
Job Training Partnership Act	-	-	-	684,975
Total	$ 36,855,328	$ 33,437,138	$ 31,129,713	$ 29,514,385

See accompanying Independent Auditor's Report.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2004

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures	New Loans and New Loan Guarantees
Direct:				
U.S. Department of Education:				
Student Financial Aid - cluster:				
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		$ 150,429	$ -
Federal Family Education Loans	84.032		-	5,760,763
Federal Work-Study Program (FWS)	84.033		126,044	-
Federal Pell Grant Program	84.063		3,789,554	-
			4,066,027	5,760,763
TRIO Student Support Services	84.042A		241,203	-
Directed Grants Program	84.116Z		247,096	-
U.S. Department of Justice:				
Homeland Security	16.614		470,037	-
Total direct			5,024,363	5,760,763
Indirect:				
U.S. Department of Labor:				
Indirect through Iowa Workforce Development:				
WIA-Adult Program	17.258		82,661	-
WIA-Youth Activities	17.259		110,113	-
WIA-Dislocated Workers	17.260		142,131	-
Welfare-to-Work Grants to States and Localities	17.253		3,770	-
Employment Service	17.207		29,296	-

(Continued on next page)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2004

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures	New Loans and New Loan Guarantees
Indirect (Continued):				
U.S. Department of Labor (Continued):				
Indirect through Iowa Workforce Development (Continued):				
Unemployment Insurance	17.225		$ 31,447	$ -
Local Veterans' Employment Representative Program	17.804		1,413	-
Disabled Veterans' Outreach Program (DVOP)	17.801		3,257	-
Indirect through Iowa Department of Education:				
Mine Health & Safety Grants	17.600		6,035	-
U.S. Department of Education:				
Indirect through the Iowa Department of Education:				
Adult Education - State Grant Program	84.002		220,348	-
Tech-Prep Education	84.243		92,276	-
Vocational Education - Basic Grant to States:				
Title II-B Program Improvement	84.048A		347,811	-
Vocational Preparation	84.048A		7,350	-
Road Less Traveled	84.048A		9,936	-
			365,097	-

(Continued on next page)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2004

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures	New Loans and New Loan Guarantees
Indirect (Continued):				
U.S. Department of Education (Continued):				
Indirect through the Iowa Department of Corrections:				
Title I - Corrections	84.013A		$ 40,000	$ -
Indirect through Iowa Workforce Development:				
Job Opportunities and Basic Skills Training:	93.558		101,500	-
Total indirect			1,229,344	-
Total			$ 6,253,707	$ 5,760,763

See accompanying Independent Auditor's Report.

Basis of Presentation: The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Iowa Central Community College and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

IOWA CENTRAL COMMUNITY COLLEGE

SCHNURR & COMPANY, LLP

Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Board of Directors of
Iowa Central Community College
Fort Dodge, Iowa

We have audited the statement of net assets and the related statements of revenues, expenses and changes in net assets and cash flows, of Iowa Central Community College, Fort Dodge, Iowa, as of and for the year ended June 30, 2004, and have issued our report thereon dated October 29, 2004. We conducted our audit in accordance with U. S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Comments involving statutory and other legal matters about the College's operations for the year ended June 30, 2004 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the College. 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 those statutes.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Iowa Central Community College's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Iowa Central Community College's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in Part II of the accompanying Schedule of Findings and Questioned Costs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above to be a material weakness. Prior year reportable conditions are the same in the current year.

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

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Iowa Central Community College 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.

Fort Dodge, Iowa
October 29, 2004

SCHNURR & COMPANY, LLP

Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE

To the Board of Directors of
Iowa Central Community College
Fort Dodge, Iowa

Compliance

We have audited the compliance of Iowa Central Community College, Fort Dodge, Iowa, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2004. Iowa Central Community College's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Iowa Central Community College's management. Our responsibility is to express an opinion on Iowa Central Community College's compliance based on our audit.

We conducted our audit of compliance in accordance with U. S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments and Non-profit Organizations. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Iowa Central Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Iowa Central Community College's compliance with those requirements.

In our opinion, Iowa Central Community College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control Over Compliance

The management of Iowa Central Community College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Iowa Central Community College's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted no matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect Iowa Central Community College's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that non-compliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We noted no matters including the internal control over compliance and its operation that we consider to be material weaknesses.

This report, a public record by law, is intended solely for the information and use of the officials, employees and constituents of Iowa Central Community College and other parties to whom Iowa Central Community College 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.

Fort Dodge, Iowa
October 29, 2004

IOWA CENTRAL COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2004

Part I: Summary of the Independent Auditor's Results

(A) An unqualified opinion was issued on the financial statements.

(B) Reportable conditions in internal control over financial reporting were disclosed by the audit of the financial statements, none of which were material weaknesses.

(C) The audit did not disclose any noncompliance which is material to the financial statements.

(D) No reportable conditions in internal control over major programs were disclosed by the audit of the financial statements.

(E) An unqualified opinion was issued on compliance with requirements applicable to each major program.

(F) The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).

(G) Major programs were as follows:

Student Financial Aid - Cluster:

CFDA Number 84.007 - Federal Supplemental Educational Opportunity Grants
CFDA Number 84.033 - Federal Work-Study Program
CFDA Number 84.063 - Federal Pell Grant Program
CFDA Number 84.032 - Federal Family Education Loans

(H) The dollar threshold used to distinguish between Type A and Type B programs was $300,000.

(I) Iowa Central Community College qualified as a low-risk auditee.

Part II: Findings Related to the General Purpose Financial Statements:

INSTANCES OF NONCOMPLIANCE:

No matters were reported.

REPORTABLE CONDITIONS:

II-A-04 Satellite Campus Receipt Controls - An important aspect of internal control is the segregation of duties among employees so that the activities of one employee act as a check on those of another. No employee should be responsible for an entire transaction cycle.

The Community College's satellite campuses collect receipts for tuition and fees, book sales and miscellaneous revenues. Due to the limited number of staff at each center, receipts may be collected, recorded and deposited by the same individual.

While it is recognized that many methods of achieving good internal control are not adaptable to a small staff, some degree of effective control may always be obtained by appropriate organization or strengthening supervisory control procedures.

Recommendation - The Community College should review procedures in an effort to improve supervisory control over satellite campus receipts.

Response - Every effort is made to maintain efficient controls and still be cost effective at the satellite centers. Since June, 1993, tuition and fees (representing the majority of the revenue collected at any satellite center) are determined at the Webster City Center by means of the on-line registration process tied to the Student Billing System on the mainframe computer at Fort Dodge. Since June, 1994, tuition and fees (representing the majority of the revenue collected at any satellite center) are determined at the Eagle Grove Center by means of the on-line registration process tied to the Student Billing System on the mainframe computer at Fort Dodge. Since May, 1996, tuition and fees (representing the majority of the revenue collected at any satellite center) are determined at the Storm Lake Center by means of the on-line registration process tied to the Student Billing System on the mainframe computer at Fort Dodge.

Discussion and review of receipting procedures take place periodically with supervisory staff at the centers.

Conclusion - Response accepted.

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NON-COMPLIANCE AND REPORTABLE CONDITIONS:

No matters were reported.

Part IV: Other Findings Related to Required Statutory Reporting:

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

IV-B-04 Certified Budget - Expenditures for the year ended June 30, 2004 did not exceed the amounts budgeted.

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

IV-D-04 Travel Expense - No expenditures of Community College money for travel expenses of spouses of Community College officials or employees were noted. No travel advances to Community College officials or employees were noted.

IV-E-04 Business Transactions - No business transactions between the Community College and Community College officials or employees were noted.

IV-F-04 Bond Coverage - Surety bond coverage of Community College 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.

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

IV-H-04 Publication - The Community College published statement showing the receipts and disbursements of all funds, including the names of all persons, firms or corporations to which disbursements were made, as required by Section 260C.14(12) of the Code of Iowa.

IV-I-04 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the College's investment policy were noted.

IV-J-04 Credit/Contact Hours - Eligible credit and contact hours reported to the Iowa Department of Education by the Community College were supported by detailed records maintained by the Community College.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Iowa Central Community College 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.

Schnee & Company LLP

Fort Dodge, Iowa
October 29, 2004