

Eastern Iowa Community College District

Financial and Compliance Report

06.30.2005

McGladrey & Pullen
Certified Public Accountants

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Eastern Iowa Community College District

Officials

Name	Title	Term Expires
Board of Directors:		
Kirby Kleffmann	President	2007
John W. Fagerland	Vice-President	2007
Dr. Joseph D'Souza	Member	2007
Mary Lou Engler	Member	2008
John W. Frampton	Member	2006
Robert H. Gallagher	Member	2008
Richard Haiston	Member	2006
Shirley Stewart	Member	2006
Bill Vetter	Member	2008
Community College:		
Dr. Patricia Keir	Chancellor	
Honey H. Bedell	Board Secretary	
Lana J. Dettbarn	Board Treasurer	

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

To the Board of Directors
Eastern Iowa Community College District
Davenport, Iowa

We have audited the accompanying basic financial statements of Eastern Iowa Community College District (District), as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the discretely presented component units which represent 100% of the assets and revenues of the discretely presented component units. The financial statements of Muscatine Community College Foundation, Scott Community College Foundation, Scott Community College Urban Campus Foundation, and Paul B. Sharar Foundation for Clinton Campus, were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based solely on the reports of the other auditors.

We conducted our audit of the District in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The discretely presented component units were not audited in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

As described in Note 1 to the basic financial statements, Paul B. Sharar Foundation for Clinton Campus' financial statements are prepared on the income tax basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Muscatine Community College Foundation's financial statements are prepared on the modified cash receipts and disbursements basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, based on our audit and the reports of other auditors, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of Eastern Iowa Community College District and its discretely presented component units as of June 30, 2005, and the respective changes in financial position and cash flows where applicable thereof for the year then ended on the basis of accounting described in Note 1 to the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2005 on our consideration of Eastern Iowa Community College District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and the Budgetary Comparison Schedule of Expenditures are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Eastern Iowa Community College District's basic financial statements. The statements and schedules listed in the table of contents as supplementary information, as well as the accompanying schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

McGladrey & Pullen, LLP

Davenport, Iowa
October 24, 2005

Eastern Iowa Community College District

Management's Discussion and Analysis

Management of Eastern Iowa Community College District provides this Management's Discussion and Analysis of the District's annual financial statements. This narrative overview and analysis of the financial activities of Eastern Iowa Community College is for the fiscal year ended June 30, 2005. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

Eastern Iowa Community College District is a public, comprehensive community college district established by Iowa Code 260C.1 in 1966 that includes Clinton, Muscatine, and Scott Community Colleges. The District encompasses all or part of seven counties, serving a population base of almost 280,000 citizens. Each semester, the District serves 6,820 full-time equivalent credit students in approximately 60 arts and science and 80 career technology programs. Non-credit programming serves 24,842 participants each semester in areas such as adult basic education, job skills training, English as a Second Language, computer skills training, state-mandated training, community interest classes and developmental education. The District provides a variety of services and customized training for business and industry and offers more targeted training through its three technology centers, the Advanced Technology Environmental Education Center (ATEEC), the Graphic Arts Technology Center, and the Eastern Iowa Manufacturing Technology Center.

The District is governed by a nine-member Board of Directors whose members are elected to three-year terms by voters within their individual districts. The EICCD colleges are accredited as a single district as part of the Higher Learning Commission/North Central Association's Academic Quality Improvement Project (AQIP), an alternative accreditation method based on the National Baldrige Education Criteria. EICCD was one of the first colleges in the nation to seek this type of accreditation, as a result of its strong commitment to continuous quality improvement.

In addition to its three main campuses in Bettendorf, Clinton, and Muscatine, EICCD operates additional attendance sites in Clinton, Columbus Junction, Davenport, and Maquoketa. The District has a strong emphasis on creating partnerships with area K-12 schools, other higher education institutions, local governments, and business and industry. These partnerships, along with a focused effort to secure grant funding, have allowed the District to continue to serve the needs of its communities, even in times of decreased state funding.

The District has the following discretely presented component units: Muscatine Community College Foundation, Paul B. Sharer Foundation for Clinton Campus, Scott Community College Foundation, and Scott Community Urban Campus Foundation (Foundations). The Foundations' purpose is to support the District through donations to provide scholarships to the students and for the enhancement and extension of facilities, equipment, and services.

Financial Highlights

- District revenues totaled \$52,069,214 compared to \$54,519,772 for 2004.
- District operating expenses were \$50,838,113 compared to \$52,643,801 for 2004.
- The District's net assets increased \$923,721 or approximately 2.1% from fiscal year 2004. Fiscal year 2004 net assets increased \$1,543,118, from fiscal year 2003.

Eastern Iowa Community College District

Management's Discussion and Analysis

Using This Annual Report

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

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

The 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 District as a whole and present an overall view of the District's finances. The District presents schedules of discretely presented component units' financial statements in separate presentations.

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

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

Reporting the District as a Whole

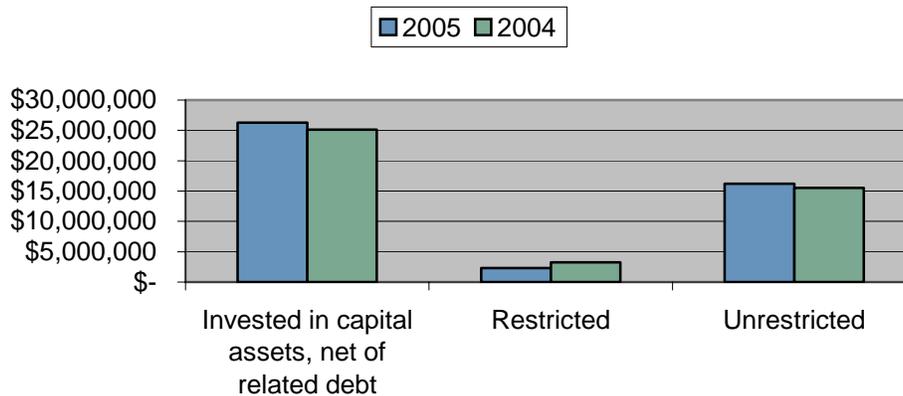
Statement of Net Assets: The statement of net assets presents the assets, liabilities, and net assets of the District as a whole, as of the end of the fiscal year June 30, 2005. The statement of net assets is a point-in-time financial statement. The purpose of this statement is to present a fiscal snapshot of the District to the readers of the financial statements. The statement of net assets includes year-end information concerning current and noncurrent assets, current and noncurrent liabilities, and net assets (assets less liabilities). Over time, readers of the financial statements will be able to determine the District'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 District owes to outside vendors and creditors. The statement also presents the available assets that can be used to satisfy those liabilities.

Eastern Iowa Community College District

Management's Discussion and Analysis

Net Assets	June 30,	
	2005	2004
Current and other assets	\$ 68,388,118	\$ 63,600,508
Capital assets, net of accumulated depreciation	31,754,997	31,052,318
Total assets	100,143,115	94,652,826
Current liabilities	17,456,283	18,722,687
Noncurrent liabilities	37,867,473	32,034,501
Total liabilities	55,323,756	50,757,188
Net assets:		
Invested in capital assets, net of related debt	26,297,863	25,097,391
Restricted	2,307,614	3,261,477
Unrestricted	16,213,882	15,536,770
Total net assets	\$ 44,819,359	\$ 43,895,638

Comparison of Net Assets



The largest portion of the District's net assets (59%) for 2005 and (57%) for 2004 is the invested in capital assets (e.g., land, buildings, and equipment), less the related debt. The debt related to the invested in capital assets is liquidated with resources other than capital assets. The restricted portion of the net assets (5%) for 2005 and (8%) for 2004 includes resources that are subject to external restrictions. The remaining net assets (36%) for 2005 and (35%) for 2004 are the unrestricted net assets that can be used to meet the District's obligations as they come due.

Eastern Iowa Community College District

Management's Discussion and Analysis

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 District, both operating and nonoperating, and the expenses paid by the District, operating and nonoperating, and any other revenues, expenses, gains, and losses received or spent by the District.

In general, a public college, such as Eastern Iowa Community College District, will report an operating loss since financial reporting model classifies state appropriations and property taxes as nonoperating revenues. Operating revenues are received for providing goods and services to the various students, customers, and constituencies of the District. 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 District. Nonoperating 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,	
	2005	2004
Revenues:		
Tuition and fees	\$ 10,958,599	\$ 9,988,847
Federal appropriations	11,807,181	12,627,087
Iowa Industrial New Jobs Training Program	4,356,323	5,715,000
Auxiliary enterprises revenue	3,125,896	3,027,079
Gifts and grants	97,531	127,042
Sales and service	998,841	1,121,407
Miscellaneous	539,731	2,289,219
State appropriations	13,772,428	13,082,865
Property taxes	5,507,975	5,705,718
Interest earnings	904,709	835,508
Total revenues	52,069,214	54,519,772
Total operating expenses	50,838,113	52,643,801
Interest on indebtedness	307,380	332,853
Total expenses	51,145,493	52,976,654
Increase in net assets	923,721	1,543,118
Net assets:		
Beginning	43,895,638	42,352,520
Ending	\$ 44,819,359	\$ 43,895,638

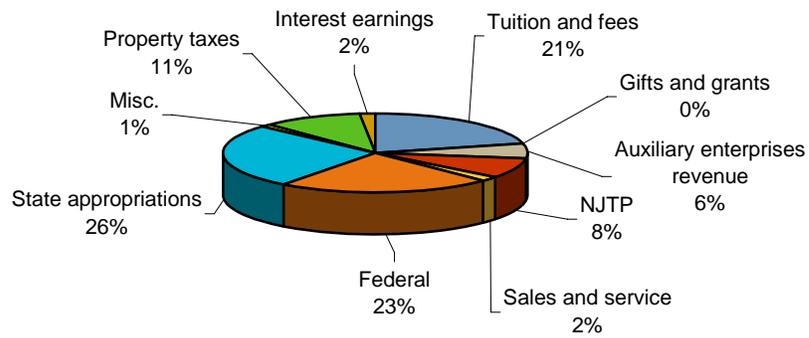
Eastern Iowa Community College District

Management's Discussion and Analysis

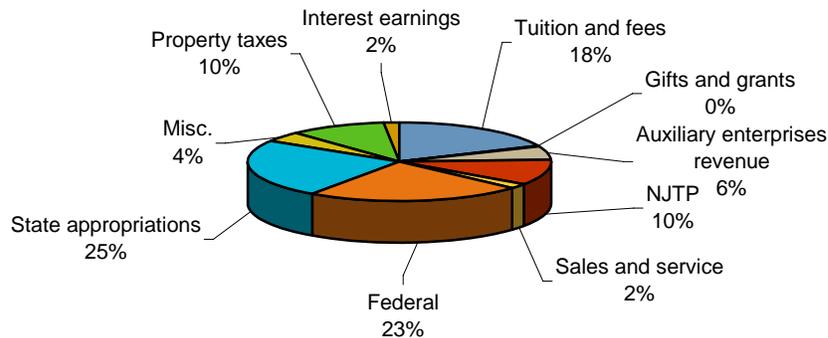
Total Revenue by Source

The statement of revenues, expenses, and changes in net assets reflects positive years for both 2005 and 2004, with an increase in the net assets of \$923,721 and \$1,543,118, respectively.

2005



2004



In fiscal year 2005, the major fluctuations in revenues were a result of the following changes:

- Iowa Industrial New Jobs Training Program decreased by approximately \$1,359,000 due to less companies participation than in the previous year.
- Miscellaneous revenue decreased due to contributions from the Foundations in the prior year.

Eastern Iowa Community College District

Management's Discussion and Analysis

In fiscal year 2004, the major fluctuations in revenues were a result of the following changes:

- Federal student financial aid programs increased due to the increase in students. Overall, federal appropriations increased by approximately \$584,326 or 4.9%.
- Iowa Industrial New Jobs Training Program increased by \$1,956,688 or 52% due to more companies participation.
- Miscellaneous revenue increased due to contributions from the Foundations.

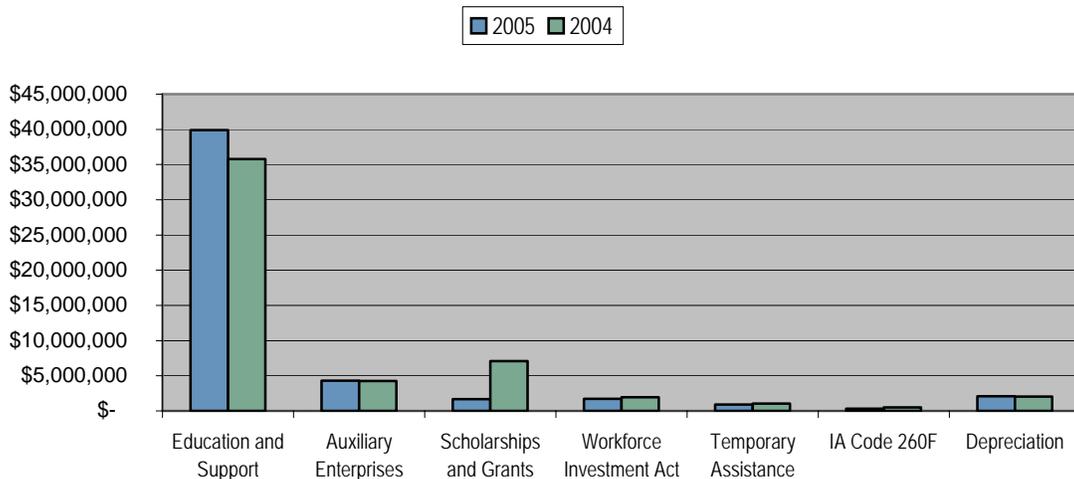
Operating Expenses

	Year Ended June 30,	
	2005	2004
Education and support:		
Liberal arts and sciences	\$ 8,063,882	\$ 7,447,133
Vocational technical	8,008,796	8,325,742
Adult education	3,499,812	3,855,508
Cooperative services	5,090,955	1,611,521
General administration	2,707,116	2,124,097
Student services	2,949,678	2,883,664
Learning resources	991,620	1,075,091
Physical plant	3,679,035	4,374,080
General institution	4,889,308	4,103,440
Auxiliary enterprises	4,270,350	4,244,789
Scholarships and grants	1,665,710	7,083,968
Workforce Investment Act	1,697,500	1,957,477
Temporary Assistance for Needy Families	921,681	1,021,825
Iowa Code 260F Jobs Training	319,536	485,298
Depreciation	2,083,134	2,050,168
Total operating expenses	\$ 50,838,113	\$ 52,643,801

Eastern Iowa Community College District

Management's Discussion and Analysis

Total Expenses



In fiscal year 2005, the major fluctuations in operating expenses were a result of the following factors:

- Cooperative services and scholarships and grants fluctuated as a result of a change in classification of the GASB Statement No. 35 adjusting entry.
- Physical plant decreased by approximately \$695,000, which is mainly attributable to large construction projects in the prior year.

In fiscal year 2004, the major fluctuations in operating expenses were a result of the following factors:

- Liberal arts and sciences, vocational technical, and adult education, the three functions relating to student instruction, increased approximately \$1,020,714 or 5.5%. This was due to the increase in the number of students.
- Cooperative services increased by approximately \$1,350,028 or 516% as a result of larger payments made to the companies participating in the Iowa Industrial New Jobs Training Program. These expenses are dependent on the needs of the participating companies.
- Scholarships and grants increased approximately \$644,497 or 10%.

Eastern Iowa Community College District

Management's Discussion and Analysis

Statement of Cash Flows: The statement of cash flows is an important tool in helping the users to assess the District'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, noncapital financing, capital financing, and investing activities.

Cash Flows	Year Ended June 30,	
	2005	2004
Cash provided by (used in):		
Operating activities	\$ (17,871,636)	\$ (14,556,793)
Noncapital financing activities	25,555,508	21,853,193
Capital and related financing activities	(3,598,517)	(3,564,274)
Investing activities	(4,157,018)	(1,869,430)
Net increase (decrease) in cash	(71,663)	1,862,696
Cash:		
Beginning	24,648,591	22,785,895
Ending	<u>\$ 24,576,928</u>	<u>\$ 24,648,591</u>

Cash used for operating activities includes tuition, fees, grants, and contracts, net of payments to employees and to suppliers. Cash provided by noncapital financing activities includes state appropriations and local property taxes received by the District. Cash used by capital and related financing activities represents the proceeds from debt, the principal and interest payments on debt, and the purchase of capital assets. Cash provided by investing activities includes investment income earned.

Capital Assets

As of June 30, 2005, the District has \$31,754,997 invested in capital assets, net of accumulated depreciation of \$27,192,928. Depreciation charges totaled \$2,083,134 for fiscal year 2005. As of June 30, 2004, the District has \$56,347,741 invested in capital assets, net of accumulated depreciation of \$25,295,424. Depreciation charges totaled \$2,050,168 for fiscal year 2004. Details of the capital assets are shown below.

Capital Assets	June 30,	
	2005	2004
Land	\$ 2,285,974	\$ 1,935,974
Buildings	48,388,111	46,340,663
Other structures and improvements	3,264,809	3,264,809
Furniture and equipment	5,009,031	4,806,296
Totals	<u>\$ 58,947,925</u>	<u>\$ 56,347,742</u>

More detailed information about the District's capital assets is presented in Note 3 to the basic financial statements.

Eastern Iowa Community College District

Management's Discussion and Analysis

Debt

As of June 30, 2005, the District had \$41,142,500 in debt outstanding, excluding compensated absences of \$1,184,973, an increase of \$5,870,000 from 2004. The majority of the increase is due to an increase in certificates payable issued. As of June 30, 2004, the District had \$35,272,500 in debt outstanding, excluding compensated absences of \$1,231,478, an increase of \$2,565,000 from 2003. The majority of the increase is due to an increase in certificates payable issued.

Outstanding Debt	June 30,	
	2005	2004
Capital loan notes	\$ 3,280,000	\$ 3,740,000
Certificates payable	35,790,000	29,400,000
Note payable	162,500	187,500
Revenue bonds payable	1,910,000	1,945,000
	<u>\$ 41,142,500</u>	<u>\$ 35,272,500</u>

More detailed information about the District's outstanding debt is presented in Note 4 to the basic financial statements.

Economic Factors

Eastern Iowa Community College District 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 District officials. Some of the realities that may potentially become challenges for the District to meet are:

- State aid will remain virtually unchanged.
- Expenses will increase as the number of students increases. The costs associated with serving students will continue to rise, but not more than the expected increase in tuition income.
- Facilities at the District require constant maintenance and upkeep, but these expenditures will be funded through the Plant Fund.

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

Contacting the District'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 District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Eastern Iowa Community College District, 306 West River Drive, Davenport, Iowa 52801.

Eastern Iowa Community College District

Statement of Net Assets - Primary Institution
June 30, 2005

Assets

Current Assets:	
Cash and cash equivalents	\$ 24,576,928
Investments	23,307,773
Receivables:	
Property taxes	5,482,331
Due from other governments	1,670,018
Other, net of allowance for uncollectible accounts of \$5,808	2,236,636
Prepaid expenses	1,429
Inventories	714,578
Total current assets	<u>57,989,693</u>
Noncurrent Assets:	
Due from Iowa Industrial New Jobs Training Program	10,398,425
Capital assets:	
Land	2,285,974
Buildings	48,388,111
Other structures and improvements	3,264,809
Furniture and equipment	5,009,031
Accumulated depreciation	(27,192,928)
Total noncurrent assets	<u>42,153,422</u>
Total assets	<u>\$ 100,143,115</u>

Liabilities and Net Assets

Current Liabilities:	
Accounts payable	\$ 2,068,273
Salaries and benefits payable	3,799,223
Accrued interest payable	175,211
Deferred revenue	6,208,121
Assets held in custody for others	745,455
Certificates payable	3,915,000
Notes and bonds payable	545,000
Total current liabilities	<u>17,456,283</u>
Noncurrent Liabilities:	
Compensated absences	1,184,973
Certificates payable	31,875,000
Notes and bonds payable	4,807,500
Total noncurrent liabilities	<u>37,867,473</u>
Total liabilities	<u>55,323,756</u>
Net Assets:	
Invested in capital assets, net of related debt	26,297,863
Restricted for:	
Education and support	1,903,146
Property taxes cash reserve	404,468
Unrestricted	16,213,882
Total net assets	<u>44,819,359</u>
Total liabilities and net assets	<u>\$ 100,143,115</u>

See Notes to Basic Financial Statements.

Eastern Iowa Community College District

Statement of Revenues, Expenses, and Changes in Net Assets - Primary Institution
Year Ended June 30, 2005

Operating revenues:	
Tuition and fees, net of scholarship allowances of \$4,447,422	\$ 10,958,599
Federal appropriations	11,807,181
Iowa Industrial New Jobs Training Program	4,356,323
Auxiliary enterprises revenue, net of allowances of \$1,328,411	3,125,896
Gifts and grants	97,531
Sales and services	998,841
Miscellaneous	539,731
Total operating revenues	<u>31,884,102</u>
Operating expenses:	
Education and support:	
Liberal arts and sciences	8,063,882
Vocational technical	8,008,796
Adult education	3,499,812
Cooperative services	5,090,955
General administration	2,707,116
Student services	2,949,678
Learning resources	991,620
Physical plant	3,679,035
General institution	4,889,308
Auxiliary enterprises	4,270,350
Scholarships and grants	1,665,710
Workforce Investment Act	1,697,500
Temporary Assistance for Needy Families	921,681
Iowa Code 260F Jobs Training	319,536
Depreciation expense	2,083,134
Total operating expenses	<u>50,838,113</u>
Operating (loss)	<u>(18,954,011)</u>
Nonoperating revenues (expenses):	
State appropriations	13,772,428
Property taxes	5,507,975
Investment earnings	904,709
Interest on indebtedness	(307,380)
Net nonoperating revenues	<u>19,877,732</u>
Increase in net assets	923,721
Net assets:	
Beginning	43,895,638
Ending	<u>\$ 44,819,359</u>

See Notes to Basic Financial Statements.

Eastern Iowa Community College District

Statement of Cash Flows - Primary Institution

Year Ended June 30, 2005

Cash Flows from Operating Activities:	
Tuition and fees	\$ 10,958,599
Federal appropriations	12,468,425
Iowa Industrial New Jobs Training Program	4,892,835
Payments to employees for salaries and benefits	(28,436,203)
Payments to suppliers for goods and services	(14,556,734)
Scholarships	(7,164,140)
Auxiliary enterprise	3,125,896
Other receipts	861,893
Net cash (used in) operating activities	<u>(17,849,429)</u>
Cash Flows from Noncapital Financing Activities:	
State appropriations	13,772,428
Property taxes	5,263,857
Proceeds from certificates payable	11,100,000
Payments on certificates payable	(4,710,000)
Miscellaneous Agency Fund receipts	1,542,013
Miscellaneous Agency Fund disbursements	(1,412,790)
Net cash provided by noncapital financing activities	<u>25,555,508</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of capital assets	(2,785,813)
Principal paid on notes and bonds payable	(520,000)
Interest paid on notes and bonds payable	(292,704)
Net cash (used in) capital and related financing activities	<u>(3,598,517)</u>
Cash Flows from Investing Activities:	
Interest on investments	904,709
Purchase of investments	(5,061,727)
Net cash (used in) investing activities	<u>(4,157,018)</u>
Net (decrease) in cash	(49,456)
Cash:	
Beginning	24,648,591
Ending	<u>\$ 24,599,135</u>
Reconciliation of operating (loss) to net cash (used in) operating activities:	
Operating (loss)	\$ (18,954,011)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:	
Depreciation	2,083,134
Changes in assets and liabilities:	
Decrease in due from other governments	661,244
(Increase) in other receivables	(773,462)
(Increase) in prepaid expenses	(1,429)
(Increase) in inventories	(87,919)
Decrease in due from Iowa Industrial New Jobs Training Program	536,512
(Decrease) in accounts payable	(1,729,867)
Increase in salaries and benefits payable	440,667
(Decrease) in compensated absences	(46,505)
Total adjustments	<u>1,082,375</u>
Net cash (used in) operating activities	<u>\$ (17,871,636)</u>

See Notes to Basic Financial Statements.

Eastern Iowa Community College District

Statement of Net Assets - Discretely Presented Component Units

	June 30, 2005		December 31, 2004	
	Muscatine Community College Foundation	August 30, 2004 Paul B. Sharar Foundation for Clinton Campus	Scott Community College Foundation	Scott Community Urban Campus Foundation
Assets				
Current Assets:				
Cash and cash equivalents	\$ 73,986	\$ 51,285	\$ 314,879	\$ 38,176
Investments	-	1,687,487	1,504,837	202,146
Receivables	-	-	2,700	49,245
Total current assets	73,986	1,738,772	1,822,416	289,567
Noncurrent Assets:				
Note receivable	162,500	-	-	212,802
Investments	6,084,564	-	-	-
Capital assets	-	-	-	3,222,770
Total noncurrent assets	6,247,064	-	-	3,435,572
Total assets	\$ 6,321,050	\$ 1,738,772	\$ 1,822,416	\$ 3,725,139
Liabilities and Net Assets				
Current Liabilities, dividends payable	\$ 1,707	\$ -	\$ -	\$ -
Noncurrent Liabilities, other	1,414	-	38,056	212,000
Total liabilities	3,121	-	38,056	212,000
Net Assets:				
Invested in capital assets, net of related debt	-	-	-	3,222,770
Restricted for scholarships and grants	6,303,393	1,692,204	1,658,843	-
Unrestricted	14,536	46,568	125,517	290,369
Total net assets	6,317,929	1,738,772	1,784,360	3,513,139
Total liabilities and net assets	\$ 6,321,050	\$ 1,738,772	\$ 1,822,416	\$ 3,725,139

See Notes to Basic Financial Statements.

Eastern Iowa Community College District

Statement of Revenues, Expenses, and Changes in Net Assets - Discretely Presented Component Units

	Year Ended June 30, 2005	Year Ended August 30, 2004	Year Ended December 31, 2004	
	Muscatine Community College Foundation	Paul B. Sharar Foundation for Clinton Campus	Scott Community College Foundation	Scott Community Urban Campus Foundation
Revenues:				
Operating revenue, gifts and grants	\$ 592,181	\$ 130,345	\$ 395,428	\$ -
Expenses:				
Operating expenses:				
Scholarships and grants	169,629	165,536	426,686	-
Miscellaneous expense	4,686	6,732	31,979	7,180
Total operating expenses	174,315	172,268	458,665	7,180
Operating income (loss)	417,866	(41,923)	(63,237)	(7,180)
Nonoperating revenues (expenses), investment earnings (loss)	349,343	49,517	111,722	37,447
Increase in net assets	767,209	7,594	48,485	30,267
Net assets:				
Beginning	5,550,720	1,731,178	1,735,875	3,482,872
Ending	\$ 6,317,929	\$ 1,738,772	\$ 1,784,360	\$ 3,513,139

See Notes to Basic Financial Statements.

Eastern Iowa Community College District

Statement of Cash Flows - Discretely Presented Component Units

	Year Ended June 30, 2005	Year Ended August 30, 2004	Year Ended December 31, 2004	
	Muscatine Community College Foundation	Paul B. Sharar Foundation for Clinton Campus	Scott Community College Foundation	Scott Community Urban Campus Foundation
Cash Flows from Operating Activities:				
Gifts and grants	\$ 592,181	\$ 130,345	\$ 395,428	\$ -
Payments to suppliers for goods and services	(4,458)	(6,732)	(31,979)	(7,180)
Scholarships and grants	(169,629)	(165,536)	(426,686)	-
Net cash provided by (used in) operating activities	418,094	(41,923)	(63,237)	(7,180)
Cash Flows from Capital and Related Financing Activities, purchase of land				
	-	-	-	(56,504)
Cash Flows from Investing Activities:				
Proceeds from note receivable	25,000	-	-	23,769
Interest received	227,702	-	-	35,909
Purchase of investments	(603,640)	-	-	-
Proceeds from sale or maturity of investments	-	52,175	114,194	-
Net cash provided by (used in) investing activities	(350,938)	52,175	114,194	59,678
Net increase (decrease) in cash	67,156	10,252	50,957	(4,006)
Cash:				
Beginning	6,830	41,033	263,922	42,182
Ending	<u>\$ 73,986</u>	<u>\$ 51,285</u>	<u>\$ 314,879</u>	<u>\$ 38,176</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 417,866	\$ (41,923)	\$ (63,237)	\$ (7,180)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities, changes in assets and liabilities, increase in dividend payable				
	228	-	-	-
Net cash provided by (used in) operating activities	\$ 418,094	\$ (41,923)	\$ (63,237)	\$ (7,180)
Schedule of Noncash Investing Activities:				
Net appreciation (depreciation) on investments	\$ 121,641	\$ (2,658)	\$ 40,984	\$ 3,042,803
Note payable related to land purchase	-	-	-	212,000

See Notes to Basic Financial Statements.

Eastern Iowa Community College District

Notes to Basic Financial Statements

Note 1. Financial Reporting Entity and Significant Accounting Policies

Financial reporting entity:

Eastern Iowa Community College District (District) is a publicly-supported post-secondary two-year institution established and operated by Merged Area IX under the provisions of Chapter 260C of the Code of Iowa.

In fulfilling the responsibilities assigned to it by law, Eastern Iowa Community College District offers a comprehensive educational program and support services to serve local and state needs. The District offers arts and science courses, career education, adult education, and cooperative programs as its curriculum. In addition, the District acts as an agency for the State of Iowa in connection with the Workforce Investment Act. The Eastern Iowa Community College District maintains campuses in Bettendorf, Clinton, and Muscatine and has its administrative offices in Davenport. The Eastern Iowa Community College District is governed by a Board of Directors whose members are elected from each district within Merged Area IX.

Accounting principles generally accepted in the United States of America require that the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. In addition, the GASB issued Statement No. 39, *Determining Whether Certain Organizations are Component Units*, which sets forth additional criteria to determine whether certain organizations for which the District is not financially accountable should be reported as component units based on the nature and significance of their relationship with the District. These criteria include (1) the economic resources being received or held by the separate organization being entirely or almost entirely for the direct benefit of the District or its constituents, (2) the District being entitled to, or having the ability to otherwise access, a majority of the economic resources received or held by the District, and (3) the economic resources received or held by an individual organization that the District is entitled to, or has the ability to otherwise access, are significant to the District.

The District is considered to be a primary government and has included Muscatine Community College Foundation, Scott Community College Foundation, Paul B. Sharar Foundation for Clinton Campus, and Scott Community College Urban Campus Foundation as discretely presented component units in their basic financial statements in the current year with the adoption of GASB Statement No. 39 due to the nature of their relationship with the District.

The District Foundations are non-profit corporations, governed by a separate Board of Directors. The Foundations' purpose is to support the District through donations to provide scholarships to students, and for the enhancement and extension of facilities, equipment, and services. The Foundations operate on the following fiscal year-ends:

Muscatine Community College Foundation	June 30, 2005
Paul B. Sharar Foundation for Clinton Campus	August 30, 2004
Scott Community College Foundation	December 31, 2004
Scott Community College Urban Campus Foundation	December 31, 2004

Separately issued financial statements for the discretely presented component units can be obtained at Eastern Iowa Community College District, 306 West River Drive, Davenport, Iowa 52801.

Eastern Iowa Community College District

Notes to Basic Financial Statements

Note 1. Financial Reporting Entity and Significant Accounting Policies (Continued)

The Scott Community College Foundation and the Scott Community College Urban Campus Foundation are presented on the accrual basis of accounting. The Muscatine Community College Foundation prepares its financial statements on the basis of modified cash receipts and disbursements which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Paul B. Sharar Foundation for Clinton Campus prepares its financial statements on the income tax basis which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Significant accounting policies:

Financial statement presentation: The basic financial statements (i.e., the statements of net assets, revenues, expenses, and changes in net assets, and cash flows) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

Measurement focus and basis of accounting: For financial reporting purposes, the District 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 District 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 taxes are 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.

Accounting standards: The District follows Governmental Accounting Standards Board (GASB) pronouncements as well as following all Financial Accounting Board Statements and Interpretations, Accounting Principles Board Opinion and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

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

Investments: Investments are stated at their fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Property taxes receivable: Property taxes receivable is recognized on the levy or lien date, which is the date that the tax asking is certified by the Board of Directors to the appropriate County Auditors. Current year delinquent property tax receivable represents unpaid taxes from the current year. 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 March 15 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.

Eastern Iowa Community College District

Notes to Basic Financial Statements

Note 1. Financial Reporting Entity and Significant Accounting Policies (Continued)

Due from Iowa Industrial New Jobs Training Program (NJTP): This receivable represents the total amount to be remitted to the District for training projects entered into between the District and employers under the provisions of Chapter 260E of the Code of Iowa. The receivable amount is based on NJTP project expenditures incurred through June 30, 2005, plus interest incurred on NJTP certificates, less reimbursements received to date.

Due from other governments: This asset represents state aid, grants, and reimbursements due from the State of Iowa, and grants and reimbursements due from the federal government.

Inventories: Inventories are stated at the lower of cost or market (first-in, first-out) method. As of June 30, 2005, inventories are as follows:

	Unrestricted Current Funds
Bookstore	\$ 679,255
Parts	32,781
Supplies	2,542
	<u>\$ 714,578</u>

Capital assets: Capital assets, which include land, buildings, other structures and improvements, and furniture and equipment are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair 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 District as assets with initial, individual costs in excess of \$5,000 and estimated useful lives in excess of one year.

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

	Years
Buildings and other structures and improvements	25
Furniture and equipment	7

The District does not capitalize or depreciate their library book collection. This collection is unencumbered, held for public education, protected, cared for, and preserved and the proceeds from the sale of library books, if any, are not material to the District.

Salaries and benefits payable: Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities. Expenditures for employees who have elected and been approved for early retirement are also accrued in this liability.

Eastern Iowa Community College District

Notes to Basic Financial Statements

Note 1. Financial Reporting Entity and Significant Accounting Policies (Continued)

Deferred revenue: Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets have not been spent for their intended purpose restriction. Deferred revenue consists of unspent grant proceeds and the succeeding year property tax receivable.

Compensated absences: District employees accumulate a limited amount of earned but unused vacation for subsequent use. Earned but unused vacation is paid to the employee upon termination, death, or retirement. Amounts representing the cost of compensated absences are recorded as compensated absences. These liabilities have been computed based on rates of pay in effect at June 30, 2005.

Accrued interest payable: Interest on long-term bonded indebtedness is recorded as a liability when the interest is payable.

Net assets: Net assets are classified according to restrictions or availability of assets for satisfaction of District obligations. Invested in capital assets, net of related debt represents the net value of capital assets less the debt incurred to acquire or construct the assets and the borrowed resources not yet expended, but restricted for capital purchases. Restricted net assets represent the amounts segregated for specific purposes as allowed by the Code of Iowa, bond covenants, donors, or outside agencies. All remaining net assets are unrestricted for legal purposes, but may be designated for specific purposes. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Auxiliary enterprises revenues and expenses: Auxiliary enterprises revenues and expenses primarily represent revenues generated and expenses associated with bookstore, cafeteria, daycare, parts, and printing.

Summer session: The District operates summer sessions. Revenues and expenses for the summer sessions are recorded in the appropriate fiscal year.

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 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, interest earnings, and interest on indebtedness.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Scholarship allowances and student aid: Financial aid to students is reported in the financial statements, 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 revenue. 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.

Eastern Iowa Community College District

Notes to Basic Financial Statements

Note 2. Deposits and Investments

Interest rate risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits operating funds portfolio to maturities of less than 397 days.

As of June 30, 2005, the District had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Bonds	\$ 6,378,269	\$ 6,378,269	\$ -	\$ -	\$ -

Credit risk: The District is authorized by statute to invest public funds in obligations of the United States government; its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of 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. However, the District's investment policy additionally limits investments in commercial paper to obligations that mature within 270 days and that is rated within the two highest classifications, as established by at least one of the standard rating services, with no more than 5% at the time of purchase placed in the second highest classification. At the time of purchase, no more than 10% of the investment portfolio can be in these investments and no more than 5% of the investment portfolio can be invested in the securities of a single issuer.

As of June 30, 2005, the District's investments were not subject to nationally recognized statistical ratings.

Concentration of credit risk: The District's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. The District's investment policy seeks to provide safety of the principal, maintain the necessary liquidity to match expected liabilities, and obtain a reasonable rate of return. The policy allows for investments of up to 100% in interest bearing savings, money market and checking accounts, certificates of deposits, repurchase agreements, money market mutual funds, bonds, notes, certificates of indebtedness, treasury bills or other securities issued by the United States of America, its agencies and allowable instrumentalities; up to 10% in prime bankers' acceptances; and up to 10% in commercial paper. The policy does not allow the District to invest in futures or options.

Custodial credit risk: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. It is the District's policy to require that time deposits in excess of FDIC insurable limits be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default.

As of June 30, 2005, the carrying amount of the District's deposits excluding \$8,150 of petty cash totaled \$41,498,282, with a bank balance of \$43,710,893.

The District's deposits and investments were not exposed to custodial credit risk as of June 30, 2005.

Eastern Iowa Community College District

Notes to Basic Financial Statements

Note 3. Capital Assets

Capital assets activity for the year ended June 30, 2005 is as follows:

	Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005
Capital assets not being depreciated, land	\$ 1,935,974	\$ 350,000	\$ -	\$ 2,285,974
Capital assets being depreciated:				
Buildings	46,340,663	2,047,448	-	48,388,111
Other structures and improvements	3,264,809	-	-	3,264,809
Furniture and equipment	4,806,296	388,365	185,630	5,009,031
Total capital assets being depreciated	54,411,768	2,435,813	185,630	56,661,951
Less accumulated depreciation for:				
Buildings	20,621,270	1,460,887	-	22,082,157
Other structures and improvements	1,504,878	118,180	-	1,623,058
Furniture and equipment	3,169,276	504,067	185,630	3,487,713
Total accumulated depreciation	25,295,424	2,083,134	185,630	27,192,928
Total capital assets being depreciated, net	29,116,344	352,679	-	29,469,023
Total capital assets, net	\$ 31,052,318	\$ 702,679	\$ -	\$ 31,754,997

Furniture and equipment of \$217,134 are restricted for the Workforce Investment Act, Temporary Assistance for Needy Families, and other training programs. Capital assets above include agency fund capital assets of \$104,634. Of the total additions, \$22,207 were agency fund additions.

Scott Community College Urban Campus Foundation, a component unit of the District, has \$3,222,770 of land and a property interest in the Kahl Educational Center. These amounts represent historical cost. In 2005, the Foundation plans to contribute its interest in the property to the District. There were additions of \$56,504 during 2005.

Eastern Iowa Community College District

Notes to Basic Financial Statements

Note 4. Noncurrent Liabilities

A summary of changes in noncurrent liabilities for the year ended June 30, 2005 is as follows:

	Balance June 30, 2004	Additions	Reductions	Balance June 30, 2005	Amount Due Within One Year
Certificates payable	\$ 29,400,000	\$ 11,100,000	\$ 4,710,000	\$ 35,790,000	\$ 3,915,000
Capital loan notes	3,740,000	-	460,000	3,280,000	480,000
Note payable	187,500	-	25,000	162,500	25,000
Dormitory revenue bonds	1,945,000	-	35,000	1,910,000	40,000
Compensated absences	1,231,478	1,184,973	1,231,478	1,184,973	-
	<u>\$ 36,503,978</u>	<u>\$ 12,284,973</u>	<u>\$ 6,461,478</u>	<u>\$ 42,327,473</u>	<u>\$ 4,460,000</u>

In accordance with agreements dated between June 30, 1993 and June 30, 2005, the District issued certificates with a June 30, 2005 outstanding balance of \$35,790,000 and with interest rates ranging from 3.00% to 8.50% per annum. These certificates were issued to finance the development and training costs incurred relative to implementing the 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 on the certificates is payable semiannually, while the principal matures annually. The certificates are to be retired from the proceeds of withholding taxes remitted by the State of Iowa, incremental property taxes, budgeted reserves, and in the case of default, from standby property taxes collected.

The future debt service requirements on these certificates are as follows:

Year ending June 30:	Principal	Interest	Total
2006	\$ 3,915,000	\$ 1,890,425	\$ 5,805,425
2007	3,855,000	1,650,877	5,505,877
2008	4,385,000	1,404,224	5,789,224
2009	3,825,000	1,149,247	4,974,247
2010	4,060,000	1,310,275	5,370,275
2011-2015	15,750,000	964,289	16,714,289
	<u>\$ 35,790,000</u>	<u>\$ 8,369,337</u>	<u>\$ 44,159,337</u>

Eastern Iowa Community College District

Notes to Basic Financial Statements

Note 4. Noncurrent Liabilities (Continued)

Pursuant to a loan agreement entered into on May 15, 2000, the District issued capital loan notes with a June 30, 2005 balance of \$3,280,000. Rates range from 5.35% to 5.50%. Interest is accrued semiannually with principal and interest payments due annually in varying amounts through 2011. These notes were issued primarily to finance the purchase of grounds, construction of buildings, payment of debts contracted for the construction of buildings, purchase of buildings, equipment for buildings, and for the purpose of maintaining, remodeling, improving, and expanding the District.

The capital loan notes will be repaid from the future receipt of installments of the tax levy of 20 ¼ cents per thousand dollars of assessed value authorized by the voters of Eastern Iowa Community College at the election held September 14, 1999, pursuant to authority granted by Section 260C.22 of the Code of Iowa.

The note payable consists of a note due to Muscatine Community College Foundation which was entered into on November 10, 1999. As of June 30, 2005, the note has a balance of \$162,500. It is a noninterest bearing, unsecured note. Principal is due in full as of December 31, 2010.

Bond payable consists of dormitory revenue bonds, Series 2001 of \$1,910,000 as of June 30, 2005. Rates range from 5.00% to 5.85%. Interest is due semiannually and principal is due annually in varying amounts through 2022. The proceeds of the bond were used for the construction of college apartments. Revenues earned by the project will be pledged for repayment of the bond payable. The bond is collateralized by a mortgage on the dormitory property.

Future maturities and interest of the notes and bonds payable as of June 30, 2005 are as follows:

	Principal	Interest	Total
Year ending June 30:			
2006	\$ 545,000	\$ 283,540	\$ 828,540
2007	575,000	255,860	830,860
2008	605,000	226,593	831,593
2009	645,000	195,738	840,738
2010	675,000	162,778	837,778
2011-2015	1,132,500	457,488	1,589,988
2016-2020	770,000	259,611	1,029,611
2021-2022	405,000	35,977	440,977
	<u>\$ 5,352,500</u>	<u>\$ 1,877,585</u>	<u>\$ 7,230,085</u>

Eastern Iowa Community College District

Notes to Basic Financial Statements

Note 5. Retirement System

Eastern Iowa Community College District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required 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 District is required to contribute 5.75% of annual payroll. Contribution requirements are established by state statute. The District's contributions to IPERS for the years ended June 30, 2005, 2004, and 2003 were \$736,134, \$723,729, and \$687,103, respectively, equal to the required contributions for each year.

Note 6. Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF)

Eastern Iowa Community College District contributes to the TIAA-CREF retirement program which is a defined contribution plan. TIAA administers the retirement plan for the District. The defined contribution retirement plan provides individual annuities for each plan participant. As required by the Code of Iowa, all eligible District 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 District is required to contribute 5.75%. The District and employees' required and actual contributions to TIAA-CREF for the year ended June 30, 2005 were \$387,296 and \$249,490, respectively.

Note 7. Operating Leases

The District has leased various facilities, land, and vehicles under operating leases. The leases expire on various dates through 2009 and require various minimum annual rentals. Some of the leases also require the payment of normal maintenance and insurance on the properties.

The following is a schedule, by year, of the future minimum rentals due under these operating leases:

Year ending June 30:	
2006	\$ 142,989
2007	94,872
2008	35,103
2009	23,088
2010	10,949
	<u>\$ 307,001</u>

Rental payments made during the year ended June 30, 2005 for all operating leases totaled approximately \$220,000.

Eastern Iowa Community College District

Notes to Basic Financial Statements

Note 8. Risk Management Program

The District is a member in the Insurance Management Program for Area Community Colleges (IMPACC) as allowed by Chapter 504A of the Code of Iowa. IMPACC (Program) is a risk-sharing pool whose members include Iowa Community Colleges. IMPACC was incorporated in May 1988 for the purpose of managing and funding insurance for its members and to provide general liabilities, automobile liability, automobile physical damage, public official bonds, property and inland marine, errors and omissions and School Board legal liability, workers' compensation and employers liability, crime insurance, fiduciary bonds, and boiler and machinery insurance coverage for its member colleges. There have been no reductions in insurance coverage from prior years.

The members' annual contributions are to fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund IMPACC's general and administrative expenses, claims, claim expenses, and reinsurance expenses due and payable in the current year. The District's contributions to the risk-sharing pool are recognized as expenditures at the time of payment. The District's total contributions to IMPACC for the year ended June 30, 2005 were \$234,644.

The Program uses reinsurance to reduce its exposure to large losses. The Program has a self-insured retention of \$200,000 per property/liability, \$100,000 for error/omissions, and \$200,000 for workers' compensation. The policy limit per occurrence is \$800,000 for property/liability, \$900,000 for errors/omissions, and \$150,000 for workers' compensation. Excess insurance for workers' compensation is for statutory limits. Excess for all other lines is \$10,000,000 per occurrence. Property is insured with excess coverage over the self-insured retention of up to \$50,000,000 for boiler and machinery and up to \$101,000,000 for other property. Stop gap loss protection is provided above the member's loss fund.

In the event any claim or series of claims exceed the amount of aggregate excess insurance, then payment of such claims shall be the obligation of the respective individual member. The District does not report a liability for losses in excess of reinsurance unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, as of June 30, 2005, no liability has been recorded by the District. Settled claims have not exceeded the risk pool or reinsurance coverage in any of the past three fiscal years.

Members agree to continue membership for a period of not less than three full years. After such period, a member who has given sufficient notice, in compliance with the bylaws, may withdraw. Upon withdrawal, payments for all claims and claims expenses for the years of membership continue until all claims for those years are settled.

The District also carries commercial insurance purchased from other insurers for coverage associated with the Workforce Investment Act and for employee health claims. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

Eastern Iowa Community College District

Notes to Basic Financial Statements

Note 9. Contingency Liability, Early Retirement and Commitments

Full-time staff, who are between the ages of 55 and 64 and who have at least 10 years of service with the District on or before July 1 of the year of their retirement, are eligible to receive early retirement remuneration. Early retirement is to begin at the end of the employee's contract. A staff member who accepts early retirement is to receive the cash benefits over a period of two years. In addition, the District will continue to contribute monthly amounts toward the employee's health insurance premiums. The District's expenses for the year ended June 30, 2005 were \$1,324,948.

As of June 30, 2005, the potential liability of the District, if all eligible employees accepted early retirement, is approximately \$3,734,000.

Note 10. New Jobs Training Programs

The District administers the Iowa Industrial New Jobs Training Program (NJTP) in Area IX 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 District 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. The District is currently administering 148 projects receiving project funding or in the repayment stage. In cases where projects exceed the budgeted amounts, the District intends to obtain additional withholding revenue from the companies.

The District also administers the Iowa Small Business New Jobs Training Program (SBNJTP) in Area IX 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. The District is currently administering 60 projects receiving project funding or in the repayment stage.

Note 11. Accounting Change

For the year ended June 30, 2005, the District implemented Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures*. This Statement established and modified disclosure requirements related to investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. As an element of interest rate risk, this Statement required certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates. This Statement also established and modified disclosure requirements for deposit risks.

Eastern Iowa Community College District

Notes to Basic Financial Statements

Note 12. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several Statements not yet implemented by the District. The Statements which might impact the District are as follows:

Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, issued November 2003, will be effective for the District beginning with its year ending June 30, 2006. This Statement requires governments to report the effects of capital asset impairment in their financial statements when it occurs and requires all governments to account for insurance recoveries in the same manner.

Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, issued April 2004, will be effective for the District beginning with its year ending June 30, 2008. This Statement establishes uniform financial reporting standards for other postemployment benefit plans (OPEB plans) and supersedes existing guidance.

Statement No. 45, *Accounting and Financial Reporting by Employers for Postretirement Benefits Other than Pensions*, issued June 2004, will be effective for the District beginning with its year ending June 30, 2009. This Statement establishes standards for the measurement, recognition and display of other postemployment benefits expenses and related liabilities or assets, note disclosures and if applicable, required supplementary information in the financial reports.

Statement No. 46, *Net Assets Restricted by Enabling Legislation*, an amendment of GASB 34, issued December 2004, will be effective for the District beginning with its year ending June 30, 2006. This Statement establishes and modifies requirements related to restrictions of net assets resulting from enabling legislation.

Statement No. 47, *Accounting for Termination Benefits*, issued June 2005, will be effective for the District with its year beginning June 30, 2006. This Statement establishes accounting standards for termination benefits. In financial statements prepared on the accrual basis of accounting, employers should recognize a liability and expense for voluntary termination benefits (early retirement incentives) when the offer is accepted and the amount can be estimated. A liability for involuntary termination benefits (severance benefits) should be recognized when a plan of termination has been approved by those with the authority to commit the government to the plan, the plan has been communicated to the employees, and the amount can be estimated. In financial statements prepared on the modified accrual basis of accounting, liabilities and expenditures for termination benefits should be recognized to the extent the liabilities are normally expected to be liquidated with expendable available financial resources.

The District's management has not yet determined the effect these Statements will have on the District's financial statements.

Note 13. Discretely Presented Component Unit Note Receivable

Muscatine Community College Foundation loaned Muscatine Community College \$250,000 during fiscal year ended June 30, 2000. The amount outstanding as of June 30, 2005 is \$162,500. The note is noninterest bearing and was loaned in support of the new childcare facility. The loan proceeds were to be consistent with Braunworth Fund stipulations. The loan is to be repaid within ten years based on a signed contract with Eastern Iowa Community College District. Under the terms of the agreement, utilization of the facility is restricted to classrooms and childcare for as long as there is a balance due.

Eastern Iowa Community College District

Required Supplementary Information
 Budgetary Comparison Schedule of Expenditures
 Year Ended June 30, 2005

Funds/Levy	Original Budget	Final Budget	Actual	Variance Between Actual and Final Budget
Unrestricted	\$ 36,163,888	\$ 36,163,888	\$ 31,859,543	\$ 4,304,345
Restricted	\$ 12,284,903	\$ 12,284,903	\$ 6,939,257	\$ 5,345,646
Unemployment	24,144	24,144	14,351	9,793
Insurance	230,000	230,000	298,070	(68,070)
Early retirement	992,245	992,245	1,324,948	(332,703)
Equipment replacement	989,049	989,049	838,693	150,356
Standby	7,354	7,354	7,602	(248)
Total restricted	<u>\$ 14,527,695</u>	<u>\$ 14,527,695</u>	<u>\$ 9,422,921</u>	<u>\$ 5,104,774</u>
Plant	<u>\$ 3,322,141</u>	<u>\$ 3,322,141</u>	<u>\$ 2,691,844</u>	<u>\$ 630,297</u>

See Note to Required Supplementary Information.

Eastern Iowa Community College District

Note to Required Supplementary Information
Budgetary Reporting
Year Ended June 30, 2005

The Board of Directors annually prepares a budget designating the proposed expenditures for operation of the District on a basis consistent with accounting principles generally accepted in the United States of America. Following required public notice and hearing, and 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 statutory 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 Investment Act accounts, Temporary Assistance for Needy Families, Iowa Code 260F Jobs Training, scholarships and grants account, Loan Funds, and Agency Funds.

Eastern Iowa Community College District

Balance Sheet

June 30, 2005

	Current Funds	
	Unrestricted	Restricted
Assets		
Cash and cash equivalents	\$ 13,185,126	\$ 6,062,492
Investments	-	23,307,773
Receivables:		
Property taxes	1,898,148	1,686,066
Due from other governments	456,121	851,025
Other, net of allowance for uncollectible accounts of \$5,808	1,182,940	895,611
Due from other funds	-	-
Prepaid expenses	-	1,429
Inventories	714,578	-
Due from Iowa Industrial New Jobs Training Program	-	10,398,425
Capital assets:		
Land	-	-
Buildings	-	-
Other structures and improvements	-	-
Furniture and equipment	-	-
Accumulated depreciation	-	-
Total assets	\$ 17,436,913	\$ 43,202,821
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 695,172	\$ 822,009
Salaries and benefits payable	2,090,567	1,708,656
Accrued interest payable	23,305	151,906
Due to other funds	2,655,133	-
Deferred revenue	2,099,350	2,210,669
Compensated absences	973,006	211,967
Assets held in custody for others	-	-
Certificates payable	-	35,790,000
Notes and bonds payable	-	-
Total liabilities	8,536,533	40,895,207
Fund Balances:		
Invested in capital assets, net of related debt	-	-
Restricted for:		
Education and support	-	1,903,146
Property tax cash reserve	-	404,468
Unrestricted	8,900,380	-
Total fund balances	8,900,380	2,307,614
Total liabilities and fund balances	\$ 17,436,913	\$ 43,202,821

See Note to Supplementary Information.

Loan Funds	Plant Funds	Agency Funds	Adjustments	Total
\$ 36,080	\$ 5,124,628	\$ 168,602	\$ -	\$ 24,576,928
-	-	-	-	23,307,773
15	1,898,102	-	-	5,482,331
-	-	362,872	-	1,670,018
-	48,738	109,347	-	2,236,636
-	2,655,133	-	(2,655,133)	-
-	-	-	-	1,429
-	-	-	-	714,578
-	-	-	-	10,398,425
-	2,285,974	-	-	2,285,974
-	48,302,678	85,433	-	48,388,111
-	3,255,603	9,206	-	3,264,809
-	4,999,036	9,995	-	5,009,031
-	-	-	(27,192,928)	(27,192,928)
<u>\$ 36,095</u>	<u>\$ 68,569,892</u>	<u>\$ 745,455</u>	<u>\$ (29,848,061)</u>	<u>\$ 100,143,115</u>
\$ -	\$ 551,092	\$ -	\$ -	\$ 2,068,273
-	-	-	-	3,799,223
-	-	-	-	175,211
-	-	-	(2,655,133)	-
-	1,898,102	-	-	6,208,121
-	-	-	-	1,184,973
-	-	745,455	-	745,455
-	-	-	-	35,790,000
-	5,352,500	-	-	5,352,500
-	<u>7,801,694</u>	<u>745,455</u>	<u>(2,655,133)</u>	<u>55,323,756</u>
-	53,490,791	-	(27,192,928)	26,297,863
-	-	-	-	1,903,146
-	-	-	-	404,468
36,095	7,277,407	-	-	16,213,882
<u>36,095</u>	<u>60,768,198</u>	<u>-</u>	<u>(27,192,928)</u>	<u>44,819,359</u>
<u>\$ 36,095</u>	<u>\$ 68,569,892</u>	<u>\$ 745,455</u>	<u>\$ (29,848,061)</u>	<u>\$ 100,143,115</u>

Eastern Iowa Community College District

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2005

	Current Funds	
	Unrestricted	Restricted
Revenues:		
General:		
Tuition and fees	\$ 15,051,382	\$ 353,985
Property taxes	1,882,795	1,742,335
State appropriations	12,753,228	528,900
Federal appropriations	1,346,498	10,499,238
Gifts and grants	148,394	9,782
Sales and services	430,440	1,221,818
Interest	918,312	(168,746)
Iowa Industrial New Jobs Training Program	-	4,356,323
Miscellaneous	71,189	28,280
	<u>32,602,238</u>	<u>18,571,915</u>
Auxiliary enterprises:		
Sales and services	4,454,307	-
Miscellaneous	324,527	-
	<u>4,778,834</u>	<u>-</u>
Total revenues	<u>37,381,072</u>	<u>18,571,915</u>
Expenditures:		
Education and support:		
Liberal arts and sciences	8,129,048	-
Vocational technical	6,943,310	1,558,232
Adult education	3,320,995	230,403
Cooperative services	732,618	5,031,059
General administration	1,384,167	1,324,947
Student services	3,063,810	-
Learning resources	1,032,724	-
Physical plant	2,757,866	298,070
General institution	4,212,625	980,210
Workforce Investment Act	-	1,697,500
Temporary Assistance for Needy Families	-	921,681
Iowa Code 260F Jobs Training	-	319,536
Depreciation expense	-	-
	<u>31,577,163</u>	<u>12,361,638</u>
Auxiliary enterprises	4,270,350	-
Scholarships and grants	-	7,164,140
Plant asset acquisitions	-	-
Interest on indebtedness	307,380	-
	<u>4,577,730</u>	<u>7,164,140</u>
Total expenditures	<u>\$ 36,154,893</u>	<u>\$ 19,525,778</u>

Loan Funds	Plant Funds			Adjustments	Total
	Unexpended	Retirement of Indebtedness	Investment In Plant		
\$ 654	\$ -	\$ -	\$ -	\$ (4,447,422)	\$ 10,958,599
-	1,882,845	-	-	-	5,507,975
-	500,000	-	-	(9,700)	13,772,428
-	-	-	-	(38,555)	11,807,181
-	8,400	-	-	(69,045)	97,531
-	-	-	-	(653,417)	998,841
-	155,143	-	-	-	904,709
-	-	-	-	-	4,356,323
-	115,735	-	-	-	215,204
654	2,662,123	-	-	(5,218,139)	48,618,791
-	-	-	-	(1,328,411)	3,125,896
-	-	-	-	-	324,527
-	-	-	-	(1,328,411)	3,450,423
654	2,662,123	-	-	(6,546,550)	52,069,214
-	-	-	-	(65,166)	8,063,882
-	-	-	-	(492,746)	8,008,796
-	-	-	-	(51,586)	3,499,812
-	-	-	-	(672,722)	5,090,955
-	-	-	-	(1,998)	2,707,116
-	-	-	-	(114,132)	2,949,678
-	-	-	-	(41,104)	991,620
-	1,635,713	-	-	(1,012,614)	3,679,035
-	-	-	-	(303,527)	4,889,308
-	-	-	-	-	1,697,500
-	-	-	-	-	921,681
-	-	-	-	-	319,536
-	-	-	-	2,083,134	2,083,134
-	1,635,713	-	-	(672,461)	44,902,053
-	-	-	-	-	4,270,350
-	-	-	-	(5,498,430)	1,665,710
-	1,056,131	-	-	(1,056,131)	-
-	-	-	-	-	307,380
-	1,056,131	-	-	(6,554,561)	6,243,440
\$ -	\$ 2,691,844	\$ -	\$ -	\$ (7,227,022)	\$ 51,145,493

(Continued)

Eastern Iowa Community College District

Schedule of Revenues, Expenditures, and Changes in Fund Balances (Continued)
 Year Ended June 30, 2005

	Current Funds	
	Unrestricted	Restricted
Excess of revenues over (under) expenditures	\$ 1,226,179	\$ (953,863)
Other additions (deductions):		
Expended for plant assets	-	-
Retirement of indebtedness	(520,000)	-
Disposal of plant assets	-	-
Total other additions (deductions)	(520,000)	-
Net change in fund balances	706,179	(953,863)
Fund balances:		
Beginning	8,194,201	3,261,477
Ending	\$ 8,900,380	\$ 2,307,614

See Note to Supplementary Information.

Loan Funds	Plant Funds			Adjustments	Total
	Unexpended	Retirement of Indebtedness	Investment In Plant		
\$ 654	\$ (29,721)	\$ -	\$ -	\$ 680,472	\$ 923,721
-	-	-	2,763,606	(2,763,606)	-
-	-	-	520,000	-	-
-	-	-	(185,630)	185,630	-
-	-	-	3,097,976	(2,577,976)	-
654	(29,721)	-	3,097,976	(1,897,504)	923,721
35,441	7,307,128	-	50,392,815	(25,295,424)	43,895,638
\$ 36,095	\$ 7,277,407	\$ -	\$ 53,490,791	\$ (27,192,928)	\$ 44,819,359

Eastern Iowa Community College District

Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Unrestricted Current Funds
 Education and Support
 Year Ended June 30, 2005

	Education			
	Liberal Arts and Sciences	Vocational Technical	Adult Education	Cooperative Services
Revenues:				
Tuition:				
Resident	\$ 6,424,435	\$ 5,038,692	\$ 1,036,781	\$ 329,172
Non-resident	518,798	750,464	-	-
Refunds	(139,109)	(68,933)	(47,830)	-
Fees	345,250	239,898	622,159	-
Property taxes	-	-	-	-
State appropriations	4,957,017	5,127,073	2,649,620	-
Federal appropriations	-	6,728	389,549	393,446
Gifts and grants	17,278	40,838	5,738	-
Sales and services	27,569	305,107	59,181	-
Interest	-	-	-	-
Miscellaneous	5,567	14,137	11,786	-
	<u>12,156,805</u>	<u>11,454,004</u>	<u>4,726,984</u>	<u>722,618</u>
Allocation of support services revenues	1,425,719	1,464,484	651,624	-
Total revenues	<u>13,582,524</u>	<u>12,918,488</u>	<u>5,378,608</u>	<u>722,618</u>
Expenditures:				
Salaries and benefits	7,087,818	6,067,336	2,360,074	618,623
Services	913,851	500,474	707,777	85,280
Materials and supplies	82,411	297,887	187,714	23,249
Travel	44,968	77,613	71,508	5,466
Expended for plant assets	-	-	(6,078)	-
Retirement of indebtedness	-	-	-	-
Interest on indebtedness	-	-	-	-
Miscellaneous	-	-	-	-
	<u>8,129,048</u>	<u>6,943,310</u>	<u>3,320,995</u>	<u>732,618</u>
Allocation of support services expenditures	5,335,062	5,480,122	2,438,388	-
Total expenditures	<u>13,464,110</u>	<u>12,423,432</u>	<u>5,759,383</u>	<u>732,618</u>
Net change in fund balances	<u>\$ 118,414</u>	<u>\$ 495,056</u>	<u>\$ (380,775)</u>	<u>\$ (10,000)</u>

Fund balances:
 Beginning
 Ending

See Note to Supplementary Information.

Support					
General Admini- stration	Student Services	Learning Resources	Physical Plant	General Institution	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,829,080
-	-	-	-	-	1,269,262
-	-	-	-	-	(255,872)
-	1,605	-	-	-	1,208,912
1,882,795	-	-	-	-	1,882,795
9,701	9,817	-	-	-	12,753,228
217,554	212,772	126,449	-	-	1,346,498
-	930	63,722	19,581	307	148,394
27,330	492	3,270	5,091	2,400	430,440
918,312	-	-	-	-	918,312
2,868	7,677	1,233	23,071	4,850	71,189
3,058,560	233,293	194,674	47,743	7,557	32,602,238
(3,058,560)	(233,293)	(194,674)	(47,743)	(7,557)	-
-	-	-	-	-	32,602,238
1,071,011	2,940,763	759,813	942,075	1,869,739	23,717,252
190,936	77,909	116,064	903,730	2,178,253	5,674,274
35,255	36,359	101,908	152,474	132,124	1,049,381
81,723	8,779	18,099	5,578	29,611	343,345
-	-	36,840	754,009	-	784,771
-	-	-	495,000	-	495,000
-	-	-	307,380	-	307,380
5,242	-	-	-	2,898	8,140
1,384,167	3,063,810	1,032,724	3,560,246	4,212,625	32,379,543
(1,384,167)	(3,063,810)	(1,032,724)	(3,560,246)	(4,212,625)	-
-	-	-	-	-	32,379,543
\$ -	\$ -	\$ -	\$ -	\$ -	222,695

3,488,964
\$ 3,711,659

Eastern Iowa Community College District

Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Unrestricted Current Funds
 Auxiliary Enterprises
 Year Ended June 30, 2005

	Cafeteria	Bookstore	Daycare	Parts	Printing
Revenues:					
Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Federal appropriation	-	-	16,297	-	-
Sales and services	22,059	3,435,105	203,452	97,250	139,546
Miscellaneous, primarily gifts	912	-	-	-	-
Total revenues	22,971	3,435,105	219,749	97,250	139,546
Expenditures:					
Salaries and benefits	-	279,018	191,861	12,784	20,186
Services	5,716	108,412	1,918	41	86,257
Materials and supplies	9,171	68,215	11,188	1,877	22,336
Merchandise purchased for sale	2,646	2,622,216	1,553	81,687	-
Travel	-	8,794	-	85	70
Retirement of indebtedness	-	-	25,000	-	-
Miscellaneous	267	99,114	-	-	-
Total expenditures	17,800	3,185,769	231,520	96,474	128,849
Net change in fund balances	5,171	249,336	(11,771)	776	10,697
Fund balances:					
Beginning	122,533	1,546,781	13,727	19,874	437,538
Ending	\$ 127,704	\$ 1,796,117	\$ 1,956	\$ 20,650	\$ 448,235

See Note to Supplementary Information.

Student Housing	Video Consortium	Kahl Auxiliary	Other	Total
\$ -	\$ -	\$ -	\$ 1,833	\$ 1,833
-	-	-	-	16,297
226,625	82,064	247,726	480	4,454,307
-	-	122	305,363	306,397
<u>226,625</u>	<u>82,064</u>	<u>247,848</u>	<u>307,676</u>	<u>4,778,834</u>
42,018	62,138	-	-	608,005
61,014	7,494	2,528	157	273,537
11,702	11,151	128,885	2,263	266,788
-	-	-	-	2,708,102
-	-	-	-	8,949
-	-	-	-	25,000
283,676	-	-	21,912	404,969
<u>398,410</u>	<u>80,783</u>	<u>131,413</u>	<u>24,332</u>	<u>4,295,350</u>
(171,785)	1,281	116,435	283,344	483,484
1,376,478	-	874,979	313,327	4,705,237
<u>\$ 1,204,693</u>	<u>\$ 1,281</u>	<u>\$ 991,414</u>	<u>\$ 596,671</u>	<u>\$ 5,188,721</u>

Eastern Iowa Community College District

Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits) -
 Restricted Current Funds
 Year Ended June 30, 2005

	Scholarships and Grants	Equipment Replacement	Insurance	Unemployment Compensation	Workforce Investment Act
Revenues:					
Tuition, resident	\$ -	\$ -	\$ -	\$ -	\$ -
Fees	-	-	-	-	-
Property taxes	-	836,794	241,278	1,981	-
State appropriations	253,893	-	-	-	-
Federal appropriations	6,541,521	-	-	-	1,697,500
Gifts and grants	-	-	-	-	-
Sales and services	352,405	-	-	-	-
Interest	-	-	-	-	-
Iowa Industrial New Jobs Training Program	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	7,147,819	836,794	241,278	1,981	1,697,500
Expenditures:					
Salaries and benefits	-	-	-	14,351	738,727
Services	-	-	298,070	-	442,004
Materials and supplies	-	456,954	-	-	62,254
Travel	-	-	-	-	22,684
Expended for plant assets	-	381,739	-	-	-
Interest on indebtedness	-	-	-	-	-
Employer reimbursements	-	-	-	-	-
Federal Pell Grant Program	6,367,183	-	-	-	-
Federal Supplemental Educational Opportunity Grant (SEOG)	166,852	-	-	-	-
Other miscellaneous scholarships	630,105	-	-	-	-
Miscellaneous	-	-	-	-	431,831
Total expenditures	7,164,140	838,693	298,070	14,351	1,697,500
Net change in fund balances	(16,321)	(1,899)	(56,792)	(12,370)	-
Fund balances (deficits):					
Beginning	43,629	802,334	37,729	58,982	-
Ending	\$ 27,308	\$ 800,435	\$ (19,063)	\$ 46,612	\$ -

See Note to Supplementary Information.

Temporary Assistance for Needy Families	Iowa Industrial New Jobs Training Program	Economic Development	Other Federal Programs	Other Training	Other	Cash Reserve	Total
\$ -	\$ -	\$ 306,288	\$ 10	\$ 9,324	\$ -	\$ -	\$ 315,622
-	-	30,059	-	8,304	-	-	38,363
-	7,602	-	-	-	654,680	-	1,742,335
-	-	184,862	78,145	-	12,000	-	528,900
921,681	-	-	1,318,916	19,620	-	-	10,499,238
-	-	-	9,782	-	-	-	9,782
-	-	746,125	6,215	111,933	5,140	-	1,221,818
-	(168,746)	-	-	-	-	-	(168,746)
-	4,356,323	-	-	-	-	-	4,356,323
-	3,371	775	20,155	1,500	2,479	-	28,280
921,681	4,198,550	1,268,109	1,433,223	150,681	674,299	-	18,571,915
656,662	-	824,605	850,372	89,343	1,331,048	-	4,505,108
240,165	1,752,556	278,956	203,095	17,323	3,301	-	3,235,470
18,294	-	58,812	39,559	3,243	14,642	-	653,758
6,560	-	19,480	100,341	4,816	-	-	153,881
-	-	300,742	-	-	-	-	682,481
-	1,593,494	-	-	-	-	-	1,593,494
-	852,500	-	-	-	-	-	852,500
-	-	-	-	-	-	-	6,367,183
-	-	-	-	-	-	-	166,852
-	-	-	41,741	-	-	-	671,846
-	-	84	211,290	-	-	-	643,205
921,681	4,198,550	1,482,679	1,446,398	114,725	1,348,991	-	19,525,778
-	-	(214,570)	(13,175)	35,956	(674,692)	-	(953,863)
-	-	1,811,777	13,175	280,140	(190,757)	404,468	3,261,477
\$ -	\$ -	\$ 1,597,207	\$ -	\$ 316,096	\$ (865,449)	\$ 404,468	\$ 2,307,614

Eastern Iowa Community College District

Schedule of Changes in Assets Held in Custody for Others -
Agency Funds
Year Ended June 30, 2005

	Athletics	Clubs, Organizations, and Activities
Balance, beginning	\$ 6,661	\$ 305,479
Additions:		
Fees	830	458,025
State appropriations	-	-
Gifts and grants	2,250	14,993
Sales and services	41,776	57,061
Other	200,304	115,148
Total additions	245,160	645,227
Deductions:		
Salaries and benefits	11,707	50,306
Services	126,570	161,715
Materials and supplies	49,574	38,279
Merchandise purchased for sale	2,175	4,375
Travel	51,717	92,023
Scholarships	500	675
Other	-	201,900
Total deductions	242,243	549,273
Balance, ending	\$ 9,578	\$ 401,433

See Note to Supplementary Information.

Iowa Industrial New Jobs Training Program	Other	Total
\$ 293,392	\$ 10,700	\$ 616,232
-	-	458,855
361,453	-	361,453
-	-	17,243
-	-	98,837
-	290,173	605,625
361,453	290,173	1,542,013
-	15,819	77,832
331,101	273,108	892,494
-	420	88,273
-	-	6,550
-	826	144,566
-	-	1,175
-	-	201,900
331,101	290,173	1,412,790
\$ 323,744	\$ 10,700	\$ 745,455

Eastern Iowa Community College District

Note to Supplementary Information Year Ended June 30, 2005

Statements presented in the supplementary information are reported using the current financial resources measurement focus and the accrual basis of accounting, except for depreciation. The schedule of revenues, expenditures, and changes in fund balance is the statement of financial activities related to the current reporting period. It does not purport to present the results of operations or net income or loss for the period as would a statement of income or a statement of revenues and expenses. In order to ensure observance of limitations and restrictions placed on the use of the resources available to the District, the accounts of the District are maintained in accordance with the principles of "fund accounting". This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in the financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions are accounted for and reported by fund group. Within each fund group, fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated for specific purposes by action of the governing board. Externally restricted funds may only be utilized in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which the governing board retains full control to use in achieving any of its institutional purposes.

All gains and losses arising from the sale, collection, or other disposition of investments and other noncash assets are accounted for in the fund which owned such assets. Ordinary revenue derived from investments, receivables, and the like, is accounted for in the fund owning such assets.

The District utilizes the following fund groups:

Current Funds:

These funds are utilized to account for those economic resources that are expendable for the purpose of performing the primary and supporting missions of the District. These include the following unrestricted and restricted subfunds:

Unrestricted: The Education and Support subgroup of the Unrestricted Current Funds accounts for the general operations of the District. All property taxes and other revenues 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 costs, the fixed charges, and the acquisition of plant assets that are not paid from other funds.

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 District. In addition, they account 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: The Restricted Current Funds are 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.

The Scholarships and Grants subgroup accounts for resources available for awards to students which are not in payment of services rendered to the District and which will not require repayment to the District.

The District has agreements with various businesses under the Iowa Industrial New Jobs Training Program (NJTP). The District administers the program, with the revenues and expenditures being restricted by the State for use in this program. The District is accounting for the activity of the NJTP in the Restricted Current Funds.

Eastern Iowa Community College District

Note to Supplementary Information
Year Ended June 30, 2005

Loan Funds:

These funds are used to account for student loan transactions.

Plant Funds:

The Plant Funds are used to account for transactions relating to investment in District 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.

Retirement of indebtedness - This subfund is used to account for the accumulation of resources for principal and interest payments on plant indebtedness.

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 District in a custodial capacity or as an agent for others. Transactions of Agency Funds do not affect the schedule of revenues, expenditures, and changes in fund balances.

Eastern Iowa Community College District

Schedule of Credit and Contact Hour Enrollment
 Year Ended June 30, 2005

Category	Credit Hours			Contact Hours		
	Eligible for Aid	Not Eligible for Aid	Total	Eligible for Aid	Not Eligible for Aid	Total
Arts and sciences	88,774	-	88,774	1,893,565	-	1,893,565
Vocational preparatory	65,709	-	65,709	1,945,051	-	1,945,051
Adult/continuing education	-	-	-	770,784	94,669 *	865,453
Cooperative programs/services	-	-	-	-	5,537	5,537
Related services and activities	-	-	-	-	182,220	182,220
	<u>154,483</u>	<u>-</u>	<u>154,483</u>	<u>4,609,400</u>	<u>282,426</u>	<u>4,891,826</u>

* Includes 240 hour adjustment of 600 hours.

Eastern Iowa Community College District

Comparison of Taxes and Intergovernmental Revenues

	Year Ended June 30,			
	2005	2004	2003	2002
Local (property tax)	\$ 5,507,975	\$ 5,705,718	\$ 5,777,008	\$ 5,431,247
State	13,772,428	13,082,865	13,049,738	13,900,765
Federal	11,807,181	12,627,087	12,042,761	11,984,720
Total	\$ 31,087,584	\$ 31,415,670	\$ 30,869,507	\$ 31,316,732

Eastern Iowa Community College District

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	New Loans
U.S. Department of Labor:				
Passed through Iowa Department of Workforce Development:				
Workforce Investment Act -				
Adult Program	17.258	1-W-09-FR-0	\$ 212,152	\$ -
Youth Activities	17.259	1-W-09-FR-0	504,918	-
Dislocated Workers	17.260	1-W-09-FR-0	686,101	-
Total Workforce Investment Act Cluster			1,403,171	-
Employment Service	17.207	1-W-09-FR-0	51,010	-
Disabled Veterans' Outreach Program	17.801	1-W-09-FR-0	5,497	-
Local Veterans' Employment Representative Program	17.804	1-W-09-FR-0	3,044	-
Total Employment Services Cluster			59,551	-
Unemployment Insurance	17.225	1-W-09-FR-0	60,788	-
Trade Adjustment Assistance Workers	17.245	1-W-09-FR-0	2,240	-
Work Incentives Grant (Disability Navigator)	17.266	1-W-09-FR-0	2,159	-
One-Stop Career Center Initiative	17.257	1-W-09-FR-0	88,966	-
Transition Planning Demonstration	17.720	1-W-09-FR-0-Subsection T1	6,776	-
Passed through the Iowa Department of Education,				
Mine Health and Safety Grant				
Total U.S. Department of Labor	17.600	N/A	11,400	-
			1,635,051	-
U.S. National Science Foundation:				
Direct Programs:				
Education and Human Resources	47.076	N/A	49,042	-
Education and Human Resources	47.076	N/A	125,638	-
Education and Human Resources	47.076	N/A	199,409	-
			374,089	-
Passed through St. Ambrose University, Step with St. Ambrose	47.076	DUE-0431502	35,188	-
Passed through Hazardous Materials Training and Research Institute:				
Education and Human Resources	47.076	DUE-0302799	268,699	-
Integrating Advanced Environmental Technology Research Into The Classroom and Into The Community	47.076	DUE-0053247	6,535	-
Total U.S. National Science Foundation			\$ 684,511	\$ -

(Continued)

Eastern Iowa Community College District

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2005

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	New Loans
U.S. Small Business Administration:				
Passed through Iowa State University, Small Business Development Center	59.037	N/A	\$ 79,000	\$ -
U.S. Environmental Protection Agency:				
Passed through Hazardous Materials Training and Research Institute:				
Surveys, Studies, Investigations, and Special Purpose Grants	66.606	CX 826210-01-0	52,475	-
Brownfield Job Training Cooperative Agreements	66.815	CX 826210-01-0	62,340	-
Direct, Environmental Education Grant	66.951	N/A	3,687	-
Total U.S. Environmental Protection Agency			118,502	-
U.S. Department of Education:				
Direct Programs:				
Student Financial Assistance:				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	166,852	-
Federal Family Education Loans:				
Stafford Loans	84.032	N/A	-	10,011,898
PLUS Loans	84.032	N/A	-	60,820
Federal Work-Study Program	84.033	N/A	223,411	-
Federal Pell Grant Program	84.063	N/A	6,367,183	-
Total Student Financial Assistance Cluster			6,757,446	10,072,718
TRIO - Student Support Services	84.042	N/A	253,233	-
			7,010,679	10,072,718
Passed through Iowa Department of Education:				
Adult Education - State Grant Program	84.002	N/A	328,092	-
Vocational Education - Basic Grants to States	84.048	03-02-11-91	314,446	-
			642,538	-
Passed through Georgetown University, Cooperative Association of States for Scholarships (CASS)				
	84.000	EDH-A-00-03-00004-0	284,289	-
	84.000	LAG-A-00-98-00058-00	14,457	-
			298,746	-
Total U.S. Department of Education			\$ 7,951,963	\$ 10,072,718

(Continued)

Eastern Iowa Community College District

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2005

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	New Loans
U.S. Department of Health and Human Services:				
Passed through Iowa Workforce Development, Temporary Assistance for Needy Families	93.558	1-W-09-FR-0	\$ 964,030	\$ -
Passed through Iowa Department of Public Health, Preventive Health & Health Services Block Grant	93.991	588-4-HP-06	14,533	-
Total U.S. Department of Health and Human Services			<u>978,563</u>	<u>-</u>
U.S. Department of Housing and Urban Development:				
Passed through Iowa Department of Economic Development, Community Development Program	14.228	02-CRL-004	37,465	-
U.S. Department of Agriculture:				
Direct, Ag Learning Center	10.226	N/A	6,729	-
Passed through Iowa Department of Education, Child and Adult Care Food Program	10.558	N/A	25,756	-
Passed through Iowa Department of Workforce Development, State Administrative Matching Grants for Food Stamp Program	10.561	5884NU11	1,313	-
Total U.S. Department of Agriculture			<u>33,798</u>	<u>-</u>
U.S. Department of State Bureau of Educational and Cultural Affairs:				
Direct Programs:				
Drohobych Educational Partnership Program	19.405	N/A	26,675	-
Thailand Educational Partnership Program	19.405	N/A	13,951	-
			<u>40,626</u>	<u>-</u>
Federal Mediation and Consolation Services:				
Passed through Iowa Department of Workforce Development, Labor Management Cooperation (Re-employment)	34.002	1-W-16-FR-0	8,597	-
National Foundation on the Arts and the Humanities:				
Passed through the Institute of Museum and Library Services, Institute of Museum and Library Services - National Leadership Grants	45.312	NL-10010-01	78,853	-
			<u>\$ 11,646,929</u>	<u>\$ 10,072,718</u>

See Notes to Schedule of Expenditures of Federal Awards.

Eastern Iowa Community College District

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the accrual basis of accounting. The information in 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.

Note 2. Student Financial Assistance

The District is responsible only for the performance of certain administrative duties with respect to the Federal Direct Student Loan Program, and accordingly, these loans are not included in its financial statements. It is not practical to determine the balance of the loans outstanding to students and former students of the District under this program as of June 30, 2005.

Eastern Iowa Community College District

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2005

The prior year single audit disclosed no significant findings and no significant uncorrected or unresolved findings existing from prior single audits, other than the following finding related to required statutory reporting.

Required Statutory Reporting:

	Finding	Corrective Action
2004	The District had one certificate of deposit that did not meet the statutory time deposit rate requirements.	The District implemented internal procedures to review rates on time deposits to ensure they meet state guidelines.

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Directors
Eastern Iowa Community College District
Davenport, Iowa

We have audited the basic financial statements of Eastern Iowa Community College District as of and for the year ended June 30, 2005, and have issued our report thereon dated October 24, 2005. The discretely presented component units of the District were audited by other auditors and were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not extend to the discretely presented component units. We conducted our audit of the District in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Eastern Iowa Community College District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about Eastern Iowa Community College District's operations for the year ended June 30, 2005 are based exclusively on knowledge obtained from procedures performed during our audit of the basic financial statements of Eastern Iowa Community College District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

Davenport, Iowa
October 24, 2005

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133

To the Board of Directors
Eastern Iowa Community College District
Davenport, Iowa

Compliance

We have audited the compliance of Eastern Iowa Community College District 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, 2005. Eastern Iowa Community College District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Eastern Iowa Community College District's management. Our responsibility is to express an opinion on Eastern Iowa Community College District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Eastern Iowa Community College District'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 Eastern Iowa Community College District's compliance with those requirements.

In our opinion, Eastern Iowa Community College District 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, 2005.

Internal Control Over Compliance

The management of Eastern Iowa Community College District 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 Eastern Iowa Community College District'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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

McGladrey & Pullen, LLP

Davenport, Iowa
October 24, 2005

Eastern Iowa Community College District

Schedule of Findings and Questioned Costs
Year Ended June 30, 2005

I. Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness identified? Yes No
- Reportable condition identified that is not considered to be a material weakness? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness identified? Yes No
- Reportable condition identified that is not considered to be a material weakness? Yes None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

Identification of major programs:

CFDA Number	Name of Federal Program
84.007	Federal Supplemental Educational Opportunity Grants (SEOG)
	Federal Family Education Loans (FFEL):
84.032	Stafford Loans
84.032	PLUS Loans
84.033	Federal Work-Study Program (FWS)
84.063	Federal Pell Grant Program
93.558	Temporary Assistance for Needy Families

Eastern Iowa Community College District

Schedule of Findings and Questioned Costs
Year Ended June 30, 2005

Dollar threshold used to distinguish between
type A and type B programs \$651,410

Auditee qualified as low-risk auditee? X Yes No

II. Findings Relating to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

A. Reportable Conditions in Internal Control

The audit of the financial statements of Eastern Iowa Community College District as of and for the year ended June 30, 2005 disclosed no matters involving the internal control over financial reporting and its operations that are considered to be material weaknesses.

B. Compliance Findings

The audit disclosed no instances of noncompliance, which are material to the financial statements of Eastern Iowa Community College District as of and for the year ended June 30, 2005.

III. Findings and Questioned Costs for Federal Awards

There were no current year audit findings or questioned costs for federal awards.

IV. Other Findings Related to Required Statutory Reporting

IV-A-05 Official Depositories

Official depositories have been adopted by the Board. The maximum deposit amounts approved were not exceeded during the year ended June 30, 2005.

IV-B-05 Certified Budget

Disbursements during the year ended June 30, 2005 did not exceed the amounts budgeted in total.

IV-C-05 Questionable Expenditures

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

IV-D-05 Travel Expense

No expenditures of District money for travel expenses of spouses of College officials or employees were noted. No travel advances to College officials or employees were noted.

Eastern Iowa Community College District

Schedule of Findings and Questioned Costs
Year Ended June 30, 2005

IV-E-05 Business Transactions

No business transactions between the District and District officials or employees were noted.

IV-F-05 Bond Coverage

Surety bond coverage of College officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

IV-G-05 Board Minutes

No transactions were found that we believe should have been approved in the Board minutes but were not.

IV-H-05 Publication

The District published a statement showing all receipts and disbursements of all funds for fiscal year 2005, 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-05 Deposits and Investments

No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the District's investment policy were noted.

IV-J-05 Credit/Contact Hours

Eligible credit and contact hours reported to the Iowa Department of Education by the District were supported by detailed records maintained by the District.

Eastern Iowa Community College District

Corrective Action Plan
Year Ended June 30, 2005

The current year audit disclosed no significant findings and no significant uncorrected or unresolved findings exist from prior year single audits.