

**Iowa Western Community College**  
**INDEPENDENT AUDITOR'S REPORT**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTAL INFORMATION**

**June 30, 2005**

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**Iowa Western Community College  
OFFICIALS**

<u>Name</u>	<u>Title</u>	<u>Term expires</u>
<b>Board of Trustees (Before September 2004 Election)</b>		
Gary Faust	President	2006
Randy Pash	Vice President	2006
Brent Seigrist	Member	2006
Colleen Geiger	Member	2004
Connie Hornbeck	Member	2005
Wayne Kobberdahl	Member	2005
Scott Robinson	Member	2004
Monty Boswell	Member	2005
Wanda Rosenbaugh	Member	2004
<b>Board of Trustees (After September 2004 Election)</b>		
Gary Faust	President	2006
Randy Pash	Vice President	2006
Brent Seigrist	Member	2006
Colleen Geiger	Member	2007
Connie Hornbeck	Member	2005
Doug Goodman	Member	2005
Scott Robinson	Member	2007
Monty Boswell	Member	2005
Wanda Rosenbaugh	Member	2007
<b>Community College</b>		
Dr. Dan Kinney	President	
Thomas Johnson	Board Treasurer	
Kathryn Coffelt	Board Secretary	

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Iowa Western Community College  
Council Bluffs, Iowa

We have audited the accompanying financial statements of Iowa Western Community College (the College), and its aggregate discretely presented component unit as of and for the year ended June 30, 2005, which collectively comprise the College's basic financial statements listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Iowa Western Community College and its aggregate discretely presented component unit as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 28, 2005 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 6 through 15 and budgetary comparison information on pages 39 and 40 are not required parts 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 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 basic financial statements of the College taken as a whole. The supplementary information included in Schedules 1 through 9 is presented for purposes of additional analysis, and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards (Schedule 10) is also presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The supplementary information included in Schedules 8 and 9 related to the College's 2004, 2003 and 2002 financial statements was audited by other auditors whose report, dated January 24, 2005, expressed an unqualified opinion on such information in relation to the basic financial statements taken as a whole.

*Denman & Company, LLP*  
**DENMAN & COMPANY, LLP**

West Des Moines, Iowa  
October 28, 2005

# Iowa Western Community College Council Bluffs, Iowa

## Management's Discussion and Analysis For the Year Ended June 30, 2005 (Unaudited)

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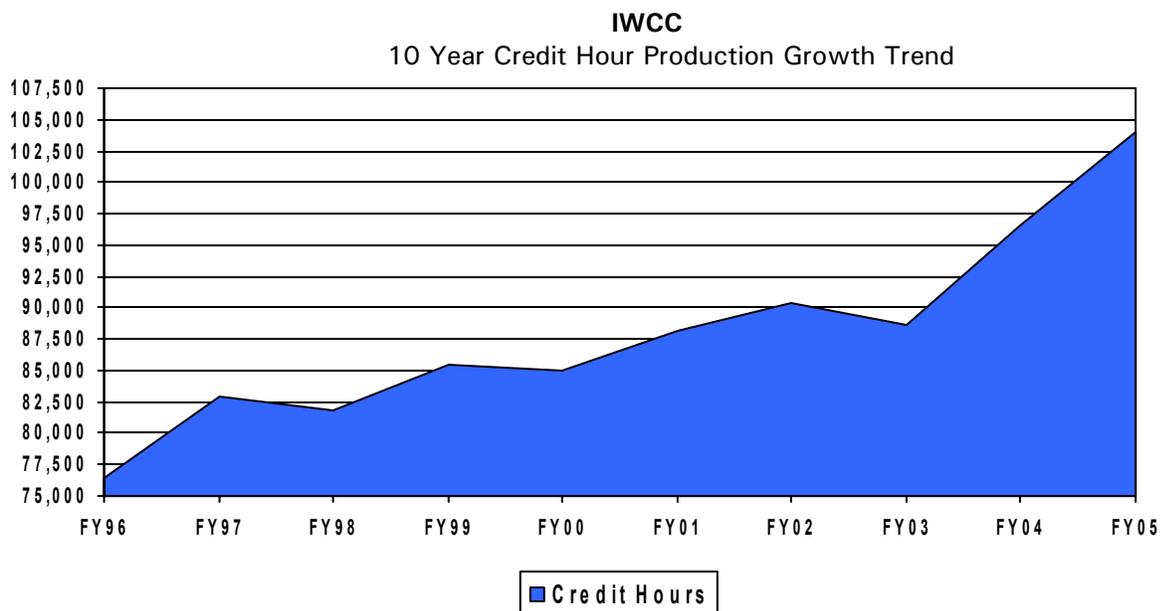
Management of Iowa Western Community College (The College or IWCC) provides this Management's Discussion and Analysis of IWCC's annual financial statements. This narrative overview and analysis of the financial activities of the College is for the fiscal year ended June 30, 2005. We encourage readers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

The information is displayed in a comparative form enabling the reader to make year-to-year comparisons about the college's operating results and financial position.

Iowa Western Community College has implemented Governmental Accounting Standards Board Statement 39. The objective of this statement is to require the primary reporting government (IWCC) to include associated entities in its financial reporting. An associated entity is generally an organization that raises and holds economic resources for the direct benefit of a governmental unit. For the fiscal year ending June 30, 2005, Iowa Western Community College will include financial information for the Iowa Western Community College Foundation in discrete presentation format. Other related organizations will be identified using the note disclosure method.

### FINANCIAL HIGHLIGHTS

- College operating revenues increased overall in fiscal year 2005 due in large part to continued enrollment growth. Annual credit hour production totaled 103,785, the first time in the college's forty-year history that it produced more than 100,000 credit hours. Since fiscal year 1996, IWCC's percentage credit hour growth has averaged 3.7 percent annually. Below find a graph depicting the college's ten-year credit hour production growth.



- College operating expenditures increased in fiscal year 2005 due in large measure to the addition of staff necessary to initiate new programs and meet service demands created by continued enrollment growth. Total operating expenditures grew by \$2,737,989 compared to fiscal year 2004.
- Net non-operating revenue grew by \$1,443,320 in fiscal year 2005 versus fiscal year 2004. State appropriations in fiscal year 2005 were up compared to fiscal year 2004 as IWCC received approximately \$560,000 in state appropriations in fiscal year 2005 designated for capacity building (vertical infrastructure). Local property tax support grew slightly as valuations for residential, commercial and agricultural property increased by 1.6%. Interest expense on indebtedness was also higher as the College paid interest on new construction financing for capital improvement projects.

### ***USING THIS ANNUAL REPORT***

This discussion and analysis are intended to serve as an introduction to IWCC's basic financial statements. The College's basic financial statements consist of a series of financial statements. The Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Nets Assets and the Statement of Cash Flows (on pages 17 through 21) provide information about the activities of the College as a whole and present a longer-term view of the College's finances. These basic financial statements also include the notes to the financial statements and explain some of the information in the statements and provide more detail. Supplemental information is also in schedule form and begins on page 42.

### ***THE COLLEGE AS A WHOLE***

#### **The Statement of Net Assets**

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

The largest portion of the College's net assets (84.2%) is the Invested in Capital Assets (e.g., land, infrastructure, buildings, and equipment), less the related debt. The debt related to the Invested in Capital Assets is liquidated with sources other than capital assets. The restricted portion of the net assets (5.7%) includes resources that are subject to external restrictions. The remaining net assets (10.1%) are the unrestricted net assets that can be used to meet the College's obligations as they come due.

**Condensed Statement of Net Assets  
For Year Ended June 30**

	<u>FY05</u>	<u>FY04</u>
Current Assets	\$29,237,159	\$28,097,265
Noncurrent assets	<u>49,810,362</u>	<u>34,890,635</u>
Total assets	<u>79,047,521</u>	<u>62,987,900</u>
Current liabilities	20,287,111	15,758,284
Noncurrent liabilities	<u>24,371,373</u>	<u>14,774,578</u>
Total liabilities	<u>44,658,484</u>	<u>30,532,862</u>
Net assets:		
Invested in capital assets, net of related debt	28,946,763	27,665,661
Restricted	1,963,165	767,347
Unrestricted	<u>3,479,109</u>	<u>4,022,030</u>
Total net assets	<u>\$34,389,037</u>	<u>\$32,455,038</u>

**Statement of Revenues, Expenses and Changes in Net Assets**

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

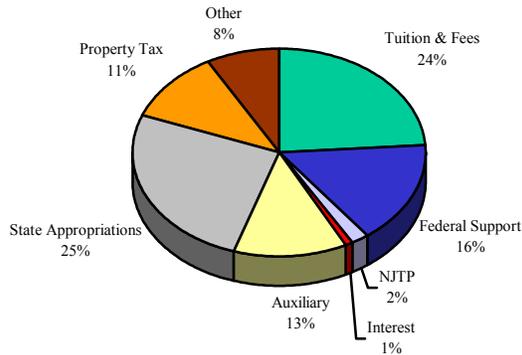
In general, a public college such as Iowa Western Community College will report an operating loss, as the financial reporting model classifies state appropriations and property taxes as non-operating revenues. Operating revenues are received for providing goods and services to the various students, customers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

**Condensed Statement of Revenue, Expenses and Changes in Net Assets  
For Year Ended June 30**

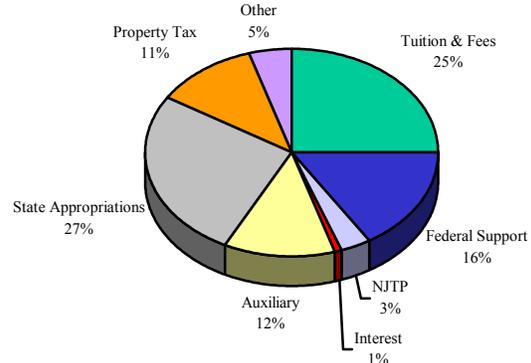
	<u>FY05</u>	<u>FY04</u>
Operating revenue:		
Tuition and fees	\$ 8,978,879	\$ 8,348,645
Federal appropriations	5,901,462	5,479,366
Iowa industrial New Jobs Training Program	709,216	1,049,244
Auxiliary	4,688,876	4,065,773
Other	<u>3,050,197</u>	<u>1,611,220</u>
Total operating revenue	23,328,630	20,546,208
Total Operating expenses	<u>34,210,223</u>	<u>32,303,385</u>
Operating loss	<u>(10,881,593)</u>	<u>(11,757,177)</u>
Non-operating revenues (expenses)		
State appropriations	9,667,839	8,819,756
Property tax	4,106,441	3,832,669
Loss on disposal of capital assets	(43,575)	(90,858)
Interest and investment income	330,507	340,171
Interest on indebtedness	(1,156,175)	(885,896)
Other	<u>(2,685)</u>	<u>(2,542)</u>
Net non-operating revenue	<u>12,902,352</u>	<u>12,013,300</u>
Change in net assets	2,020,759	256,123
Net assets beginning of year, as restated	<u>32,368,278</u>	<u>32,198,915</u>
Net assets end of year	\$ <u>34,389,037</u>	\$ <u>32,455,038</u>

The Statement of Revenues, Expenses, and Changes in Net Assets reflect an increase in net assets at the end of the fiscal year of \$2,020,759.

### Revenue Types FY2005



### Revenue Types FY2004



### Total Revenue by Source For Year Ending June 30

	<u>FY05</u>	<u>FY04</u>
Tuition and Fees, net	\$ 8,978,879	\$ 8,348,645
Federal	5,901,462	5,479,366
NJTP	709,216	1,049,244
Interest	330,507	340,171
Auxiliary	4,688,876	4,057,733
State	9,667,839	8,819,756
Property Tax	4,106,441	3,832,669
Other	<u>3,050,197</u>	<u>1,611,220</u>
Total	<u>\$37,433,417</u>	<u>\$33,538,804</u>

In fiscal year 2005, operating revenue grew by \$2,782,422, a 13.5 percent increase compared to FY2004. Following is an analysis of individual revenue sources:

- In FY05, the hourly tuition rate for a resident student increased \$3.00 per credit hour, or 3.1 percent. Tuition and Fee revenues increased \$630,234 or 7.6% versus fiscal year 2004. Approximately 67% of new tuition and fee revenues were generated by the 7,269 credit hour production increase. The remaining 33% resulted from the tuition increase of \$3.00 per credit hour.
- Auxiliary operational revenue reflects the continued growth in student enrollment as revenues grew by \$630,234 in FY2005 compared to fiscal year 2004. The college bookstore and food service departments are direct beneficiaries of a larger student headcount as day-to-day traffic increases generate additional revenue.
- State appropriations allocated to IWCC also grew in fiscal year 2005 as the Iowa legislature approved one of the largest increases in community college state aid in recent years. Included in the appropriation was funding for Accelerated Career Education (ACE) programs for Turf/Landscape and Automotive Maintenance. These funds, designated for use in expanding capacity, totaled more than \$558,000.
- Miscellaneous income reflected the largest growth of any particular revenue source, increasing by nearly \$1,450,000. \$1.3 M of the increase results from construction activity accounted for in the Plant Fund.

**Operating Expenses  
For Year Ending June 30**

	<u>FY05</u>	<u>FY04</u>
Education and support:		
Liberal arts and sciences	\$ 5,062,403	\$ 4,428,358
Applied science and technology	5,585,690	5,460,590
Continuing education	2,275,777	2,099,991
Cooperative services	1,614,242	2,134,623
Administration	1,827,789	1,527,300
Student services	2,059,571	1,893,129
Learning resources	265,210	291,842
Physical plant	4,235,294	3,505,736
General institution	4,668,819	4,191,290
Auxiliary enterprises	4,374,474	3,990,580
Scholarships and grants	790,637	730,551
Loan cancellations and bad debt	-	502,164
Depreciation and amortization	<u>1,450,317</u>	<u>1,547,231</u>
 Total operating expenses	 \$ <u>34,210,223</u>	 \$ <u>32,303,385</u>

In fiscal year 2005, operating expenses increased as a net result of the following changes:

- Salary and benefit costs remain the largest category of expense totaling \$19,242,059 in FY05. The addition of faculty and staff to support new program and activity offerings, negotiated salary and wage increases of 4.5% - 5.0% and higher medical benefits all contributed to higher expenditure levels.
- The increasing cost of health insurance benefits continues to pressure college resources. The administration's partial self-funding approach to the provision of healthcare insurance has mitigated the total impact on the college budget. Annual evaluation of deductibles, out-of-pocket expenses and drug card benefits must continue in order to contain future increases.
- During FY05 IWCC commenced construction on several projects designed to increase institutional operational capacity. Eight different projects totaling \$20,820,000 were either completed or under construction during fiscal year 2005. The most significant of these were:
  - \$9.8 million student housing facility that provides 144 campus residents in suite style accommodations.
  - \$8.0 million expansion and renovation of Dodge Hall. The expansion will enable IWCC to offer two (2) new academic programs – Turf/Landscape Management and Veterinary Technician – beginning in the fall 2005.
  - Construction projects to improve remote center locations in Atlantic, Iowa and Shenandoah, Iowa will enable the college to more effectively offer college course work to southwest Iowa high school students.

## Statement of Cash Flows

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

### Condensed Statement of Cash Flows For the Year Ended June 30

	<u>FY05</u>	<u>FY04</u>
Cash flows from:		
Operating activities	\$(4,633,394)	\$(8,888,992)
Non-capital financing activities	14,071,359	12,815,025
Capital and related financing activities	(9,448,777)	587,841
Investing activities	<u>330,507</u>	<u>340,171</u>
Net increase in cash	319,695	4,854,045
Cash, beginning of year	<u>16,113,800</u>	<u>11,259,755</u>
Cash, end of year	<u>\$16,433,495</u>	<u>\$16,113,800</u>

Cash flows from operating activities include tuition, fees, grants and contracts along with payments to employees and to suppliers. Cash flows from non-capital financing activities include state appropriations, local property taxes received by the College and the receipt and disbursement of federal direct loan program proceeds. Cash flows from capital and related financing activities represent the proceeds from debt, the principal and interest payments of debt and the purchase of capital assets. Cash flows from investing activities include investment income earned.

## Component Unit Financial Statements

The Iowa Western Community College Foundation (the "Foundation") is a private nonprofit organization that reports under FASB standards, including FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences.

### Condensed Statement of Net Assets As of June 30

	FY05	FY04
Total assets	<u>\$4,286,570</u>	<u>\$4,340,308</u>
Total liabilities	\$ 306,755	\$ 867,266
Total net assets	<u>3,979,815</u>	<u>3,473,042</u>
	<u>\$4,286,570</u>	<u>\$4,340,308</u>

**Condensed Statement Revenues, Expenses and  
Changes in Net Assets  
For the Year Ended June 30**

	2005	2004
Total revenues	\$ 2,254,081	\$ 1,315,294
Total expenses	<u>1,747,308</u>	<u>693,802</u>
Increase in net assets	<u>\$ 506,773</u>	<u>\$ 621,492</u>

Financial highlights of the Foundation include the following:

- Net assets increased \$506,773 from June 30, 2004 to June 30, 2005. Cash and investments of the Foundation increased \$621,167 from fiscal year end 2004 to 2005 due to revenues exceeding expenses of the Foundation.
- Revenues increased from \$1,315,294 in fiscal 2004 to \$2,254,081 in fiscal 2005, a \$938,737 increase. This increase was primarily due to the receipt of \$684,224 in pledge funds in support of the construction of the Arts Center. In addition, the Foundation received \$144,400 in new scholarship funding from the college. These scholarship dollars provided support for new programs initiated by IWCC including instrumental music, soccer, golf, cheer and dance.
- Expenses increased \$1,053,506 from \$693,802 in fiscal 2004 to \$1,747,308 in fiscal 2005. Similar to the revenue increase, expenses are also higher due to the Arts Center activity. Because construction for the Arts Center was completed by the college, the \$684,224 of pledges received was transferred to the college to reimburse it for construction expenses incurred. Also the \$144,400 in scholarships funds received was awarded during fiscal year 2005 to deserving students.

**CAPITAL ASSETS**

At June 30, 2005, the College has approximately \$48.5 million invested in capital assets, net of accumulated depreciation of \$16,655,959. Net depreciation charges totaled \$1,450,317 for the 2005 fiscal year. Details for the capital assets are shown below.

**Capital Assets, Net of Accumulated Depreciation  
For the Year Ended June 30**

	<u>FY05</u>	<u>FY04</u>
Land	\$ 472,025	\$ 472,025
Buildings	26,755,758	27,703,293
Construction in progress	17,440,616	1,027,999
Other structures and improvements	2,357,858	1,537,315
Equipment and vehicles	1,332,815	1,265,570
Capital leases	70,720	82,446
Software	<u>52,560</u>	<u>61,320</u>
Total	<u>\$48,482,352</u>	<u>\$32,149,968</u>

As mentioned earlier in this report, the college completed construction of a 144-bed suite style housing facility that opened to students for the fall 2005 semester. The facility has been an immediate success and was fully occupied (100 percent occupancy) for the start of the fall term. Due to the success of Phase I, the IWCC Board of Trustees has approved, subsequent to June 30, 2005, to move forward with Phase II of this housing complex. Phase II calls for the construction of an additional 144 beds slated for completion and occupancy by July 2007. Upon completion the new facility would increase IWCC's total housing capacity to 785 beds.

**DEBT**

At June 30, 2005, the College had \$27,580,048 in debt outstanding. The table below summarizes these amounts by type.

**Outstanding Debt  
For the Year Ended June 30**

	<u>FY05</u>	<u>FY04</u>
Early retirement payable	\$ 260,075	\$ 365,421
Certificates payable	6,325,000	7,795,000
Capital loan notes payable	3,405,000	2,570,000
Revenue bonds	10,745,000	-
Bonds payable	6,765,000	7,280,000
Capital leases payable	<u>79,973</u>	<u>106,308</u>
Total	<u>\$ 27,580,048</u>	<u>\$ 18,116,729</u>

Total outstanding debt increased \$9,463,319 in fiscal year 2005. Revenue bonds were issued for the construction of the new suite style student housing facility in the amount of \$9,540,000. In addition the College issued \$1,205,000 in other revenue bonds to complete the purchase of the existing 192 bed apartment complex from the US Dept. of Education located on the Council Bluffs, IA campus. The actual closing transaction for the apartments was completed subsequent to June 30, 2005.

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

**ECONOMIC FACTORS**

Iowa Western Community College's long-term economic outlook continues to improve as the local economy in Council Bluffs remains strong. Construction activity in the metro area for new housing, commercial property and retail buildings is still on the upswing and will strengthen the College's revenue streams. Due to double digit tuition rate increases at four-year institutions Iowa Western Community College has increasingly become the institution of first choice for many students in the area.

The Iowa Community College system continues to gain support with the Iowa Legislature as state government representatives recognize the educational and economic value community colleges deliver throughout the state. This renewed support for the system is expected to continue as there are several funding initiatives being proposed for legislative consideration in the upcoming 2006 legislative session.

IWCC continues to experience student enrollment growth and increases in total credit hour production for the fiscal year 2005. The College's recruiting efforts in southwest Iowa and in the Council Bluffs/Omaha metro area continue to attract a larger percentage of traditional aged high school seniors. The average age of the student body is 23.1 years, down from 23.4 years at the same time a year ago.

The Board of Trustees, Administration, faculty and staff continue to work diligently to identify solutions to meet the growing demand for the educational opportunities provided by Iowa Western. The college must continue to find alternative sources of funding that will lessen its reliance on state general appropriations. New revenue streams will also ease the shift of the financial burden IWCC students are increasingly asked to bear.

***Contacting the College's Financial Management***

This financial report is designed to provide our customers, taxpayers in the community college district and our creditors with a general overview of the College's finances and to demonstrate the College's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Iowa Western Community College, 2700 College Road, Council Bluffs, Iowa 51503.

**BASIC FINANCIAL STATEMENTS**

**Iowa Western Community College**  
**STATEMENT OF NET ASSETS**  
**June 30, 2005**

<b>ASSETS</b>	<u><b>College</b></u>	<u><b>Foundation</b></u>
<b>CURRENT ASSETS</b>		
Cash and pooled investments	\$16,433,495	\$ 272,062
Investments	-	2,658,843
Receivables		
Accounts receivable, net of allowance for uncollectible accounts of \$99,024	6,958,711	94,150
Grants and other receivables	-	232,134
Property tax		
Delinquent	69,020	-
Succeeding year	4,353,785	-
Iowa Industrial New Jobs Training Program receivable	110,820	-
Due from Iowa Western Community College Foundation (component unit)	22,950	-
Due from other governments	788,464	-
Inventories	261,268	-
Prepaid expenses	238,646	150,661
Other assets	-	160,481
Net investment in capital leases	-	28,576
Total current assets	<u>29,237,159</u>	<u>3,596,907</u>
<b>NONCURRENT ASSETS</b>		
Iowa Industrial New Jobs Training Program receivable	1,328,010	-
Net investment in capital leases	-	51,397
Capital assets, net of accumulated depreciation	<u>48,482,352</u>	<u>638,266</u>
Total noncurrent assets	<u>49,810,362</u>	<u>689,663</u>
 Total assets	 <u>\$79,047,521</u>	 <u>\$ 4,286,570</u>

**Iowa Western Community College**  
**STATEMENT OF NET ASSETS (continued)**  
**June 30, 2005**

<b>LIABILITIES AND NET ASSETS</b>	<u><b>College</b></u>	<u><b>Foundation</b></u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 3,013,763	\$ 142,631
Due to Iowa Western Community College	-	22,950
Salaries and benefits payable	2,880,995	-
Accrued interest payable	110,012	-
Deferred revenue		
Succeeding year property tax	4,353,785	-
Other	5,990,054	-
Early retirement payable	65,100	-
Compensated absences	162,403	-
Deposits held in custody for others	567,424	141,174
Certificates payable	1,475,000	-
Bonds payable	595,000	-
Notes payable	1,045,000	-
Capital leases payable	28,575	-
Total current liabilities	<u>20,287,111</u>	<u>306,755</u>
<b>NONCURRENT LIABILITIES</b>		
Early retirement payable	194,975	-
Certificates payable	4,850,000	-
Bonds payable	16,915,000	-
Notes payable	2,360,000	-
Capital leases payable	51,398	-
Total noncurrent liabilities	<u>24,371,373</u>	<u>-</u>
Total liabilities	<u>44,658,484</u>	<u>306,755</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	<u>28,946,763</u>	<u>-</u>
Restricted		
Nonexpendable	-	583,437
Expendable		
Scholarships	84,960	3,122,444
Loans	1,710	-
Debt service	1,092,463	-
Cash reserve	361,092	-
Other	422,940	153,746
Total restricted	<u>1,963,165</u>	<u>3,859,627</u>
Unrestricted	<u>3,479,109</u>	<u>120,188</u>
Total net assets	<u>\$34,389,037</u>	<u>\$ 3,979,815</u>

**Iowa Western Community College**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
Year ended June 30, 2005

	<u>College</u>	<u>Foundation</u>
<b>OPERATING REVENUES</b>		
Tuition and fees, net of scholarship allowances of \$3,072,239	\$ 8,978,879	\$ —
Federal appropriations	5,901,462	—
Iowa Industrial New Jobs Training Program	709,216	—
Auxiliary enterprises revenue, net of scholarship allowances of \$368,494	4,688,876	—
Contributions	—	1,995,097
Miscellaneous	3,050,197	62,266
Total operating revenues	<u>23,328,630</u>	<u>2,057,363</u>
<b>OPERATING EXPENSES</b>		
Education and support		
Liberal arts and sciences	5,062,403	—
Applied science and technology	5,585,690	—
Continuing education	2,275,777	—
Cooperative services	1,614,242	832,101
Administration	1,827,789	—
Student services	2,059,571	—
Learning resources	265,210	—
Physical plant	4,235,294	—
General institution	4,668,819	—
Auxiliary enterprises	4,374,474	—
Scholarships and grants	790,637	910,425
Depreciation and amortization	1,450,317	4,782
Total operating expenses	<u>34,210,223</u>	<u>1,747,308</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(10,881,593)</u>	<u>310,055</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	9,667,839	—
Property tax	4,106,441	—
Loss on disposal of plant assets	(43,575)	—
Interest and investment income	330,507	196,718
Interest on indebtedness	(1,156,175)	—
Other	(2,685)	—
Total nonoperating revenues, net	<u>12,902,352</u>	<u>196,718</u>
<b>INCREASE IN NET ASSETS</b>	2,020,759	506,773
<b>NET ASSETS</b> , beginning of year, as restated	<u>32,368,278</u>	<u>3,473,042</u>
<b>NET ASSETS</b> , end of year	<u>\$34,389,037</u>	<u>\$ 3,979,815</u>

See Notes to Financial Statements.

**Iowa Western Community College  
STATEMENT OF CASH FLOWS  
Year ended June 30, 2005**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Tuition and fees	\$ 9,093,349
Federal appropriations	6,033,684
Iowa Industrial New Jobs Training Program (NJTP)	1,796,405
Payment to employees for salaries and benefits	(16,716,642)
Payment to suppliers for goods and services	(11,077,578)
Payments to NJTP recipients	(711,048)
Scholarships	(790,637)
Auxiliary enterprise receipts	4,688,876
Other receipts	<u>3,050,197</u>
Net cash used in operating activities	<u>(4,633,394)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

State appropriations	9,667,839
Property tax	4,110,375
Federal direct lending receipts	7,897,801
Federal direct lending disbursements	(7,822,986)
Miscellaneous Agency Fund receipts	1,800,098
Miscellaneous Agency Fund disbursements	(1,579,083)
Other	<u>(2,685)</u>
Net cash provided by noncapital financing activities	<u>14,071,359</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Proceeds from issuance of long-term debt	10,745,000
Acquisition of capital assets	(17,859,484)
Principal paid on long-term debt	(1,150,000)
Interest paid on long-term debt	<u>(1,184,293)</u>
Net cash used in capital and related financing activities	<u>(9,448,777)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest on investments	<u>330,507</u>
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**NET INCREASE IN CASH**

319,695

**CASH, beginning of year**

16,113,800

**CASH, end of year**

\$16,433,495

**Iowa Western Community College**  
**STATEMENT OF CASH FLOWS (continued)**  
**Year ended June 30, 2005**

**RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS  
FROM OPERATING ACTIVITIES**

Operating loss	\$(10,881,593)
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation and amortization	1,450,317
Changes in assets and liabilities	
Accounts receivable	(1,501,856)
Due from Iowa Western Community College Foundation (component unit)	694,673
NJTP receivable	1,301,837
Due from other governments	132,222
Inventories	(49,380)
Prepaid expenses	(58,971)
Accounts payable	2,340,336
Salaries and benefits payable	1,017,368
Deferred revenue	<u>921,653</u>
Net cash flows from operating activities	<u>\$ (4,633,394)</u>

**Iowa Western Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2005**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Iowa Western Community College (the College or IWCC) is a publicly supported school established and operated by Merged Area XIII under the provisions of Chapter 260C of the Code of Iowa. The College offers programs of adult and continuing education, lifelong learning, community education, and up to two years of liberal arts, pre-professional or occupational instruction partially fulfilling the requirements for a baccalaureate degree but confers no more than an associate degree. The College also offers up to two years of vocational or technical education, training or retraining to persons who are preparing to enter the labor market. The College maintains campuses in Council Bluffs and Clarinda, Iowa, with centers in Shelby County, Page/Fremont County and Cass County and has its administrative offices in Council Bluffs. The College is governed by a Board of Trustees whose members are elected from each director district within Merged Area XIII.

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

**Reporting Entity**

For financial reporting purposes, the College has included all funds, organizations, agencies, boards, commissions and authorities including KIWR-FM Radio. The College has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the College is such that exclusion would cause the College's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the College to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the College.

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

***Component Unit and Related Organizations***

The Iowa Western Community College Foundation (the Foundation) is a nonprofit organization whose goal is to provide support to the College and its students. The Foundation primarily receives funds through donations to provide scholarships to students. The governing board of this organization has members who are also officers of the College. However, these members do not comprise a majority in the Foundation's board. In accordance with GASB Statement No. 39, the Foundation is considered a component unit of the College requiring discrete presentation in the College's financial statements and has been included as such.

The Foundation is a private nonprofit organization that reports under FASB standards, including FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences. Complete financial statements of the Foundation can be obtained from their administrative offices at 2700 College Road, Council Bluffs, Iowa 51503.

**Iowa Western Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2005**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Reporting Entity (continued)**

***Component Unit and Related Organizations (continued)***

Western Iowa Educational Endeavors (WIEE) is a legally separate corporation established in 1991 to receive and manage gifts of land and/or buildings. The board of trustees of Iowa Western Community College appoints individuals to serve on the WIEE board. However, the Western Iowa Educational Endeavors articles of incorporation specifically state the business affairs of the corporation shall be managed by its own board of directors. WIEE does not provide services entirely or almost entirely to the College. Under GASB No. 39 Criteria, discrete presentation of WIEE in the College's financial statements is not necessary. Additionally, the exclusion of the WIEE financial statements does not cause the College's financial statements to be misleading.

In the early 1970's, Western Iowa Dorms, Inc. (WID) was established as a separate legal corporation to finance, construct and operate student housing facilities for use by Iowa Western Community College students. The College board of trustees can recommend individuals to serve on the Western Iowa Dorms, Inc. board of directors, but the WID board is not required to appoint those individuals. WID is considered fiscally independent from the College since the corporation can issue its own debt without approval of the College, determines its own budget and sets housing fees independent of Iowa Western Community College. Additionally, the College is not financially accountable for obligations of WID. Under GASB No. 39 criteria, WID is not considered a component unit of the College requiring discrete presentation. Additionally, the exclusion of the WID financial statements does not cause the College's financial statements to be misleading.

**Financial Statement Presentation**

GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*, establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following net asset categories:

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

**Restricted Net Assets**

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

**Unrestricted Net Assets** - Net assets that are not subject to externally imposed situations. Examples include: Student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. Resources may be designated for specific purposes by action of management or by the Board of Trustees or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net assets are designated for academic and general programs of the College.

The basic financial statements (the statement of net assets, the statement of revenues, expenses and changes in net assets, and the statement of cash flows) report information on all of the activities of the College. The effect of interfund activity has been removed from these statements.

Iowa Western Community College  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2005

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Supplementary Information**

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

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

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

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

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

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

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

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

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

**Iowa Western Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2005**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Measurement Focus and Basis of Accounting**

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities as defined in GASB Statement No. 34. Accordingly, the basic financial statements of the College have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Schedules 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 balances is a schedule 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The College has elected to follow subsequent private-sector guidance.

**Cash and Pooled Investments**

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

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

**Property Tax Receivable**

Property tax receivables are recognized on the levy or lien date, which is the date that the tax asking is certified by the Board of Trustees to the appropriate County Auditors. The succeeding year property tax receivable represents taxes certified by the Board of Trustees 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 Trustees is required to certify its budget to the County Auditor by June 1 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied.

**Due from Other Governments**

This represents state aid, grants and reimbursements due from the State of Iowa and grants and reimbursements due from the federal government.

**Allowance for Uncollectible Accounts**

An allowance for uncollectible accounts, which offsets the total gross receivables, is calculated based upon historical collection data, specific account analysis and management's judgment.

**Iowa Western Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2005**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Iowa Industrial New Jobs Training Program (NJTP) Receivable**

This represents the amount to be remitted to the College for training projects entered into between the College and employers under the provisions of Chapter 260E of the Code of Iowa. The receivable amount is based on expenditures incurred through June 30, 2005 on NJTP projects, including interest incurred on NJTP certificates, less revenues received to date.

**Inventories**

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

**Capital Assets**

Capital assets, which include land, buildings and improvements other than buildings, furniture and equipment and software 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. Interest costs on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

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

<b><u>Assets</u></b>	<b><u>Amount</u></b>
Land, buildings and improvements other than buildings	\$25,000
Furniture and equipment and software	5,000

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

<b><u>Assets</u></b>	<b><u>Years</u></b>
Buildings and improvements other than buildings	10-50
Furniture and equipment and software	2-25

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

**Salaries and Benefits Payable**

Payroll and related expenses for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities at June 30.

**Iowa Western Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2005**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Deferred Revenue**

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

**Compensated Absences**

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

**Auxiliary Enterprise Revenues**

Auxiliary enterprise revenues primarily represent revenues generated by the bookstore, food service, central stores and athletics.

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

**Operating and Nonoperating Activities**

Operating activities, as reported in the statement of revenues, expenses and changes in net assets, are transactions that result from exchange transactions, such as payments received for providing services and payments made for services or goods received. Nonoperating activities include state appropriations, property tax and interest income.

**Scholarship Allowances and Student Aid**

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

**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.

**Iowa Western Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2005**

**NOTE 2 CASH AND POOLED INVESTMENTS**

The College's deposits in banks at June 30, 2005 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

At June 30, 2005, the College had investments in the Iowa Schools Joint Investment Trust as follows:

	<b>Amortized cost</b>
Diversified Portfolio	\$ <u>54,080</u>

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

*Interest rate risk.* The College's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the College.

*Credit risk.* The College's June 30, 2005 investments in the Iowa Schools Joint Investment Trust were rated Aaa by Moody's Investors Service.

**NOTE 3 INVENTORIES**

The College's inventories at June 30, 2005 are as follows:

<b>Type</b>	<b>Amount</b>
Graphic arts	\$ 19,326
Bookstore	187,048
Auto parts	36,974
Food service	<u>17,920</u>
 Total	 \$ <u>261,268</u>

**Iowa Western Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2005**

**NOTE 4 CAPITAL ASSETS**

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

	<u>Balance beginning of year</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Balance end of year</u>
Capital assets not being depreciated					
Land	\$ 472,025	\$ —	\$ —	\$ —	\$ 472,025
Construction in progress	<u>1,027,999</u>	<u>17,380,493</u>	<u>(967,876)</u>	<u>—</u>	<u>17,440,616</u>
Total capital assets not being depreciated	<u>1,500,024</u>	<u>17,380,493</u>	<u>(967,876)</u>	<u>—</u>	<u>17,912,641</u>
Capital assets being depreciated					
Buildings	38,341,437	—	—	79,938	38,261,499
Improvements other than buildings	3,325,475	—	967,876	—	4,293,351
Furniture and equipment	5,155,204	445,783	—	1,352,149	4,248,838
Software	219,000	—	—	—	219,000
Capital lease assets	<u>202,982</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>202,982</u>
Total capital assets being depreciated	<u>47,244,098</u>	<u>445,783</u>	<u>967,876</u>	<u>1,432,087</u>	<u>47,225,670</u>
Less accumulated depreciation for					
Buildings	10,638,144	942,579	—	74,982	11,505,741
Improvements other than buildings	1,788,160	147,333	—	—	1,935,493
Furniture and equipment	3,889,634	339,919	—	1,313,530	2,916,023
Software	157,680	8,760	—	—	166,440
Capital lease assets	<u>120,536</u>	<u>11,726</u>	<u>—</u>	<u>—</u>	<u>132,262</u>
Total accumulated depreciation	<u>16,594,154</u>	<u>1,450,317</u>	<u>—</u>	<u>1,388,512</u>	<u>16,655,959</u>
Capital assets, net	<u>\$32,149,968</u>	<u>\$16,375,959</u>	<u>\$ —</u>	<u>\$ 43,575</u>	<u>\$48,482,352</u>

Construction in progress at June 30, 2005 includes costs for renovation of Dodge Hall and the Atlantic Center, construction of student housing and other minor projects. The College has entered into contracts for these projects of approximately \$17,600,000 of which approximately \$16,000,000 has been completed. Accounts payable at June 30, 2005 includes approximately \$1,860,000 of the amount completed. Total unpaid contracts at June 30, 2005 were approximately \$3,460,000.

**NOTE 5 CHANGES IN NONCURRENT LIABILITIES**

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

	<u>Balance beginning of year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance end of year</u>	<u>Less current portion</u>	<u>Long-term portion</u>
Early retirement payable	\$ 365,421	\$ —	\$ (105,346)	\$ 260,075	\$ (65,100)	\$ 194,975
Certificates payable	7,795,000	—	(1,470,000)	6,325,000	(1,475,000)	4,850,000
Bonds payable	7,280,000	10,745,000	(515,000)	17,510,000	(595,000)	16,915,000
Notes payable	2,570,000	2,620,000	(1,785,000)	3,405,000	(1,045,000)	2,360,000
Capital lease payable	<u>106,308</u>	<u>—</u>	<u>(26,335)</u>	<u>79,973</u>	<u>(28,575)</u>	<u>51,398</u>
Totals	<u>\$18,116,729</u>	<u>\$13,365,000</u>	<u>\$(3,901,681)</u>	<u>\$27,580,048</u>	<u>\$(3,208,675)</u>	<u>\$24,371,373</u>

**Iowa Western Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2005**

**NOTE 5 CHANGES IN NONCURRENT LIABILITIES (continued)**

**Certificates Payable**

In accordance with agreements dated between April 1, 1984 and March 11, 2003, the College issued certificates totaling \$32,235,000 with interest rates ranging from 3.9% to 9.0%. The debt was incurred to fund the development and training costs incurred relative to implementing Chapter 260E of the Code of Iowa, Iowa Industrial New Jobs Training Program (NJTP). NJTP's purpose is to provide tax-aided training for employees of industries which are new to or are expanding their operations within the State of Iowa. Interest is payable semiannually, while principal payments are due annually. The certificates are to be retired by proceeds from anticipated job credits from withholding taxes, incremental property tax, budgeted reserves and, in the case of default, from standby property tax.

The certificates will mature as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$1,475,000	\$ 414,412	\$1,889,412
2007	1,445,000	318,958	1,763,958
2008	1,060,000	223,366	1,283,366
2009	870,000	154,807	1,024,807
2010	730,000	96,768	826,768
2011-2013	<u>745,000</u>	<u>56,918</u>	<u>801,918</u>
Total	<u>\$6,325,000</u>	<u>\$1,265,229</u>	<u>\$7,590,229</u>

**Notes Payable**

The College has issued notes for the purchase, construction and renovation of College properties as allowed by Section 260C.19 of the Code of Iowa. Details of the College's June 30, 2005 notes payable indebtedness are as follows:

<u>Capital Loan Note Issuance of April 1, 1998</u>				
<u>Year ending June 30</u>	<u>Interest rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	4.70%	\$ <u>475,000</u>	\$ <u>22,325</u>	\$ <u>497,325</u>

<u>Capital Loan Note Issuance of July 1, 1999</u>				
<u>Year ending June 30</u>	<u>Interest rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	4.90%	\$ <u>250,000</u>	\$ <u>12,250</u>	\$ <u>262,250</u>

<u>Equipment Loan Note Issuance of January 1, 2001</u>				
<u>Year ending June 30</u>	<u>Interest rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	4.80%	\$ <u>190,000</u>	\$ <u>9,120</u>	\$ <u>199,120</u>

Iowa Western Community College  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2005

**NOTE 5 CHANGES IN NONCURRENT LIABILITIES (continued)**

<u>Year ending June 30</u>	<u>Capital Loan Note Issuance of January 1, 2005 (2005A)</u>			
	<u>Interest rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	2.75%	\$ —	\$ 63,763	\$ 63,763
2007	2.75%	150,000	63,763	213,763
2008	2.95%	155,000	59,638	214,638
2009	3.15%	160,000	55,065	215,065
2010	3.30%	165,000	50,025	215,025
2011-2015	3.45% to 4.05%	945,000	157,455	1,102,455
2016	4.20%	<u>215,000</u>	<u>9,030</u>	<u>224,030</u>
Total		<u>\$1,790,000</u>	<u>\$ 458,739</u>	<u>\$2,248,739</u>

<u>Year ending June 30</u>	<u>Capital Loan Note Issuance of January 1, 2005 (2005B)</u>			
	<u>Interest rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	2.50%	\$ 130,000	\$ 20,610	\$ 150,610
2007	2.75%	135,000	17,360	152,360
2008	2.95%	140,000	13,648	153,648
2009	3.15%	145,000	9,518	154,518
2010	3.30%	<u>150,000</u>	<u>4,950</u>	<u>154,950</u>
Total		<u>\$ 700,000</u>	<u>\$ 66,086</u>	<u>\$ 766,086</u>

**Bonds Payable**

The College has issued bonds for the purchase, construction and renovation of College properties as allowed by Section 260C.19 of the Code of Iowa. Details of the College's June 30, 2005 bonded indebtedness are as follows:

<u>Year ending June 30</u>	<u>Bond Issue of November 1, 1996</u>			
	<u>Interest rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	4.60%	\$ <u>400,000</u>	\$ <u>18,400</u>	\$ <u>418,400</u>

<u>Year ending June 30</u>	<u>Bond Issue of March 1, 2004</u>			
	<u>Interest rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	2.00%	\$ 195,000	\$ 219,993	\$ 414,993
2007	2.50%	200,000	216,093	416,093
2008	2.50%	205,000	211,093	416,093
2009	2.50%	210,000	205,968	415,968
2010	2.75%	305,000	200,718	505,718
2011-2015	3.00% to 3.40%	1,695,000	862,145	2,557,145
2016-2020	3.55% to 4.00%	2,070,000	549,133	2,619,133
2021-2023	4.05% to 4.13%	<u>1,485,000</u>	<u>123,972</u>	<u>1,608,972</u>
Total		<u>\$6,365,000</u>	<u>\$2,589,115</u>	<u>\$8,954,115</u>

Iowa Western Community College  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2005

**NOTE 5 CHANGES IN NONCURRENT LIABILITIES (continued)**

<u>Year ending June 30</u>	<u>Dorm Revenue Bond Issue of September 1, 2004</u>			
	<u>Interest rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	3.10%	\$ —	\$ 164,073	\$ 164,073
2007	3.10%	—	164,073	164,073
2008	3.10%	90,000	164,073	254,073
2009	3.35%	95,000	161,283	256,283
2010	3.55%	100,000	158,100	258,100
2011-2015	3.75% to 4.40%	560,000	731,188	1,291,188
2016-2019	4.55% to 5.00%	<u>2,655,000</u>	<u>488,705</u>	<u>3,143,705</u>
Total		<u>\$3,500,000</u>	<u>\$2,031,495</u>	<u>\$5,531,495</u>

<u>Year ending June 30</u>	<u>Dorm Revenue Bond Issue of January 1, 2005 (2005A)</u>			
	<u>Interest rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	3.30%	\$ —	\$ 283,598	\$ 283,598
2007	3.30%	—	283,598	283,598
2008	3.30%	160,000	283,598	443,598
2009	3.50%	165,000	278,318	443,318
2010	3.65%	175,000	272,543	447,543
2011-2015	3.80% to 4.40%	985,000	1,256,198	2,241,198
2016-2019	4.55% to 5.00%	<u>4,555,000</u>	<u>837,173</u>	<u>5,392,173</u>
Total		<u>\$6,040,000</u>	<u>\$3,495,026</u>	<u>\$9,535,026</u>

<u>Year ending June 30</u>	<u>Dorm Revenue Bond Issue of June 1, 2005 (2005B)</u>			
	<u>Interest rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	3.30%	\$ —	\$ 46,008	\$ 46,008
2007	3.30%	110,000	46,008	156,008
2008	3.45%	115,000	42,377	157,377
2009	3.60%	120,000	38,410	158,410
2010	3.70%	125,000	34,090	159,090
2011-2015	3.80% to 4.20%	<u>735,000</u>	<u>92,470</u>	<u>827,470</u>
Total		<u>\$1,205,000</u>	<u>\$ 299,363</u>	<u>\$1,504,363</u>

The resolutions providing for the issuance of the revenue bonds include the following provisions:

- (1) The bonds will only be redeemed from the future revenue from the dormitory system and the bond holders hold a lien on those future revenues.
- (2) Sufficient monthly transfers shall be made to the bond and interest sinking fund for the purpose of making the bond principal and interest payments when due.
- (3) Additional monthly transfers shall be made to a reserve fund until specific minimum balances have been accumulated. These accounts are restricted for the purpose of paying bond principal and interest payments due when insufficient money is available in the sinking funds.

**Iowa Western Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2005**

**NOTE 5 CHANGES IN NONCURRENT LIABILITIES (continued)**

During the year ended June 30, 2005, the College was in compliance with the revenue bond provisions.

Total interest cost for the year ended June 30, 2005 is \$1,511,075. Total interest capitalized as part of construction in progress for the year ended June 30, 2005 is \$354,900.

**NOTE 6 OPERATING LEASES**

The College has leased various facilities within the area to house different divisions of the College. These leases have been classified as operating leases and, accordingly, all rents are charged as incurred. The leases expire between 2006 and 2053 and require various minimum annual rentals. Certain leases are renewable for additional periods. Some of the leases also require the payment of normal maintenance and insurance on the properties. In most cases, management expects that the leases will be renewed or replaced by other leases. The following is a schedule by year of future minimum rental payments required under operating leases which have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2005:

<u>Year ending June 30</u>	<u>Amount</u>
2006	\$ 201,456
2007	181,605
2008	160,521
2009	89,553
2010	31,465
2011-2053	<u>432,223</u>
Total	<u>\$1,096,823</u>

Rents for the year ended June 30, 2005 for all operating leases, except those with terms of a month or less that were not renewed, totaled \$225,011.

**NOTE 7 CAPITAL LEASES AND RELATED PARTY TRANSACTIONS**

The College has two capital leases with the Iowa Western Community College Foundation (a component unit) for buses. The capital leases are as follows:

<u>Class of property</u>	<u>Balance at June 30, 2005</u>
Equipment	\$ 202,982
Less accumulated amortization	<u>(132,262)</u>
Net capital lease assets	<u>\$ 70,720</u>

**Iowa Western Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2005**

**NOTE 7 CAPITAL LEASES AND RELATED PARTY TRANSACTIONS (continued)**

The following is a schedule by year of future minimum lease payments under capital leases as of June 30, 2005:

**Year ending June 30**

2006	\$	33,202
2007		14,626
2008		14,626
2009		14,627
2010		<u>14,626</u>
Total		91,707
Less interest		<u>11,734</u>
 Capital lease obligation		 <u>\$ 79,973</u>

**NOTE 8 IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IPERS)**

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

Plan members are required to contribute 3.70% of their annual covered salary and the College is required to contribute 5.75% of annual payroll. Contribution requirements are established by state statute. The College's contribution to IPERS for the years ended June 30, 2005, 2004 and 2003 were \$359,553, \$368,603 and \$331,005, respectively, equal to the required contributions for each year.

**NOTE 9 TEACHERS INSURANCE AND ANNUITY ASSOCIATION - COLLEGE RETIREMENT EQUITIES FUND (TIAA-CREF)**

The College contributes to the TIAA-CREF retirement program, which is a defined contribution plan. TIAA-CREF administers the retirement plan for the College. The defined contribution retirement plan provides individual annuities for each plan participant. As required by the Code of Iowa, all eligible College employees must participate in a retirement plan from the date they are employed. Contributions made by both employer and employee vest immediately. As specified by the contract with TIAA-CREF, and in accordance with the Code of Iowa, each employee is required to contribute 3.7% and the College is required to contribute 5.75%. The College's and employees' required and actual contributions to TIAA-CREF for the year ended June 30, 2005 were \$376,580 and \$242,322, respectively.

**NOTE 10 RELATED PARTY TRANSACTIONS**

The College transferred \$100,000 in fiscal year 1995 and \$550,000 in fiscal year 1998 to the Iowa Western Community College Foundation. The provisions of the gifts specify that the corpus, and any income generated through the investment of the corpus, shall be restricted in use for the sole benefit of the College for scholarships, grants, and such other purposes for the benefit of the College or the students thereof. There were no such transfers in fiscal year 2005.

The College has received approximately \$7,294,000 from the Foundation to partially fund the construction of the Performing Arts Center. The College has also recorded a receivable of \$22,950 in the Plant Fund for amounts due from the Foundation related to the construction.

**Iowa Western Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2005**

**NOTE 10 RELATED PARTY TRANSACTIONS (continued)**

Foundation salaries and other operating expenses are paid by the College. In management's estimate, the value of such expenses was approximately \$210,000 in fiscal year 2005.

Transactions for the year ended June 30, 2005, between Iowa Western Community College and Western Iowa Dorms, Inc. are as follows:

Beginning receivable balance, net of \$-0- allowance	\$ 154,956
Charges for services, supplies and payroll provided or paid by the College	7,912
College payment of dorm payables	799,187
Reimbursements and advances from Western Iowa Dorms, Inc.	<u>(1,395,688)</u>
Ending (payable) balance	\$ <u>(433,633)</u>

**NOTE 11 NEW JOBS TRAINING PROGRAMS**

Iowa Western Community College administers the Iowa Industrial New Job's Training Program (NJTP) in Area XIII in accordance with Chapter 260E of the Code of Iowa. 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. Certificates are sold by the College to fund approved projects and are to be retired by proceeds from anticipated jobs credits from withholding taxes, incremental property taxes, budgeted reserves and in the case of default, from standby property taxes. Since inception, the College has administered eighty-eight projects with twenty-eight currently receiving project funding. Of the remaining projects, forty-nine projects have been completed and paid in full, while eleven have been completed and only repayment of the certificates is left. In cases where projects exceed the budgeted amounts, the College intends to obtain additional withholding revenue from the companies.

**NOTE 12 EARLY RETIREMENT**

The College offered early retirement to eligible employees in fiscal years 1998, 2000 and 2002. There was no early retirement program offered in fiscal year 2005. Eligible staff members who accept early retirement will receive cash benefits payable in three installments during the following fiscal year, as well as health insurance coverage up to a specified amount until the staff member reaches the age of 65.

The liability at June 30, 2005 for those employees who have elected early retirement was \$260,075 and has been recorded in the General Restricted Fund, the fund from which the benefits will be paid. Early retirement obligations are funded through property tax levies.

**NOTE 13 SELF-INSURANCE PROGRAM**

The College established, in fiscal year 1994, a self-insurance medical program which is accounted for in the Restricted Fund. This program provides employee health benefit coverage up to a maximum of \$50,000 per employee per year and the maximum liability coverage of approximately \$2,900,000 per year. The College purchases commercial insurance for claims in excess of this coverage and all other risks of loss. Payments include certain administrative expenses.

Payments are made to the self-insurance cost center based on actuarial estimates of the amounts needed to pay current year claims. The unpaid claims liability of \$1,198,098 is based on GASB Statement No. 10, which requires that a liability be recorded when it has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated.

**Iowa Western Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2005**

**NOTE 14 COMMITMENTS AND CONTINGENCIES**

The College is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

During the normal course of business, the College receives funds from the United States Government, state and local governments, special projects, grants and contracts. Substantially all of these funds are subject to future audit by various federal and state agencies; however, it is the College's opinion that resulting adjustments, if any, would not have a material effect upon the accompanying financial statements.

The College has other claims and litigation pending, none of which is expected to result in any material loss to the College.

**NOTE 15 SUBSEQUENT EVENT**

In September, 2005, the College purchased apartment buildings from Western Iowa Dorms, Inc. for a price of approximately \$931,000.

**NOTE 16 ACCOUNTING RESTATEMENT**

For the year ended June 30, 2005, the College restated the beginning value of net assets for a prior period adjustment. The change in these financial statements include the correction of the calculation of the deferred compensation payable.

**Basic Financial Statements**

	<b>Total</b>
Net assets at June 30, 2004, as previously reported	\$32,455,038
Recalculation of deferred compensation payable	(86,760)
Net assets July 1, 2004, as restated	<u>\$32,368,278</u>

**NOTE 17 NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS**

The Governmental Accounting Standards Board (GASB) has issued several statements not yet implemented by the College. The statements which will impact the College are as follows:

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and Insurance Recoveries*, issued November 2003, will be effective for the College beginning with its year ending June 30, 2006. This Statement establishes accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. This Statement also clarifies and establishes accounting requirements for insurance recoveries.

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, issued April 2004, will be effective for the College 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.

**Iowa Western Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2005**

**NOTE 17 NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS**

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

GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, an amendment of GASB Statement No. 34, issued December 2004, will be effective for the College beginning with its year ending June 30, 2006. The purpose of Statement No. 46 is to help governments determine when net assets have been restricted to a particular use by the passage of enabling legislation and to specify how those net assets should be reported in financial statements when there are changes in the circumstances surrounding such legislation.

GASB Statement No. 47, *Accounting for Termination Benefits*, issued June 2005, will be effective for the College with its year ending 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 College's management has not yet determined the effect these Statements will have on the College's financial statements.

The College adopted Statement No. 40, *Deposit and Investment Risk Disclosures*, during the current fiscal year. This Statement established and modified disclosure requirements related to deposit risks and investment risks related to credit risk, concentration of credit risk, interest rate risk and foreign currency risk.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Iowa Western Community College**  
**BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES--BUDGET AND ACTUAL**  
**Required Supplementary Information**  
**Year ended June 30, 2005**

<u>Funds/Levy</u>	<u>Original budget</u>	<u>Actual</u>	<u>Variance between actual and budget</u>
General (unrestricted and non-levy restricted)	\$29,429,248	\$27,714,805	\$1,714,443
Restricted			
Unemployment	60,000	-	60,000
Tort liability	90,000	57,833	32,167
Insurance	354,000	413,982	(59,982)
Early retirement	-	(20,811)	20,811
Equipment replacement	498,850	390,427	108,423
Total restricted	<u>1,002,850</u>	<u>841,431</u>	<u>161,419</u>
Total unrestricted/restricted	30,432,098	28,556,236	1,875,862
Plant	4,010,598	3,909,332	101,266
Bonds and interest	<u>862,964</u>	<u>770,653</u>	<u>92,311</u>
Total operating expenses	<u>\$35,305,660</u>	<u>\$33,236,221</u>	<u>\$2,069,439</u>

See accompanying independent auditor's report.

**Iowa Western Community College**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING**  
**Year ended June 30, 2005**

The Board of Trustees annually prepares a budget designating the proposed expenditures for operation of the College 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 Trustees certifies the approved budget to the appropriate county auditors and then submits the budget to the State Board of Education for approval. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Formal and legal budgetary control is based on total operating expenditures.

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

**OTHER SUPPLEMENTARY INFORMATION**

**Iowa Western Community College**  
**ASSETS, LIABILITIES AND FUND BALANCES**  
**June 30, 2005**

	<u>Current Funds</u>		<u>Loan Funds</u>	<u>Plant Funds</u>			<u>Agency Funds</u>	<u>Adjustments</u>	<u>Total</u>
	<u>Unrestricted</u>	<u>Restricted</u>		<u>Unexpended</u>	<u>Retirement of Indebtedness</u>	<u>Investment in Plant</u>			
<b>ASSETS</b>									
Cash and pooled investments	\$ 4,550,254	\$ 6,998,645	\$ 440	\$ 3,552,827	\$ 1,128,641	\$ -	\$ 202,688	\$ -	\$16,433,495
Receivables									
Accounts (less allowance of \$99,024)	6,425,385	527,441	-	-	-	-	5,885	-	6,958,711
Property tax									
Delinquent	18,867	16,857	-	7,256	26,040	-	-	-	69,020
Succeeding year	1,139,930	1,240,524	-	165,983	1,807,348	-	-	-	4,353,785
Due from other funds	155,626	257,860	1,120	627,321	13,260	-	40,205	(1,095,392)	-
Due from Iowa Western Community College Foundation (component unit)	-	-	-	22,950	-	-	-	-	22,950
Due from other governments	158,169	501,876	150	-	-	-	128,269	-	788,464
Inventories	261,268	-	-	-	-	-	-	-	261,268
Prepaid expenditures	175,956	54,352	-	8,138	-	-	200	-	238,646
Iowa Industrial New Jobs Training Program	-	1,438,830	-	-	-	-	-	-	1,438,830
Capital assets									
Land	-	-	-	-	-	472,025	-	-	472,025
Buildings	-	-	-	-	-	38,261,499	-	-	38,261,499
Improvements other than buildings	-	-	-	-	-	4,293,351	-	-	4,293,351
Equipment and vehicles	-	-	-	-	-	4,226,696	22,142	-	4,248,838
Capital lease assets	-	-	-	-	-	202,982	-	-	202,982
Software	-	-	-	-	-	219,000	-	-	219,000
Construction in progress	27,237	-	-	17,413,379	-	-	-	-	17,440,616
Accumulated depreciation and amortization	-	-	-	-	-	(16,633,817)	(22,142)	-	(16,655,959)
Total assets	<u>\$12,912,692</u>	<u>\$11,036,385</u>	<u>\$ 1,710</u>	<u>\$21,797,854</u>	<u>\$2,975,289</u>	<u>\$31,041,736</u>	<u>\$ 377,247</u>	<u>\$(1,095,392)</u>	<u>\$79,047,521</u>

See accompanying independent auditor's report.

Schedule 1 (continued)

Iowa Western Community College  
**ASSETS, LIABILITIES AND FUND BALANCES (continued)**  
 June 30, 2005

LIABILITIES AND FUND BALANCES	Current Funds		Loan Funds	Plant Funds			Agency Funds	Adjustments	Total
	Unrestricted	Restricted		Unexpended	Retirement of Indebtedness	Investment in Plant			
<b>LIABILITIES</b>									
Accounts payable	\$ 998,549	\$ 73,582	\$ -	\$ 1,862,404	\$ -	\$ -	\$ 79,228	\$ -	\$ 3,013,763
Salaries and benefits payable	1,550,884	1,296,034	-	-	-	-	34,077	-	2,880,995
Accrued interest payable	-	34,534	-	-	75,478	-	-	-	110,012
Due to other funds	376,409	619,376	-	-	-	-	99,607	(1,095,392)	-
Deferred revenues									
Succeeding year property tax	1,139,930	1,240,524	-	165,983	1,807,348	-	-	-	4,353,785
Other	5,332,936	657,118	-	-	-	-	-	-	5,990,054
Early retirement payable	-	260,075	-	-	-	-	-	-	260,075
Compensated absences	140,161	22,242	-	-	-	-	-	-	162,403
Deposits held in custody for others	403,089	-	-	-	-	-	164,335	-	567,424
Certificates payable	-	6,325,000	-	-	-	-	-	-	6,325,000
Bonds payable	-	-	-	17,110,000	-	400,000	-	-	17,510,000
Notes payable	-	-	-	1,790,000	-	1,615,000	-	-	3,405,000
Capital leases payable	-	-	-	-	-	79,973	-	-	79,973
Total liabilities	<u>9,941,958</u>	<u>10,528,485</u>	<u>-</u>	<u>20,928,387</u>	<u>1,882,826</u>	<u>2,094,973</u>	<u>377,247</u>	<u>(1,095,392)</u>	<u>44,658,484</u>
<b>FUND BALANCES</b>									
Invested in capital assets, net of related debt	-	-	-	-	-	28,946,763	-	-	28,946,673
Restricted									
Expendable									
Scholarships and fellowships	-	84,960	-	-	-	-	-	-	84,960
Loans	-	-	1,710	-	-	-	-	-	1,710
Debt service	-	-	-	-	1,092,463	-	-	-	1,092,463
Cash reserve	361,092	-	-	-	-	-	-	-	361,092
Other	-	422,940	-	-	-	-	-	-	422,940
Unrestricted	2,117,259	-	-	869,467	-	-	-	-	2,986,726
Auxiliary enterprises	492,383	-	-	-	-	-	-	-	492,383
Total fund balances	<u>2,970,734</u>	<u>507,900</u>	<u>1,710</u>	<u>869,467</u>	<u>1,092,463</u>	<u>28,946,763</u>	<u>-</u>	<u>-</u>	<u>34,389,037</u>
Total liabilities and fund balances	<u>\$12,912,692</u>	<u>\$11,036,385</u>	<u>\$ 1,710</u>	<u>\$21,797,854</u>	<u>\$2,975,289</u>	<u>\$31,041,736</u>	<u>\$ 377,247</u>	<u>\$(1,095,392)</u>	<u>\$79,047,521</u>

See accompanying independent auditor's report.

**Iowa Western Community College**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
Year ended June 30, 2005

	<u>Current Funds</u>		<u>Loan Funds</u>	<u>Plant Funds</u>			<u>Adjustments</u>	<u>Total</u>
	<u>Unrestricted</u>	<u>Restricted</u>		<u>Unexpended</u>	<u>Retirement of Indebtedness</u>	<u>Investment in Plant</u>		
<b>REVENUES</b>								
General								
State appropriations	\$ 8,298,918	\$1,368,921	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,667,839
Tuition and fees	12,173,586	4,194	-	-	-	-	(3,198,901)	8,978,879
Property tax	1,122,289	1,002,782	-	219,084	1,762,286	-	-	4,106,441
Federal appropriations	523,566	5,377,579	317	-	-	-	-	5,901,462
Sales and services	415,710	398,086	-	-	-	-	(107,931)	705,865
Interest on investments	105,009	20,042	64	184,399	20,993	-	-	330,507
Iowa Industrial New Jobs Training Program	-	709,216	-	-	-	-	-	709,216
Gifts and grants	-	147,010	-	9,900	-	-	-	156,910
Miscellaneous	452,434	629,874	2,735	356,881	-	937,020	(191,522)	2,187,422
Increase in plant investment due to plant expenditures	-	-	-	-	-	502,974	(502,974)	-
Total general revenues	<u>23,091,512</u>	<u>9,657,704</u>	<u>3,116</u>	<u>770,264</u>	<u>1,783,279</u>	<u>1,439,994</u>	<u>(4,001,328)</u>	<u>32,744,541</u>
Auxiliary enterprises								
State appropriations	100,370	-	-	-	-	-	-	100,370
Tuition and fees	86,453	-	-	-	-	-	-	86,453
Federal appropriations	351	-	-	-	-	-	-	351
Sales and services	4,820,116	-	-	-	-	-	(873,855)	3,946,261
Interest on investments	31,570	-	-	-	-	-	-	31,570
Allocation of student fees	120,600	-	-	-	-	-	-	120,600
Miscellaneous	403,271	-	-	-	-	-	-	403,271
Total auxiliary revenues	<u>5,562,731</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(873,855)</u>	<u>4,688,876</u>
Total revenues	<u>28,654,243</u>	<u>9,657,704</u>	<u>3,116</u>	<u>770,264</u>	<u>1,783,279</u>	<u>1,439,994</u>	<u>(4,875,183)</u>	<u>37,433,417</u>

See accompanying independent auditor's report.

Schedule 2 (continued)

Iowa Western Community College  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (continued)**  
 Year ended June 30, 2005

	Current Funds		Loan Funds	Plant Funds			Adjustments	Total
	Unrestricted	Restricted		Unexpended	Retirement of Indebtedness	Investment in Plant		
<b>EXPENDITURES</b>								
Education and support								
Liberal arts and sciences	\$ 5,062,403	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,062,403
Applied science and technology	4,698,706	1,005,842	-	-	-	-	(118,858)	5,585,690
Continuing education	1,977,640	298,137	-	-	-	-	-	2,275,777
Cooperative services	788,946	878,751	-	-	-	-	(53,455)	1,614,242
Administration	1,965,541	316	-	-	-	-	(138,068)	1,827,789
Student services	2,013,409	46,162	-	-	-	-	-	2,059,571
Learning resources	265,210	-	-	-	-	-	-	265,210
Physical plant	2,268,575	292,741	-	1,802,608	-	-	(128,630)	4,235,294
General institution	<u>2,966,721</u>	<u>1,949,324</u>	-	-	-	-	<u>(247,226)</u>	<u>4,668,819</u>
Total education and support	22,007,151	4,471,273	-	1,802,608	-	-	(686,237)	27,594,795
Auxiliary enterprises	5,364,519	-	-	-	-	-	(990,045)	4,374,474
Scholarships and grants	-	3,989,538	-	-	-	-	(3,198,901)	790,637
Retirement of indebtedness	-	-	-	-	2,300,000	-	-	2,300,000
Disposal of plant assets	-	-	-	-	-	43,575	-	43,575
Increase in plant investment due to retirement of debt	-	-	-	(135,000)	-	(2,165,000)	-	(2,300,000)
Interest on indebtedness	-	499,098	-	-	657,077	-	-	1,156,175
Depreciation and amortization	-	-	-	-	-	1,450,317	-	1,450,317
Other	-	-	2,685	-	-	-	-	2,685
Total expenditures	<u>27,371,670</u>	<u>8,959,909</u>	<u>2,685</u>	<u>1,667,608</u>	<u>2,957,077</u>	<u>(671,108)</u>	<u>(4,875,183)</u>	<u>35,412,658</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,282,573</u>	<u>697,795</u>	<u>431</u>	<u>(897,344)</u>	<u>(1,173,798)</u>	<u>2,111,102</u>	<u>-</u>	<u>2,020,759</u>
<b>TRANSFERS</b>								
Mandatory transfers	(31,666)	31,666	-	-	-	-	-	-
Nonmandatory transfers	<u>(1,185,883)</u>	<u>(557,810)</u>	-	<u>376,159</u>	<u>2,197,534</u>	<u>(830,000)</u>	-	-
Total transfers	<u>(1,217,549)</u>	<u>(526,144)</u>	-	<u>376,159</u>	<u>2,197,534</u>	<u>(830,000)</u>	-	-
<b>INCREASE (DECREASE) IN FUND BALANCES</b>	65,024	171,651	431	(521,185)	1,023,736	1,281,102	-	2,020,759
<b>FUND BALANCES, beginning of year, as restated</b>	<u>2,905,710</u>	<u>336,249</u>	<u>1,279</u>	<u>1,390,652</u>	<u>68,727</u>	<u>27,665,661</u>	<u>-</u>	<u>32,368,278</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 2,970,734</u>	<u>\$ 507,900</u>	<u>\$ 1,710</u>	<u>\$ 869,467</u>	<u>\$1,092,463</u>	<u>\$28,946,763</u>	<u>\$ -</u>	<u>\$34,389,037</u>

See accompanying independent auditor's report.

**Iowa Western Community College**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - UNRESTRICTED FUND**  
**EDUCATION AND SUPPORT**  
**Year ended June 30, 2005**

	Education				Support					Total
	Liberal Arts and Sciences	Applied Science and Technology	Continuing Education	Cooperative Programs	General Administration	Student Services	Learning Resources	Physical Plant	General Institution	
<b>REVENUES</b>										
State appropriations	\$ —	\$ —	\$ —	\$ —	\$8,298,918	\$ —	\$ —	\$ —	\$ —	\$ 8,298,918
Tuition and fees	5,433,652	4,278,436	1,404,406	900,617	5,525	150,950	—	—	—	12,173,586
Property tax	—	—	—	—	1,122,289	—	—	—	—	1,122,289
Federal appropriations	—	175,444	261,035	—	—	87,087	—	—	—	523,566
Sales and services	2,029	—	8,582	80,235	218,173	—	1,195	70,674	34,822	415,710
Interest on investments	—	—	—	—	105,009	—	—	—	—	105,009
Miscellaneous	3,780	1,413	43,625	309,842	10,612	4,142	3,141	57,787	18,092	452,434
	<u>5,439,461</u>	<u>4,455,293</u>	<u>1,717,648</u>	<u>1,290,694</u>	<u>9,760,526</u>	<u>242,179</u>	<u>4,336</u>	<u>128,461</u>	<u>52,914</u>	<u>23,091,512</u>
Allocation of support services	<u>4,613,860</u>	<u>3,582,581</u>	<u>1,991,975</u>	<u>—</u>	<u>(9,760,526)</u>	<u>(242,179)</u>	<u>(4,336)</u>	<u>(128,461)</u>	<u>(52,914)</u>	<u>—</u>
Total revenues	<u>10,053,321</u>	<u>8,037,874</u>	<u>3,709,623</u>	<u>1,290,694</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>23,091,512</u>
<b>EXPENDITURES</b>										
Salaries and benefits	4,370,950	4,103,962	1,294,428	756,395	1,123,634	1,685,777	170,116	812,451	1,619,430	15,937,143
Services	490,731	220,125	365,105	15,896	393,437	160,458	7,218	1,229,708	1,028,821	3,911,499
Materials and supplies	137,889	226,448	181,503	12,934	37,385	120,998	87,285	281,243	199,084	1,284,769
Travel	14,503	52,059	104,972	3,721	53,461	46,176	591	1,592	55,815	332,890
Loan cancellations and collection costs	—	—	—	—	86,950	—	—	—	—	86,950
Plant asset acquisitions	31,285	80,218	—	—	10,895	—	—	46,680	27,214	196,292
Cost of goods sold	45	—	31,632	—	—	—	—	—	32,852	64,529
Miscellaneous	17,000	15,894	—	—	259,779	—	—	(103,099)	3,505	193,079
	<u>5,062,403</u>	<u>4,698,706</u>	<u>1,977,640</u>	<u>788,946</u>	<u>1,965,541</u>	<u>2,013,409</u>	<u>265,210</u>	<u>2,268,575</u>	<u>2,966,721</u>	<u>22,007,151</u>
Allocation of support services	<u>4,292,804</u>	<u>3,333,288</u>	<u>1,853,364</u>	<u>—</u>	<u>(1,965,541)</u>	<u>(2,013,409)</u>	<u>(265,210)</u>	<u>(2,268,575)</u>	<u>(2,966,721)</u>	<u>—</u>
Total expenditures	<u>9,355,207</u>	<u>8,031,994</u>	<u>3,831,004</u>	<u>788,946</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>22,007,151</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>698,114</u>	<u>5,880</u>	<u>(121,381)</u>	<u>501,748</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,084,361</u>
<b>TRANSFERS</b>										
Mandatory transfers	—	—	—	—	—	(31,666)	—	—	—	(31,666)
Nonmandatory transfers	—	—	—	—	—	—	—	(988,076)	(1,163)	(989,239)
Total transfers	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(31,666)</u>	<u>—</u>	<u>(988,076)</u>	<u>(1,163)</u>	<u>(1,020,905)</u>
<b>NET INCREASE (DECREASE) IN FUND BALANCES</b>	<u>\$ 698,114</u>	<u>\$ 5,880</u>	<u>\$ (121,381)</u>	<u>\$ 501,748</u>	<u>\$ —</u>	<u>\$ (31,666)</u>	<u>\$ —</u>	<u>\$ (988,076)</u>	<u>\$ (1,163)</u>	<u>63,456</u>

**FUND BALANCES**, beginning of year, as restated

**FUND BALANCES**, end of year

See accompanying independent auditor's report.

2,414,895  
\$ 2,478,351

## Schedule 4

**Iowa Western Community College**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**AUXILIARY ENTERPRISES**  
**Year ended June 30, 2005**

	<u>Building Trades</u>	<u>Bookstore</u>	<u>Vending</u>	<u>Food Services</u>	<u>Student Housing</u>	<u>Graphic Arts</u>	<u>Auto Parts</u>	<u>Athletics</u>	<u>IWCC Comnet</u>	<u>Miscellaneous</u>	<u>Total</u>
<b>REVENUES</b>											
State appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,914	\$ 6,456	\$ 100,370
Tuition and fees	-	-	-	-	-	-	-	-	-	86,453	86,453
Federal appropriations	-	-	-	-	351	-	-	-	-	-	351
Sales and services	-	2,525,413	75,808	1,010,200	186,047	235,178	78,609	-	-	708,861	4,820,116
Interest on investments	-	-	31,570	-	-	-	-	-	-	-	31,570
Miscellaneous											
Student fee allocations	-	-	-	-	-	-	-	120,600	-	-	120,600
Other	154,693	-	-	286	-	74,659	-	172,958	642	33	403,271
Total revenue	<u>154,693</u>	<u>2,525,413</u>	<u>107,378</u>	<u>1,010,486</u>	<u>186,398</u>	<u>309,837</u>	<u>78,609</u>	<u>293,558</u>	<u>94,556</u>	<u>801,803</u>	<u>5,562,731</u>
<b>EXPENDITURES</b>											
Salaries and benefits	-	248,456	2,214	486,000	182,772	65,982	3,570	11,087	36,867	369,243	1,406,185
Services	-	86,414	500	43,148	1,641	88,789	2,300	17,064	61,116	261,614	562,586
Materials and supplies	-	39,081	(7,835)	64,270	1,520	3,171	344	81,651	1,616	57,208	237,026
Travel	-	6,812	-	1,100	-	-	-	176,683	(13)	16,889	201,471
Loan cancellations and collection costs	-	4,464	-	-	3,546	-	1,577	-	-	-	9,587
Plant asset acquisitions	-	19,971	15,627	24,607	-	10,090	-	-	-	894	71,189
Cost of goods sold	136,687	1,920,532	-	313,115	-	79,949	70,818	-	-	-	2,521,101
Miscellaneous	-	202,361	81,237	770	-	54,378	-	-	-	16,628	355,374
Total expenditures	<u>136,687</u>	<u>2,524,085</u>	<u>91,743</u>	<u>933,010</u>	<u>189,479</u>	<u>302,359</u>	<u>78,609</u>	<u>286,485</u>	<u>99,586</u>	<u>722,476</u>	<u>5,364,519</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>18,006</u>	<u>1,328</u>	<u>15,635</u>	<u>77,476</u>	<u>(3,081)</u>	<u>7,478</u>	<u>-</u>	<u>7,073</u>	<u>(5,030)</u>	<u>79,327</u>	<u>198,212</u>
<b>TRANSFERS</b>											
Nonmandatory transfers	-	-	-	-	-	-	-	-	-	(196,644)	(196,644)
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(196,644)</u>	<u>(196,644)</u>
<b>NET INCREASE (DECREASE) IN FUND BALANCES</b>	<u>\$ 18,006</u>	<u>\$ 1,328</u>	<u>\$ 15,635</u>	<u>\$ 77,476</u>	<u>\$ (3,081)</u>	<u>\$ 7,478</u>	<u>\$ -</u>	<u>\$ 7,073</u>	<u>\$ (5,030)</u>	<u>\$ (117,317)</u>	<u>1,568</u>
<b>FUND BALANCES, beginning of year</b>											<u>490,815</u>
<b>FUND BALANCES, end of year</b>											<u>\$ 492,383</u>

See accompanying independent auditor's report.

**Iowa Western Community College**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - RESTRICTED FUND**  
 Year ended June 30, 2005

	Scholarship and Grants	ACE Nursing Surq Tech	Central American Student Scholarship Program	Small Business Development Center	AREA 13 Consortium	Metro Consortium	TECH Prep Grant	Student Support Services	Corrections Program	Iowa Small Business New Jobs Training Program	Iowa Industrial New Jobs Training Program
<b>REVENUES</b>											
State appropriations	\$ 165,082	\$ 366,666	\$ -	\$ 71,838	\$ -	\$ -	\$ -	\$ -	\$ 271,429	\$ 163,186	\$ -
Tuition and fees	-	-	-	-	-	-	-	-	-	-	-
Property tax	-	-	-	-	-	-	-	-	-	-	-
Federal appropriations	3,789,041	-	266,528	-	260,063	151,406	87,746	262,985	-	-	-
Sales and services	-	-	-	-	-	-	-	-	-	-	-
Interest on investments	-	-	-	-	-	-	-	-	-	-	1,832
Iowa New Jobs Training Program	-	-	-	-	-	-	-	-	-	-	709,216
Gifts and grants	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	3,749	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>3,957,872</u>	<u>366,666</u>	<u>266,528</u>	<u>71,838</u>	<u>260,063</u>	<u>151,406</u>	<u>87,746</u>	<u>262,985</u>	<u>271,429</u>	<u>163,186</u>	<u>711,048</u>
<b>EXPENDITURES</b>											
Salaries and benefits	-	-	41,100	57,070	49,249	20,497	61,082	171,932	227,982	-	-
Services	-	-	134,870	1,997	204,837	129,977	20,375	21,947	7,995	163,186	211,950
Materials and supplies	-	-	-	7,733	1,028	233	1,274	22,328	27,859	-	-
Travel	-	-	-	5,038	4,949	699	5,015	3,379	3,134	-	-
Plant asset acquisitions	-	-	-	-	-	-	-	-	-	-	-
Interest on indebtedness	-	-	-	-	-	-	-	-	-	-	499,098
Miscellaneous	-	-	90,558	-	-	-	-	-	4,459	-	-
Pell grant program	3,697,794	-	-	-	-	-	-	-	-	-	-
Supplemental educational opportunity grant	126,662	-	-	-	-	-	-	-	-	-	-
Iowa college student aid commission	165,082	-	-	-	-	-	-	-	-	-	-
Private scholarships	-	-	-	-	-	-	-	43,399	-	-	-
Total expenditures	<u>3,989,538</u>	<u>-</u>	<u>266,528</u>	<u>71,838</u>	<u>260,063</u>	<u>151,406</u>	<u>87,746</u>	<u>262,985</u>	<u>271,429</u>	<u>163,186</u>	<u>711,048</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(31,666)</u>	<u>366,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TRANSFERS</b>											
Mandatory transfers	31,666	-	-	-	-	-	-	-	-	-	-
Nonmandatory transfers	-	(366,666)	-	-	-	-	-	-	-	-	-
Total transfers	<u>31,666</u>	<u>(366,666)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN FUND BALANCES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

**Iowa Western Community College**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - RESTRICTED FUND (continued)**  
 Year ended June 30, 2005

	<u>Casualty Insurance Tax Levy</u>	<u>Tort Liability Tax Levy</u>	<u>Unemployment Comp Tax Levy</u>	<u>Worker's Comp Tax Levy</u>	<u>Equipment Replacement Tax Levy</u>	<u>Early Retirement Tax Levy</u>	<u>Economic Development</u>	<u>KIWR</u>	<u>Title III</u>	<u>Miscellaneous</u>	<u>Total</u>
<b>REVENUES</b>											
State appropriations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 330,720	\$1,368,921
Tuition and fees	4,194	-	-	-	-	-	-	-	-	-	4,194
Property tax	349,810	94,166	60,022	-	498,784	-	-	-	-	-	1,002,782
Federal appropriations	-	-	-	-	-	-	-	3,523	413,036	143,251	5,377,579
Sales and services	-	-	-	-	-	-	254,921	143,145	-	20	398,086
Interest on investments	-	-	-	-	-	-	-	396	-	17,814	20,042
Iowa New Jobs Training Program	-	-	-	-	-	-	-	-	-	-	709,216
Gifts and grants	-	-	-	-	-	-	-	142,010	-	5,000	147,010
Miscellaneous	-	-	-	-	-	-	-	334,242	-	291,883	629,874
Total revenues	<u>354,004</u>	<u>94,166</u>	<u>60,022</u>	<u>-</u>	<u>498,784</u>	<u>-</u>	<u>254,921</u>	<u>623,316</u>	<u>413,036</u>	<u>788,688</u>	<u>9,657,704</u>
<b>EXPENDITURES</b>											
Salaries and benefits	-	-	-	121,241	-	(20,811)	162,272	265,185	275,698	466,234	1,898,731
Services	284,067	57,833	-	-	-	-	17,632	209,825	7,171	15,021	1,488,683
Materials and supplies	3,673	-	-	-	352,540	-	3,495	19,243	51,305	77,203	567,914
Travel	-	-	-	-	-	-	4,846	4,595	126	21,531	53,312
Plant asset acquisitions	5,000	-	-	-	37,887	-	-	112,085	9,692	9,972	174,636
Interest on indebtedness	-	-	-	-	-	-	-	-	-	-	499,098
Miscellaneous	-	-	-	-	-	-	66,676	13,546	69,044	315	244,598
Pell grant program	-	-	-	-	-	-	-	-	-	-	3,697,794
Supplemental educational opportunity grant	-	-	-	-	-	-	-	-	-	-	126,662
Iowa college student aid commission	-	-	-	-	-	-	-	-	-	-	165,082
Private scholarships	-	-	-	-	-	-	-	-	-	-	43,399
Total expenditures	<u>292,740</u>	<u>57,833</u>	<u>-</u>	<u>121,241</u>	<u>390,427</u>	<u>(20,811)</u>	<u>254,921</u>	<u>624,479</u>	<u>413,036</u>	<u>590,276</u>	<u>8,959,909</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>61,264</u>	<u>36,333</u>	<u>60,022</u>	<u>(121,241)</u>	<u>108,357</u>	<u>20,811</u>	<u>-</u>	<u>(1,163)</u>	<u>-</u>	<u>198,412</u>	<u>697,795</u>
<b>TRANSFERS</b>											
Mandatory transfers	-	-	-	-	-	-	-	-	-	-	31,666
Nonmandatory transfers	-	-	-	-	-	-	-	1,163	-	(192,307)	(557,810)
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,163</u>	<u>-</u>	<u>(192,307)</u>	<u>(526,144)</u>
<b>NET INCREASE (DECREASE) IN FUND BALANCES</b>	<u>\$ 61,264</u>	<u>\$ 36,333</u>	<u>\$ 60,022</u>	<u>\$ (121,241)</u>	<u>\$ 108,357</u>	<u>\$ 20,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,105</u>	171,651
<b>FUND BALANCES, beginning of year</b>											336,249
<b>FUND BALANCES, end of year</b>											<u>\$ 507,900</u>

See accompanying independent auditor's report.

**Iowa Western Community College**  
**CHANGES IN DEPOSITS HELD IN CUSTODY FOR OTHERS - AGENCY FUNDS**  
Year ended June 30, 2005

	<u>Student Clubs and Organizations</u>	<u>JTPA Service Delivery Area</u>	<u>Federal Student Loan Account</u>	<u>Miscellaneous</u>	<u>Total</u>
<b>BALANCE</b> , beginning of year	\$ <u>(72,129)</u>	\$ <u>16,379</u>	\$ <u>37,036</u>	\$ <u>153,302</u>	\$ <u>134,588</u>
<b>ADDITIONS</b>					
Tuition and fees	34,497	-	-	4,533	39,030
Federal appropriations	-	1,413,289	-	15,786	1,429,075
Sales and services	25,118	-	-	-	25,118
Loan advances from lenders	-	-	7,897,801	-	7,897,801
Miscellaneous					
Student fee allocation	58,840	-	-	-	58,840
Other	2,199	1	4,379	33,568	40,147
Total additions	<u>120,654</u>	<u>1,413,290</u>	<u>7,902,180</u>	<u>53,887</u>	<u>9,490,011</u>
<b>DEDUCTIONS</b>					
Salaries and benefits	-	827,095	-	-	827,095
Services	38,984	168,677	-	17,186	224,847
Materials and supplies	29,170	22,340	-	8,489	59,999
Travel	9,167	8,985	-	755	18,907
Costs of goods sold	10,572	-	-	-	10,572
Miscellaneous	-	48,478	-	-	48,478
Loan payments to student accounts	-	-	7,822,986	-	7,822,986
Loans returned to lenders	-	-	97,835	-	97,835
Awards to clients	-	254,534	-	-	254,534
Other	8,843	82,419	-	3,749	95,011
Total deductions	<u>96,736</u>	<u>1,412,528</u>	<u>7,920,821</u>	<u>30,179</u>	<u>9,460,264</u>
<b>BALANCE</b> , end of year	\$ <u>(48,211)</u>	\$ <u>17,141</u>	\$ <u>18,395</u>	\$ <u>177,010</u>	\$ <u>164,335</u>

See accompanying independent auditor's report.

**Iowa Western Community College**  
**CREDIT AND CONTACT HOURS**  
 Year ended June 30, 2005

<u>Category</u>	<u>Credit Hours</u>			<u>Contact Hours</u>		
	<u>Eligible for Aid</u>	<u>Not Eligible for Aid</u>	<u>Total</u>	<u>Eligible for Aid</u>	<u>Not Eligible for Aid</u>	<u>Total</u>
Arts and Sciences	64,220	–	64,220	1,313,349	–	1,313,349
Vocational Education - Preparatory	39,565	–	39,565	1,039,208	–	1,039,208
Adult/Continuing Education	–	–	–	487,576	84,164	571,740
Related Services and Activities	–	–	–	–	86,890	86,890
Total	<u>103,785</u>	<u>–</u>	<u>103,785</u>	<u>2,840,133</u>	<u>171,054</u>	<u>3,011,187</u>

See accompanying independent auditor's report.

**Iowa Western Community College**  
**TAX AND INTERGOVERNMENTAL REVENUES**  
Year ended June 30, 2005

	<u>Year ended June 30</u>			
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Local (property tax)	\$ 4,106,441	\$ 3,832,669	\$ 3,696,143	\$ 4,817,004
State	9,667,839	8,819,756	9,636,350	9,770,282
Federal	<u>5,901,462</u>	<u>5,479,366</u>	<u>4,644,236</u>	<u>4,194,267</u>
Total	<u>\$19,675,742</u>	<u>\$18,131,791</u>	<u>\$17,976,729</u>	<u>\$18,781,553</u>

See accompanying independent auditor's report.

**Iowa Western Community College**  
**CURRENT FUND REVENUES BY SOURCE AND**  
**EXPENDITURES BY FUNCTION**  
**Year ended June 30, 2005**

	<b>Year ended June 30</b>			
	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
<b>REVENUES</b>				
State appropriations	\$ 9,667,839	\$ 8,811,383	\$ 9,437,060	\$ 9,746,945
Tuition and fees	12,177,780	10,869,743	9,558,638	9,250,963
Property tax	2,125,071	2,204,872	2,092,804	3,223,399
Federal appropriations	5,901,145	5,478,630	4,640,204	4,185,893
Sales and services	813,796	704,794	764,560	799,684
Interest on investments	125,051	305,574	259,551	303,320
Iowa Industrial New Jobs Training Program	709,216	1,049,244	1,583,079	2,208,283
Gifts and grants	147,010	148,324	127,585	138,568
Miscellaneous	1,082,308	885,356	922,349	665,283
Auxiliary enterprises	<u>5,562,731</u>	<u>4,970,130</u>	<u>4,388,829</u>	<u>4,078,405</u>
Total	<u>\$38,311,947</u>	<u>\$35,428,050</u>	<u>\$33,774,659</u>	<u>\$34,600,743</u>
<b>EXPENDITURES</b>				
Liberal arts and sciences	\$ 5,062,403	\$ 4,527,473	\$ 3,791,919	\$ 3,558,805
Applied science and technology	5,704,548	5,605,651	5,540,300	5,824,847
Continuing education	2,275,777	2,132,860	2,306,843	2,543,464
Cooperative services	1,667,697	2,134,623	2,498,419	3,232,252
Administration	1,965,857	1,708,595	1,481,038	1,478,938
Student services	2,059,571	1,893,127	1,759,436	1,722,944
Learning resources	265,210	291,843	279,285	284,503
Physical plant	2,561,316	2,635,996	2,346,623	2,341,681
General institution	4,916,045	4,431,700	4,523,542	5,159,935
Auxiliary enterprises	5,364,519	4,634,980	4,375,280	3,565,012
Scholarships and grants	3,989,538	3,599,202	3,113,842	2,684,226
Interest on indebtedness	<u>499,098</u>	<u>612,741</u>	<u>743,522</u>	<u>788,206</u>
Total	<u>\$36,331,579</u>	<u>\$34,208,791</u>	<u>\$32,760,049</u>	<u>\$33,184,813</u>

See accompanying independent auditor's report.

**Iowa Western Community College**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year ended June 30, 2005

<u>Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>		
<b>Student Financial Aid - Cluster</b>		
Direct		
Federal Supplemental Educational Opportunity Grants (SEOG)	84.007	\$ 91,247
Federal Work-Study Program (FWS)	84.033	83,783
Federal Pell Grant Program	84.063	<u>3,695,580</u>
Total Student Financial Aid Cluster		<u>3,870,610</u>
<b>Federal Trio Cluster</b>		
TRIO - Student Support Services Program	84.042	<u>262,124</u>
<b>Direct</b>		
Higher Education Institutional Aid (Title III)	84.031	<u>413,036</u>
<b>Indirect</b>		
<i>Passed Through Iowa Department of Education</i>		
Adult Education - State Grant Program	84.002	252,820
<i>Passed Through Iowa Department of Corrections</i>		
Title I Program for Neglected and Delinquent Children	84.013	17,809
Basic Grants to States Titles II-B Tech Prep Education	84.243	87,746
Vocational Education - Basic Grants to States	84.048	595,771
<i>Passed Through Iowa Division of Vocational Rehabilitation</i>		
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	46,162
<i>Passed Through Johnson County College</i>		
Training Interpreters for Individuals who are Blind and Individuals who are Deaf-Blind	84.160	820
<i>Passed Through Georgetown University</i>		
Cooperative Association of States (CASS Grant)	84.000	266,528
<i>Passed Through Iowa College Student Aid Commission</i>		
Leveraging Assistance Educational Partnership	84.069	16,466
<i>Passed Through Office of Elementary and Secondary Education</i>		
NSF-MCIT	84.366	73,439
Total indirect		<u>1,357,561</u>
Total U.S. Department of Education		<u>5,903,331</u>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
<b>Direct</b>		
Temporary Assistance for Needy Families	93.558	<u>537,967</u>
<b>U.S. DEPARTMENT OF LABOR</b>		
<b>Indirect</b>		
<i>Passed Through Iowa Department of Economic Development</i>		
<i>Job Training Partnership Act</i>		
Employment Service	17.207	29,932
Unemployment Insurance	17.225	18,350
WIA Adult Program	17.258	180,814
WIA Youth Activities	17.259	128,985
WIA Dislocated Workers	17.260	361,485
Veterans		
Disabled Veteran Outreach Program (DVOP)	17.801	2,378
Local Veteran's Employment Representative Program (LVOP)	17.804	2,173
Improving Transition Grant - Vocational Rehabilitation Services	17.720	<u>66,569</u>
Total U.S. Department of Labor		<u>790,686</u>

See accompanying independent auditor's report.

Iowa Western Community College  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)**  
 Year ended June 30, 2005

<u>Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>		
<i>Passed Through State of Minnesota</i>		
Learn and Serve America - Higher Education	94.005	<u>21,689</u>
<b>DEPARTMENT OF VETERANS AFFAIRS</b>		
<b>Direct</b>		
Veteran Information and Assistance	64.115	<u>649,200</u>
<b>FEDERAL MEDIATION AND CONCILATION SERVICE</b>		
<b>Direct</b>		
Labor Management Cooperation	34.002	<u>4,974</u>
<b>SMALL BUSINESS ADMINISTRATION</b>		
<b>Indirect</b>		
<i>Passed Through Iowa State University</i>		
Small Business Development Center	59.037	<u>71,838</u>
Total Expenditures of Federal Awards		<u>\$7,979,685</u>

See accompanying independent auditor's report.

**Iowa Western Community College**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year ended June 30, 2005**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying Supplementary Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized when incurred. Expenses are subject to audit by the U.S. Government and in the opinion of management, disallowed costs, if any, will not have a material effect on the financial position of the College or its federal programs.

**Expenditures**

Certain expenditures of federal funds are not separately identifiable in the accounting records of the College. These programs are jointly funded with College monies and are not required to be accumulated in the accounting records by funding source. For report purposes, the amount of federal expenditures is shown equal to the amount of federal awards received.

**Program Activity**

Various reimbursement procedures are used for federal awards received by the College. Additionally, the federal grant periods are variable, while the College's year end is June 30. Consequently, timing differences between expenditures and program reimbursement can exist at the beginning and end of the year. These timing differences will be resolved over the term of the grant period.

**NOTE 2 FEDERAL FAMILY EDUCATION LOAN PROGRAM AND FEDERAL PERKINS LOAN PROGRAM**

The Federal Family Education Loan Program and Federal Perkins Loan Program are designed to make low-interest loans available to students through participating lending institutions. These programs have not been included in the accompanying supplementary schedule; however, they have been subjected to the auditing procedures applied in the audit of the accompanying supplementary schedule. Federal Family Education Loans and Federal Perkins Loans are programs of the U.S. Department of Education. Total disbursements of Federal Family Education Loans (CFDA #84.032) and Federal Perkins Loans (CFDA #84.038) were \$7,436,280 and \$317, respectively, for the year ended June 30, 2005.

**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 Trustees  
Iowa Western Community College  
Council Bluffs, Iowa

We have audited the financial statements of Iowa Western Community College (the College) as of and for the year ended June 30, 2005, and have issued our report thereon dated October 28, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the College's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in 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 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 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 the College'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*. However, we noted a certain immaterial instance of noncompliance that is described in the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the College's operations for the year ended June 30, 2005 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the College. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes. Prior year statutory comments have been resolved, except IV-05-H.

This report is intended solely for the information and use of the College and all applicable federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Denman & Company, LLP*  
**DENMAN & COMPANY, LLP**

West Des Moines, Iowa  
October 28, 2005

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**

To the Board of Trustees  
Iowa Western Community College  
Council Bluffs, Iowa

**Compliance**

We have audited the compliance of Iowa Western Community College (the College) 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. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College'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 the College's compliance with those requirements and performing such other procedures as we consider 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 the College's compliance with those requirements.

In our opinion, the College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

**Internal Control Over Compliance**

The management of the College is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the College's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the 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 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 College and all applicable federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Denman & Company, LLP*  
**DENMAN & COMPANY, LLP**

West Des Moines, Iowa  
October 28, 2005

**Iowa Western Community College  
SCHEDULE OF FINDINGS  
Year ended June 30, 2005**

**Part I—Summary of the Independent Auditor's Results**

- (a) An unqualified opinion was issued on the financial statements.
- (b) No reportable conditions in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) No reportable conditions in internal control over the major programs were disclosed by the audit of the financial statements.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section 510(a).
- (g) Major programs were as follows:
  - CFDA Number 84.007, 84.032, 84.033, 84.038, 84.063 — Student Financial Assistance Cluster
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Iowa Western Community College qualified as a low-risk auditee.

**Part II—Findings Relating to the Financial Statements Reported in Accordance with  
*Government Auditing Standards***

**NONE**

**Part III—Findings and Questioned Costs for Federal Awards**

**NONE**

**Part IV—Other Findings Related to Required Statutory Reporting**

**IV-05-A OFFICIAL DEPOSITORIES**

A resolution naming depositories has been approved by the Board of Trustees. The maximum deposit amounts stated in the resolution were not exceeded during the year ended June 30, 2005.

**IV-05-B CERTIFIED BUDGET**

Expenditures during the year ended June 30, 2005, did not exceed amounts budgeted.

**IV-05-C QUESTIONABLE DISBURSEMENTS**

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

**Iowa Western Community College**  
**SCHEDULE OF FINDINGS**  
**Year ended June 30, 2005**

**IV-05-D TRAVEL EXPENSE**

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

**IV-05-E BUSINESS TRANSACTIONS**

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

**IV-05-F BOND COVERAGE**

Surety bond coverage of College officials and employees is in accordance with statutory provisions.

**IV-05-G BOARD MINUTES**

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

**IV-05-H PUBLICATION OF RECEIPTS AND DISBURSEMENTS**

The College's statement showing the receipts and disbursements of all funds for fiscal year 2005 included names of all persons, firms, or corporations to which disbursements were made as required by Section 260C.14(12) of the Code of Iowa.

**Observation:** The State Statute requires this statement to be published the second week of August and the publication was not made until August 22, 2005.

**Recommendation:** We recommend the College publish information by the necessary deadline as required by Section 260C.14(12) of the Code of Iowa.

**Response:** The College is aware of the deadline and will make efforts to comply with this requirement in the future.

**Conclusion:** Response accepted.

**IV-05-I 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 College's investment policy were noted.

**IV-05-J CREDIT AND CONTACT HOURS**

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