

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS
ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2007 AND 2006

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KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
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OFFICIALS

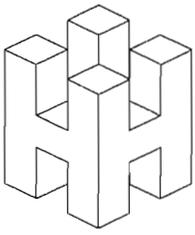
<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
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Board of Directors

Dr. Robert Rasmus	President	2007
Russell Wray	Vice President	2009
Deborah Cook	Member	2007
Derrick Franck	Member	2008
Curt Grigg	Member	2008
Michael Hunter	Member	2009
Norman Lang	Member	2007
William Lyle	Member	2008
Eldon Schroder	Member	2008

Community College

Dr. Robert E. Dunker	President
Troy A. Jasman	Dean of Administrative Services and Chief Financial Officer
Brenda S. Bradley	Board Secretary/Treasurer and Executive Director of Human Resources
Gretchen O. Gondek	General Manager



HENJES, CONNER &
WILLIAMS, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Western Iowa Tech Community College
Sioux City, Iowa

We have audited the accompanying statements of net assets, and the related statements of revenues, expenses and changes in net assets, cash flows and functional expenses, of KWIT-KOJI FM RADIO, a public telecommunications entity operated by Western Iowa Tech Community College, and its discretely presented component unit, as of and for the years ended June 30, 2007 and 2006. These financial statements are the responsibility of Community College officials. Our responsibility is to express an opinion on these basic financial statements based on our audits.

We conducted our audits 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 audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KWIT-KOJI FM Radio, a public telecommunications entity operated by Western Iowa Tech Community College, and its discretely presented component unit at June 30, 2007 and 2006, and the respective changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 4 through 10 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the statements of net assets, and the related statements of revenues, expenses and changes in net assets, cash flows and functional expenses, which collectively comprise KWIT-KOJI FM Radio's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the two years ended June 30, 2005, (neither of which are presented herein), and expressed unqualified opinions on those financial statements.

Henjes, Conner + Williams, P.C.
Certified Public Accountants

Sioux City, Iowa
December 11, 2007



MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of KWIT-KOJI FM Radio, a public telecommunications entity operated by Western Iowa Tech Community College provides this Management's Discussion and Analysis of the radio station's annual financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2007 for KWIT-KOJI FM Radio and does not discuss the component unit of Friends of FM 90. We would encourage the reader to consider this information in conjunction with the radio station's financial statements which follow.

■
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FINANCIAL HIGHLIGHTS

- Operating revenues decreased 5.9%, or approximately \$17,061, from fiscal year 2006 (FY06). Rental of facilities increased while Corporation for Public Broadcasting support, donated materials and services and other operating revenues decreased.
- Operating expenses were 5.2%, or approximately \$33,722, more in FY07 than in FY06. Programming and production, program information and management and general increased while broadcasting decreased.
- Net non-operating revenue decreased 10.1%, or approximately \$43,066, from FY06 mainly due to a decrease in direct college support and Corporation for Public Broadcasting grants offset by increases in state support, college support – indirect and gifts from Friends of FM 90.
- The Radio Station's net assets decreased 3.2%, or approximately \$30,237 from FY06.

USING THIS ANNUAL REPORT

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

Management's Discussion and Analysis introduces the basic financial statements and provides management's analytical overview of the Radio Station's financial activities.

The basic financial statements consist of statements of net assets, statements of revenues, expenses and changes in net assets, statements of cash flows and statements of functional expenses. These statements provide information about the activities of the Radio Station as a whole and present an overall view of the Radio Station's finances.

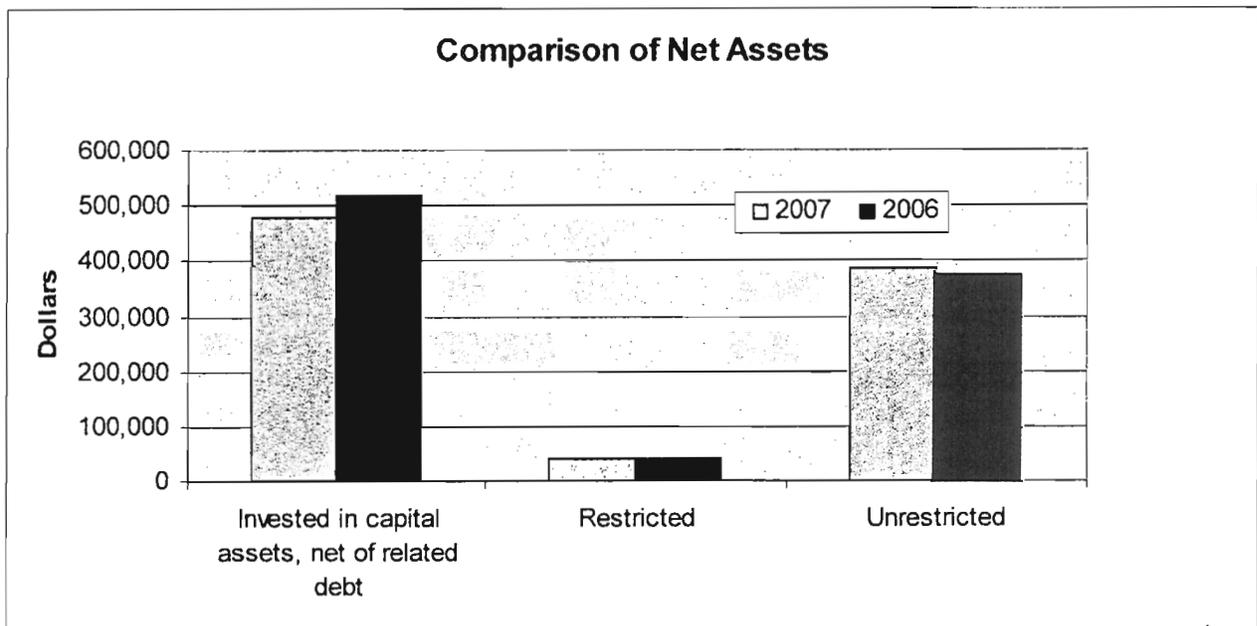
Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

REPORTING THE RADIO STATION AS A WHOLE

The Statements of Net Assets

The Statements of Net Assets present the assets, liabilities and net assets of the Radio Station as a whole, as of June 30, 2007 which is the end of the fiscal year. The Statements of Net Assets are point-in-time financial statements. The purpose of the statements is to present a fiscal snapshot of the Radio Station to the readers of the financial statements. The Statements of Net Assets include year-end information concerning current and non-current assets, current and non-current liabilities and net assets (assets less liabilities). Over time, readers of the financial statements will be able to determine the Radio Station’s financial position by analyzing the increases and decreases in net assets. These statements are also a good source for readers to determine how much the Radio Station owes to outside vendors and creditors. The statements also present the available assets that can be used to satisfy those liabilities.

	Net Assets	
	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Current assets	\$416,980	\$406,667
Capital assets, net of accumulated depreciation	<u>517,476</u>	<u>558,827</u>
Total assets	<u>934,456</u>	<u>965,494</u>
Current liabilities	<u>29,721</u>	<u>30,522</u>
Total liabilities	29,721	30,522
Net assets:		
Invested in capital assets	476,907	518,258
Restricted	40,569	40,569
Unrestricted	<u>387,259</u>	<u>376,145</u>
Total net assets	<u>904,735</u>	<u>934,972</u>
 Total Liabilities and Net Assets	 <u>\$934,456</u>	 <u>\$965,494</u>



The largest portion of the Radio Station’s net assets (53%) is invested in capital assets (e.g., buildings and equipment). The restricted portion of the net assets (4%) includes resources that are subject to external restrictions.

The remaining net assets (43%) are the unrestricted net assets that can be used to meet the Radio Station's obligations as they come due.

Statements of Revenues, Expenses and Changes in Net Assets

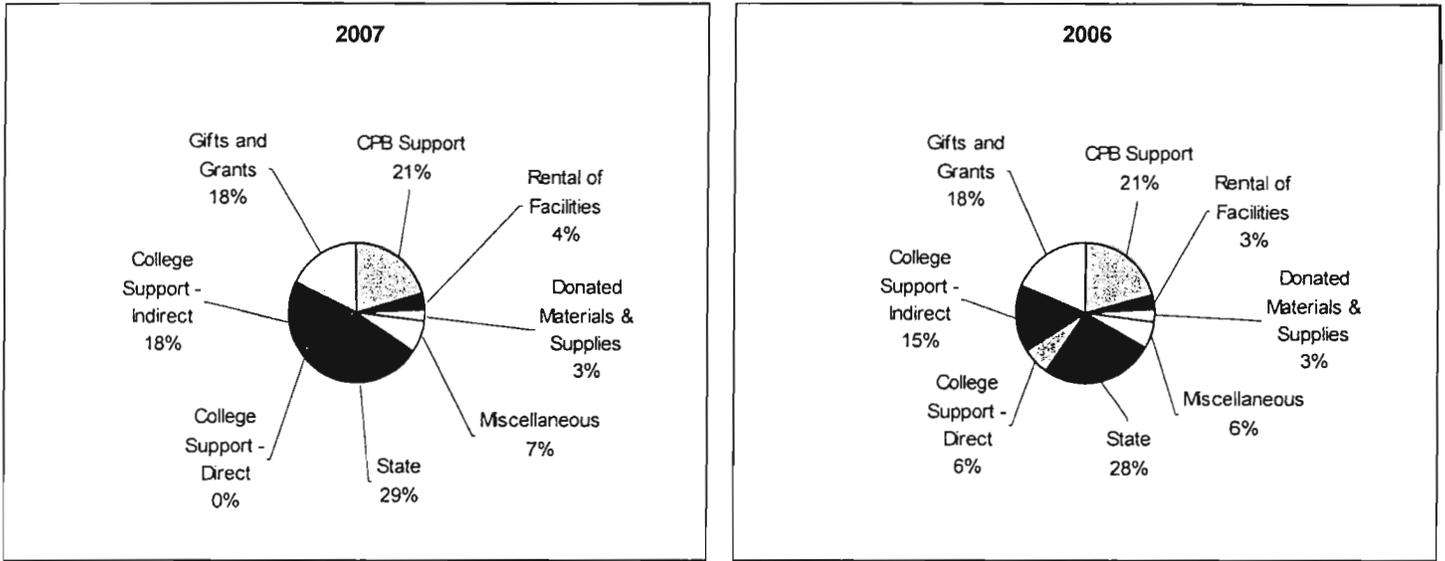
Changes in total net assets as presented on the Statements of Net Assets are based on the activity presented in the Statements of Revenues, Expenses and Changes in Net Assets. The purpose of the statements is to present the revenues received by the Radio Station, both operating and non-operating, and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

In general, a public radio station, such as KWIT-KOJI FM Radio, will report an operating loss since the financial reporting model classifies state support, college support and gifts as non-operating revenues. Operating revenues are received from the Corporation for Public Broadcasting, rental of facilities, donated materials and supplies as well as other operating revenues of the Radio Station. 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 Radio Station. Non-operating revenues are revenues received for which goods and services are not directly provided. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life.

	Changes in Net Assets	
	Year Ended <u>June 30, 2007</u>	Year Ended <u>June 30, 2006</u>
Operating revenue:		
Corporation for Public Broadcasting Support	\$164,077	\$175,929
Rental of Facilities	29,391	28,346
Donated Materials and Services	22,557	22,630
Other Operating Revenues	<u>53,963</u>	<u>60,144</u>
Total operating revenue	<u>269,988</u>	<u>287,049</u>
Total operating expenses	682,309	648,587
Operating loss	<u>(412,321)</u>	<u>(361,538)</u>
Non-operating revenues (expenses)		
State Support	238,966	224,214
College Support - Direct	0	53,791
College Support - Indirect	139,772	130,284
Corporation for Public Broadcasting Grants	5,000	47,174
Gifts from Friends of FM 90	138,118	108,679
Equipment	0	(8,708)
Donated Facilities	<u>(139,772)</u>	<u>(130,284)</u>
Net non-operating revenues	<u>382,084</u>	<u>425,150</u>
Change in net assets	(30,237)	63,612
Net assets at the beginning of the year	<u>934,972</u>	<u>871,360</u>
Net assets at the end of the year	<u>\$904,735</u>	<u>\$934,972</u>

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

Total Revenues by Source

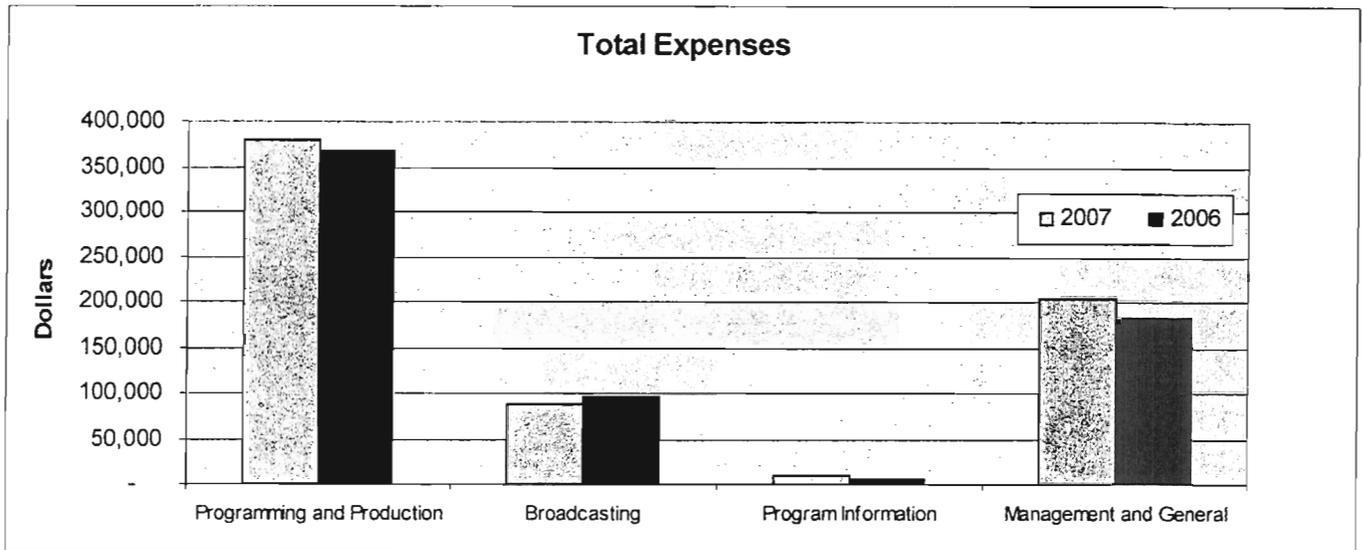


In fiscal year 2007, operating revenues decreased by approximately \$17,061 or 5.9%. The decrease was a result of the following changes:

Rental of facilities (tower rental) increased while Corporation for Public Broadcasting support, donated materials and services and other operating revenues declined.

Operating Expenses

	Year Ended <u>June 30, 2007</u>	Year Ended <u>June 30, 2006</u>
Program Services:		
Programming and Production	\$380,207	\$366,848
Broadcasting	87,649	95,124
Program Information	10,253	5,819
Management and General	<u>204,200</u>	<u>180,796</u>
Total	<u>\$682,309</u>	<u>\$648,587</u>



In fiscal year 2007, operating expenses increased by approximately \$33,722 or 5.2%. The following factors explain some of the changes:

Program Services, consisting of programming and production, broadcasting and program information increased by approximately \$10,318 due to increased programming costs offset by a slight decline in broadcasting costs.

Supporting Services, consisting of management and general increased approximately \$23,404. This was due to the increasing costs of professional services for marketing, salaries and benefits and utilities.

Statements of Cash Flows

Statements of Cash Flows are included in KWIT-KOJI's basic financial statements. These Statements of Cash Flows are an important tool in helping users assess the Radio Station'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 Statements of Cash Flows present information related to cash inflows and outflows, summarized by operating, non-capital financing, capital and related financing and investing activities.

	Cash Flows	
	Year Ended <u>June 30, 2007</u>	Year Ended <u>June 30, 2006</u>
Cash provided (used) by:		
Operating Activities	\$(349,516)	\$(319,540)
Non-capital Financing Activities	377,084	332,893
Capital and Related Financing Activities	5,000	21,250
Investing Activities	<u>0</u>	<u>0</u>
Net Increase (Decrease) in Cash	32,568	34,603
Cash at the beginning of the year	<u>383,564</u>	<u>348,961</u>
Cash at the end of the year	<u>\$416,132</u>	<u>\$383,564</u>

Cash provided by operating activities includes grants received from the Corporation for Public Broadcasting, rental of tower space and donor contributions. Cash used by operating activities include salary and benefit and vendor

payments. Cash provided by non-capital financing activities includes state support and gifts from Friends of FM 90. Cash provided by capital and related financing activities represent the proceeds from a grant from the Corporation for Public Broadcasting. KWIT-KOJI FM 90 did not have any cash flow from investing activities.

Statements of Functional Expenses

The Statements of Functional Expenses provide the reader with detailed information regarding the program services consisting of programming and production, broadcasting and program information expenses as well as the supporting services of management and general expenses.

CAPITAL ASSETS

At June 30, 2007, the Radio Station had approximately \$517,476 invested in capital assets, net of accumulated depreciation of \$555,531. Depreciation charges totaled \$41,351 for Fiscal Year 2007. Details of the capital assets are shown below.

Capital Assets, Net, at Year End

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Buildings	\$ 286,625	\$ 286,625
Radio Tower	570,814	570,814
Furniture and equipment	<u>215,568</u>	<u>215,568</u>
	\$1,073,007	\$1,073,007
Accumulated Depreciation	<u>(555,531)</u>	<u>(514,180)</u>
Total	<u>\$ 517,476</u>	<u>\$ 558,827</u>

There are no planned capital expenditures for the fiscal year to end June 30, 2008.

DEBT

At June 30, 2007, the Radio Station had no debt outstanding.

ECONOMIC FACTORS

KWIT-KOJI FM 90 continues to monitor its financial position in times of decreasing funding from the Corporation for Public Broadcasting. Funding from state support and gifts from the Friends of FM 90 continue to play a more significant part of the operations of the Radio Station. Some of the realities that may potentially become challenges for the Radio Station to meet are:

State support for fiscal year 2008 is expected to increase approximately \$17,057 over the prior year. This increase provides some relief toward increased costs.

Expenses will continue to increase. Costs associated with serving radio listeners will continue to increase. The increased cost of health insurance benefits continues to prove problematic in budgeting.

The Radio Station anticipates the current fiscal year will be much like the last and will maintain a close watch over resources to maintain the Radio Station's ability to react to unknown issues as well as a slight decline in funding.

CONTACTING THE RADIO STATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our customers, radio listeners and taxpayers in the community college merged area and our creditors with a general overview of the Radio Station's finances and to demonstrate the Radio Station's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Western Iowa Tech Community College, 4647 Stone Avenue, Sioux City, Iowa 51106.

FINANCIAL STATEMENTS

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF NET ASSETS

JUNE 30, 2007

	<u>KWIT-KOJI FM Radio</u>	<u>Component Unit Friends of FM 90</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 416,132	\$ 42,744
Pledges Receivable	848	
Grant Receivable	_____	_____
Total Current Assets	\$ 416,980	\$ 42,744
 <u>OTHER ASSETS</u>		
Endowment Investments - Note 3		\$ 1,184,899
Capital Assets, Net of Accumulated Depreciation - Note 4	\$ 517,476	_____
Total Other Assets	\$ 517,476	\$ 1,184,899
Total Assets	\$ 934,456	\$ 1,227,643
 <u>CURRENT LIABILITIES</u>		
Salaries and Benefits Payable	\$ 9,102	
Compensated Absences	15,619	
Deferred Income	5,000	_____
Total Current Liabilities	\$ 29,721	-
 <u>NET ASSETS</u>		
Invested in Capital Assets	\$ 476,907	
Restricted:		
Non-Expendable		\$ 250,000
Expendable	40,569	977,643
Unrestricted	387,259	_____
Total Net Assets	\$ 904,735	\$ 1,227,643
Total Liabilities and Net Assets	\$ 934,456	\$ 1,227,643

See Accompanying Notes to Financial Statements

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF NET ASSETS

JUNE 30, 2006

	<u>KWIT-KOJI FM Radio</u>	<u>Component Unit Friends of FM 90</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 383,564	\$ 43,913
Pledges Receivable	2,179	
Grant Receivable	<u>20,924</u>	
Total Current Assets	\$ 406,667	\$ 43,913
<u>OTHER ASSETS</u>		
Endowment Investments - Note 3		\$ 933,024
Capital Assets, Net of Accumulated Depreciation - Note 4	\$ <u>558,827</u>	
Total Other Assets	\$ <u>558,827</u>	\$ <u>933,024</u>
Total Assets	\$ <u>965,494</u>	\$ <u>976,937</u>
<u>CURRENT LIABILITIES</u>		
Salaries and Benefits Payable	\$ 9,283	
Compensated Absences	16,239	
Deferred Income	<u>5,000</u>	
Total Current Liabilities	\$ 30,522	-
<u>NET ASSETS</u>		
Invested in Capital Assets	\$ 518,258	
Restricted:		
Non-Expendable		\$ 250,000
Expendable	40,569	726,937
Unrestricted	<u>376,145</u>	
Total Net Assets	\$ <u>934,972</u>	\$ <u>976,937</u>
Total Liabilities and Net Assets	\$ <u>965,494</u>	\$ <u>976,937</u>

See Accompanying Notes to Financial Statements

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2007

	<u>KWIT-KOJI FM Radio</u>	<u>Component Unit Friends of FM 90</u>
<u>OPERATING REVENUES</u>		
Corporation for Public Broadcasting Support	\$ 164,077	
Rental of Facilities	29,391	
Donated Materials and Services	22,557	
Gifts and Contributions		\$ 217,491
Other Operating Revenues	<u>53,963</u>	
Total Operating Revenues	\$ 269,988	\$ 217,491
<u>OPERATING EXPENSES</u>		
Program Services:		
Programming and Production	\$ 380,207	\$ 2,794
Broadcasting	87,649	
Program Information	<u>10,253</u>	
	\$ 478,109	\$ 2,794
Management and General	<u>204,200</u>	
Total Operating Expenses	\$ <u>682,309</u>	\$ <u>2,794</u>
Operating Income (Loss)	\$(412,321)	\$ 214,697
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
State Support	\$ 238,966	
College Support - Direct		
College Support - Indirect	139,772	
Corporation for Public Broadcasting Grants	5,000	
Investment Income, Net of Investment Expense of \$8,797		\$ 174,127
Gifts from Friends of FM 90	138,118	
Payments to KWIT-KOJI		(138,118)
Donated Facilities	<u>(139,772)</u>	
Net Non-Operating Revenues (Expenses) ...	\$ <u>382,084</u>	\$ <u>36,009</u>
Change in Net Assets	\$(30,237)	\$ 250,706
Net Assets - Beginning of Year	<u>934,972</u>	<u>976,937</u>
Net Assets - End of Year	\$ <u>904,735</u>	\$ <u>1,227,643</u>

See Accompanying Notes to Financial Statements

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2006

	<u>KWIT-KOJI FM Radio</u>	<u>Component Unit Friends of FM 90</u>
<u>OPERATING REVENUES</u>		
Corporation for Public Broadcasting Support	\$ 175,929	
Rental of Facilities	28,346	
Donated Materials and Services	22,630	
Gifts and Contributions		\$ 166,672
Other Operating Revenues	<u>60,144</u>	<u> </u>
Total Operating Revenues	\$ 287,049	\$ 166,672
<u>OPERATING EXPENSES</u>		
Program Services:		
Programming and Production	\$ 366,848	\$ 2,373
Broadcasting	95,124	
Program Information	<u>5,819</u>	<u> </u>
	\$ 467,791	\$ 2,373
Management and General	<u>180,796</u>	<u> </u>
Total Operating Expenses	\$ 648,587	\$ 2,373
Operating Income (Loss)	\$ (361,538)	\$ 164,299
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
State Support	\$ 224,214	
College Support - Direct	53,791	
College Support - Indirect	130,284	
Corporation for Public Broadcasting Grants	47,174	
Investment Income, Net of Investment Expense of \$7,208		\$ 43,908
Gifts from Friends of FM 90	108,679	
Payments to KWIT-KOJI		(108,679)
Equipment	(8,708)	
Donated Facilities	<u>(130,284)</u>	<u> </u>
Net Non-Operating Revenues (Expenses)	\$ 425,150	\$ (64,771)
Change in Net Assets	\$ 63,612	\$ 99,528
Net Assets - Beginning of Year	871,360	877,409
Net Assets - End of Year	\$ <u>934,972</u>	\$ <u>976,937</u>

See Accompanying Notes to Financial Statements

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2007

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	<u>KWIT-KOJI FM Radio</u>	<u>Component Unit Friends of FM 90</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash Operating Grants Received from the Corporation for Public Broadcasting	\$ 164,077	
Rental Receipts	29,391	
Cash Received from Donors and Others	76,218	\$ 217,491
Cash Payments to Employees and Others	(619,202)	(2,794)
Net Cash Provided (Used) by Operating Activities	\$(349,516)	\$ 214,697
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Cash Received from State Support	\$ 238,966	
Cash Received from Gifts from Friends of FM 90 ..	138,118	
Cash Paid for Gifts to KWIT-KOJI	_____	\$(138,118)
Net Cash Provided (Used) by Non-Capital Financing Activities	\$ 377,084	\$(138,118)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Cash Received from Corporation for Public Broadcasting Grants	\$ 5,000	_____
Net Cash Provided by Capital and Related Financing Activities	\$ 5,000	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Cash Received from Investment Income		\$ 73,492
Cash Paid for Investment Expenses		(8,797)
Cash Paid for Purchase of Investments	_____	(142,443)
Net Cash (Used) by Investing Activities ..	_____	\$(77,748)
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 32,568	\$(1,169)
Cash and Cash Equivalents - June 30, 2006	<u>383,564</u>	<u>43,913</u>
Cash and Cash Equivalents - June 30, 2007	\$ <u>416,132</u>	\$ <u>42,744</u>

See Accompanying Notes to Financial Statements

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2006

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	<u>KWIT-KOJI FM Radio</u>	<u>Component Unit Friends of FM 90</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash Operating Grants Received from the Corporation for Public Broadcasting	\$ 175,929	
Rental Receipts	28,346	
Cash Received from Donors and Others	59,944	\$ 166,672
Cash Payments to Employees and Others	(583,759)	(2,373)
Net Cash Provided (Used) by Operating Activities	\$(319,540)	\$ 164,299
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Cash Received from State Support	\$ 224,214	
Cash Received from Gifts from Friends of FM 90 ..	108,679	
Cash Paid for Gifts to KWIT-KOJI	_____	\$(108,679)
Net Cash Provided (Used) by Non-Capital Financing Activities	\$ 332,893	\$(108,679)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Cash Received from Corporation for Public Broadcasting Grants	\$ 21,250	_____
Net Cash Provided by Capital and Related Financing Activities	\$ 21,250	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Cash Received from Investment Income		\$ 54,106
Cash Paid for Investment Expenses		(7,208)
Cash Paid for Purchase of Investments	_____	(96,360)
Net Cash (Used) by Investing Activities ..	_____	\$(49,462)
Net Increase in Cash and Cash Equivalents ..	\$ 34,603	\$ 6,158
Cash and Cash Equivalents - June 30, 2005	<u>348,961</u>	<u>37,755</u>
Cash and Cash Equivalents - June 30, 2006	\$ <u>383,564</u>	\$ <u>43,913</u>

See Accompanying Notes to Financial Statements

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2007

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	<u>KWIT-KOJI FM Radio</u>	<u>Component Unit Friends of FM 90</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO		
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating Income (Loss)	\$(412,321)	\$ 214,697
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	\$ 41,351	
Decrease in Pledges Receivable	1,331	
Decrease in Grant Receivable	20,924	
(Decrease) in Salaries and Benefits Payable	(181)	
(Decrease) in Compensated Absences	(620)	
Total Adjustments	\$ 62,805	-
Net Cash Provided (Used) by Operating Activities	\$(349,516)	\$ 214,697
 <u>SUPPLEMENTAL SCHEDULE OF SIGNIFICANT NON-CASH ACTIVITIES</u>		
College Support - Indirect	\$ 139,772	-
Donated Materials and Services	\$ 22,557	-

See Accompanying Notes to Financial Statements

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2006

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	<u>KWIT-KOJI FM Radio</u>	<u>Component Unit Friends of FM 90</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO		
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating Income (Loss)	\$(361,538)	\$ 164,299
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	\$ 41,574	
(Increase) in Pledges Receivable	(200)	
Decrease in Salaries and Benefits Payable ...	112	
Increase in Compensated Absences	<u>512</u>	
Total Adjustments	\$ <u>41,998</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	\$(<u>319,540</u>)	\$ <u>164,299</u>
 SUPPLEMENTAL SCHEDULE OF SIGNIFICANT NON-CASH ACTIVITIES		
College Support - Indirect	\$ <u>130,284</u>	<u>-</u>
Donated Materials and Services	\$ <u>22,630</u>	<u>-</u>

See Accompanying Notes to Financial Statements

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2007

	Program Services			
	Programming and Production	Broadcasting	Program Information	Total Program Services
Salaries, Related Payroll				
Costs and Fringe				
Benefits	\$ 194,223	\$ 63,125		\$ 257,348
Professional Services ...				-
Memberships	152,431			152,431
Communications				-
Utilities				-
Postage		364		364
Data Processing				-
Other Services	4,050	2,906		6,956
Materials and Supplies ..	713	1,046		1,759
Periodicals	665			665
Lease Expense				-
Equipment		275		275
Travel and Meeting				
Expense	270	2,012		2,282
Donated Personal Services				
of Volunteers	1,185			1,185
Donated Professional				
Services			\$ 10,253	10,253
Donated Materials and				
Facilities	10,183			10,183
Depreciation	<u>16,487</u>	<u>17,921</u>	<u> </u>	<u>34,408</u>
 Total Operating				
Expenses	\$ <u>380,207</u>	\$ <u>87,649</u>	\$ <u>10,253</u>	\$ <u>478,109</u>

Supporting Services

<u>Management and General</u>	<u>Total Expenses</u>
\$ 105,433	\$ 362,781
26,934	26,934
	152,431
524	524
31,103	31,103
3,117	3,481
10,386	10,386
3,150	10,106
4,835	6,594
192	857
5,328	5,328
3,489	3,764
1,830	4,112
	1,185
936	11,189
	10,183
<u>6,943</u>	<u>41,351</u>
\$ <u>204,200</u>	\$ <u>682,309</u>

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2006

	Program Services			
	Programming and Production	Broadcasting	Program Information	Total Program Services
Salaries, Related Payroll				
Costs and Fringe				
Benefits	\$ 184,516	\$ 59,606		\$ 244,122
Professional Services ...				-
Memberships	151,791			151,791
Communications				-
Utilities				-
Postage		820		820
Data Processing				-
Other Services	4,545	3,215		7,760
Materials and Supplies ..	1,465	1,470		2,935
Periodicals	315			315
Lease Expense				-
Equipment	391	96		487
Travel and Meeting				
Expense	729	2,507		3,236
Donated Personal Services				
of Volunteers	1,215			1,215
Donated Professional				
Services			\$ 5,819	5,819
Donated Materials and				
Facilities	14,660			14,660
Depreciation	<u>7,221</u>	<u>27,410</u>	<u> </u>	<u>34,631</u>
 Total Operating				
Expenses	\$ <u>366,848</u>	\$ <u>95,124</u>	\$ <u>5,819</u>	\$ <u>467,791</u>

Supporting Services

Management
and
General

Total
Expenses

\$ 96,564	\$ 340,686
5,398	5,398
-	151,791
535	535
38,777	38,777
4,035	4,855
11,457	11,457
1,385	9,145
4,746	7,681
192	507
5,328	5,328
2,804	3,291
1,696	4,932
-	1,215
936	6,755
-	14,660
<u>6,943</u>	<u>41,574</u>
\$ <u>180,796</u>	\$ <u>648,587</u>

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007 AND 2006

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

KWIT-KOJI FM Radio is a non-profit, non-commercial radio station and an affiliate of the National Public Radio Network. The Radio Station operates with a power of 100,000 watts, including a repeater station. Emphasis is placed on service to eighteen counties in northwest Iowa. KWIT-KOJI FM Radio is operated by, and the financial activity is included in the financial statements of, Western Iowa Tech Community College, Sioux City, Iowa.

A. Reporting Entity

The financial statements of KWIT-KOJI FM Radio include the discrete presentation of Friends of FM-90 (Friends), a legally separate, tax-exempt component unit of the Radio Station. Friends acts primarily as a fund-raising organization to supplement the resources that are available to the Radio Station in support of its programming. Although the Radio Station does not control the timing or amount of receipts from Friends, the majority of resources, or income thereon, that Friends holds and invests are restricted to the activities of the Radio Station by the donors.

Friends distributed \$138,118 and \$108,679 to KWIT-KOJI for unrestricted programming purposes, during the years ended June 30, 2007 and 2006, respectively.

B. Basis of Presentation

GASB Statement No. 35 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 four net asset categories:

Invested in Capital Assets, Net of Related Debt

Capital assets, net of accumulated depreciation and outstanding debt obligations attributable to the acquisition, construction or improvement of those assets.

Restricted Net Assets

Nonexpendable

Net assets subject to externally-imposed stipulations that they be maintained permanently by the Radio Station, including permanent endowment funds.

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007 AND 2006

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont.)

Restricted Net Assets

Expendable

Net assets whose use by the Radio Station is subject to externally - imposed stipulations that can be fulfilled by actions of the Radio Station, 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.

GASB Statement No. 35 also requires the Statements of Net Assets, Revenues, Expenses and Changes in Net Assets, Cash Flows and Functional Expenses be reported on a consolidated basis. The effect of interfund activity has been removed from these statements.

C. Measurement Focus and Basis of Accounting

For financial reporting purposes, the Radio Station 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 Radio Station 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. State support 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.

D. Assets, Liabilities and Net Assets

The following accounting policies are followed in preparing the statement of net assets:

Investments - Investments are stated at fair value.

Capital Assets - Capital assets, which include buildings, radio tower, furniture and equipment, are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at fair market value at the date of donation. Depreciation expense is recorded on capital assets using the straight-line method over their estimated useful lives. For the years ended June 30, 2007 and 2006, depreciation expense was \$41,351 and \$41,574, respectively.

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007 AND 2006

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.)

D. Assets, Liabilities and Net Assets (Cont.)

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. Capital assets are defined by the Radio Station as assets with initial, individual costs in excess of \$5,000 and estimated useful lives in excess of two years.

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

E. In-Kind Contributions

Donated personal services of volunteers, professional services and materials are recorded as revenue and expenditures in the accompanying statements of revenues, expenses and changes in net assets at estimated fair value.

Donated facilities from Western Iowa Tech Community College consist of office and studio space together with related occupancy costs and are recorded as revenue and expenses at estimated fair rental values. Administrative support from Western Iowa Tech Community College consists of allocated financial and administrative costs and certain other expenses incurred by the College on behalf of the Radio Station.

Total recorded in-kind contributions for June 30, 2007 and 2006, are as follows:

	<u>2007</u>	<u>2006</u>
Donated Professional Services of Volunteers:		
Voluntary Services	\$ 1,185	\$ 1,215
Donated Professional Services and Programs:		
Advertising and Contracted Services	11,189	6,755
Donated Materials and Facilities:		
Compact Discs, Other Materials and Equipment	10,183	14,660
College Facilities	<u>139,772</u>	<u>130,284</u>
	<u>\$ 162,329</u>	<u>\$ 152,914</u>

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007 AND 2006

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.)

F. 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. Accordingly, actual results could differ from those estimates.

G. Allowance for Doubtful Accounts

The allowance for doubtful accounts is maintained at a balance which, in the opinion of management, is adequate to reflect pledges receivable at their net realizable value. No allowance was considered necessary at June 30, 2007 or 2006.

Note 2 - CASH AND CASH EQUIVALENTS

The Radio Station's deposits in the bank accounts of Western Iowa Tech Community College at June 30, 2007 and 2006, were entirely covered by the Federal Depository Insurance Corporation, government securities pledged by the banks as collateral on repurchase agreement accounts, or by the State Sinking Fund, in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

For purposes of the Statement of Cash Flows, the Radio Station considers all unrestricted short term debt securities purchased with a maturity of three months or less to be cash equivalents.

Note 3 - ENDOWMENT INVESTMENTS

The Friends of FM 90 Endowment was established by a contributor to benefit the arts organization within the Siouxland Community. This contribution and its earnings were fully restricted until the principal reached \$250,000. Because the principal has surpassed \$250,000, interest earned may now be withdrawn for Radio Station activities. The investments are recorded at market. A summary of the investments is as follows:

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007 AND 2006

Note 3 - ENDOWMENT INVESTMENTS
(Cont.)

	<u>2007</u>	<u>2007</u>
	<u>Cost</u>	<u>Market</u>
Wells Fargo Cash Investment Money		
Market	\$ 121,400	\$ 121,400
Federal Home Loan Bank at 5.875%, Maturing 11-15-07 (AAA)	25,022	25,039
Wells Fargo Intermediate Government Income Fund	50,798	48,555
Wells Fargo Index Fund	92,121	116,376
Wells Fargo Large Company Growth Fund	121,523	143,664
Midcap S & P Depository Receipts ..	27,902	48,885
Oakmark International Fund	42,108	67,161
Oakmark Class I Fund	100,000	99,065
Federal Home Loan Bank at 4.75%, Maturing 1-05-11 (AAA)	25,023	24,555
Federal Home Loan Bank at 5.00%, Maturing 5-17-11 (AAA)	10,068	9,853
Federal Home Loan Mortgage Corporation at 5.75%, Maturing 4-15-08 (AAA)	24,728	25,078
Federal National Mortgage Association 6.375%, Maturing 6-15-09 (AAA) ..	25,632	25,547
Federal Home Loan Bank at 5.75%, Maturing 12/19/06 (AAA)	25,000	24,570
Merrill Lynch & Co. Medium Term Note at 4.50%, Maturing 11-4-10 (AA3) ..	25,201	24,235
Wells Fargo Advantage Total Return Bond Fund	132,845	127,092
Hawkeye Community College NJTP Bonds at 5.65%, Maturing 6-1-11 (AA3) ..	25,589	24,910
NASDAQ 100 Shares	10,415	14,280
S & P Depository Receipts	38,087	45,129
I Shares Funds	<u>126,413</u>	<u>169,505</u>
Total	\$ <u>1,049,875</u>	\$ <u>1,184,899</u>

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007 AND 2006

Note 3 - ENDOWMENT INVESTMENTS
(Cont.)

	<u>2006</u>	<u>2006</u>
	<u>Cost</u>	<u>Market</u>
Wells Fargo Cash Investment Money		
Market	\$ 10,750	\$ 10,750
Federal Home Loan Bank at 5.875%, Maturing 11-15-07 (AAA)	25,022	25,117
Wells Fargo Intermediate Government		
Income Fund	48,579	46,225
Wells Fargo Index Fund	88,156	96,780
Wells Fargo Equity Income Fund ...	182,286	156,937
Wells Fargo Large Company Growth		
Fund	121,523	122,313
Midcap S & P Depository Receipts ..	27,902	41,751
Oakmark International Fund	33,839	53,853
Federal Home Loan Bank at 4.75%, Maturing 1-05-11 (AAA)	25,023	24,172
Federal Home Loan Bank at 5.00%, Maturing 5-17-11 (AAA)	10,068	9,722
Federal Home Loan Mortgage		
Corporation at 5.75%, Maturing		
4-15-08 (AAA)	24,728	25,110
Federal National Mortgage Association		
6.375%, Maturing 6-15-09 (AAA) ..	25,632	25,625
Merrill Lynch & Co. Medium Term Note		
at 4.50%, Maturing 11-4-10 (AA3) ..	25,201	23,984
Wells Fargo Advantage Total Return		
Bond Fund	126,902	120,106
Hawkeye Community College NJTP Bonds		
at 5.65%, Maturing 6-1-11 (AA3) ..	25,589	24,112
NASDAQ 100 Shares	10,415	11,631
S & P Depository Receipts	10,415	12,723
I Shares Funds	<u>85,402</u>	<u>102,113</u>
 Total	 \$ <u>907,432</u>	 \$ <u>933,024</u>

Interest Rate Risk: The Radio Station, as a part of Western Iowa Tech Community College, has an investment policy that limits the investment of operating funds (funds expected to be expended in the current budget year or within fifteen 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 Radio Station.

KWIT-KOJI FM RADIO

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007 AND 2006

Note 3 - ENDOWMENT INVESTMENTS

(Cont.)

Credit Risk: The endowment investments that were rated by Moody's Investors Service at June 30, 2007 and 2006, have their ratings denoted in parentheses above. The remaining investments have either not been rated or are not exposed to custodial credit risk.

Concentration of Credit Risk: The Radio Station's policy is to diversify its investments by limiting investments in prime bankers acceptances or commercial paper to no more than 10% of its portfolio maturities. At June 30, 2007 and 2006, the following investment types exceeded 5% of the total endowment investment portfolio:

2007

Wells Fargo Cash Investment Money Market
Wells Fargo Index Fund
Wells Fargo Large Company Growth Fund
Oakmark International Fund
Oakmark Class I Fund
Wells Fargo Advantage Total Return Bond Fund
I Shares Funds

2006

Wells Fargo Index Fund
Wells Fargo Equity Income Fund
Wells Fargo Large Company Growth Fund
Oakmark International Fund
Wells Fargo Advantage Total Return Bond Fund
I Shares Funds

Note 4 - CAPITAL ASSETS

Capital assets activity for the years ended June 30, 2007 and 2006, is as follows:

	Balance July 1, <u>2006</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2007</u>
Buildings	\$ 286,625			\$ 286,625
Radio Tower	570,814			570,814
Furniture and Equipment	<u>215,568</u>	—	—	<u>215,568</u>
	\$ 1,073,007	-	-	\$ 1,073,007
Accumulated Depreciation	(<u>514,180</u>)	\$ (<u>41,351</u>)	—	(<u>555,531</u>)
Net Capital Assets	\$ <u>558,827</u>	\$ <u>41,351</u>	—	\$ <u>517,476</u>

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007 AND 2006

Note 4 - CAPITAL ASSETS
(Cont.)

	Balance July 1, <u>2005</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2006</u>
Buildings	\$ 286,625			\$ 286,625
Radio Tower	554,047	\$ 16,767		570,814
Furniture and Equipment	<u>273,982</u>	<u>28,318</u>	\$(86,732)	<u>215,568</u>
	\$ 1,114,654	\$ 45,085	\$(86,732)	\$ 1,073,007
Accumulated Depreciation	(<u>559,338</u>)	(<u>41,574</u>)	<u>86,732</u>	(<u>514,180</u>)
Net Capital Assets	\$ <u>555,316</u>	\$ <u>3,511</u>	<u>-</u>	\$ <u>558,827</u>

Beginning of the year balances have been restated to reflect \$25,625 of fully-depreciated furniture and equipment not previously reported.

Note 5 - OPERATING LEASES

The Radio Station leases tower and transmitter space to various other communications companies in the area. All of the leases are classified as operating leases. The estimated minimum rent receipts for the remainder of the lease terms are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2008	\$ <u>10,760</u>
Total	\$ <u>10,760</u>

The Radio Station also leases tower space from which its repeater station, KOJI, transmits. This lease expires June 3, 2012. The future minimum lease payments required by the Radio Station for the lease term are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2008	\$ 5,328
2009	5,328
2010	5,328
2011	5,328
2012	<u>4,884</u>
	\$ <u>26,196</u>

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007 AND 2006

Note 5 - OPERATING LEASES

(Cont.) Total lease expense for the years ended June 30, 2007 and 2006, was \$5,328.

Note 6 - IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IPERS)

Western Iowa Tech Community College contributes to the Iowa Public Employees Retirement System (IPERS) on behalf of KWIT-KOJI FM Radio. IPERS 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 Community College is required to contribute 5.75% of annual payroll. Contribution requirements are established by state statute. The Community College's contributions to IPERS for the years ended June 30, 2007, 2006 and 2005, were \$2,970, \$2,765, and \$2,901, respectively, equal to the required contributions for each year.

Note 7 - TEACHERS INSURANCE AND ANNUITY ASSOCIATION -

COLLEGE RETIREMENT EQUITIES FUND (TIAA-CREF)

Western Iowa Tech Community College contributes to the TIAA-CREF retirement program, a defined contribution plan, on behalf of KWIT-KOJI FM Radio. TIAA administers the retirement plan for the Community College. The defined contribution retirement plan provides individual annuities for each plan participant. As required by the Code of Iowa, all eligible Community College employees must participate in a retirement plan from the date they are employed.

Contributions made by both employer and employee vest immediately. As specified by the contract with TIAA-CREF, and in accordance with the Code of Iowa, each employee is required to contribute 3.70% and the Community College is required to contribute 5.75%. The Community College's and KWIT-KOJI FM Radio's employees' required and actual contributions to TIAA-CREF for the year ended June 30, 2007, were \$13,232 and \$8,515, respectively. The required and actual contributions to TIAA-CREF for the year ended June 30, 2006, were \$12,547 and \$8,074, respectively.

KWIT-KOJI FM RADIO

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007 AND 2006

Note 8 - FUNDRAISING EXPENSES

During the years ended June 30, 2007 and 2006, the Radio Station conducted various fundraising activities. Management and general expenses related to fundraising for the years ended June 30, 2007 and 2006, total \$43,327 and \$28,492, respectively.

Note 9 - CONTINGENCIES

The National Telecommunications and Information Administration, as the federal grantor of funds to KWIT-KOJI FM Radio, holds a 10-year reversionary interest in digital equipment purchased by the Radio Station during the year ended June 30, 2004. The period of interest expires June 30, 2014. Accordingly, the Radio Station has \$40,569 of expendable restricted net assets.

Effective July 1, 2007, the Community College's required contributions to both IPERS and TIAA-CREF increased to 6.05% of annual payroll.