

IOWA CENTRAL COMMUNITY COLLEGE

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

June 30, 2007

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OFFICIALS

Name	Title	Term Expires
Board of Directors <i>(Before September 2006 Election)</i>		
Mark Crimmins	President	2006
Dr. John Hodges	Vice President	2008
Thomas Chelesvig	Member	2008
Garland Hanson	Member	2006
Dr. Deborah Plahn	Member	2007
Darrell Determann	Member	2007
Connie Smith	Member	2008
Douglas McDermott	Member	2007
Larry Hecht	Member	2006

Board of Directors *(After September 2006 Election)*

Mark Crimmins	President	2009
Dr. John Hodges	Vice President	2008
Thomas Chelesvig	Member	2008
Garland Hanson	Member	2009
Dr. Deborah Plahn	Member	2007
Darrell Determann	Member	2007
Connie Smith	Member	2008
Douglas McDermott	Member	2007
Larry Hecht	Member	2009

Community College

Dr. Robert Paxton	President
Thomas Beneke	Vice President
David Grosland	Associate Vice President
James Kersten	Associate Vice President
Marlene McComas	Vice President
Karen Lombard	Board Secretary/Treasurer



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Iowa Central Community College, Fort Dodge, Iowa, and its discretely presented component unit as of and for the year ended June 30, 2007, which collectively comprise the College's basic financial statements listed in the table of contents. These financial statements are the responsibility of Iowa Central Community College's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, 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 our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of Iowa Central Community College and its discretely presented component unit at June 30, 2007, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 27, 2007 on our consideration of Iowa Central Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 4 through 10 and 31 through 32, respectively, are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Iowa Central Community College's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2006 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 10, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Johnson & Company LLP.

Fort Dodge, Iowa
December 27, 2007

IOWA CENTRAL COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

Iowa Central Community College provides this Management's Discussion and Analysis of its annual financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2007. We encourage readers to consider this information in conjunction with the College's financial statements, which follow.

FINANCIAL HIGHLIGHTS

- College operating revenues increased in FY07. Tuition revenue increased due to the increase in the tuition rate per credit hour and due to the increase in enrolled credit hours. Auxiliary enterprises revenues increased due to the increase in bookstore sales, the increase in the number of students in College housing and the increase in the College self-funded employee health plan reserve, and the increase in revenue due to the College operation of the Health & Fitness Center. Plant fund revenue decreased due to the completion of federal and state funded projects.
- College operating expenses increased in FY07 due to salary and benefit increases and the increase in part-time salaries because of the increase in student enrollment, the increase in professional services, and the increase in materials, supplies, and travel. Older buildings and the deferral of maintenance and repair of buildings over the years continue to cause higher physical facility expenditures.

USING THIS ANNUAL REPORT

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

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE AS A WHOLE

The Statement of Net Assets

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

	Net Assets	
	June 30,	
	2007	2006
Current and other assets	\$ 25,177,167	\$ 25,884,711
Capital assets, net of accumulated depreciation	29,961,405	30,476,058
Total assets	55,138,572	56,360,769
Current liabilities	13,609,251	13,741,483
Noncurrent liabilities	19,195,000	21,355,000
Total liabilities	32,804,251	35,096,483
Net assets:		
Invested in capital assets, net of related debt	15,826,405	15,216,058
Restricted	1,998,106	1,264,822
Unrestricted	4,509,810	4,783,406
Total net assets	\$ 22,334,321	\$ 21,264,286

The largest portion of the College's net assets (71%) is invested in capital assets (e.g., land, buildings, and equipment), less the related debt. The debt related to the capital assets is liquidated with resources other than capital assets. The restricted portion of the net assets (9%) includes resources that are subject to external restrictions. The remaining net assets (20%) are the unrestricted net assets that can be used to meet the College's obligations as they come due.

Statement of Revenues, Expenses and Changes in Net Assets

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE AS A WHOLE (Continued)

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

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

Changes in Net Assets

	Year ended June 30	
	2007	2006
Operating revenue:		
Tuition and fees	\$ 11,331,682	\$ 10,186,465
Federal appropriations	5,588,092	6,545,688
Iowa Industrial New Jobs Training Program	2,073,371	2,125,884
Auxiliary	8,915,335	7,031,095
Sales and services	948,733	1,336,568
Miscellaneous	325,936	342,915
Total operating revenue	<u>29,183,149</u>	<u>27,568,615</u>
Total operating expenses	<u>42,043,674</u>	<u>38,189,861</u>
Operating loss	<u>(12,860,525)</u>	<u>(10,621,246)</u>
Nonoperating revenues (expenses):		
State appropriations	10,588,190	10,232,644
Property tax	3,557,131	4,326,970
Interest income on investments	851,268	806,423
Loss on sale of capital assets	(7,209)	-
Interest on indebtedness	(1,058,820)	(1,147,156)
Net nonoperating revenues	<u>13,930,560</u>	<u>14,218,881</u>
Increase in net assets	1,070,035	3,597,635
Net assets beginning of year	<u>21,264,286</u>	<u>17,666,651</u>
Net assets end of year	<u>\$ 22,334,321</u>	<u>\$ 21,264,286</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE AS A WHOLE (Continued)

Total Revenue by Source

In fiscal year 2007, operating revenues increased as a result of the following:

- Tuition and fees increased due to the increase in enrollment and the tuition rate increased from \$93 per credit hour in FY06 to \$98 per credit hour in FY07.
- Auxiliary enterprises revenue increased due to the enrollment increase and the resulting increase in bookstore sales, the increase in students in College housing, and the increase in premium dollars in the College self-funded employee health plan, and the increase in revenue due to the College operation of the Health & Fitness Center.
- Plant fund revenue decreased due to the completion of projects funded with federal and state funds.

Operating Expenses

	Year ended June 30	
	2007	2006
Education and support:		
Liberal arts and sciences	\$ 5,485,175	\$ 4,633,485
Vocational technical	4,679,189	3,357,993
Adult education	2,599,404	2,425,563
Cooperative services	2,978,382	2,707,785
Administration	1,472,059	1,076,106
Student services	3,579,498	3,583,330
Learning resources	300,293	332,257
Physical plant	3,670,110	3,127,923
General institution	5,913,217	5,827,134
Auxiliary enterprises	6,931,125	5,482,079
Scholarships and grants	1,093,590	1,400,705
Workforce Investment Act	107,114	267,185
Administrative and collection costs	1,866,496	2,766,122
Depreciation	1,368,022	1,202,194
Total	<u>\$ 42,043,674</u>	<u>\$ 38,189,861</u>

Total Expenses

In fiscal year 2007, operating expenses increased as a result of the following:

- Moderate salary and benefit increases and a seven percent increase in full-time staff.
- Additional part-time salaries due to increased student enrollment.

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE AS A WHOLE (Continued)

Total Expenses (continued)

- Additional maintenance and increased utility costs due to expansion of facilities and continued costly maintenance and repair of aging facilities.
- Increase in housing expenses due to additional College housing.
- Increase in medical and dental payments in the College self-funded employee health plan.

Statement of Cash Flows

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

	Cash Flows	
	Year ended June 30	
	2007	2006
Cash provided (used) by:		
Operating activities	\$ (12,315,684)	\$ (7,356,282)
Non-capital financing activities	12,303,441	14,577,053
Capital and related financing activities	(2,475,930)	(3,479,110)
Investing activities	851,268	806,423
Net increase (decrease) in cash	<u>(1,636,905)</u>	<u>4,548,084</u>
Cash beginning of year	<u>16,251,476</u>	<u>11,703,392</u>
Cash end of year	<u>\$ 14,614,571</u>	<u>\$ 16,251,476</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS

At June 30, 2007, the College had approximately \$30 million invested in capital assets, net of accumulated depreciation of approximately \$15 million. Depreciation charges totaled \$1,368,022 for FY07. Details of the capital assets are shown below.

Capital Assets, Net, at Year-End

	June 30,	
	2007	2006
Land	\$ 1,082,616	\$ 1,082,616
Buildings	23,831,771	23,099,090
Construction in progress	59,415	1,110,700
Improvements other than buildings	3,415,623	3,587,317
Equipment and vehicles	1,571,980	1,596,335
	<u>\$ 29,961,405</u>	<u>\$ 30,476,058</u>

Major capital expenditures for fiscal year ending June 30, 2007, included completion of Student Residence Apartment Building #12, completion of asphalt surfacing of the driver training site, and remodeling of the building at the Transportation Technology Center.

Planned capital expenditures for the fiscal year ending June 30, 2007, and beyond include completion of construction of Student Residence Apartment Buildings #13, #14, and #15. The College passed a \$18 million bond referendum in June 2007 for major capital expenditures for the construction of a Biotechnology and Health Sciences Center, construction of a Learning Resource Center, and completion of a new access road to U.S. Highway 169 on the west side of the Fort Dodge Campus.

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

DEBT

At June 30, 2007, the College had approximately \$22 million in debt outstanding, a decrease of \$2,270,000 from fiscal year 2006. The table below summarizes these amounts by type.

Outstanding Debt

	June 30,	
	2007	2006
Certificates payable	\$ 8,070,000	\$ 9,215,000
Capital loan notes payable	4,490,000	5,030,000
Bonds payable	9,645,000	10,230,000
	<u>\$ 22,205,000</u>	<u>\$ 24,475,000</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS

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

- State aid for the FY08 was increased 8 percent above the amount received in FY07. Inequitable distribution of state general aid among the community colleges is a major concern.
- Expenses will continue to increase. As the number of students increases, the costs associated with serving them continue to increase.
- The College will continue to expand distance-learning opportunities in FY08 and beyond and is involved with school districts in the operation of Alternative High Schools and Charter Schools. The number of contracted courses offered with high schools continues to increase.
- The start-up of new programs is expensive. New programs to be started in FY08 are Turf Grass Management Technology, Culinary Arts, and Restaurant and Hospitality Management.
- Aging facilities at the College require constant maintenance and upkeep. The increase in number of buildings creates increased utility costs, maintenance and upkeep expenses.
- Technology continues to expand and current technology becomes outdated presenting an ongoing challenge to maintain up-to-date technology at a reasonable cost.
- General fund property tax revenue had decreased in 2004-2005 due to a 15 percent reduction in farmland valuation, increased less than 1/10th of a percent in 2005-2006, and increased 3.5 percent in 2006-2007. General fund property tax revenue in 2007-2008 will increase 1 percent. General fund property tax revenue for 2007-2008 will be less than the property tax revenue received in 1999-2000.

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

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

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

IOWA CENTRAL COMMUNITY COLLEGE

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET ASSETS

June 30, 2007

ASSETS	Primary Government	Component Unit
Current assets:		
Cash and pooled investments	\$ 14,614,571	\$ 2,602,871
Receivables:		
Accounts	1,541,995	3,832
Capital Campaign	-	1,495,172
Property tax:		
Succeeding year	3,536,637	-
Iowa Industrial New Jobs Training Program	2,467,406	-
Due from Iowa Central Community College	-	149,405
Due from other governments	668,363	-
Inventories	552,903	-
Prepaid expenses	185,714	-
Total current assets	<u>23,567,589</u>	<u>4,251,280</u>
Noncurrent assets:		
Receivables:		
Iowa Industrial New Jobs Training Program	1,609,578	-
Capital assets, net of accumulated depreciation	29,961,405	2,476,000
Total noncurrent assets	<u>31,570,983</u>	<u>2,476,000</u>
Total assets	<u>55,138,572</u>	<u>6,727,280</u>

IOWA CENTRAL COMMUNITY COLLEGE

Exhibit A
(Continued)

STATEMENT OF NET ASSETS

June 30, 2007

LIABILITIES	Primary Government	Component Unit
Current liabilities		
Accounts payable	\$ 325,867	\$ 856
Salaries and benefits payable	810,335	-
Due to Iowa Central Community College Foundation	149,405	-
Interest payable	74,478	-
Deferred revenue:		
Succeeding year property tax	3,536,637	-
Other	4,417,705	-
Compensated absences	306,011	-
Deposits held in custody for others	978,813	-
Certificates payable	1,845,000	-
Capital loan notes payable	560,000	-
Bonds payable	605,000	-
Total current liabilities	<u>13,609,251</u>	<u>856</u>
Noncurrent liabilities:		
Certificates payable	6,225,000	-
Capital loan notes payable	3,930,000	-
Bonds payable	9,040,000	-
Total noncurrent liabilities	<u>19,195,000</u>	<u>-</u>
Total liabilities	<u>32,804,251</u>	<u>856</u>
Net assets		
Invested in capital assets, net of related debt	15,826,405	-
Restricted:		
Nonexpendable:		
Scholarships and fellowships	-	1,697,006
Expendable:		
Capital campaign	-	1,495,172
Scholarships and fellowships	2,352	260,114
Loans	4,235	-
Cash reserve	319,603	-
Other	1,671,916	-
Unrestricted	4,509,810	3,274,132
Total net assets	<u>\$ 22,334,321</u>	<u>\$ 6,726,424</u>

See notes to financial statements.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Year Ended June 30, 2007

	Primary Government	Component Unit
Operating revenues:		
Tuition and fees, net of scholarship allowances of \$2,382,258	\$ 11,331,682	\$ -
Federal appropriations	5,588,092	-
Iowa Industrial New Jobs Training Program	2,073,371	-
Auxiliary enterprises revenue, net of scholarship allowances of \$677,369	8,915,335	-
Sales and services	948,733	19
Farm income	-	202,357
Miscellaneous	325,936	-
Reimbursement from Iowa Central Community College	-	174,000
Contributions and pledges	-	4,098,986
	<hr/>	<hr/>
Total operating revenues	29,183,149	4,475,362
Operating expenses:		
Education and support:		
Liberal arts and science	5,485,175	-
Vocational technical	4,679,189	-
Adult education	2,599,404	-
Cooperative services	2,978,382	-
Administration	1,472,059	-
Student services	3,579,498	-
Learning resources	300,293	-
Physical plant	3,670,110	-
General institution	5,913,217	-
Auxiliary enterprises	6,931,125	-
Scholarships and grants	1,093,590	176,980
Workforce Investment Act	107,114	-
Administrative and collection costs	1,866,496	-
Depreciation	1,368,022	-
Farm expenses	-	118,814
Management and general expenses	-	124,387
	<hr/>	<hr/>
Total operating expenses	42,043,674	420,181
	<hr/>	<hr/>
Operating income (loss)	(12,860,525)	4,055,181

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IOWA CENTRAL COMMUNITY COLLEGE

Exhibit B
(Continued)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Year Ended June 30, 2007

	Primary Government	Component Unit
Nonoperating revenues (expenses):		
State appropriations	\$ 10,588,190	\$ -
Property tax	3,557,131	-
Interest income from investments	851,268	118,722
Loss on sale of capital assets	(7,209)	-
Interest on indebtedness	(1,058,820)	-
Realized and unrealized gain on investments	-	166,607
	<hr/>	<hr/>
Net nonoperating revenues	13,930,560	285,329
	<hr/>	<hr/>
Change in net assets	1,070,035	4,340,510
Net assets beginning of year	21,264,286	2,385,914
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Net assets end of year	\$ 22,334,321	\$ 6,726,424
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STATEMENT OF CASH FLOWS
Year Ended June 30, 2007

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Cash Flows from Operating Activities:	
Tuition and fees	\$ 11,331,682
Federal appropriations	5,190,816
Iowa Industrial New Jobs Training Program	1,748,184
Payments to employees for salaries and benefits	(20,412,105)
Payments to suppliers for goods and services	(17,080,517)
Payments to NJTP recipients	(1,959,169)
Scholarships	(1,093,590)
Auxiliary enterprise receipts	8,915,335
Other receipts	1,043,680
	<hr/>
Net cash used by operating activities	(12,315,684)
	<hr/>
Cash Flows from Non-Capital Financing Activities:	
State appropriations	10,588,190
Property tax	3,557,131
Agency Fund receipts	2,331,416
Agency Fund disbursements	(2,459,828)
Interest paid on debt	(568,468)
Proceeds from issuance of debt	1,385,000
Principal paid on debt	(2,530,000)
	<hr/>
Net cash provided by non-capital financing activities	12,303,441
	<hr/>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of capital assets	(860,578)
Interest paid on debt	(490,352)
Proceeds from issuance of debt	-
Principal paid on debt	(1,125,000)
	<hr/>
Net cash used by capital and related financing activities	(2,475,930)
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Cash Flows from Investing Activities:	
Interest on investments	851,268
	<hr/>
Net cash provided by investing activities	851,268
	<hr/>
Net decrease in cash	(1,636,905)
	<hr/>
Cash beginning of year	16,251,476
	<hr/>
Cash end of year	\$ 14,614,571
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IOWA CENTRAL COMMUNITY COLLEGE

Exhibit C
(Continued)

STATEMENT OF CASH FLOWS
Year Ended June 30, 2007

Reconciliation of operating loss to	
net cash used by operating activities:	
Operating loss	\$ (12,860,525)
Adjustments to reconcile operating loss to	
net cash used by operating activities:	
Depreciation	1,368,022
Loss on sale of capital assets	7,209
Changes in assets and liabilities:	
Increase in accounts receivable	(363,025)
Increase in NJTP receivable	(325,187)
Increase in due from other governments	(397,276)
Increase in inventories	(20,007)
Increase in prepaid expenses	(57,907)
Increase in accounts payable	110,503
Increase in salaries payable	92,202
Decrease in interest payable	(18,233)
Increase in deferred revenue	132,036
Increase in compensated absences	16,504
Total adjustments	<u>544,841</u>
Net cash used by operating activities	<u><u>\$ (12,315,684)</u></u>

See Notes to Financial Statements.

IOWA CENTRAL COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

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

B. Basis of Presentation

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

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

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (continued)

Restricted Net Assets:

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

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

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

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

C. 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.

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

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

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

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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

Receivable for Iowa Industrial New Jobs Training Program (NJTP) – This represents the amount to be remitted to the College for training projects entered into between the College and employers under the provisions of Chapter 260E of the Code of Iowa. The receivable amount is based on expenditures incurred through June 30, 2007 on NJTP projects, including interest incurred on NJTP certificates, less revenues received to date.

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

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

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

<u>Assets</u>	<u>Amount</u>
Land, buildings and improvements	\$ 5,000
Equipment and vehicles	5,000

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

	<u>Years</u>
Buildings and improvements	25-50
Equipment and vehicles	5-10

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

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

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (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, and other receivables not collected within sixty days after year end.

Compensated Absences – College employees accumulate a limited amount of earned but unused vacation and sick leave 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, 2007.

Refundable Advances on Student Loans – The Perkins Federal Loan program requires a return of federal capital contribution if the United States Government terminates the program.

Auxiliary Enterprise Revenues – Auxiliary enterprise revenues primarily represent revenues generated by the bookstore, food service, Health and Fitness Center, self-insurance program and athletics.

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

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

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

D. 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.

NOTES TO FINANCIAL STATEMENTS

Note 2. Cash and Pooled Investments

The College's deposits in banks at June 30, 2007 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

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.

Note 3. Inventories

The College's inventories at June 30, 2007 are as follows:

<u>Type</u>	<u>Amount</u>
Merchandise held for resale	<u>\$ 552,903</u>

NOTES TO FINANCIAL STATEMENTS

Note 4. Capital Assets

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

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Capital assets not being depreciated:				
Land	\$ 1,082,616	\$ -	\$ -	\$ 1,082,616
Construction in progress	1,110,700	339,624	1,390,909	59,415
Total capital assets not being depreciated	2,193,316	339,624	1,390,909	1,142,031
Capital assets being depreciated:				
Buildings	31,520,550	1,390,909	-	32,911,459
Improvements other than buildings	4,292,351	-	-	4,292,351
Equipment and vehicles	6,183,922	520,954	80,632	6,624,244
Total capital assets being depreciated	41,996,823	1,911,863	80,632	43,828,054
Less accumulated depreciation for:				
Buildings	8,421,460	658,228	-	9,079,688
Improvements other than buildings	705,034	171,694	-	876,728
Equipment and vehicles	4,587,587	538,100	73,423	5,052,264
Total accumulated depreciation	13,714,081	1,368,022	73,423	15,008,680
Total capital assets being depreciated, net	28,282,742	543,841	7,209	28,819,374
Capital assets, net	\$ 30,476,058	\$ 883,465	\$ 1,398,118	\$ 29,961,405

NOTES TO FINANCIAL STATEMENTS

Note 5. Changes in Long-Term Debt

A summary of changes in long-term debt for the year ended June 30, 2007 is as follows:

	Certificates Payable	Capital Loan Notes Payable	Bonds Payable	Total
Balance, beginning of year	\$ 9,215,000	\$ 5,030,000	\$ 10,230,000	\$ 24,475,000
Additions	1,385,000	-	-	1,385,000
Reductions	2,530,000	540,000	585,000	3,655,000
Balance, end of year	\$ 8,070,000	\$ 4,490,000	\$ 9,645,000	\$ 22,205,000

Certificates Payable:

In accordance with agreements dated between June 1, 1998 and January 1, 2007, the College issued certificates totaling \$16,550,000 with interest rates ranging from 4.66% to 8.07%. 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 that are new to or are expanding their operations within the State of Iowa. Interest is payable semiannually, while principal payments are due annually. The certificates are to be retired by proceeds from anticipated job credits from withholding taxes, incremental property tax, budgeted reserves and, in the case of default, from standby property tax.

The certificates will mature as follows:

Year Ending June 30	Principal	Interest	Total
2008	\$ 1,845,000	\$ 357,905	\$ 2,202,905
2009	1,125,000	293,125	1,418,125
2010-2014	4,395,000	604,483	3,893,640
2015	455,000	39,530	494,530
2016	250,000	13,875	263,875
Total	\$ 8,070,000	\$ 1,308,918	\$ 8,273,075

NOTES TO FINANCIAL STATEMENTS

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

Capital Loan Notes Payable:

The College has issued notes for the purchase and construction of student dormitories and other related student facilities as allowed by Section 260C.19 of the Code of Iowa. Details of the College's June 30, 2007 capital loan notes payable indebtedness are as follows:

Note Issuance of July 1, 2000				
Year Ending June 30,	Interest			
	Rate	Principal	Interest	Total
2008	5.65	\$ 100,000	\$ 50,368	\$ 150,368
2009	5.75	105,000	44,718	149,718
2010-2013	5.85-6.05	365,000	95,444	460,444
2014	6.05	135,000	17,012	152,012
2015	6.10	145,000	8,846	153,846
		<u>\$ 850,000</u>	<u>\$ 216,388</u>	<u>\$ 1,066,388</u>

Note Issuance of October 1, 2001				
Year Ending June 30,	Interest			
	Rate	Principal	Interest	Total
2008	3.90	\$ 115,000	\$ 40,872	\$ 155,872
2009	4.00	120,000	36,388	156,388
2010-2013	4.20-4.60	550,000	91,928	641,928
2014	4.70	155,000	7,286	162,286
		<u>\$ 940,000</u>	<u>\$ 176,474</u>	<u>\$ 1,116,474</u>

NOTES TO FINANCIAL STATEMENTS

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

Capital Loan Notes Payable (Continued):

Year Ending June 30,	Note Issuance of July 1, 2003			
	Interest	Principal	Interest	Total
2008	2.70	\$ 230,000	\$ 58,900	\$ 288,900
2009	2.90	240,000	52,690	292,690
2010-2013	3.10-3.60	1,040,000	133,632	1,173,632
2014	3.70	285,000	10,546	295,546
Total		\$ 1,795,000	\$ 255,768	\$ 2,050,768

Year Ending June 30,	Note Issuance of March 1, 2004			
	Interest	Principal	Interest	Total
2008	2.50	\$ 115,000	\$ 29,122	\$ 144,122
2009	2.75	120,000	26,248	146,248
2010-2013	3.00-3.60	525,000	67,760	592,760
2014	3.75	145,000	5,438	150,438
Total		\$ 905,000	\$ 128,568	\$ 1,033,568

NOTES TO FINANCIAL STATEMENTS

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

Bonds Payable:

The College has issued bonds for the construction of student dormitories and other related student facilities as allowed by Section 260C.19 of the Code of Iowa. Details of the College's June 30, 2007 bonded indebtedness are as follows:

Bond Issuance of August 1, 2003				
Year Ending June 30,	Interest			
	Rate	Principal	Interest	Total
2008	2.50	\$ 440,000	\$ 203,736	\$ 643,736
2009	2.80	455,000	192,736	647,736
2010-2018	3.10-4.45	4,500,000	971,669	5,471,669
2019	4.60	195,000	8,970	203,970
Total		\$ 5,590,000	\$ 1,377,111	\$ 6,967,111

Bond Issuance of September 1, 2003				
Year Ending June 30,	Interest			
	Rate	Principal	Interest	Total
2008	3.40	\$ 45,000	\$ 46,732	\$ 91,732
2009	3.60	45,000	45,202	90,202
2010-2017	3.80-5.00	685,000	161,628	846,628
2018	5.10	120,000	12,620	132,620
2019	5.20	125,000	6,500	131,500
Total		\$ 1,020,000	\$ 272,682	\$ 1,292,682

NOTES TO FINANCIAL STATEMENTS

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

Bonds Payable (Continued):

Year Ending June 30,	Bond Issuance of August 1, 2004			Total
	Interest	Principal	Interest	
2008	3.30	\$ 55,000	\$ 88,110	\$ 143,110
2009	3.55	55,000	86,296	141,296
2010-2019	3.75-5.10	1,555,000	600,736	2,155,736
2020	5.20	235,000	12,220	247,220
Total		\$ 1,900,000	\$ 787,362	\$ 2,687,362

Year Ending June 30,	Bond Issuance of August 1, 2005			Total
	Interest	Principal	Interest	
2008	3.60	\$ 65,000	\$ 48,100	\$ 113,100
2009	3.70	70,000	45,760	115,760
2010-2019	3.80-4.60	885,000	284,031	1,169,031
2020	4.65	115,000	5,348	120,348
Total		\$ 1,135,000	\$ 383,239	\$ 1,518,239

NOTES TO FINANCIAL STATEMENTS

Note 6. Operating Leases

The College has leased various facilities and equipment. These leases have been classified as operating leases and accordingly, all rents are charged as incurred. The leases expire between 2007 and 2012 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 that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2007:

<u>Year Ending June 30</u>	<u>Amount</u>
2008	\$ 214,935
2009	146,306
2010	72,791
2011	69,469
2012	41,948
Thereafter	-
Total	<u><u>\$ 545,449</u></u>

Rents for the year ended June 30, 2007 for all operating leases, except those with terms of a month or less which were not renewed, totaled \$218,783.

Note 7. Iowa Public Employees Retirement System (IPERS)

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

Plan members are required to contribute 3.70% of their annual covered salary and the College is required to contribute 5.75% of annual payroll. Contribution requirements are established by state statute. The College's contributions to IPERS for the years ended June 30, 2007, 2006, and 2005 were \$484,034, \$444,814 and \$457,582, respectively, equal to the required contributions for each year.

NOTES TO FINANCIAL STATEMENTS

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

The College contributes to the TIAA-CREF retirement program that is a defined contribution plan. TIAA administers the retirement plan for the College. The defined contribution retirement plan provides individual annuities for each plan participant. As required by the Code of Iowa, all eligible College employees must participate in a retirement plan from the date they are employed. Contributions made by both employer and employee vest immediately. As specified by the contract with TIAA-CREF, and in accordance with the Code of Iowa, each employee is required to contribute 3.70% and the College is required to contribute 5.75%. The College's and employees' required and actual contributions to TIAA-CREF for the year ended June 30, 2007 were \$312,278 and \$200,944, respectively.

Note 9. New Jobs Training Programs

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

Note 10. Early Retirement and Contingent Liability

Full-time and certain part-time staff who are at least the age of 55 and who have at least 10 years of continuous service with the College are eligible for the early retirement incentive program. Early retirement begins at the end of the employee's contract. A staff member who accepts early retirement may receive cash benefits on September 15 and March 15 of the following fiscal year.

The liability at June 30, 2007 for those employees who have elected early retirement was \$0. Early retirement is funded on a pay-as-you-go basis through property tax levies. The College's early retirement expense for the year ended June 30, 2007 was \$442,716.

At June 30, 2007, the potential liability for all eligible employees who have accepted early retirement is approximately \$1,168,000.

NOTES TO FINANCIAL STATEMENTS

Note 11. Risk Management

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

Note 12. Deficit Fund Balance

The College has a deficit balance in the funds as listed below as of June 30, 2007. Management believes that future transfers from unrestricted current funds will eliminate these deficit balances.

Unrestricted Fund:	
Career Education	\$ (295,569)
Miscellaneous	(12,757)

Note 13. Self-Insurance Program

Effective July 1, 2000, the College has a self-insurance program for hospitalization and medical coverage for its employees. The College limits its losses through the use of stop-loss policies from insurers. Specific individual losses for claims are limited to \$80,000 per year. The College's aggregate annual loss limitation is based on a formula that considers, among other things, the total number of employees and was limited to \$2,436,161 as of June 30, 2007. For June 30, 2007, the College paid \$2,458,097 under the program.

Note 14. Subsequent Event

On October 1, 2007 the College issued dormitory revenue bonds totaling \$5,650,000 for the construction of student dormitories. The debt was incurred as allowed by the Code of Iowa and will mature beginning in 2009.

REQUIRED SUPPLEMENTARY INFORMATION

IOWA CENTRAL COMMUNITY COLLEGE

BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES -
BUDGET AND ACTUAL

Required Supplementary Information
Year Ended June 30, 2007

Funds/Levy	Original Budget	Amended Budget	Actual	Variance Between Actual and Amended Budget
Unrestricted	\$ 24,025,000	\$ 24,822,000	\$ 25,347,409	\$ (525,409)
Restricted	7,352,500	7,352,500	5,154,196	2,198,304
Unemployment	50,000	50,000	42,489	7,511
Tort liability	320,000	320,000	319,367	633
Insurance	300,000	300,000	230,612	69,388
Early retirement	400,000	400,000	442,716	(42,716)
Equipment replacement	468,000	468,000	447,825	20,175
Total restricted	8,890,500	8,890,500	6,637,205	2,253,295
Plant	3,431,000	3,702,000	2,042,704	1,659,296
Total	\$ 36,346,500	\$ 37,414,500	\$ 34,027,318	\$ 3,387,182

See accompanying Independent Auditor's Report.

IOWA CENTRAL COMMUNITY COLLEGE

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING
June 30, 2007

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

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

SUPPLEMENTARY INFORMATION

IOWA CENTRAL COMMUNITY COLLEGE

BALANCE SHEET - ALL FUNDS

June 30, 2007

Assets	Current Funds		Loan Funds
	Unrestricted	Restricted	
Cash and pooled investments	\$ 3,473,284	\$ 10,553,155	\$ 4,235
Receivables:			
Accounts	1,507,679	34,316	-
Property tax:			
Succeeding year	1,059,375	1,417,887	-
Iowa Industrial New Jobs Training Program	-	4,076,984	-
Due from other funds	5,203,416	-	-
Due from other governments	205,159	445,201	-
Inventories	552,903	-	-
Prepaid expenses	185,714	-	-
Capital assets:			
Land	-	-	-
Buildings	-	-	-
Construction in progress	-	-	-
Improvements other than buildings	-	-	-
Equipment and vehicles	-	-	-
Accumulated depreciation	-	-	-
Total assets	\$ 12,187,530	\$ 16,527,543	\$ 4,235

See accompanying Independent Auditor's Report.

Schedule 1

Plant Funds					
Unexpended	Investment in Plant	Agency Funds	Adjustments	Total	
\$ 898	\$ -	\$ 582,999	\$ -	\$ 14,614,571	
-	-	-	-	1,541,995	
1,059,375	-	-	-	3,536,637	
-	-	-	-	4,076,984	
-	-	377,811	(5,581,227)	-	
-	-	18,003	-	668,363	
-	-	-	-	552,903	
-	-	-	-	185,714	
-	1,082,616	-	-	1,082,616	
-	32,911,459	-	-	32,911,459	
-	59,415	-	-	59,415	
-	4,292,351	-	-	4,292,351	
-	6,624,244	-	-	6,624,244	
-	-	-	(15,008,680)	(15,008,680)	

\$ 1,060,273 \$ 44,970,085 \$ 978,813 \$ (20,589,907) \$ 55,138,572

IOWA CENTRAL COMMUNITY COLLEGE

BALANCE SHEET - ALL FUNDS

June 30, 2007

Liabilities and Fund Balances	Current Funds		Loan Funds
	Unrestricted	Restricted	
Liabilities:			
Accounts payable	\$ 325,867	\$ -	\$ -
Salaries and benefits payable	810,335	-	-
Interest payable	35,652	38,826	-
Due to other funds	3,873,172	589,254	-
Due to Iowa Central Community College Foundation	149,405	-	-
Deferred revenue:			
Succeeding year property tax	1,059,375	1,417,887	-
Other	-	4,417,705	-
Compensated absences	306,011	-	-
Deposits held in custody for others	-	-	-
Certificates payable	-	8,070,000	-
Capital loan notes payable	-	-	-
Bonds payable	-	-	-
Total liabilities	6,559,817	14,533,672	-
Fund balances:			
Invested in capital assets, net of related debt	-	-	-
Restricted:			
Expendable:			
Scholarships and fellowships	-	2,352	-
Loans	-	-	4,235
Cash reserve	-	319,603	-
Other	-	1,671,916	-
Unrestricted	1,566,295	-	-
Auxiliary enterprises	4,061,418	-	-
Total fund balances	5,627,713	1,993,871	4,235
Total liabilities and fund balances	\$ 12,187,530	\$ 16,527,543	\$ 4,235

See accompanying Independent Auditor's Report.

**Schedule 1
(Continued)**

Plant Funds		Agency Funds	Adjustments	Total
Unexpended	Investment in Plant			
\$ -	\$ -	\$ -	\$ -	\$ 325,867
-	-	-	-	810,335
-	-	-	-	74,478
1,118,801	-	-	(5,581,227)	-
-	-	-	-	149,405
1,059,375	-	-	-	3,536,637
-	-	-	-	4,417,705
-	-	-	-	306,011
-	-	978,813	-	978,813
-	-	-	-	8,070,000
-	4,490,000	-	-	4,490,000
-	9,645,000	-	-	9,645,000
2,178,176	14,135,000	978,813	(5,581,227)	32,804,251
-	30,835,085	-	(15,008,680)	15,826,405
-	-	-	-	2,352
-	-	-	-	4,235
-	-	-	-	319,603
-	-	-	-	1,671,916
(1,117,903)	-	-	-	448,392
-	-	-	-	4,061,418
(1,117,903)	30,835,085	-	(15,008,680)	22,334,321
\$ 1,060,273	\$ 44,970,085	\$ 978,813	\$ (20,589,907)	\$ 55,138,572

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL FUNDS

Year Ended June 30, 2007

	Current Funds		Loan Funds
	Unrestricted	Restricted	
Revenues:			
General:			
State appropriations	\$ 8,723,928	\$ 1,645,565	\$ -
Tuition and fees	13,713,940	-	-
Property tax	1,049,840	1,457,451	-
Federal appropriations	631,059	4,957,033	-
Sales and services	696,532	984,019	-
Interest on investments	362,921	487,602	-
Iowa Industrial New Jobs Training Program	-	2,073,371	-
Increase in plant investment due to plant expenditures	-	-	-
Miscellaneous	169,999	646	291
	<u>25,348,219</u>	<u>11,605,687</u>	<u>291</u>
Auxiliary enterprises:			
Tuition and fees	79,232	-	-
Sales and services	8,879,105	-	-
	<u>8,958,337</u>	<u>-</u>	<u>-</u>
Total revenues	<u>\$ 34,306,556</u>	<u>\$ 11,605,687</u>	<u>\$ 291</u>
Expenditures:			
Education and support:			
Liberal arts and science	\$ 5,485,941	\$ -	\$ -
Vocational technical	4,654,721	475,632	-
Adult education	2,320,604	279,806	-
Cooperative services	1,474,911	2,073,371	-
Administration	1,199,693	273,029	-
Student services	3,581,358	-	-
Learning resources	300,293	-	-
Physical plant	3,439,498	230,612	-
General institution	2,890,390	3,304,755	-
Total education and support	<u>25,347,409</u>	<u>6,637,205</u>	<u>-</u>

See accompanying Independent Auditor's Report.

Schedule 2

Plant Funds			
Unexpended	Investment in Plant	Adjustments	Total
\$ 218,697	\$ -	\$ -	\$ 10,588,190
-	-	(2,382,258)	11,331,682
1,049,840	-	-	3,557,131
-	-	-	5,588,092
-	-	(731,818)	948,733
745	-	-	851,268
-	-	-	2,073,371
-	860,578	(860,578)	-
155,000	-	-	325,936
1,424,282	860,578	(3,974,654)	35,264,403
-	-	-	79,232
-	-	(43,002)	8,836,103
-	-	(43,002)	8,915,335
\$ 1,424,282	\$ 860,578	\$ (4,017,656)	\$ 44,179,738
\$ -	\$ -	\$ (766)	\$ 5,485,175
-	-	(451,164)	4,679,189
-	-	(1,006)	2,599,404
-	-	(569,900)	2,978,382
-	-	(663)	1,472,059
-	-	(1,860)	3,579,498
-	-	-	300,293
-	-	-	3,670,110
-	-	(281,928)	5,913,217
-	-	(1,307,287)	30,677,327

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL FUNDS

Year Ended June 30, 2007

	Current Funds		Loan Funds
	Unrestricted	Restricted	
Expenditures (Continued):			
Auxiliary enterprises	\$ 7,464,479	\$ -	\$ -
Scholarships and grants	-	4,153,217	-
Workforce Investment Act	-	107,114	-
Administrative and collection costs	-	-	-
Plant asset acquisitions	-	-	-
Disposal of plant assets	-	-	-
Depreciation	-	-	-
Loss on sale of capital assets	-	-	-
Interest on indebtedness	-	-	-
Total expenditures	32,811,888	10,897,536	-
Excess (deficiency) of revenues over (under) expenditures	1,494,668	708,151	291
Transfers:			
Mandatory transfers	-	-	-
Non-mandatory transfers	(773,320)	(16,314)	-
Total transfers	(773,320)	(16,314)	-
Net	721,348	691,837	291
Fund balances beginning of year	4,906,365	1,302,034	3,944
Fund balances end of year	\$ 5,627,713	\$ 1,993,871	\$ 4,235

See accompanying Independent Auditor's Report.

**Schedule 2
(Continued)**

Plant Funds			
Unexpended	Investment in Plant	Adjustments	Total
\$ -	\$ -	\$ (533,354)	\$ 6,931,125
-	-	(3,059,627)	1,093,590
-	-	-	107,114
1,866,496	-	-	1,866,496
176,208	-	(176,208)	-
-	80,632	(80,632)	-
-	-	1,368,022	1,368,022
-	-	7,209	7,209
-	-	1,058,820	1,058,820
2,042,704	80,632	(2,723,057)	43,109,703
(618,422)	779,946	(1,294,599)	1,070,035
-	-	-	-
(335,366)	1,125,000	-	-
(335,366)	1,125,000	-	-
(953,788)	1,904,946	(1,294,599)	1,070,035
(164,115)	28,930,139	(13,714,081)	21,264,286
\$ (1,117,903)	\$ 30,835,085	\$ (15,008,680)	\$ 22,334,321

IOWA CENTRAL COMMUNITY COLLEGE

UNRESTRICTED FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 EDUCATION AND SUPPORT
 Year Ended June 30, 2007

	Education			
	Liberal Arts and Sciences	Vocational Technical	Adult Education	Cooperative Services
Revenues:				
State appropriations	\$ 5,402,806	\$ 2,109,432	\$ 1,211,619	\$ -
Tuition and fees	7,161,226	3,356,527	1,807,753	1,152,296
Property tax	-	-	-	-
Federal appropriations	-	260,099	272,471	69,610
Sales and services	-	4,671	187,542	4,238
Interest on investments	-	-	-	-
Miscellaneous	-	55,830	72,594	-
	12,564,032	5,786,559	3,551,979	1,226,144
Allocation of support services	1,109,753	621,460	466,096	22,195
Total revenues	13,673,785	6,408,019	4,018,075	1,248,339
Expenditures:				
Salaries and benefits	4,649,179	3,931,006	1,695,640	829,816
Services	775,393	411,540	495,784	326,456
Materials and supplies	46,421	192,382	99,842	53,358
Travel	14,948	19,820	28,888	9,454
Plant asset acquisitions	-	99,973	-	-
Loan cancellation and bad debts	-	-	-	107,128
Private scholarships	-	-	-	146,213
Miscellaneous	-	-	450	2,486
	5,485,941	4,654,721	2,320,604	1,474,911
Allocation of support services	5,705,616	3,195,145	2,396,359	114,112
Total expenditures	11,191,557	7,849,866	4,716,963	1,589,023

Schedule 3

General Adminis- tration	Support				Education and Support Total
	Student Services	Learning Resources	Physical Plant	General Institution	
\$ -	\$ -	\$ -	\$ -	\$ 71	\$ 8,723,928
-	57,467	-	-	178,671	13,713,940
1,049,840	-	-	-	-	1,049,840
-	28,879	-	-	-	631,059
95	7,819	572	145,970	345,625	696,532
362,921	-	-	-	-	362,921
41,035	75	465	-	-	169,999
1,453,891	94,240	1,037	145,970	524,367	25,348,219
(1,453,891)	(94,240)	(1,037)	(145,970)	(524,367)	-
-	-	-	-	-	25,348,219
694,476	2,700,670	214,404	1,148,083	1,325,924	17,189,198
336,688	382,054	16,908	1,301,429	887,743	4,933,995
16,992	87,210	66,663	862,806	348,328	1,774,002
20,573	51,463	2,318	387	78,818	226,669
-	-	-	126,793	-	226,766
115,576	-	-	-	-	222,704
-	-	-	-	-	146,213
15,388	359,961	-	-	249,577	627,862
1,199,693	3,581,358	300,293	3,439,498	2,890,390	25,347,409
(1,199,693)	(3,581,358)	(300,293)	(3,439,498)	(2,890,390)	-
-	-	-	-	-	25,347,409

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE

UNRESTRICTED FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 EDUCATION AND SUPPORT
 Year Ended June 30, 2007

	Education			
	Liberal Arts and Sciences	Vocational Technical	Adult Education	Cooperative Services
Excess (deficiency) of revenues over (under) expenditures	\$ 2,482,228	\$ (1,441,847)	\$ (698,888)	\$ (340,684)
Transfers:				
Mandatory transfers	-	-	-	-
Non-mandatory transfers	-	(13,133)	-	-
Total transfers	-	(13,133)	-	-
Net	\$ 2,482,228	\$ (1,454,980)	\$ (698,888)	\$ (340,684)
Fund balance beginning of year				
Fund balance end of year				

See accompanying Independent Auditor's Report.

**Schedule 3
(Continued)**

Support					Education and Support Total
General Adminis- tration	Student Services	Learning Resources	Physical Plant	General Institution	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 810
-	-	-	-	-	-
-	-	-	-	87,630	74,497
-	-	-	-	87,630	74,497
\$ -	\$ -	\$ -	\$ -	\$ 87,630	75,307
					1,490,988
					\$ 1,566,295

IOWA CENTRAL COMMUNITY COLLEGE

UNRESTRICTED FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 AUXILIARY ENTERPRISES
 Year Ended June 30, 2007

	Bookstore	Career Education	Self- Insurance Program	Dormitories
Revenues:				
Tuition and fees	\$ -	\$ -	\$ -	\$ 65,400
Sales and services	2,143,353	82,910	2,962,223	3,026,334
Total revenues	2,143,353	82,910	2,962,223	3,091,734
Expenditures:				
Salaries and benefits	130,817	6,640	-	177,277
Services	280,931	63,450	2,458,097	1,119,384
Materials and supplies	5,364	97,244	-	251,942
Travel	-	-	-	17
Plant asset acquisitions	-	-	-	22,379
Interest on indebtedness	-	-	-	490,352
Cost of goods sold	1,641,575	-	-	-
Miscellaneous	-	41,705	-	-
Total expenditures	2,058,687	209,039	2,458,097	2,061,351
Excess of revenues over expenditures	84,666	(126,129)	504,126	1,030,383
Transfers:				
Non-mandatory transfers	(350,000)	(7,817)	-	(490,000)
Net	(265,334)	(133,946)	504,126	540,383
Fund balances beginning of year	703,126	(161,623)	2,150,309	737,134
Fund balances end of year	\$ 437,792	\$ (295,569)	\$ 2,654,435	\$ 1,277,517

See accompanying Independent Auditor's Report.

Schedule 4

Miscellaneous		Total	
\$	13,832	\$	79,232
	664,285		8,879,105
	678,117		8,958,337
	197,467		512,201
	4,664		3,926,526
	460,799		815,349
	-		17
	14,375		36,754
	-		490,352
	-		1,641,575
	-		41,705
	677,305		7,464,479
	812		1,493,858
	-		(847,817)
	812		646,041
	(13,569)		3,415,377
\$	(12,757)	\$	4,061,418

IOWA CENTRAL COMMUNITY COLLEGE

**RESTRICTED FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended June 30, 2007**

	Scholarships and Grants	Equipment Replacement	Insurance
Revenues:			
State appropriations	\$ 291,858	\$ -	\$ -
Property tax	-	466,634	331,035
Federal appropriations	3,683,833	-	-
Sales and services	-	-	-
Interest on investments	-	-	-
Iowa Industrial New Jobs Training Program	-	-	-
Miscellaneous	646	-	-
Total revenues	3,976,337	466,634	331,035
Expenditures:			
Salaries and benefits	-	-	-
Services	-	-	230,612
Materials and supplies	-	279,225	-
Travel	-	-	-
Interest on indebtedness	-	-	-
Federal Pell Grant program	3,455,627	-	-
Federal Supplemental Educational Opportunity Grant	226,156	-	-
Iowa College Student Aid Commission	291,858	-	-
Academic Competitiveness Grant	2,050	-	-
Remittance to State Treasury	-	-	-
Miscellaneous	177,526	168,600	-
Total expenditures	4,153,217	447,825	230,612

Early Retirement	Unemployment Compensation	Cash Reserve	Tort Liability	Workforce Investment Act	Iowa Industrial New Jobs Training Program
\$ -	\$ -	\$ -	\$ -	\$ 1,615	\$ -
312,032	26,152	-	321,598	-	-
-	-	-	-	90,307	-
-	-	-	-	15,192	-
-	-	-	-	-	-
-	-	-	-	-	2,073,371
-	-	-	-	-	-
312,032	26,152	-	321,598	107,114	2,073,371
442,716	42,489	-	319,367	8,692	-
-	-	-	-	61,733	1,504,903
-	-	-	-	19,920	-
-	-	-	-	1,266	-
-	-	-	-	-	568,468
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	15,503	-
442,716	42,489	-	319,367	107,114	2,073,371

(Continued on next page)

Schedule 5

Miscellaneous	Total
\$ 1,352,092	\$ 1,645,565
-	1,457,451
1,182,893	4,957,033
968,827	984,019
487,602	487,602
-	2,073,371
-	646
<u>3,991,414</u>	<u>11,605,687</u>
2,006,148	2,819,412
386,407	2,183,655
190,407	489,552
80,923	82,189
-	568,468
-	3,455,627
-	226,156
-	291,858
-	2,050
-	-
416,940	778,569
<u>3,080,825</u>	<u>10,897,536</u>

IOWA CENTRAL COMMUNITY COLLEGE

RESTRICTED FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended June 30, 2007

	Scholarships and Grants	Equipment Replacement	Insurance
Excess (deficiency) of revenues	\$ (176,880)	\$ 18,809	\$ 100,423
Transfers:			
Non-mandatory transfers	177,526	-	-
Net	646	18,809	100,423
Fund balance beginning of year	1,706	109,867	280,855
Fund balance end of year	\$ 2,352	\$ 128,676	\$ 381,278

See accompanying Independent Auditor's Report.

Early Retirement	Unemployment Compensation	Cash Reserve	Tort Liability	Workforce Investment Act	Iowa Industrial New Jobs Training Program
\$ (130,684)	\$ (16,337)	\$ -	\$ 2,231	\$ -	\$ -
-	-	-	-	-	-
(130,684)	(16,337)	-	2,231	-	-
202,383	33,781	319,603	333,109	-	270,468
\$ 71,699	\$ 17,444	\$ 319,603	\$ 335,340	\$ -	\$ 270,468

**Schedule 5
(Continued)**

Miscellaneous	Total
\$ 910,589	\$ 708,151
(193,840)	(16,314)
716,749	691,837
(249,738)	1,302,034
<u>\$ 467,011</u>	<u>\$ 1,993,871</u>

AGENCY FUNDS
SCHEDULE OF CHANGES IN DEPOSITS
HELD IN CUSTODY FOR OTHERS
Year Ended June 30, 2007

	Athletics and Student Organizations	Retraining Program	Miscellaneous	Total
Balances beginning of year	\$ 75,433	\$ 215,414	\$ 816,378	\$ 1,107,225
Additions:				
State appropriations	-	134,785	2,209	136,994
Tuition and fees	43,893	-	433,549	477,442
Sales and services	79,132	-	244,255	323,387
Interest on investments	-	27,253	27,422	54,675
Miscellaneous	1,194,597	-	144,321	1,338,918
Total additions	1,317,622	162,038	851,756	2,331,416
Deductions:				
Services	172,065	260,393	109,223	541,681
Materials and supplies	320,524	-	99,674	420,198
Travel	270,179	-	86,567	356,746
Scholarships	399,138	-	46,649	445,787
Miscellaneous	12,487	-	682,929	695,416
Total deductions	1,174,393	260,393	1,025,042	2,459,828
Balances end of year	\$ 218,662	\$ 117,059	\$ 643,092	\$ 978,813

See accompanying Independent Auditor's Report.

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF CREDIT AND CONTACT HOURS

Year Ended June 30, 2007

Category	Credit Hours		Total
	Eligible for Aid	Not Eligible for Aid	
Arts and Sciences	75,700	-	75,700
Vocational Education	32,705	-	32,705
Adult Education/Continuing Education	-	-	-
Cooperative Programs/Services	-	-	-
Related Services and Activities	-	-	-
	<u>108,405</u>	<u>-</u>	<u>108,405</u>

See accompanying Independent Auditor's Report.

Schedule 7

Contact Hours		
Eligible for Aid	Not Eligible for Aid	Total
1,741,008	-	1,741,008
990,445	-	990,445
487,177	237,197	724,374
-	28,161	28,161
-	-	-
3,218,630	265,358	3,483,988

IOWA CENTRAL COMMUNITY COLLEGE

**SCHEDULE OF TAX AND INTERGOVERNMENTAL REVENUES
For the Last Five Years**

	Years Ended June 30,		
	2007	2006	2005
Local (property tax)	\$ 3,557,131	\$ 4,326,970	\$ 3,716,759
State	10,588,190	10,232,644	8,436,420
Federal	5,588,092	6,545,688	6,420,694
Total	\$ 19,733,413	\$ 21,105,302	\$ 18,573,873

See accompanying Independent Auditor's Report.

Schedule 8

	2004		2003
\$	3,667,753	\$	3,690,385
	8,146,823		8,031,162
	6,253,707		5,763,056
\$	18,068,283	\$	17,484,603

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF CURRENT FUND REVENUES BY SOURCE
AND EXPENDITURES BY FUNCTION

For the Last Five Years

	Years Ended June 30,		
	2007	2006	2005
Revenues:			
State appropriations	\$ 10,369,493	\$ 9,391,912	\$ 8,436,420
Tuition and fees	13,713,940	12,008,732	11,194,233
Property tax	2,507,291	3,313,307	2,713,047
Federal appropriations	5,588,092	6,143,591	5,687,324
Sales and services	1,680,551	1,453,867	1,034,224
Interest on investments	850,523	782,516	403,503
Iowa Industrial New Jobs Training Program	2,073,371	2,125,884	2,446,804
Auxiliary enterprises	8,958,337	7,658,956	7,006,616
Miscellaneous	170,645	200,508	208,799
Total	\$ 45,912,243	\$ 43,079,273	\$ 39,130,970
Expenditures:			
Liberal arts and sciences	\$ 5,485,941	\$ 4,634,294	\$ 4,302,081
Vocational technical	5,130,353	4,880,693	4,479,277
Adult education	2,600,410	2,395,313	2,291,070
Cooperative services	3,548,282	3,303,993	3,430,094
Administration	1,472,722	1,076,106	1,268,979
Student services	3,581,358	3,583,769	3,110,119
Learning resources	300,293	332,257	327,582
Physical plant	3,670,110	3,127,923	2,744,741
General institution	6,195,145	6,322,947	5,295,762
Auxiliary enterprises	7,464,479	6,079,921	5,539,102
Scholarships and grants	4,153,217	3,850,833	4,174,065
Workforce Investment Act	107,114	267,185	420,187
Total	\$ 43,709,424	\$ 39,855,234	\$ 37,383,059

See accompanying Independent Auditor's Report.

Schedule 9

	2004	2003
\$	8,146,823	\$ 8,031,162
	10,094,979	9,468,100
	2,478,962	2,516,079
	6,253,707	5,763,056
	1,120,455	795,362
	203,617	233,853
	2,178,176	1,589,859
	6,591,754	6,084,478
	123,583	194,835
\$	37,192,056	\$ 34,676,784

\$	4,239,682	\$ 4,150,928
	4,534,697	4,508,996
	2,263,284	2,087,055
	2,994,983	2,407,870
	1,328,303	1,153,428
	2,927,490	2,795,901
	313,242	322,655
	2,355,202	2,129,556
	5,099,828	3,450,649
	5,905,512	5,348,539
	4,347,639	4,338,161
	545,466	743,400
\$	36,855,328	\$ 33,437,138

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2007

Grantor/Program	CFDA Number	Program Expenditures	New Loans and New Loan Guarantees
Direct:			
U.S. Department of Education:			
Student Financial Aid - cluster:			
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007	\$ 183,331	\$ -
Federal Family Education Loans	84.032	-	10,243,418
Federal Work-Study Program (FWS)	84.033	133,688	-
Federal Pell Grant Program	84.063	3,455,627	-
Federal Academic Competitiveness Grant	84.375	2,050	-
		3,774,696	10,243,418
TRIO Student Support Services	84.042A	228,172	-
Title III	84.031A	369,353	-
Discretionary Grants Program	16.580	291,603	-
U.S. Department of Labor:			
Advanced Manufacturing Center	17.261	135,480	-
Total direct		4,799,304	10,243,418

(Continued on next page)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2007

Grantor/Program	CFDA Number	Program Expenditures	New Loans and New Loan Guarantees
Indirect:			
U.S. Department of Labor:			
Indirect through Iowa Workforce Development:			
WIA-Adult Program	17.258	3,481	\$ -
WIA-Youth Activities	17.259	4,090	-
WIA-Dislocated Workers	17.260	3,526	-
Disabled Veterans' Outreach Program (DVOP)	17.801	1,615	-
Indirect through Iowa Department of Education:			
Mine Health and Safety Grants	17.600	5,808	-
Family Literacy Grant	16.267	25,500	-
U.S. Department of Education:			
Indirect through the Iowa Department of Education:			
Adult Education - State Grant Program	84.002	246,567	-
Tech-Prep Education	84.243A	87,467	-
Vocational Education - Basic Grant to States:			
Title II-B Program Improvement	84.048A	334,966	-
Vocational Prep - Corrections	84.048A	7,700	-
Cultural Diversity	84.048A	4,579	-
Gender Diversity	84.048A	5,000	-

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the accompanying financial statements of Iowa Central Community College, Fort Dodge, Iowa, and the discretely presented component unit as of and for the year ended June 30, 2007, which collectively comprise the College's basic financial statements listed in the table of contents, and have issued our report thereon dated December 27, 2007. We conducted our audit in accordance with U.S. generally accepted auditing standards 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 Iowa Central Community College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Iowa Central Community College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Iowa Central Community College's internal control over financial reporting.

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

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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We don't consider the significant deficiency described above to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Iowa Central Community College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the College's operations for the year ended June 30, 2007 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 Iowa Centrals, 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.

Iowa Central Community College's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we expressed our conclusions on the College's responses, we did not audit Iowa Central Community College's responses and, accordingly, we express no opinion on them.

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

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Iowa Central Community College during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Fort Dodge, Iowa
December 27, 2007



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

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

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

Compliance

We have audited the compliance of Iowa Central Community College, Fort Dodge, Iowa, with the types of compliance requirements described in 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, 2007. Iowa Central Community College's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of Iowa Central Community College's management. Our responsibility is to express an opinion on Iowa Central Community College's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, 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 non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Iowa Central Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Iowa Central Community College's compliance with those requirements.

In our opinion, Iowa Central Community College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of Iowa Central Community College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered Iowa Central Community College's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Iowa Central Community College's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the College's internal control that might be significant deficiencies or material weaknesses as defined below. We identified no deficiencies in internal control over compliance that we consider to be material weaknesses.

A control deficiency in the College's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies that adversely affects the College's ability to administer a federal program such that there is more than a remote likelihood noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the College's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the College's internal control.

Iowa Central Community College's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we expressed our conclusions on the College's responses, we did not audit Iowa Central Community College's responses and, accordingly, we express no opinion on them.

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

A handwritten signature in blue ink that reads "Arthur Company C.C.P." in a cursive style.

Fort Dodge, Iowa
December 27, 2007

**IOWA CENTRAL COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2007**

Part I: Summary of the Independent Auditor's Results

- (A) An unqualified opinion was issued on the financial statements.
- (B) A significant deficiency in internal control over financial reporting was 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 significant deficiencies in internal control over major programs were disclosed by the audit of the financial statements.
- (E) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (F) The audit disclosed no audit findings that were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (G) Major programs were as follows:
 - Student Financial Aid - Cluster:
 - CFDA Number 84.007 - Federal Supplemental Educational Opportunity Grants
 - CFDA Number 84.033 - Federal Work-Study Program
 - CFDA Number 84.063 - Federal Pell Grant Program
 - CFDA Number 84.032 - Federal Family Education Loans
 - CFDA Number 84.375- Federal Academic Competitiveness Grant
- (H) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (I) Iowa Central Community College qualified as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

INSTANCES OF NONCOMPLIANCE:

No matters were reported.

SIGNIFICANT DEFICIENCIES:

II-A-07 Satellite Campus Receipt Controls - An important aspect of internal control is the segregation of duties among employees so that the activities of one employee act as a check on those of another. No employee should be responsible for an entire transaction cycle.

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

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

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

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

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

Conclusion - Response accepted.

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NON-COMPLIANCE AND SIGNIFICANT DEFICIENCIES:

No matters were reported.

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-07 Certified Budget - Expenditures for the year ended June 30, 2007 did not exceed the amounts budgeted.
- IV-B-07 Questionable Expenditures - No expenditures that did not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-C-07 Travel Expense - No expenditures of Community College money for travel expenses of spouses of Community College officials or employees were noted. No travel advances to Community College officials or employees were noted.
- IV-D-07 Business Transactions - No business transactions between the Community College and Community College officials or employees were noted.
- IV-E-07 Bond Coverage - Surety bond coverage of Community College officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- IV-F-07 Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-G-07 Publication - The Community College published a statement showing the receipts and disbursements of all funds, including the names of all persons, firms or corporations to which disbursements were made, as required by Section 260C.14(12) of the Code of Iowa.
- IV-H-07 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the College's investment policy were noted.
- IV-I-07 Credit/Contact Hours - Eligible credit and contact hours reported to the Iowa Department of Education by the Community College were supported by detailed records maintained by the Community College.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Iowa Central Community College during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



Fort Dodge, Iowa
December 27, 2007