

WESTERN IOWA TECH COMMUNITY COLLEGE
SIOUX CITY, IOWA

INDEPENDENT AUDITORS' REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION
SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

JUNE 30, 2008

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WESTERN IOWA TECH COMMUNITY COLLEGE

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Directors (<u>After September, 2007 Election</u>)		
Dr. Robert Rasmus	President	2010
Russell Wray	Vice President	2009
Deborah Cook	Member	2010
Derrick Franck	Member	2008
Curt Grigg	Member	2008
Michael Hunter	Member	2009
Norman Lang	Member	2010
William Lyle	Member	2008
Eldon Schroder	Member	2008

Board of Directors
(Before September, 2007 Election)

Dr. Robert Rasmus	President	2007
Russell Wray	Vice President	2006
Deborah Cook	Member	2007
Derrick Franck	Member	2008
Curt Grigg	Member	2008
Michael Hunter	Member	2006
Norman Lang	Member	2007
William Lyle	Member	2008
Eldon Schroder	Member	2008

Community College

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

WESTERN IOWA TECH COMMUNITY COLLEGE

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of net assets, and the related statements of revenues, expenses and changes in net assets and cash flows, of WESTERN IOWA TECH COMMUNITY COLLEGE, as of and for the year ended June 30, 2008. These financial statements are the responsibility of Community College management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Western Iowa Tech Community College at June 30, 2008, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

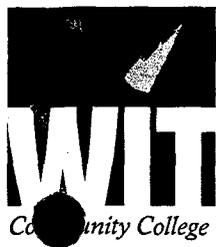
In accordance with Government Auditing Standards, we have also issued our report dated November 25, 2008, on our consideration of Western Iowa Tech Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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 on pages 4 through 10 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. 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 Western Iowa Tech 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, 2007, (none of which are presented herein), and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 11, including the Schedule of Expenditures of Federal Awards required by the U. S. Office of Management and Budget (OMB) Circular A-133, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Henges, Conner & Williams, P.C.
Certified Public Accountants

Sioux City, Iowa
November 25, 2008



Western Iowa Tech
Community College

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Cherokee Campus
& Conference Center

Denison Campus

Le Mars Center

Mapleton Center

Sioux City Campus

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of Western Iowa Tech Community College provides this Management's Discussion and Analysis of the Community College's annual financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2008. We would encourage the reader to consider this information in conjunction with the Community College's financial statements which follow.

FINANCIAL HIGHLIGHTS

- Operating revenues increased 24.3%, or approximately \$5,348,204, from fiscal year 2007 (FY07). Tuition and fees, federal appropriation, Iowa Industrial New Jobs Training Program (NJTP), auxiliary enterprises and miscellaneous revenues increased while sales and services revenue decreased.
- Operating expenses were 17.2%, or approximately \$6,040,005, more in FY08 than in FY07. Liberal arts and sciences, vocational technical, adult education, cooperative services, administration, student services, learning resources, physical plant, general institution, auxiliary enterprises, scholarships and grants and depreciation increased while workforce investment act and bad debts and collection costs decreased.
- Net non-operating revenue increased 5.2%, or approximately \$738,626, from FY07 mainly due to an increase in state appropriations and property tax as well as a decrease in interest on indebtedness.
- The Community College's net assets increased 5.4%, or approximately \$1,259,587 from FY07.

USING THIS ANNUAL REPORT

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

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

The basic financial statements consist of a statement of net assets, statement of revenues, expenses and changes in net assets and a statement of cash flows. These provide information about the activities of the Community College as a whole and present an overall view of the Community 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.

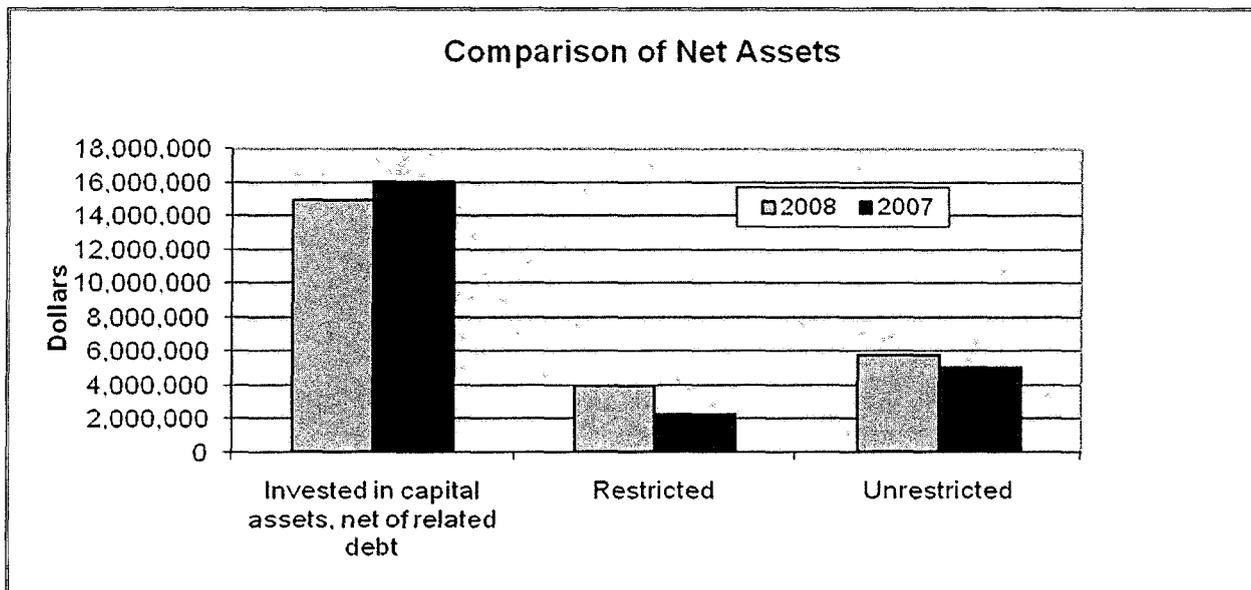
Other supplementary information provides a comparison of the College's budget for the year and detailed information about the individual funds. In addition, the schedule of expenditures of federal awards provides details of various programs benefiting the College.

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 Community College as a whole, as of June 30, 2008 which is 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 Community 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 Community 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 Community College owes to outside vendors and creditors. The statement also presents the available assets that can be used to satisfy those liabilities.

	Net Assets	
	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Current assets	\$33,509,179	\$29,621,950
Capital assets, net of accumulated depreciation	24,602,473	18,272,340
Other assets	<u>1,227,203</u>	<u>1,158,294</u>
Total assets	<u>59,338,855</u>	<u>49,052,584</u>
Current liabilities	16,521,438	14,757,919
Non-current liabilities	<u>18,187,898</u>	<u>10,924,733</u>
Total liabilities	<u>34,709,336</u>	<u>25,682,652</u>
Net assets:		
Invested in capital assets, net of related debt	14,932,473	16,067,340
Restricted	3,969,808	2,268,366
Unrestricted	<u>5,727,238</u>	<u>5,034,226</u>
Total net assets	<u>24,629,519</u>	<u>23,369,932</u>
Total Liabilities and Net Assets	<u>\$59,338,855</u>	<u>\$49,052,584</u>



The largest portion of the Community College's net assets (61%) 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 (16%) includes resources that are subject to external restrictions. The remaining net assets (23%) are the unrestricted net assets that can be used to meet the Community College's obligations as they come due.

Statement of Revenues, Expenses and Changes in Net Assets

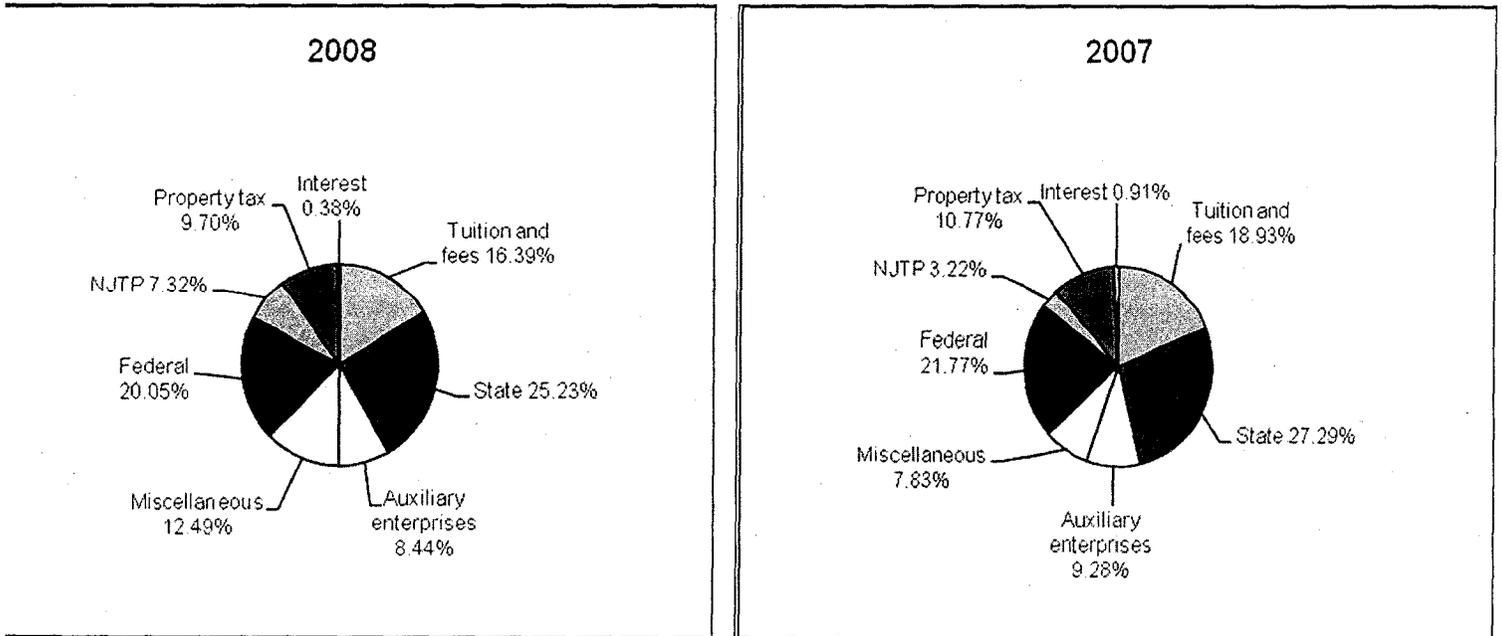
Changes in total net assets as presented on the Statement of Net Assets are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Assets. The purpose of the statement is to present the revenues received by the Community College, both operating and non-operating, and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

In general, a public community college, such as Western Iowa Tech 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 constituencies of the Community 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 Community College. Non-operating revenues are revenues received for which goods and services are not directly provided. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life.

	Changes in Net Assets	
	Year Ended <u>June 30, 2008</u>	Year Ended <u>June 30, 2007</u>
Operating revenue:		
Tuition and fees, net	\$6,957,991	\$6,881,639
Federal appropriations	8,511,077	7,914,908
Sales and services	98,934	121,751
Iowa Industrial New Jobs Training Program	3,104,955	1,171,738
Auxiliary enterprises	3,582,384	3,374,540
Miscellaneous	<u>5,109,337</u>	<u>2,551,898</u>
Total operating revenue	<u>27,364,678</u>	<u>22,016,474</u>
Total operating expenses	41,184,799	35,144,794
Operating loss	<u>(13,820,121)</u>	<u>(13,128,320)</u>
Non-operating revenues (expenses)		
State appropriations	10,707,286	9,921,957
Property tax	4,116,197	3,916,092
Earnings on investments	691,746	902,877
Gifts and Grants	86,412	144,986
Gain (Loss) on sale of capital assets	6,980	28,641
Interest on indebtedness	<u>(528,913)</u>	<u>(573,471)</u>
Net non-operating revenues	<u>15,079,708</u>	<u>14,341,082</u>
Increase in net assets	1,259,587	1,212,762
Net assets at the beginning of the year	<u>23,369,932</u>	<u>22,157,170</u>
Net assets at the end of the year	<u>\$24,629,519</u>	<u>\$23,369,932</u>

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

Total Revenues by Source



In fiscal year 2008, operating revenues increased by approximately \$5,348,204 or 24.3%. The increase was a result of the following changes:

Tuition and fees, net of scholarship allowances, increased by approximately \$76,352 due to a modest tuition increase offset by a slight decline in enrollment.

Federal revenues increased by \$596,169 mainly due to an increase in the federal Department of Labor grant.

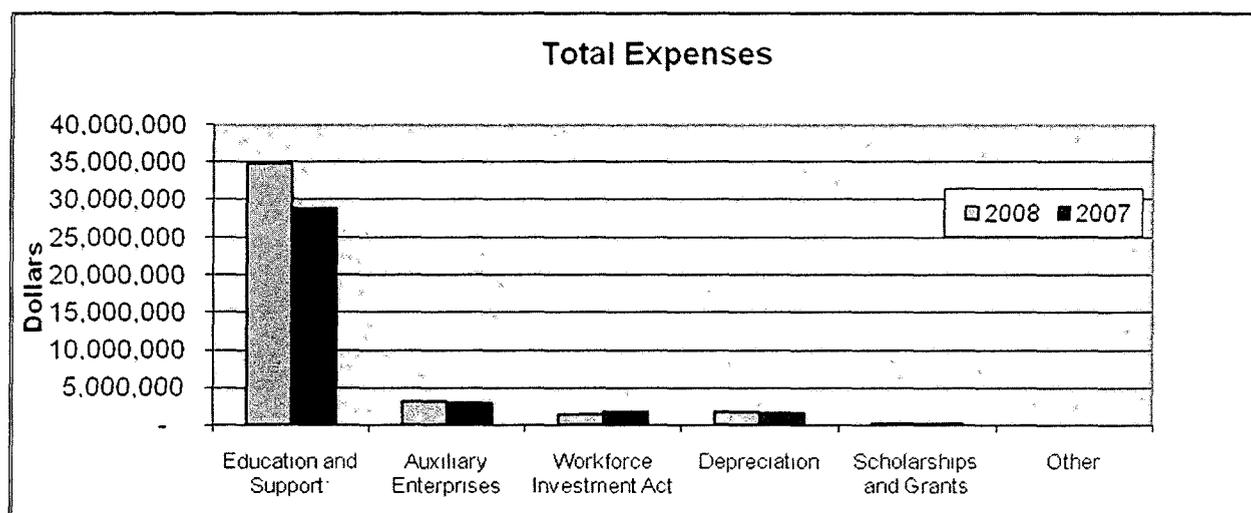
The Iowa Industrial New Jobs Training Program (NJTP) increased by \$1,933,217 mainly due to having a larger bond issue than the previous year.

Auxiliary enterprises revenue increased by approximately \$207,844 due mostly to an increase in students purchasing books and supplies as well as increased dormitory occupancy and cafeteria sales.

Miscellaneous revenues increased by approximately \$2,557,439 due to the New Jobs Training Program (NJTP). Additional information is presented in Note 12 to the financial statements.

Operating Expenses

	Year Ended <u>June 30, 2008</u>	Year Ended <u>June 30, 2007</u>
Education and Support:		
Liberal Arts and Sciences	\$3,516,265	\$2,851,262
Vocational Technical	7,596,623	7,463,560
Adult Education	2,018,411	2,004,817
Cooperative Services	6,500,618	1,927,432
Administration	1,779,911	1,668,920
Student Services	1,759,830	1,548,750
Learning Resources	279,383	269,115
Physical Plant	5,316,176	5,132,800
General Institution	6,016,614	5,996,195
Auxiliary Enterprises	3,061,656	2,951,213
Scholarships and Grants	252,116	160,720
Workforce Investment Act	1,446,775	1,691,515
Bad Debts and Collection Costs	(341)	(283)
Depreciation	<u>1,640,762</u>	<u>1,478,778</u>
Total	<u>\$41,184,799</u>	<u>\$35,144,794</u>



In fiscal year 2008, operating expenses increased by approximately \$6,040,005 or 17.2%. The following factors explain some of the changes:

Liberal arts and sciences, vocational technical and adult education, the three functions relating to student instruction, increased approximately \$811,660. This was due to the increasing costs of salaries and benefits, materials, supplies and equipment needs.

Cooperative services increased by approximately \$4,573,186 as a result of increased training expenditures associated with the New Jobs Training Program bond issues. These expenses are dependent on the needs of the participating companies.

Statement of Cash Flows

A statement included in Western Iowa Tech Community College's basic financial statements is the Statement of Cash Flows. This Statement of Cash Flows is an important tool in helping users assess the Community 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 and related financing and investing activities.

	Cash Flows	
	Year Ended <u>June 30, 2008</u>	Year Ended <u>June 30, 2007</u>
Cash provided (used) by:		
Operating Activities	\$(13,245,640)	\$(9,950,996)
Non-capital Financing Activities	14,880,184	12,935,516
Capital and Related Financing Activities	(513,908)	(2,064,296)
Investing Activities	<u>791,242</u>	<u>565,456</u>
Net Increase (Decrease) in Cash	1,911,878	1,485,680
Cash at the beginning of the year	<u>20,269,051</u>	<u>18,783,371</u>
Cash at the end of the year	<u>\$22,180,929</u>	<u>\$20,269,051</u>

Cash used by operating activities includes tuition and fees, grants and contracts, New Jobs Training Program (NJTP), and auxiliary enterprise, net of payments to employees, suppliers and to NJTP recipients. Cash provided by non-capital financing activities includes state appropriations, local property tax received by the Community College and gifts and grants as well as agency fund receipts and disbursements. Cash provided by capital and related financing activities represent the proceeds from debt, the principal and interest payments on debt and the purchase of capital assets. Cash used by investing activities includes investment income received as well as investment activities.

CAPITAL ASSETS

At June 30, 2008, the Community College had approximately \$24.6 million invested in capital assets, net of accumulated depreciation of \$23.3 million. Depreciation charges totaled \$1,640,762 for Fiscal Year 2008. Details of the capital assets are shown below.

Capital Assets, Net, at Year End

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Land	\$ 487,184	\$ 480,784
Buildings	14,568,900	15,371,532
Construction in progress	7,223,806	487,830
Furniture and equipment	<u>2,322,583</u>	<u>1,932,194</u>
Total	<u>\$24,602,473</u>	<u>\$18,272,340</u>

Planned capital expenditures for the fiscal year to end June 30, 2009 and beyond include the completion of construction of The Security Institute building. This project will be funded with state funds. The Community College will spend approximately \$1.0 million for the construction of the \$6.2 million cost of the facility. The College completed the construction on a \$9.0 million student dormitory in the fall of 2008. Funding came from a dormitory revenue bond. More detailed information about the Community College's capital assets is presented in Note 4 to the financial statements.

DEBT

At June 30, 2008, the Community College had \$19.8 million in debt outstanding, an increase of \$7,810,000 from 2007. The majority of the increase is due to new dormitory revenue bond. The table below summarizes these amounts by type.

Outstanding Debt

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
NJTP certificates payable	\$10,140,000	\$9,795,000
Bonds payable	8,380,000	180,000
Capital loan notes payable	<u>1,290,000</u>	<u>2,025,000</u>
Total	<u>\$19,810,000</u>	<u>\$12,000,000</u>

More detailed information about the Community College's outstanding debt is presented in Note 6 to the financial statements.

ECONOMIC FACTORS

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

State aid for fiscal year 2009 is expected to increase approximately \$672,284 over the prior year. This increase provides some relief toward increased costs.

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

Facilities at the Community College will continue to require constant maintenance and upkeep as well as the increased costs for The Security Institute building project which is expected to be completed by January, 2009.

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

The Community College anticipates the current fiscal year will be much like the last and will maintain a close watch over resources to maintain the Community College's ability to react to unknown issues as offset by an increase in enrollment for the fall semester.

CONTACTING THE COMMUNITY COLLEGE'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF NET ASSETS

JUNE 30, 2008

ASSETS

CURRENT ASSETS

Cash and Pooled Investments - Note 2	\$ 22,180,929
Receivables:	
Accounts (Net of Allowance of \$222,628)	2,256,345
Property Tax	4,825,299
Pledges	98,120
Due from Other Governments	1,187,463
Inventories - Note 3	908,567
Prepaid Expenses	2,052,456

Total Current Assets

\$ 33,509,179

CAPITAL ASSETS

Capital Assets, Net of Accumulated Depreciation - Note 4 ...	\$ 24,602,473
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OTHER ASSETS

Other Investments - Note 2	\$ 1,038,048
Pledges Receivable	<u>189,155</u>

Total Other Assets

\$ 1,227,203

Total Assets

\$ 59,338,855

LIABILITIES AND NET ASSETSCURRENT LIABILITIES

Payables:

Accounts	\$ 2,898,715
Iowa Industrial New Jobs Training Program	
Salaries and Benefits Payable	1,161,132
Accrued Interest	74,104
Deferred Revenue	7,337,306
Early Retirement Payable - Note 14	315,555
Compensated Absences	606,138
Deposits Refundable	13,852
Deposits Held in Custody for Others	1,677,419
Certificates Payable - Note 6	1,395,000
Bonds Payable - Note 6	135,000
Notes Payable - Note 6	<u>755,000</u>

Total Current Liabilities \$ 16,369,221

OTHER LIABILITIES

Iowa Industrial New Jobs Training Program Payable	\$ 152,217
Early Retirement Payable - Note 14	662,898
Certificates Payable - Note 6	8,745,000
Bonds Payable - Note 6	8,245,000
Notes Payable - Note 6	<u>535,000</u>

Total Other Liabilities \$ 18,340,115

Total Liabilities \$ 34,709,336

NET ASSETS

Invested in Capital Assets, Net of Related Debt	\$ 14,932,473
Restricted	
Expendable:	
Scholarships and Grants	\$ 147
Loans	139,835
Debt Service	3,931,783
Cash Reserve	678,851
Other	(<u>780,808</u>)

Total Restricted Expendable \$ 3,969,808

Unrestricted \$ 5,727,238

Total Net Assets \$ 24,629,519

Total Liabilities and Net Assets \$ 59,338,855

See Accompanying Notes to Financial Statements

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2008

OPERATING REVENUES:

Tuition and Fees, Net of Scholarship Allowances of \$4,142,593	\$ 6,957,991
Federal Appropriations	8,511,077
Sales and Services	98,934
Iowa Industrial New Jobs Training Program	3,104,955
Auxiliary Enterprises Revenue	3,582,384
Miscellaneous	<u>5,109,337</u>
Total Operating Revenues	\$ 27,364,678

OPERATING EXPENSES:

Education and Support:	
Liberal Arts and Sciences	\$ 3,516,265
Vocational Technical	7,596,623
Adult Education	2,018,411
Cooperative Services	6,500,618
Administration	1,779,911
Student Services	1,759,830
Learning Resources	279,383
Physical Plant	5,316,176
General Institution	6,016,614
Auxiliary Enterprises	3,061,656
Scholarships and Grants	252,116
Workforce Investment Act	1,446,775
Bad Debts and Collection Costs (Recoveries)	(341)
Depreciation	<u>1,640,762</u>
Total Operating Expenses	\$ <u>41,184,799</u>
Operating (Loss)	\$ (13,820,121)

NON-OPERATING REVENUES (EXPENSES)

State Appropriations	\$ 10,707,286
Property Tax	4,116,197
Earnings on Investments	691,746
Gifts and Grants	86,412
Gain on Sale of Capital Assets	6,980
Interest on Indebtedness	(<u>528,913</u>)
Net Non-Operating Revenues	\$ 15,079,708
Increase in Net Assets	\$ 1,259,587
Net Assets Beginning of Year	<u>23,369,932</u>
Net Assets End of Year	\$ <u>24,629,519</u>

See Accompanying Notes to Financial Statements

STATEMENT OF CASH FLOWSFOR THE YEAR ENDED JUNE 30, 2008CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and Fees	\$ 6,253,392
Federal Appropriations	8,230,499
Iowa Industrial New Jobs Training Program	3,104,955
Payments to Employees for Salaries and Benefits	(21,668,452)
Payments to Suppliers for Goods and Services	(11,310,973)
Payments to NJTP Recipients	(6,393,600)
Scholarships	(252,116)
Auxiliary Enterprise Receipts	3,582,384
Other Receipts	<u>5,208,271</u>
Net Cash (Used) by Operating Activities	\$ (13,245,640)

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

State Appropriations	\$ 10,707,286
Property Tax	4,116,197
Gifts and Grants	71,412
Issuance of Debt	2,195,000
Principal Paid on Debt	(1,850,000)
Interest Paid on Debt	(464,295)
Agency Receipts	725,555
Agency Disbursements	(<u>620,971</u>)
Net Cash Provided by Non-Capital Financing Activities	\$ 14,880,184

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of Capital Assets	\$ (7,961,926)
Issuance of Debt	8,380,000
Principal Paid on Debt	(915,000)
Interest Paid on Debt	(29,992)
Proceeds from Sale of Capital Assets	<u>13,010</u>
Net Cash (Used) by Capital and Related Financing Activities	\$ (513,908)

CASH FLOWS FROM INVESTING ACTIVITIES

Earnings on Investments	\$ 691,746
Unrealized (Loss) on Investments	125,443
Purchase of Investments	(741,661)
Proceeds from Sale of Investments	<u>715,714</u>
Net Cash Provided by Investing Activities	\$ <u>791,242</u>

Net Increase in Cash and Cash Equivalents	\$ 1,911,878
Cash and Cash Equivalents - Beginning of Year	<u>20,269,051</u>
Cash and Cash Equivalents - End of Year	\$ <u>22,180,929</u>

NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES

Donated Equipment	\$ <u>15,000</u>
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See Accompanying Notes to Financial Statements

WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2008

RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED)

BY OPERATING ACTIVITIES

Operating (Loss)	\$(13,820,121)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities:	
Depreciation	1,640,762
Bad Debts and Collection Costs (Recoveries)	(341)
Changes in Assets and Liabilities:	
(Increase) in Accounts Receivable	(1,023,603)
(Increase) in Due from Other Governments	(280,578)
Decrease in Inventories	72,357
(Increase) in Prepaid Expenses	(9,150)
Increase in Accounts Payable	1,112,882
(Decrease) in Salaries and Benefits Payable	(7,886)
Increase in Deferred Operating Revenue	319,004
(Decrease) in Early Retirement Payable	(537,977)
Increase in Compensated Absences	41,931
Increase in Deposits Refundable	2,702
(Decrease) in Payable for Cost of Iowa Industrial New Jobs Training Program	(<u>755,622</u>)
Total Adjustments	<u>574,481</u>
Net Cash (Used) by Operating Activities	\$(<u>13,245,640</u>)

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

- A. Reporting Entity - For financial reporting purposes, Western Iowa Tech Community College has included all funds, organizations, agencies, boards, commissions and authorities. The Community 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 Community 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 Community 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 Western Iowa Tech Community College and its component unit, Western Iowa Tech Community College Foundation.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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

Western Iowa Tech Community College Foundation is a legally separate, tax-exempt foundation. The Foundation was established for the purpose of providing support to the Community College and scholarships for its students. Because the Foundation provides benefits exclusively to the Community College, its financial activities are included in deposits held in custody for others in these financial statements, and its assets are blended with those of the Community College. Significant financial data for the Foundation for the year ended June 30, 2008, is as follows:

Total Assets	.....	\$ 1,560,551
Total Liabilities	.....	\$ 2,142
Total Net Assets	.....	\$ 1,558,409
Total Revenues	.....	\$ 714,313
Total Expenses	.....	\$ 425,220

Foundation revenues and expenses include \$126,560 of in-kind support from the Community College, which has been eliminated in these financial statements. Foundation expenses include \$131,368 related to fundraising and \$293,852 in scholarships.

- B. Basis of Presentation - GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following four net asset categories:

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

Restricted Net Assets:

Nonexpendable - Net assets subject to externally-imposed stipulations that they be maintained permanently by the Community College, including the Community College's permanent endowment funds. Western Iowa Tech has no nonexpendable restricted net assets.

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

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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

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 Community 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 Community College. The effect of interfund activity has been removed from these statements.

C. Measurement Focus and Basis of Accounting - For financial reporting purposes, Western Iowa Tech Community 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 Community 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.

D. Assets, Liabilities and Net Assets

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

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

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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

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. It represents taxes for the succeeding year 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 auditors by June 1 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied.

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

Inventories - Inventories are valued at the lower of cost or market. Bookstore cost is determined using a percentage of retail (principally the first-in, first-out method). All other inventory costs are determined using the specific identification method. The cost is recorded as an expense at the time individual inventory items are consumed.

Capital Assets - Capital assets, which include land, buildings and improvements, 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 Community 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	\$ 25,000
Equipment and Vehicles	\$ 5,000

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.)

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements ..	30
Equipment	5 - 10
Vehicles	5

The Community 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.

Payable for Iowa Industrial New Jobs Training Programs (NJTP) - This represents the amount that has been remitted to the Community College for training projects entered into between the Community College and employers under the provisions of Chapter 260E of the Code of Iowa. The payable amount is based on reimbursements received through June 30, 2008, on NJTP projects, less interest incurred on NJTP certificates and expenses incurred on NJTP projects to date.

Salaries and Benefits Payable - Payroll and related expenses for instructors with annual contracts corresponding to the current academic year, which are payable in July and August, have been accrued as liabilities, as have payroll and related expenses for the portion of June salaries paid in July.

Deferred Revenue - Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the earnings process is not yet complete. Deferred revenue consists primarily of unspent grant proceeds, unearned administrative revenue and the succeeding year property tax receivable.

Compensated Absences - Community College employees accumulate a limited amount of earned but unused vacation benefits for subsequent use or for payment upon termination, death or retirement. Amounts representing the cost of compensated absences are recorded as liabilities. These liabilities have been computed based on rates of pay in effect at June 30, 2008.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.)

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.

Summer Session - The Community 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 Community College Registrar.

Auxiliary Enterprise Revenues - Auxiliary Enterprise revenues primarily represent revenues generated by the bookstore, parts department, cafeteria, and dormitories.

Operating and Non-Operating 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. Non-operating activities include state appropriations, property tax and investment income.

- E. 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 and funds provided to students as awarded by third parties) 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 Community 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.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.)

- F. Fundraising Expense - During the year ended June 30, 2008, KWIT-KOJI FM Radio conducted various fundraising activities. General institution operating expenses include \$35,829 related to fundraising.

- G. Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - CASH AND INVESTMENTS

The Community College's deposits in banks at June 30, 2008, were entirely covered by Federal depository insurance, government securities pledged by the banks as collateral on repurchase agreement accounts, or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The Community 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.

Included in the Community College's cash and pooled investments is \$10,201,824 which is designated for specific purposes, such as the Iowa Industrial New Jobs Training Program and student scholarships to be awarded by the Western Iowa Tech Community College Foundation.

Investments are stated at fair value. Mutual funds traded on a national exchange are valued at the last reported sales price.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Note 2 - CASH AND INVESTMENTS

(Cont.)

Investments held by Western Iowa Tech Community College Foundation at June 30, 2008, are as follows:

Mutual Funds	\$ 540,482
Certificates of Deposit	375,057
Money Market Funds	102,205
Government Securities	<u>20,304</u>
	\$ <u>1,038,048</u>

In addition, the Community College had investments in the Iowa Schools Joint Investment Trust which are valued at an amortized cost of \$3,954,838, pursuant to Rule 2a-7 under the Investment Company Act of 1940.

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

Credit Risk: The Community College's investments in the Iowa Schools Joint Investment Trust at June 30, 2008, were rated AAA by Moody's Investors Service. The investment in Money Market Funds has not been rated, the investment in open-end Mutual Funds is not exposed to custodial credit risk, and the non-negotiable Certificates of Deposit do not meet the disclosure requirements of GASB No. 3, as amended by No. 40.

Concentration of Credit Risk: The Community College's policy is to diversify its investments by limiting investments in prime bankers acceptances or commercial paper to no more than 10% of its portfolio. At June 30, 2008, the Community College's investment in Mutual Funds is 10.8% of its total investments.

Note 3 - INVENTORIES

The Community College's inventories at June 30, 2008, are as follows:

Bookstore	\$ 841,508
Cafeteria	17,541
Physical Plant	16,629
Other	<u>32,889</u>
Total	\$ <u>908,567</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Note 4 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2008, is as follows:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Capital Assets				
Not Being				
Depreciated:				
Land	\$ 480,784	\$ 6,400		\$ 487,184
Construction in				
Progress	<u>487,830</u>	<u>6,735,976</u>	<u> </u>	<u>7,223,806</u>
Total Capital				
Assets Not				
Being				
Depreciated .	\$ 968,614	\$ 6,742,376		\$ 7,710,990
Capital Assets				
Being				
Depreciated:				
Buildings and				
Other				
Structures .	\$ 33,307,382	\$ 86,788		\$ 33,394,170
Furniture and				
Equipment ..	<u>5,984,653</u>	<u>1,147,527</u>	\$ <u>303,332</u>	<u>6,828,848</u>
Total Capital				
Assets Being				
Depreciated .	\$ 39,292,035	\$ 1,234,315	\$ 303,332	\$ 40,223,018
Less Accumulated				
Depreciation:				
Buildings ..	\$ 17,935,850	\$ 889,420		\$ 18,825,270
Furniture and				
Equipment ..	<u>4,052,459</u>	<u>751,342</u>	\$ <u>297,536</u>	<u>4,506,265</u>
	\$ <u>21,988,309</u>	\$ <u>1,640,762</u>	\$ <u>297,536</u>	\$ <u>23,331,535</u>
Net Capital				
Assets Being				
Depreciated .	\$ <u>17,303,726</u>	\$(<u>406,447</u>)	\$ <u>5,796</u>	\$ <u>16,891,483</u>
Net Capital				
Assets ...	\$ <u>18,272,340</u>	\$ <u>6,335,929</u>	\$ <u>5,796</u>	\$ <u>24,602,473</u>

Note 5 - ANTICIPATORY WARRANTS

During the year ended June 30, 2008, the Community College issued no anticipatory warrants.

Note 6 - LONG-TERM DEBT

A summary of long-term debt for the year ended June 30, 2008, is as follows:

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Note 6 - LONG-TERM DEBT
(Cont.)

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>
Certificates Payable	\$ 9,795,000	\$ 2,195,000	\$ 1,850,000	\$ 10,140,000
Bonds Payable	180,000	8,380,000	180,000	8,380,000
Capital Loan Notes	<u>2,025,000</u>	<u> </u>	<u>735,000</u>	<u>1,290,000</u>
Total ..	\$ <u>12,000,000</u>	\$ <u>10,575,000</u>	\$ <u>2,765,000</u>	\$ <u>19,810,000</u>

Certificates Payable

In accordance with agreements dated between December 1, 1984 and June 1, 2008, the Community College issued certificates totaling \$33,160,000 with interest rates ranging from 3.10% to 9.40%. As of June 30, 2008, the outstanding balance of the certificates was \$10,140,000, with interest rates ranging from 3.60% to 6.55%. The debt was incurred to fund the development and training costs incurred relative to implementing Chapter 260E of the Code of Iowa, Iowa Industrial New Jobs Training Program (NJTP). NJTP's purpose is to provide tax-aided training for employees of industries which are new to or are expanding their operations within the State of Iowa. Interest is payable semi-annually, while principal payments are due annually. The certificates are to be retired by proceeds from anticipated job credits from withholding taxes, incremental property tax, budgeted reserves, and in the case of default, from standby property tax.

The certificates will mature as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 1,395,000	\$ 478,885	\$ 1,873,885
2010	1,475,000	413,537	1,888,537
2011	1,260,000	347,708	1,607,708
2012	1,230,000	291,080	1,521,080
2013	1,205,000	234,342	1,439,342
2014 - 2018	<u>3,575,000</u>	<u>395,378</u>	<u>3,970,378</u>
Total	\$ <u>10,140,000</u>	\$ <u>2,160,930</u>	\$ <u>12,300,930</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Note 6 - LONG-TERM DEBT
(Cont.)

Bonds Payable

The Community College has issued bonds for the purchase and construction of campus buildings as allowed by Section 260C.19 of the Code of Iowa. The bonds issued during the year ended June 30, 2008, were for the construction of Bur Oak Suites, the Community College's suite-style housing. As such, the Community College has pledged the related housing revenue to payment of the bonds. Details of the Community College's June 30, 2008, bonded indebtedness are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	3.30 %	\$ 135,000	\$ 370,942	\$ 505,942
2010	3.40	140,000	366,488	506,488
2011	3.50	145,000	361,727	506,727
2012	3.60	150,000	356,652	506,652
2013	3.70	155,000	351,253	506,253
2014-2018	3.80 - 4.20	885,000	1,661,792	2,546,792
2019-2023	4.30 - 4.60	<u>6,770,000</u>	<u>1,455,580</u>	<u>8,225,580</u>
Total	.....	\$ <u>8,380,000</u>	\$ <u>4,924,434</u>	\$ <u>13,304,434</u>

Capital Loan Notes Payable

The Community College has issued notes for the construction of the Advanced Sciences Building as allowed by Section 260C.19 of the Code of Iowa. Details of the Community College's June 30, 2008, notes payable are as follows:

<u>Years Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	2.85 - 3.00%	\$ 755,000	\$ 34,081	\$ 789,081
2010	3.20 - 3.35	<u>535,000</u>	<u>11,097</u>	<u>546,097</u>
Total	.....	\$ <u>1,290,000</u>	\$ <u>45,178</u>	\$ <u>1,335,178</u>

Note 7 - OPERATING LEASES

The Community College, as the operator of KWIJ-KOJI FM Radio Station, leases tower and transmitter space to various other communications companies in the area. All of the leases are classified as operating leases. The estimated minimum rent receipts for the duration of the leases are as follows:

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Note 7 - OPERATING LEASES

(Cont.)

Year Ending <u>June 30,</u>	<u>Amount</u>
2009	\$ 32,992
2010	27,663
2011	27,663
2012	27,663
2013	<u>27,663</u>
Total	\$ <u>143,644</u>

The Community College has leased various pieces of office equipment, as well as various facilities within the area to house different divisions of the Community College. These leases have been classified as operating leases and accordingly, all rents are expensed 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 which have initial or remaining non-cancelable lease terms in excess of one year, as of June 30, 2008:

Years Ending <u>June 30,</u>	<u>Amount</u>
2009	\$ 85,440
2010	61,047
2011	11,393
2012	<u>4,885</u>
Total	\$ <u>162,765</u>

Rent expenses for the year ended June 30, 2008, for all operating leases, except those with terms of a month or less that were not renewed, totaled \$91,459.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Note 8 - IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IPERS)

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

Plan members are required to contribute 3.90% of their annual covered salary and the Community College is required to contribute 6.05% of annual covered payroll. Contribution requirements are established by state statute. The Community College's contributions to IPERS for the years ended June 30, 2008, 2007, and 2006, were \$300,382, \$248,145, and \$264,096, respectively, equal to the required contributions for each year.

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

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

Contributions made by both employer and employee vest immediately. As specified by the contract with TIAA-CREF, and in accordance with the Code of Iowa, each employee is required to contribute 3.90% and the Community College is required to contribute 6.05%. The Community College's and employees' required and actual contributions to TIAA-CREF for the year ended June 30, 2008, were \$561,440 and \$361,920, respectively.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Note 10 - RISK POOL

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

Each member's annual contributions to the Program fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Program's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year.

The Community College's contributions to the risk pool are recorded as prepaid expenses from its operating funds at the time of payment to the risk pool. The College amortizes the expense over the periods for which the pool is expected to provide coverage.

The Program uses reinsurance to reduce its exposure to large losses. The Program has a self-insured retention of \$200,000 per claim, except for errors and omissions which has a retention of \$100,000. Excess insurance for property and liability lines is \$800,000 per occurrence, errors and omissions is \$900,000, and workers' compensation is \$150,000. There is additional excess above that for another \$9,000,000 per member. Property is insured with excess coverage over the self-insured retention of up to \$250,000,000. Also covered is employee fidelity up to \$1,000,000 and boiler and machinery coverage up to \$50,000,000. Stop-gap loss protection is provided above the member's loss fund.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Note 10 - RISK POOL
(cont.)

The Program's intergovernmental contract with its members provides that in the event any claim or series of claims exceeds the amount of aggregate excess insurance, then payment of such claims shall be the obligation of the respective individual member. The Community College does not report a liability for losses in excess of reinsurance unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2008, no liability has been recorded in the Community College's financial statements. As of June 30, 2008, settled claims have not exceeded the risk pool or reinsurance company coverage in any of the past three fiscal years.

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

Note 11 - RELATED ORGANIZATIONS

Western Iowa Tech Community College participates in the Friends of FM90, which is a related organization for which the Community College is not financially accountable and its relationship with the Community College is such that exclusion does not cause the Community College's financial statements to be misleading.

Significant financial data for Friends of FM-90 for the year ended June 30, 2008, follows:

Total Assets	.....	\$ 1,129,300
Total Liabilities	.....	-
Total Net Assets	.....	\$ 1,129,300
Total Revenues	.....	\$ 47,033
Total Expenses	.....	\$ 5,245
Contributions to the Community College	.....	\$ 140,131

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Note 12 - NEW JOBS TRAINING PROGRAMS

Western Iowa Tech Community College administers the Iowa Industrial New Jobs Training Program (NJTP) in Area XII in accordance with Chapter 260E of the Code of Iowa. NJTP's purpose is to provide tax-aided training or retraining for employees of industries which are new to or are expanding their operations within the State of Iowa. Certificates are sold by the Community 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 Community College has administered 99 projects with 31 currently receiving project funding. The remaining 68 projects have been completed and the certificates have been paid off.

Program parameters specify that the Community College is entitled to retain any interest earned by NJTP funds in excess of the amount required to provide training and retire the certificates. During the year ended June 30, 2008, the Community College recognized \$428,294 of miscellaneous revenue from excess interest.

Note 13 - IN-KIND CONTRIBUTIONS - KWIT-KOJI FM

Not included in the financial statements of the Community College are donated services for KWIT-KOJI FM Radio Station. The value of the in-kind contributions, calculated at estimated fair market value, was \$22,659 during the year ended June 30, 2008.

Note 14 - EARLY RETIREMENT PAYABLE

The early retirement payable reflected on the statement of net assets represents the Community College's liability for remuneration and health insurance coverage for all employees who had accepted early retirement under a policy formerly offered by the Community College. Early retirement is funded on a pay-as-you-go basis through property tax levies. The Community College's voluntary early retirement policy was suspended on June 30, 2006.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Note 15 - COMMITMENTS AND CONTINGENCIES

The Community College is currently involved in certain legal matters which are being defended and handled in the ordinary course of business. The liability, if any, associated with these matters is not determinable at June 30, 2008. The College's attorney and insurance carrier are defending the lawsuits, and it is the opinion of management that their resolution will not have a material effect on the Community College's financial position.

During the year ended June 30, 2007, the Community College entered arbitration with United Electrical, Radio and Machine Workers of America regarding the layoff of custodial staff in April, 2006. Arbitration was settled on July 6, 2007, with the Community College liable for back pay and benefits. Management of the Community College estimated the portion of the liability attributable to the year ended June 30, 2007, and included that estimate in operating expenses in its prior year financial statements. The liability is included in accounts payable at June 30, 2008. Determination of the total liability, however, has not yet been made, as related information is still being collected.

Effective July 1, 2008, the Community College's required contributions to IPERS and TIAA-CREF both increased to 6.35% of annual covered payroll.

Note 16 - SUBSEQUENT EVENT

On July 15, 2008, the Community College purchased approximately 66.6 undeveloped acres of land adjacent to its Sioux city campus for \$175,000.

OTHER SUPPLEMENTARY INFORMATION

WESTERN IOWA TECH COMMUNITY COLLEGE

OTHER SUPPLEMENTARY INFORMATION

JUNE 30, 2008

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

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

Unrestricted Fund - The Educational and Support subgroup of the Unrestricted Fund accounts for the general operations of the Community College.

The Auxiliary Enterprises subgroup accounts for activities which are intended to provide non-instructional services and sales to students, staff and/or institutional departments, and which are supplemental to the educational and general objectives of the Community College.

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

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

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

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

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

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

Agency Funds - The Agency Funds are used to account for assets held by the Community College in a custodial capacity or as an agent for others. Agency Funds' assets equal liabilities.

The Budgetary Comparison Schedule of Expenditures - Budget and Actual provides a comparison of the budget to actual expenditures for those funds and/or levies required to be budgeted. Since Western Iowa Tech Community College uses Business-Type Activities reporting, this budgetary comparison information is included as other supplementary information.

Schedules presented in other supplementary information are reported using the current financial resources measurement focus and the accrual basis of accounting with modifications for depreciation and other items included in the adjustments column. The schedule of revenues, expenditures and changes in fund balances is a statement of financial activities related to the current reporting period. It does not purport to present the results of operations or net income or loss for the period as would a statement of income or a statement of revenues and expenses.

The Community College has several individual fund deficits in the restricted fund group at June 30, 2008. These deficits are attributable to current and prior years' unexpected expenditures exceeding revenue. The Community College intends to eliminate these deficits with future revenues.

BUDGETARY COMPARISON SCHEDULE OF EXPENDITURESBUDGET AND ACTUALFOR THE YEAR ENDED JUNE 30, 2008

<u>Funds/Levy</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Between Actual and Budget</u>
Unrestricted	\$ 24,407,239	\$ 24,339,505	\$ 67,734
Restricted	\$ 14,176,970	\$ 8,894,266	\$ 5,282,704
Unemployment	60,719	20,017	40,702
Tort Liability	101,701	120,459	(18,758)
Insurance	687,501	1,162,490	(474,989)
Early Retirement		(179,483)	179,483
Equipment Replacement ...	<u>513,883</u>	<u>530,100</u>	(<u>16,217</u>)
Total Restricted ...	\$ 15,540,774	\$ 10,547,849	\$ 4,992,925
Plant	\$ <u>13,176,916</u>	\$ <u>8,328,334</u>	\$ <u>4,848,582</u>
Total	\$ <u>53,124,929</u>	\$ <u>43,215,688</u>	\$ <u>9,909,241</u>

NOTE TO BUDGETARY REPORTINGJUNE 30, 2008

The Board of Directors annually approves a budget designating the proposed expenditures for operation of the Community College on a basis consistent with accounting principles generally accepted in the United States of America. Following required public notice and hearing, and in accordance with Chapter 260C of the Code of Iowa, the Board of 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 Investment Act Accounts, Scholarships and Grants Accounts, Loan Funds, or Agency Funds.

The variance in the Unrestricted Fund is due to a continuing, concentrated effort by the Community College to reduce expenditures. The variance in Restricted is due to the Community College administering fewer Iowa New Jobs Training Program projects than anticipated. The overage in Tort Liability is attributable to the arbitration entered into by the Community College regarding the layoff of custodial staff in April, 2006. The overage in Insurance is due to changes in allowable insurance reimbursements through IMPACC, resulting in increased premiums. The overage in Equipment Replacement is attributable to unforeseen equipment needs.

The variance in the Plant Fund is caused by fewer expenditures than anticipated for the Community College's building and remodeling projects.

WESTERN IOWA TECH COMMUNITY COLLEGE

BALANCE SHEET

JUNE 30, 2008

<u>ASSETS</u>	<u>Current Funds</u>		<u>Loan Funds</u>
	<u>Unrestricted</u>	<u>Restricted</u>	
Cash and Investments:			
Cash and Pooled Investments	\$ 7,193,507	\$ 9,598,047	\$ 138,446
Other Investments			
Receivables:			
Accounts (Net of Allowance of \$222,628)	1,307,463	928,494	1,389
Property Tax	1,180,642	2,464,015	
Pledges			
Due from Other Funds	667,193	2,364,378	
Due from Other Governments	329,327	226,310	
Inventories	908,567		
Prepaid Expenditures	252,989	1,799,467	
Capital Assets:			
Land			
Buildings and Other Structures ...			
Furniture and Equipment			
Construction in Process			
Accumulated Depreciation			
 Total Assets	 \$ <u>11,839,688</u>	 \$ <u>17,380,711</u>	 \$ <u>139,835</u>

<u>Plant Funds</u>			<u>Agency Funds</u>	<u>Adjustments</u>	<u>Total</u>
<u>Unexpended</u>	<u>Retirement of Indebtedness</u>	<u>Investment in Plant</u>			
\$ 715,369	\$ 3,931,783		\$ 603,777		\$ 22,180,929
			1,038,048		1,038,048
6,050			12,949		2,256,345
1,180,642					4,825,299
				\$ 287,275	287,275
944,490				(3,976,061)	-
			631,826		1,187,463
					908,567
					2,052,456
		\$ 487,184			487,184
		33,394,170			33,394,170
		6,828,848			6,828,848
		7,223,806			7,223,806
				(23,331,535)	(23,331,535)
<u>\$ 2,846,551</u>	<u>\$ 3,931,783</u>	<u>\$ 47,934,008</u>	<u>\$ 2,286,600</u>	<u>\$ (27,020,321)</u>	<u>\$ 59,338,855</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

BALANCE SHEET

JUNE 30, 2008

<u>LIABILITIES AND FUND BALANCE</u>	<u>Current Funds</u>		<u>Loan Funds</u>
	<u>Unrestricted</u>	<u>Restricted</u>	
<u>LIABILITIES</u>			
Payables:			
Accounts	\$ 1,316,973	\$ 751,412	
Iowa Industrial New Jobs Training Program		152,217	
Salaries and Benefits Payable	1,065,232	95,900	
Accrued Interest		39,907	
Due to Other Funds	2,644,209	672,473	
Deferred Revenue	1,357,206	4,553,777	
Early Retirement Payable		978,453	
Compensated Absences	507,756	98,382	
Deposits Refundable	13,852		
Deposits Held in Custody for Others ..			
Certificates Payable		10,140,000	
Bonds Payable			
Notes Payable			
Total Liabilities	\$ 6,905,228	\$ 17,482,521	-
 <u>FUND BALANCE</u>			
Invested in Capital Assets, Net of Related Debt			
Fund Balances (Deficits):			
Restricted:			
Expendable:			
Scholarships and Grants		\$ 147	
Loans			\$ 139,835
Debt Service			
Cash Reserve		678,851	
Other		(780,808)	
Unrestricted	\$ 2,844,524		
Auxiliary Enterprises	2,089,936		
Total Fund Balance	\$ 4,934,460	\$ (101,810)	\$ 139,835
Total Liabilities and Fund Balance	\$ 11,839,688	\$ 17,380,711	\$ 139,835

SCHEDULE 2
(Cont.)

<u>Plant Funds</u>					
<u>Unexpended</u>	<u>Retirement of Indebtedness</u>	<u>Investment in Plant</u>	<u>Agency Funds</u>	<u>Adjustments</u>	<u>Total</u>
\$ 813,608			\$ 16,722		\$ 2,898,715
					152,217
					1,161,132
34,197					74,104
25,326			634,053	\$(3,976,061)	-
1,180,642			245,681		7,337,306
					978,453
					606,138
					13,852
			1,390,144	287,275	1,677,419
					10,140,000
		\$ 8,380,000			8,380,000
		<u>1,290,000</u>			<u>1,290,000</u>
\$ 2,053,773	-	\$ 9,670,000	\$ 2,286,600	\$(3,688,786)	\$ 34,709,336
		\$ 38,264,008		\$(23,331,535)	\$ 14,932,473
					147
					139,835
	\$ 3,931,783				3,931,783
					678,851
					(780,808)
\$ 792,778					3,637,302
					<u>2,089,936</u>
\$ <u>792,778</u>	\$ <u>3,931,783</u>	\$ <u>38,264,008</u>	<u>-</u>	\$ <u>(23,331,535)</u>	\$ <u>24,629,519</u>
\$ <u>2,846,551</u>	\$ <u>3,931,783</u>	\$ <u>47,934,008</u>	\$ <u>2,286,600</u>	\$ <u>(27,020,321)</u>	\$ <u>59,338,855</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Current Funds</u>		<u>Loan Funds</u>
	<u>Unrestricted</u>	<u>Restricted</u>	
<u>REVENUES</u>			
General:			
State Appropriations	\$ 10,016,370	\$ 540,760	
Tuition and Fees	11,100,584		
Property Tax	1,133,927	1,848,343	
Federal Appropriations	737,769	7,773,308	
Sales and Services	98,934		
Earnings on Investments	233,854	324,206	\$ 5,078
Iowa Industrial New Jobs Training Program		3,104,955	
Increase in Plant Investment Due to Plant Expenditures (Including \$1,125,854 in Current Fund Expenditures)			
Increase in Plant Investment Due to Retirement of Debt			
Miscellaneous	1,856,404	3,265,708	
Gifts and Grants			3,662
Gain on Disposal of Capital Assets ..			
	\$ 25,177,842	\$ 16,857,280	\$ 8,740
Auxiliary Enterprises:			
State Appropriations	\$ 2,616		
Federal Appropriations	13,023		
Sales and Services	3,509,700		
Interest on Investments	12		
Miscellaneous	57,033		
	\$ 3,582,384	-	-
Total Revenues	\$ 28,760,226	\$ 16,857,280	\$ 8,740
<u>EXPENDITURES</u>			
Education and Support:			
Liberal Arts and Sciences	\$ 3,429,988	\$ 213,442	
Vocational Technical	7,007,757	1,399,447	
Adult Education	1,876,168	158,794	
Cooperative Services	350,504	6,150,114	
Administration	1,804,641		
Student Services	1,736,915	22,895	\$ 20
Learning Resources	331,368	5,000	
Physical Plant	2,587,306	1,236,372	
General Institution	5,214,858	891,598	
Total Education and Support ...	\$ 24,339,505	\$ 10,077,662	\$ 20

<u>Plant Funds</u>				
<u>Unexpended</u>	<u>Retirement of Indebtedness</u>	<u>Investment in Plant</u>	<u>Adjustments</u>	<u>Total</u>
\$ 150,156				\$ 10,707,286
1,133,927			\$(4,142,593)	6,957,991
				4,116,197
				8,511,077
				98,934
	\$ 128,608			691,746
				3,104,955
		\$ 8,613,008	\$(8,613,008)	-
		915,000	(915,000)	-
			(12,775)	5,109,337
67,750		15,000		86,412
<u>67,750</u>		<u>15,000</u>	<u>6,980</u>	<u>6,980</u>
\$ 1,351,833	\$ 128,608	\$ 9,543,008	\$(13,676,396)	\$ 39,390,915
				\$ 2,616
				13,023
				3,509,700
				12
				<u>57,033</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	\$ <u>3,582,384</u>
\$ 1,351,833	\$ 128,608	\$ 9,543,008	\$(9,533,803)	\$ 42,973,299
			\$(127,165)	\$ 3,516,265
			(810,581)	7,596,623
			(16,551)	2,018,411
				6,500,618
			(24,730)	1,779,911
				1,759,830
			(56,985)	279,383
\$ 616,664		\$ 651,317	224,517	5,316,176
			<u>(89,842)</u>	<u>6,016,614</u>
\$ 616,664	-	\$ 651,317	\$(901,337)	\$ 34,783,831

WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2008

	Current Funds		Loan Funds
	Unrestricted	Restricted	
<u>EXPENDITURES</u> - (Continued)			
Auxiliary Enterprises	\$ 3,061,656		
Scholarships and Grants		\$ 4,394,709	
Workforce Investment Act		1,446,775	
Bad Debts and Collection Costs (Recoveries)			\$(341)
Plant Asset Acquisitions			
Retirement of Indebtedness			
Disposal of Plant Assets			
Interest on Indebtedness		470,187	
Depreciation			
Total Expenditures and Other Deductions	\$ <u>27,401,161</u>	\$ <u>16,389,333</u>	\$(<u>321</u>)
Excess (Deficiency) of Revenues and Other Additions Over Expenditures and Other Deductions	\$ 1,359,065	\$ 467,947	\$ 9,061
 <u>TRANSFERS</u>			
Mandatory Transfers	(310,668)		
Non-Mandatory Transfers	(<u>763,456</u>)	(<u>319,014</u>)	
Net	\$ 284,941	\$ 148,933	\$ 9,061
Fund Balances Beginning of Year	4,649,519	(<u>250,743</u>)	<u>130,774</u>
Fund Balances End of Year	\$ <u>4,934,460</u>	\$(<u>101,810</u>)	\$ <u>139,835</u>

SCHEDULE 3
(Cont.)

Plant Fund				
<u>Unexpended</u>	<u>Retirement of Indebtedness</u>	<u>Investment in Plant</u>	<u>Adjustments</u>	<u>Total</u>
				\$ 3,061,656
			\$(4,142,593)	252,116
				1,446,775
				(341)
\$ 7,711,670			\$(7,711,670)	-
	\$ 915,000		(915,000)	-
		\$ 303,332	(303,332)	-
	58,726			528,913
			<u>1,640,762</u>	<u>1,640,762</u>
\$ <u>8,328,334</u>	\$ <u>973,726</u>	\$ <u>954,649</u>	\$(<u>12,333,170</u>)	\$ <u>41,713,712</u>
\$(6,976,501)	\$(845,118)	\$ 8,588,359	\$(1,343,226)	\$ 1,259,587
	310,668			-
<u>7,384,572</u>	<u>2,077,898</u>	(<u>8,380,000</u>)		-
\$ 408,071	\$ 1,543,448	\$ 208,359	\$(1,343,226)	\$ 1,259,587
<u>384,707</u>	<u>2,388,335</u>	<u>38,055,649</u>	(<u>21,988,309</u>)	<u>23,369,932</u>
\$ <u><u>792,778</u></u>	\$ <u><u>3,931,783</u></u>	\$ <u><u>38,264,008</u></u>	\$(<u><u>23,331,535</u></u>)	\$ <u><u>24,629,519</u></u>

WESTERN IOWA TECH COMMUNITY COLLEGE

UNRESTRICTED FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

EDUCATION AND SUPPORT

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Education</u>			
	<u>Liberal Arts and Sciences</u>	<u>Vocational Technical</u>	<u>Adult Education</u>	<u>Cooperative Services</u>
<u>REVENUES</u>				
State Appropriations ..	\$ 283,300	\$ 4,724,492	\$ 1,040,186	
Tuition and Fees	5,194,533	4,118,884	1,053,480	\$ 322,256
Property Tax				
Federal Appropriations ..	5,574	376,730	286,905	
Sales and Services			6,074	9,731
Interest on Investments ..				
Miscellaneous	<u>4,552</u>	<u>20,020</u>	<u>53,146</u>	<u>339,819</u>
	\$ 5,487,959	\$ 9,240,126	\$ 2,439,791	\$ 671,806
Allocation of Support Services .	<u>2,509,651</u>	<u>3,559,007</u>	<u>1,269,502</u>	<u> </u>
Total Revenues ..	\$ 7,997,610	\$ 12,799,133	\$ 3,709,293	\$ 671,806
<u>EXPENDITURES</u>				
Salaries and Benefits ..	\$ 3,275,468	\$ 5,798,482	\$ 1,483,048	\$ 321,060
Services	72,469	472,430	183,038	626
Materials and Supplies .	63,811	331,902	180,683	17,674
Travel	18,240	72,401	29,534	11,144
Plant Asset Acquisitions .		131,659		
Collection Costs		<u>200,883</u>	<u>(135)</u>	<u> </u>
	\$ 3,429,988	\$ 7,007,757	\$ 1,876,168	\$ 350,504
Allocation of Support Services .	<u>3,992,880</u>	<u>5,662,418</u>	<u>2,019,790</u>	<u> </u>
Total Expenditures ..	\$ 7,422,868	\$ 12,670,175	\$ 3,895,958	\$ 350,504
Excess of Revenues Over (Under) Expenditures .	\$ 574,742	\$ 128,958	\$ (186,665)	\$ 321,302
<u>TRANSFERS</u>				
Non-Mandatory Transfers .	<u> </u>	<u>(275,500)</u>	<u>175,689</u>	<u> </u>
Net	\$ 574,742	\$ (146,542)	\$ (10,976)	\$ 321,302
Fund Balance Beginning of Year				
Fund Balance End of Year				

Note: The support services allocations are based on the percentage of contact hours reported.

<u>Support</u>					<u>Education and Support Total</u>
<u>General Administration</u>	<u>Student Services</u>	<u>Learning Resources</u>	<u>Physical Plant</u>	<u>General Institution</u>	
\$ 214,270	\$ 683,979	\$ 340,661	\$ 1,395,879	\$ 1,333,603	\$ 10,016,370
2,361	409,070				11,100,584
			1,133,927		1,133,927
6,698	40,987	7,922	1,299	11,654	737,769
	39,705		11,982	31,442	98,934
233,854					233,854
<u>504,208</u>	<u>24,069</u>	<u>112</u>	<u>52,681</u>	<u>857,797</u>	<u>1,856,404</u>
\$ 961,391	\$ 1,197,810	\$ 348,695	\$ 2,595,768	\$ 2,234,496	\$ 25,177,842
(<u>961,391</u>)	(<u>1,197,810</u>)	(<u>348,695</u>)	(<u>2,595,768</u>)	(<u>2,234,496</u>)	-
-	-	-	-	-	\$ 25,177,842
\$ 1,303,486	\$ 1,532,926	\$ 207,606	\$ 1,052,556	\$ 3,282,299	\$ 18,256,931
391,957	106,403	17,675	1,141,814	1,530,570	3,916,982
28,648	74,732	54,050	391,750	339,965	1,483,215
80,550	22,854	52	1,186	62,024	297,985
		51,985			183,644
					<u>200,748</u>
\$ 1,804,641	\$ 1,736,915	\$ 331,368	\$ 2,587,306	\$ 5,214,858	\$ 24,339,505
(<u>1,804,641</u>)	(<u>1,736,915</u>)	(<u>331,368</u>)	(<u>2,587,306</u>)	(<u>5,214,858</u>)	-
-	-	-	-	-	\$ 24,339,505
-	-	-	-	-	\$ 838,337
\$ (<u>811</u>)	\$ (<u>25,000</u>)	-	\$ (<u>757,470</u>)	\$ <u>80,053</u>	(<u>803,039</u>)
\$ (<u>811</u>)	\$ (<u>25,000</u>)	-	\$ (<u>677,470</u>)	\$ <u>80,053</u>	\$ 35,298
.....					<u>2,809,226</u>
.....					\$ <u>2,844,524</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

UNRESTRICTED FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

AUXILIARY ENTERPRISES

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Bookstore</u>	<u>Parts Depart- ment</u>	<u>Cafeteria</u>
<u>REVENUES</u>			
State Appropriations	\$ 2,616		
Federal Appropriations	927		\$ 7,348
Sales and Services	2,509,283	\$ 131,782	397,520
Interest on Investments			
Miscellaneous	<u>21,669</u>	<u> </u>	<u>64</u>
Total Revenues	\$ 2,534,495	\$ 131,782	\$ 404,932
 <u>EXPENDITURES</u>			
Salaries and Benefits	\$ 158,246	\$ 15,463	\$ 147,162
Services	42,403		33,826
Materials and Supplies	29,509	1,709	10,068
Plant	24,730		
Travel	3,731		136
Cost of Goods Sold	2,033,731	119,082	221,966
Bad Debts and Collection Costs	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	\$ <u>2,292,350</u>	\$ <u>136,254</u>	\$ <u>413,158</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 242,145	\$(4,472)	\$(8,226)
 <u>TRANSFERS</u>			
Mandatory Transfers	(50,000)		
Non-Mandatory Transfers	<u>(7,415)</u>	<u> </u>	<u>8,226</u>
Net	\$ 184,730	\$(4,472)	-
Fund Balance Beginning of Year	<u>1,403,025</u>	(<u>10,223</u>)	<u> </u>
Fund Balance (Deficit) End of Year	\$ <u>1,587,755</u>	\$(<u>14,695</u>)	<u> </u>

Vocational Servicing <u>Accounts</u>	<u>Dormitories</u>	<u>Other</u>	<u>Total</u>
			\$ 2,616
	\$ 4,748		13,023
\$ 2,231	448,977	\$ 19,907	3,509,700
		12	12
	<u>22,187</u>	<u>13,113</u>	<u>57,033</u>
\$ 2,231	\$ 475,912	\$ 33,032	\$ 3,582,384
	\$ 87,151		\$ 408,022
	103,175	\$ 2,819	182,223
\$ 937	7,644	3,286	53,153
			24,730
			3,867
			2,374,779
	<u>14,882</u>		<u>14,882</u>
\$ 937	\$ <u>212,852</u>	\$ <u>6,105</u>	\$ <u>3,061,656</u>
\$ 1,294	\$ 263,060	\$ 26,927	\$ 520,728
	(260,668)		(310,668)
		<u>38,772</u>	<u>39,583</u>
\$ 1,294	\$ 2,392	\$ 65,699	\$ 249,643
<u>43,281</u>	<u>823</u>	<u>403,387</u>	<u>1,840,293</u>
\$ <u>44,575</u>	\$ <u>3,215</u>	\$ <u>469,086</u>	\$ <u>2,089,936</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

RESTRICTED FUND

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Scholarship and Grants</u>	<u>Equipment Replacement</u>	<u>Cash Reserve</u>	<u>Tort Liability</u>
<u>REVENUES</u>				
State Appropriations				
Property Tax		\$ 503,973		\$ 114,905
Federal Appropriations ..	\$ 4,394,709			
Earnings on Investments ..	34			
Iowa Industrial New Jobs Training Program				
Miscellaneous				
Total Revenues ...	\$ 4,394,743	\$ 503,973	-	\$ 114,905
<u>EXPENDITURES</u>				
Salaries and Benefits ...				
Services				\$ 120,459
Materials and Supplies ..				
Travel				
Plant Asset Acquisitions ..		\$ 530,100		
Interest on Indebtedness ..				
Awards to Subrecipients ..				
Federal Pell Grant Program .	\$ 4,302,629			
Federal Supplemental Educational Opportunity Grant (FSEOG)	75,255			
Federal Academic Competitiveness Grants .	16,825			
Total Expenditures ..	\$ 4,394,709	\$ 530,100	-	\$ 120,459
Excess (Deficiency) of Revenues Over Expenditures ...	\$ 34	\$(26,127)	-	\$(5,554)
<u>TRANSFERS</u>				
Non-Mandatory Transfers ..				
Net	\$ 34	\$(26,127)	-	\$(5,554)
Fund Balance (Deficit)				
Beginning of Year	112	112,844	\$ 678,851	(13,199)
Fund Balance (Deficit)				
End of Year	146	\$ 86,717	\$ 678,851	\$(18,753)

<u>Insurance</u>	<u>Unemployment Compensation</u>	<u>Early Retirement</u>	<u>Title III</u>	<u>TRIO</u>	<u>Workforce Investment Act</u>	<u>Iowa Industrial New Jobs Training Program</u>	<u>Other</u>	<u>Total</u>
				\$ 1,075	\$ 1,650		\$ 538,035	\$ 540,760
\$ 680,077	\$ 33,828	\$ 515,560	\$ 360,300	705,765	1,439,309		873,225	1,848,343
						\$ 314,882	9,290	324,206
				40		3,104,955		3,104,955
						<u>2,688,328</u>	<u>577,340</u>	<u>3,265,708</u>
\$ 680,077	\$ 33,828	\$ 515,560	\$ 360,300	\$ 706,880	\$ 1,440,959	\$ 6,108,165	\$ 1,997,890	\$ 16,857,280
\$ 46,577	\$ 20,017	\$ (179,483)	\$ 277,630	\$ 518,530	\$ 710,795		\$ 1,105,501	\$ 2,499,567
1,115,913			42,205	95,181	47,262	\$ 5,637,978	182,818	7,241,816
			25,475	31,490	18,792		45,400	121,157
			6,991	9,683	11,317		40,240	68,231
			7,999		7,171		371,815	917,085
				25,143	651,438	470,187		470,187
								676,581
								4,302,629
								75,255
								<u>16,825</u>
\$ <u>1,162,490</u>	\$ <u>20,017</u>	\$ <u>(179,483)</u>	\$ <u>360,300</u>	\$ <u>680,027</u>	\$ <u>1,446,775</u>	\$ <u>6,108,165</u>	\$ <u>1,745,774</u>	\$ <u>16,389,333</u>
\$ (482,413)	\$ 13,811	\$ 695,043		\$ 26,853	\$ (5,816)		\$ 252,116	\$ 467,947
				(26,853)			(292,161)	(319,014)
\$ (482,413)	\$ 13,811	\$ 695,043	-	-	\$ (5,816)	-	\$ (40,045)	\$ 148,933
(<u>636,308</u>)	<u>32,373</u>	(<u>528,583</u>)			(<u>30,075</u>)		<u>133,242</u>	(<u>250,743</u>)
\$ (<u>1,118,721</u>)	\$ <u>46,184</u>	\$ <u>166,460</u>	<u>-</u>	<u>-</u>	\$ (<u>35,891</u>)	<u>-</u>	\$ <u>93,197</u>	\$ (<u>101,810</u>)

SCHEDULE OF CHANGES IN DEPOSITS HELD IN CUSTODY FOR OTHERSFOR THE YEAR ENDED JUNE 30, 2008

	<u>Retraining Grants</u>	<u>Foundation</u>	<u>Other</u>	<u>Total</u>
Balance Beginning of Year ...	-	\$ 1,170,371	\$ 115,189	\$ 1,285,560
<u>ADDITIONS</u>				
State Appropriations	\$ 154,812			\$ 154,812
Tuition and Fees			\$ 48,548	48,548
Federal Appropriations ..				-
Earnings (Loss) on Investments		\$(47,447)	838	(46,609)
Gifts and Grants		448,935		448,935
Miscellaneous			<u>119,869</u>	<u>119,869</u>
Total Additions	\$ 154,812	\$ 401,488	\$ 169,255	\$ 725,555
<u>DEDUCTIONS</u>				
Services	\$ 154,812	\$ 3,927	\$ 41,234	\$ 199,973
Materials and Supplies ..		803	122,693	123,496
Travel			3,650	3,650
Other		<u>293,852</u>		<u>293,852</u>
Total Deductions ...	\$ <u>154,812</u>	\$ <u>298,582</u>	\$ <u>167,577</u>	\$ <u>620,971</u>
Net	<u>-</u>	\$ <u>102,906</u>	\$ <u>1,678</u>	\$ <u>104,584</u>
Balance End of Year	<u>-</u>	\$ <u>1,273,277</u>	\$ <u>116,867</u>	\$ <u>1,390,144</u>

SCHEDULE OF CREDIT AND CONTACT HOURSFOR THE YEAR ENDED JUNE 30, 2008

<u>Category</u>	<u>Credit Hours</u>			<u>Contact Hours</u>		
	<u>Eligible for Aid</u>	<u>Not Eligible for Aid</u>	<u>Total</u>	<u>Eligible for Aid</u>	<u>Not Eligible for Aid</u>	<u>Total</u>
Arts and Sciences ..	45,700		45,700	819,677		819,677
Vocational Education	54,237		54,237	1,161,890		1,161,890
Adult Education/ Continuing Education			-	381,868	32,698	414,566
Cooperative Programs/Services ..			-			-
Related Services and Activities ..			-			-
Total	<u>99,937</u>	<u>-</u>	<u>99,937</u>	<u>2,363,435</u>	<u>32,698</u>	<u>2,396,133</u>

SCHEDULE OF TAX AND INTERGOVERNMENTAL REVENUES

	<u>Years Ended June 30,</u>			
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Local (Property Tax) ..	\$ 4,116,197	\$ 3,916,092	\$ 3,698,263	\$ 3,002,078
State	10,709,902	9,921,957	9,270,872	8,473,661
Federal	<u>8,524,100</u>	<u>7,935,290</u>	<u>7,086,963</u>	<u>7,800,208</u>
Total	\$ <u>23,350,199</u>	\$ <u>21,773,339</u>	\$ <u>20,056,098</u>	\$ <u>19,275,947</u>

WESTERN IOWA TECH COMMUNITY COLLEGE
SCHEDULE OF CURRENT FUND REVENUES BY SOURCE
AND EXPENDITURES BY FUNCTION

SCHEDULE 10

FOR THE LAST FOUR YEARS

	Years Ended June 30,			
	2008	2007	2006	2005
<u>REVENUES:</u>				
State Appropriations	\$ 10,559,746	\$ 9,754,187	\$ 9,155,272	\$ 8,473,661
Tuition and Fees	11,100,584	10,834,157	10,800,821	11,142,572
Property Tax	2,982,270	2,787,654	2,623,537	1,938,989
Federal Appropriations ..	8,524,100	7,935,290	7,086,963	7,666,784
Sales and Services	98,934	121,751	106,525	127,471
Earnings on Investments ..	558,060	809,138	666,651	277,322
Iowa Industrial New Jobs				
Training Program	3,104,955	1,171,738	3,672,907	1,903,622
Auxiliary Enterprises ...	3,566,745	3,354,158	3,043,232	3,135,438
Miscellaneous	<u>5,122,112</u>	<u>2,589,157</u>	<u>4,958,998</u>	<u>2,589,956</u>
 Total Revenues	 \$ <u>45,617,506</u>	 \$ <u>39,357,230</u>	 \$ <u>42,114,906</u>	 \$ <u>37,255,815</u>
 <u>EXPENDITURES:</u>				
Liberal Arts and Sciences .	\$ 3,643,430	\$ 3,438,704	\$ 3,293,910	\$ 3,164,724
Vocational Technical	8,407,204	7,527,893	7,426,871	6,944,050
Adult Education	2,034,962	2,004,817	1,809,915	1,774,306
Cooperative Services	6,500,618	1,927,432	6,697,364	2,458,362
Administration	1,804,641	1,668,920	1,476,720	1,421,744
Student Services	1,759,810	1,548,750	1,597,998	1,485,412
Learning Resources	336,368	300,938	319,772	297,428
Physical Plant	3,823,678	4,151,919	3,319,010	2,984,886
General Institution	6,106,456	6,032,523	6,676,005	5,553,734
Auxiliary Enterprises ...	3,061,656	2,951,213	2,613,278	2,725,916
Scholarships and Grants .	4,394,709	4,113,238	4,058,105	4,524,888
Workforce Investment Act .	1,446,775	1,704,877	1,053,859	1,079,897
Interest on Indebtedness ..	<u>470,187</u>	<u>491,408</u>	<u>533,297</u>	<u>298,283</u>
 Total Expenditures ..	 \$ <u>43,790,494</u>	 \$ <u>37,862,632</u>	 \$ <u>40,876,104</u>	 \$ <u>34,713,630</u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2008

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Program Expenditures</u>	<u>New Loans and New Loan Guarantees</u>
Direct:			
U. S. Department of Education:			
Student Financial Aid Cluster:			
Federal Supplemental Educational Opportunity Grant (FSEOG)	84.007	\$ 79,018	
Federal Family Education Loans .	84.032		\$ 6,648,593
Federal Work Study Program (FWS) .	84.033	107,776	
Federal Pell Grant Program	84.063*	4,302,629	
Federal Pell Grant Program - Administration	84.063*	9,355	
Academic Competitiveness Grants ..	84.375	<u>16,825</u>	
		\$ 4,515,603	\$ 6,648,593
TRIO Cluster:			
Student Support Services	84.042	\$ 252,426	
Talent Search	84.044	244,871	
Upward Bound	84.047	<u>207,365</u>	
		\$ 704,662	-
Higher Education - Institutional Aid - Title III	84.031	\$ 360,300	
National Science Foundation:			
Science, Technology, Engineering, and Mathematics Education	47.076	\$ 7,746	
U. S. Department of Labor:			
Advanced Manufacturing Industry Project	17.261	\$ 632,440	
Occupational Safety and Health Administration:			
Susan Harwood Training Grant Program	17.502	\$ <u>92,136</u>	
Total Direct		\$ 6,312,887	\$ 6,648,593
Indirect:			
U. S. Department of Labor:			
Indirect Through Iowa Workforce Development:			
Workforce Investment Act (WIA) Cluster:			
WIA Adult Program	17.258	\$ 192,541	
WIA Youth Activities	17.259	179,145	
WIA Dislocated Workers ..	17.260	635,008	
WIA Incentive Grants	17.267	<u>26,166</u>	
		\$ 1,032,860	

See Accompanying Note to Schedule of Expenditures of Federal Awards

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2008

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Program Expenditures</u>	<u>New Loans and New Loan Guarantees</u>
U. S. Department of Education:			
Indirect Through the Iowa			
Department of Education:			
Adult Education - State Grant			
Program	84.002	\$ 285,398	
Vocational Education - Basic			
Grants to States	84.048	\$ 347,811	
U. S. Department of Labor:			
Indirect Through the Iowa			
Department of Education:			
Family Literacy Incentive			
Grant	17.267	\$ 30,310	
Indirect Through the Boiler			
Training Center:			
Community Based Job Training			
Grant	17.269	\$ 9,478	
Indirect Through Youth Build:			
National Farmworker Jobs			
Program	17.264	\$ 10,191	
Indirect Through Regional Innovation			
Grant:			
WIA Dislocated Workers	17.260	\$ 1,156	
U. S. Department of Health and Human			
Services:			
Indirect Through Iowa Workforce			
Development:			
Temporary Assistance for			
Needy Families	93.558	\$ 404,239	
National Science Foundation:			
Indirect Through the Midwest Center			
for Information Technology:			
Education and Human Resources .	47.076	\$ 21,382	
Small Business Administration:			
Indirect Through Iowa State			
University:			
Small Business Development			
Centers	59.037	\$ <u>68,388</u>	
Total Indirect		\$ <u>2,211,213</u>	-
Total		\$ <u>8,524,100</u>	\$ <u>6,648,593</u>

* Total expenditures for CFDA Number 84.063 were \$4,043,748.

See Accompanying Note to Schedule of Expenditures of Federal Awards

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2008

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

INDEPENDENT AUDITORS' 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
Western Iowa Tech Community College
Sioux City, Iowa

We have audited the accompanying financial statements of WESTERN IOWA TECH COMMUNITY COLLEGE, as of and for the year ended June 30, 2008, as listed in the table of contents and have issued our report thereon dated November 25, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Western Iowa Tech Community College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Western Iowa Tech Community College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Western Iowa Tech Community College's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Western Iowa Tech Community College's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Western Iowa Tech Community College's financial statements that is more than inconsequential will not be prevented or detected by Western Iowa Tech Community College's internal control.

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

Our consideration of 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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Western Iowa Tech 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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of Western Iowa Tech Community College in a separate communication dated November 24, 2008.

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

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Western Iowa Tech 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.

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

Sioux City, Iowa
November 25, 2008

INDEPENDENT AUDITORS' 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
Western Iowa Tech Community College
Sioux City, Iowa

Compliance

We have audited the compliance of WESTERN IOWA TECH COMMUNITY COLLEGE with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major Federal programs for the year ended June 30, 2008. Western Iowa Tech Community College's major Federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of Western Iowa Tech Community College's management. Our responsibility is to express an opinion on Western Iowa Tech Community College's compliance based on our audit.

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

In our opinion, Western Iowa Tech Community College complied, in all material respects, with the requirements referred to above that are applicable to its major Federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Western Iowa Tech Community College is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered Western Iowa Tech Community College's internal control over compliance with the 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 Western Iowa Tech Community College's internal control over compliance.

A *control deficiency* in an entity'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 combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Henzes, Conner & Williams, P.C.
Certified Public Accountants

Sioux City, Iowa
November 25, 2008

WESTERN IOWA TECH COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2008

Part I: Summary of the Independent Auditors' Results:

- (a) An unqualified opinion was issued on the financial statements.
- (b) No significant deficiencies in internal control over financial reporting and its operation were noted.
- (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 did not disclose any audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - Student Financial Aid Cluster, Including
 - CFDA Number 84.007 Federal Supplemental Educational Opportunity Grant (FSEOG)
 - CFDA Number 84.032 Federal Family Education Loans
 - CFDA Number 84.033 Federal Work Study Program (FWS)
 - CFDA Number 84.063 Federal Pell Grant Program
 - CFDA Number 84.375 Academic Competitiveness Grants
 - Workforce Investment Act (WIA) Cluster, Including:
 - CFDA Number 17.258 WIA Adult Program
 - CFDA Number 17.259 WIA Youth Activities
 - CFDA Number 17.260 WIA Dislocated Workers
 - CFDA Number 17.267 WIA Incentive Grants
 - CFDA Number 17.261 Advanced Manufacturing Industry Project
 - CFDA Number 93.558 Temporary Assistance for Needy Families
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Western Iowa Tech Community College qualified as a low-risk auditee.

WESTERN IOWA TECH COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

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

None reported.

WESTERN IOWA TECH COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

Part III: Findings and Questioned Costs for Federal Awards:

None reported.

WESTERN IOWA TECH COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2008

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-08 Certified Budget - Expenditures in total for the year ended June 30, 2008, did not exceed the amounts budgeted.
- IV-B-08 Questionable Disbursements - No expenditures we believe did not meet the requirements of public purpose as defined in the Attorney General's opinion, dated April 25, 1979, were noted.
- IV-C-08 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-08 Business Transactions - No business transactions between the Community College and Community College officials or employees were noted.
- IV-E-08 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 insure the coverage is adequate for current operations.
- IV-F-08 Board Minutes - No transactions were found that we believe should have been approved in the Board minutes, but were not.
- IV-G-08 Publication - The Community College published a statement showing the receipts and disbursements of all funds for the fiscal year 2008, including the names of all persons, firms or corporations to which disbursements were made, as required by Chapter 260C.14(12) of the Code of Iowa.
- IV-H-08 Deposits and Investments - No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the Community College's investment policy were noted.
- IV-I-08 Credit and 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.

WESTERN IOWA TECH COMMUNITY COLLEGE

CORRECTIVE ACTION PLAN FOR FEDERAL AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2008

<u>Comment</u> <u>Number</u>	<u>Comment Title</u>	<u>Corrective</u> <u>Action Plan</u>	<u>Contact Person,</u> <u>Title</u> <u>Phone Number</u>	<u>Anticipated</u> <u>Date of</u> <u>Completion</u>
---------------------------------	----------------------	---	---	---

There were no instances of noncompliance or reportable conditions relating to Federal Awards reported. Thus, no corrective actions need to be taken.

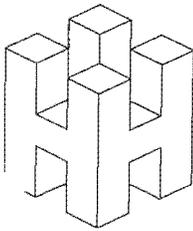
WESTERN IOWA TECH COMMUNITY COLLEGE

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2008

<u>Comment</u>			<u>If not Corrected, Provide</u>
<u>Reference</u>	<u>Comment Title</u>	<u>Status</u>	<u>Planned Corrective Action</u>
			<u>or Other Explanation</u>

No instances of noncompliance or reportable conditions relating to Federal awards were reported in the prior year.



**HENJES, CONNER &
WILLIAMS, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the financial statements of WESTERN IOWA TECH COMMUNITY COLLEGE for the year ended June 30, 2008, and have issued our report thereon dated November 25, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibilities Under U.S. Generally Accepted
Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated June 12, 2008, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered Western Iowa Tech Community College's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether Western Iowa Tech Community College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Western Iowa Tech Community College's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on Western Iowa Tech Community College's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Western Iowa Tech Community College's compliance with those requirements.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to management in our meeting about planning matters on August 21, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Western Iowa Tech Community College are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2008. We noted no transactions entered into by the Community College during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the allowance for doubtful accounts, the fair value of investments, the depreciable lives of capital assets, the liability for early retirement and the amount of excess interest on Iowa New Jobs Training funds. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements were:

The disclosures of Scholarship Allowances and Student Aid in Note 1, Cash and Investments in Note 2, Capital Assets in Note 4, Long-Term Debt in Note 6, Risk Pool in Note 10, and Commitments and Contingencies in Note 15 to the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management:

There were six audit adjustments made to the original trial balance presented to us to begin our audit. These entries were primarily related to year end adjustment of the payable for Iowa New Jobs Training Programs and to properly reflect Job Training Partners activity for the year. The volume of audit entries remained consistent with prior years. By comparison, management posts over 2,000 entries to the Community College's 23,000 accounts during the year, in addition to transactions numbering in the hundreds of thousands.

Several report entries were made to the Community College's internal financial information to adhere to governmental reporting standards. Those entries were to reflect the difference in capitalization policy, to remove plant fund acquisitions and principal payments from the statement of revenues, expenses and changes in net assets, to record depreciation expense, and to adjust to full accrual.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 25, 2008.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Community College's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Community College's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Western Iowa Tech Community College and is not intended to be and should not be used by anyone other than these specified parties.

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

Sioux City, Iowa
November 25, 2008