

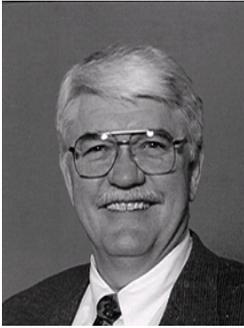


**ISJIT Annual
Financial Report
June 30, 2009**

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Statement from Sponsoring Association



Since 1986, the Iowa Schools Joint Investment Trust (ISJIT) has focused on serving the cash management needs of school districts, community colleges, area education agencies, and other eligible participants in a safe, effective, and efficient manner. ISJIT is sponsored by the Iowa Association of School Boards (IASB), governed by a representative board of trustees, and served by a dedicated team of professionals.

ISJIT has 392 authorized participants and welcomed 7 new participants in the 2008-2009 fiscal year. Over the past year, there has been significant volatility in the short-term marketplace. Throughout FY 2009, the benchmark Fed Funds rate has been adjusted downward in three moves by the Federal Reserve to a current level of 0.25% from 2.00% at the beginning of the fiscal year.

The overall reduction in market interest rates has translated to lower earnings rates available to short-term investors across all manner of liquid cash investment vehicles, including ISJIT. The Fund's Portfolios continue to provide a competitive return, with an emphasis on the preservation of principal and maintenance of suitable liquidity for all participants. ISJIT remains the leading choice among school corporations across the state.

IASB is committed to assisting local school districts on their journey to excellence by freeing dollars in your budget that can be focused on student learning. As you know, I am on a bit of a journey myself - retirement. This is my final ISJIT message and I want to take this opportunity to thank all of you who have participated in ISJIT and our other programs. Dr. Maxine Kilcrease takes over at IASB on July 1, 2009. I am sure you will find working with her a pleasure. I wish each of you and IASB the very best as you continue the journey to excellence.

Sincerely,

A handwritten signature in cursive script that reads "Ronald M. Rice".

Ronald M. Rice
Executive Director
Iowa Association of School Boards

Message from the Chair



ISJIT is pleased to present this Annual Financial Report for the period ended June 30, 2009. ISJIT enjoyed a record year of operation and welcomed seven new participants in the 2008-2009 fiscal year.

The average monthly assets held in ISJIT's Diversified Fund and Direct Government Obligation Fund reached an all-time high during the fiscal year, climbing as high as \$508,403,715 in May of 2009.

As of June 30, 2009, ISJIT's Fixed-Term Automated (FTA) assets exceeded \$173 million.

The ISJIT Board is encouraged by these accomplishments and we thank you for your loyal support over the past fiscal year.

We are pleased with our change to Bankers Trust Company for the 2008-2009 fiscal year for custody and cash management services. This change has allowed ISJIT to offer participants a variety of new services and enhancements such as electronic bill payment, checkwriting, ACH payroll upload, remote deposit capture, and sweep services from local banks. We are excited about these enhancements to the ISJIT program, and look forward to servicing your cash management needs in the next fiscal year.

Your comments and suggestions are always welcome and a key element in the continual improvement of ISJIT. Please feel free to contact me, or any other Board member, with your ideas and thoughts.

Together we can make ISJIT even better.

Cordially yours,

Richard Vande Kieft
Chairperson

Board of Trustees



Tom Downs
Southeast Polk



Jack Hill
North Scott



Richard L. Vande Kieft
Cedar Falls



Margaret Borgen
Heartland AEA 11



Thomas Wieseler
Mt. Vernon



Amy Jurens
George-Little Rock



Greg Reynolds
Keokuk

ISJIT Board of Trustees meets regularly to review the program's operation and to consider program operating enhancements that might be of assistance to ISJIT participants. Each of the seven members represents the interests of their school corporation as well as over 390 other ISJIT program members. Each Board member has served as a school board member, business manager, or administrator in his/her home for many years prior to their ISJIT service. Together, the ISJIT Board provides an extensive network of experience and knowledge of members' cash management needs to the program's ongoing operation. The diversity of experience and attention to detail by each member of the Board ensures that the program's history of helpful cash management assistance will continue to be available to ISJIT members well into the future.

Membership Profile

ADAIR-CASEY COMMUNITY SCHOOL
ADEL-DESOTO-MINBURN CSD
AEA 10 GRANT WOOD
AEA 11 HEARTLAND
AEA 13 LOESS HILLS
AEA 14 GREEN VALLEY
AEA 16 GREAT RIVER
AEA 16 GREAT RIVER TRUST
AEA 267
AEA 9 MISSISSIPPI BEND
AEA 9 MISSISSIPPI BEND TRUST
AEA PRAIRIE LAKES
AGWSR SCHOOL DISTRICT
A-H-S-T COMMUNITY SCHOOL
AKRON-WESTFIELD COMMUNITY SCHOOL
ALBERT CITY-TRUESDALE
ALBIA COMMUNITY SCHOOL
ALBURNETT COMMUNITY SCHOOL
ALDEN COMMUNITY SCHOOL
ALGONA COMMUNITY SCHOOLS
ALLAMAKEE COMMUNITY SCHOOL
ALLISON-BRISTOW COMMUNITY SCHOOL
ALTA COMMUNITY SCHOOL
AMES COMMUNITY SCHOOL
ANAMOSA COMMUNITY SCHOOL
ANDREW COMMUNITY SCHOOL
ANITA COMMUNITY SCHOOL
ANKENY COMMUNITY SCHOOL
ANTHON-OTO COMMUNITY SCHOOL
APLINGTON COMMUNITY SCHOOL
APLINGTON-PARKERSBURG SD
ARMSTRONG-RINGSTED COMM SCHOOL
AR-WE-VA COMMUNITY SCHOOL
ATLANTIC COMMUNITY SCHOOLS
AUDUBON COMMUNITY SCHOOL
BALLARD COMMUNITY SCHOOL
BANKERS TRUST TTEE JOHNSTON
BANKERS TRUST TTEE WEST DELAWARE
BATTLE CREEK-IDA COMM SCHOOL
BAXTER COMMUNITY SCHOOL
BCLUW COMMUNITY SCHOOL
BEDFORD COMMUNITY SCHOOL
BELLE PLAINE COMMUNITY SCHOOL
BELLEVUE COMMUNITY SCHOOLS
BELMOND-KLEMME COMM SCHOOL
BENNETT COMMUNITY SCHOOL
BENTON COMMUNITY SCHOOL DISTRICT
BETTENDORF COMMUNITY SCHOOL
BONDURANT-FARRAR COMM SCHOOL
BOONE COMMUNITY SCHOOL
BOYDEN-HULL COMMUNITY SCHOOL
BOYER VALLEY COMMUNITY SCHOOL
BROOKLYN-GUERNSEY-MALCOM
BURLINGTON COMMUNITY SCHOOL
C&M COMMUNITY SCHOOL
CAL COMMUNITY SCHOOL
CALAMUS-WHEATLAND CSD
CAMANCHE COMMUNITY SCHOOL
CARDINAL COMMUNITY SCHOOL
CARLISLE COMMUNITY SCHOOL
CARROLL COMMUNITY SCHOOL
CEDAR FALLS COMMUNITY SCHOOL
CEDAR RAPIDS COMMUNITY SCHOOL
CENTER POINT-URBANA CSD
CENTERVILLE COMMUNITY SCHOOL
CENTRAL CITY COMM SCHOOL DIST
CENTRAL CLINTON COMMUNITY SCHOOL
CENTRAL DECATUR COMMUNITY SCHOOL
CENTRAL LEE COMMUNITY SCHOOL
CENTRAL LYON COMMUNITY SCHOOL
CHARITON COMMUNITY SCHOOL
CHARLES CITY COMMUNITY SCHOOL
CHEROKEE COMMUNITY SCHOOL
CLARINDA COMMUNITY SCHOOL
CLARKE COMMUNITY SCHOOL
CLAY CENTRAL/EVERLY CSD
CLEAR CREEK-AMANA CSD
CLEAR LAKE COMMUNITY SCHOOL
CLEARFIELD COMMUNITY SCHOOL
CLINTON COMMUNITY SCHOOL
COLFAX-MINGO COMMUNITY SCHOOL
COLLEGE COMMUNITY SCHOOL
COLLINS-MAXWELL COMMUNITY SCHOOL
COLO-NESCO COMMUNITY SCHOOL
COLUMBUS COMMUNITY SCHOOL
COMMUNITY FIRST STATE BANK
COON-RAPIDS-BAYARD CSD
CORNING COMMUNITY SCHOOL
COUNCIL BLUFFS COMMUNITY SCHOOL
CRESTON COMMUNITY SCHOOL
DALLAS-CENTER-GRIMES CSD
DANVILLE COMMUNITY SCHOOL
DAVENPORT COMMUNITY SCHOOL
DAVIS COUNTY COMMUNITY SCHOOL
DECORAH COMMUNITY SCHOOL
DEEP RIVER-MILLERSBURG CSD
DELWOOD COMMUNITY SCHOOL
DENISON COMMUNITY SCHOOL
DENVER COMMUNITY SCHOOL
DES MOINES AREA COMMUNITY
DES MOINES AREA COMMUNITY
DES MOINES INDEPENDENT SCHOOL
DIAGONAL COMMUNITY SCHOOL
DIKE-NEW HARTFORD CSD
DOWS COMMUNITY SCHOOL
DUBUQUE COMMUNITY SCHOOL
DUNKERTON COMMUNITY SCHOOL
DURANT COMMUNITY SCHOOL
EAGLE GROVE CSD
EARLHAM COMMUNITY SCHOOL
EAST BUCHANAN COMMUNITY SCHOOL
EAST CENTRAL COMMUNITY SCHOOL
EAST GREENE COMMUNITY SCHOOL
EAST MARSHALL COMMUNITY SCHOOL
EAST UNION COMMUNITY SCHOOL
EASTERN ALLAMAKEE CSD
EDDYVILLE-BLAKESBURG CSD
EDGEWOOD-COLESBURG CSD
ELDORA NEW PROVIDENCE CSD
EMMETSBURG COMMUNITY SCHOOL
ENGLISH VALLEYS CSD
ESSEX COMMUNITY SCHOOL
ESTHERVILLE LINCOLN CENTRAL CSD
EXIRA COMMUNITY SCHOOL
FAIRFIELD COMMUNITY SCHOOLS
FARRAGUT COMMUNITY SCHOOLS
FOREST CITY COMMUNITY SCHOOL
FORT DODGE COMMUNITY SCHOOL
FORT MADISON COMMUNITY SCHOOL
FOX VALLEY COMMUNITY SCHOOL
FREDERICKSBURG COMMUNITY SCHOOL
FREMONT COMMUNITY SCHOOL
FREMONT-MILLS COMMUNITY SCHOOL
GALVA-HOLSTEIN COMMUNITY SCHOOL
GARNER-HAYFIELD COMMUNITY SCHOOL
GEORGE-LITTLE ROCK CSD
GILBERT COMMUNITY SCHOOL
GILMORE CITY-BRADGATE CSD
GLADBROOK-REINBECK COMMUNITY
GLENWOOD COMMUNITY SCHOOL
GLIDDEN-RALSTON COMMUNITY SCHOOL
GMG COMMUNITY SCHOOL
GRAETTINGER COMMUNITY SCHOOL
GRAND COMMUNITY SCHOOL
GREAT PRAIRIE AEA
GRINNELL-NEWBURG COMM SCHOOL
GRISWOLD COMMUNITY SCHOOL
GUTHRIE CENTER COMM SCHOOL
GUTTENBURG COMMUNITY SCHOOL
HAMBURG COMMUNITY SCHOOL
HAMPTON-DUMONT CSD
HARLAN COMMUNITY SCHOOL
HARMONY COMMUNITY SCHOOL
HARTLEY-MELVIN-SANBORN CSD
HIGHLAND COMMUNITY SCHOOL
HINTON COMMUNITY SCHOOL
H-L-V COMMUNITY SCHOOL
HOWARD-WINNESHIEK CSD
HUBBARD-RADCLIFFE CSD
HUDSON COMMUNITY SCHOOL
HUMBOLDT COMM SCHOOLS
IKM COMMUNITY SCHOOL
IMPACC
INDEPENDENCE COMMUNITY SCHOOL
INDIAN HILLS CC CORPORATION
INDIAN HILLS CC FOUNDATION
INDIAN HILLS CC TRUST
INDIAN HILLS COMMUNITY COLLEGE
INDIANOLA COMMUNITY SCHOOL
INTERSTATE 35 COMMUNITY SCHOOL
IOWA CITY COMMUNITY SCHOOL
IOWA FALLS COMMUNITY SCHOOL
IOWA LAKES COMMUNITY COLLEGE
IOWA LAKES COMMUNITY COLLEGE TR
IOWA SCHOOLS CASH ANTICIPATION
IOWA SCHOOLS EMPLOYEE BENEFITS
IOWA SCHOOLS JOINT INVESTMENT TR
IOWA VALLEY COMMUNITY COLLEGE
IOWA VALLEY COMMUNITY SCHOOL
IOWA WESTERN COMMUNITY COLLEGE
JANESVILLE CONSOLIDATED SCHOOL
JEFFERSON-SCRANTON CSD
JESUP COMMUNITY SCHOOL DISTRICT
JOHNSTON COMMUNITY SCHOOL
KEOKUK COMMUNITY SCHOOL
KEOTA COMMUNITY SCHOOL
KEYSTONE AEA 1
KINGSLEY-PIERSON COMMUNITY
KIRKWOOD COMMUNITY COLLEGE
KIRKWOOD COMMUNITY COLLEGE TRUST
KNOXVILLE COMMUNITY SCHOOL
LAKE MILLS CSD
LAMONI COMMUNITY SCHOOL
LAURENS-MARATHON CSD
LAWTON-BRONSON COMMUNITY SCHOOL
LE MARS COMMUNITY SCHOOL
LENOX COMMUNITY SCHOOL
LEWIS CENTRAL COMMUNITY SCHOOL

Membership Profile, Continued

LINEVILLE-CLIO COMMUNITY SCHOOL
 LINN-MAR COMMUNITY SCHOOL
 LISBON COMMUNITY SCHOOLS
 LITTLE ROCK COMMUNITY SCHOOL
 LOGAN-MAGNOLIA COMMUNITY SCHOOL
 LONE TREE COMMUNITY SCHOOL
 LOUISA-MUSCATINE CSD
 LUVERNE COMMUNITY SCHOOL
 LYNNVILLE-SULLY COMMUNITY SCHOOL
 MADRID COMMUNITY SCHOOL
 MALVERN COMMUNITY SCHOOL
 MANNING COMMUNITY SCHOOL
 MANSON NORTHWEST WEBSTER CSD
 MAPLE VALLEY COMMUNITY SCHOOL
 MAQUOKETA COMMUNITY SCHOOL
 MAQUOKETA VALLEY CSD
 MARCUS-MERIDEN-CLEGHORN CSD
 MARION INDEPENDENT SCHOOL
 MARSHALLTOWN COMM COLLEGE TRUST
 MARSHALLTOWN COMMUNITY SCHOOL
 MARTENSDALE ST-MARYS CSD
 MASON CITY COMMUNITY SCHOOL
 MEDIAPOLIS COMMUNITY SCHOOL
 MELCHER DALLAS COMMUNITY SCHOOL
 METRO INTERAGENCY INSURANCE PRO
 MID PRAIRIE COMMUNITY SCHOOL
 MIDLAND COMMUNITY SCHOOLS
 MISSOURI VALLEY COMMUNITY SCHOOL
 MISSOURI VALLEY HIGH SCHOOL
 MOC-FLOYD VALLEY CSD
 MONTEZUMA COMMUNITY SCHOOL
 MONTICELLO COMMUNITY SCHOOL
 MORAVIA COMMUNITY SCHOOL
 MORMON TRAIL COMMUNITY SCHOOL
 MORNING SUN COMM SCHOOL
 MOULTON-UDELL COMMUNITY SCHOOL
 MOUNT AYR COMMUNITY SCHOOL
 MOUNT PLEASANT COMMUNITY SCHOOL
 MOUNT VERNON COMMUNITY SCHOOL
 MURRAY COMMUNITY SCHOOL
 MUSCATINE COMMUNITY SCHOOL
 NASHUA-PLAINFIELD CSD
 NEVADA COMMUNITY SCHOOL
 NEW HAMPTON COMMUNITY SCHOOL
 NEW LONDON COMMUNITY SCHOOL
 NEW MARKET COMMUNITY SCHOOL
 NEWTON COMMUNITY SCHOOL
 NISHNA VALLEY COMMUNITY SCHOOL
 NODAWAY VALLEY COMMUNITY SCHOOL
 NORA SPRINGS-ROCK FALLS CSD
 NORTH CEDAR CSD
 NORTH CENTRAL COMMUNITY SCHOOL
 NORTH FAYETTE COMMUNITY SCHOOL
 NORTH IOWA COMMUNITY SCHOOL
 NORTH KOSSUTH COMMUNITY SCHOOL
 NORTH MAHASKA COMMUNITY SCHOOL
 NORTH POLK COMMUNITY SCHOOL
 NORTH SCOTT COMMUNITY SCHOOL
 NORTH TAMA COUNTY COMMUNITY SD
 NORTH WINNESHIEK COMM SCHOOLS
 NORTHEAST COMMUNITY SCHOOLS
 NORTHEAST HAMILTON CSD
 NORTHEAST IOWA COMMUNITY COLLEGE
 NORTHERN TRAILS AEA 2
 NORTHERN TRAILS TRUST
 NORTH-LINN COMMUNITY SCHOOL
 NORTHWEST AREA EDUCATION AGENCY
 NORTHWEST COMMUNITY COLLEGE TR
 NORTHWEST IOWA COMMUNITY COLLEGE
 NORTHWOOD-KENSETT CSD
 NORWALK COMMUNITY SCHOOL
 ODEBOLT-ARTHUR COMMUNITY SCHOOL
 OELWEIN COMMUNITY SCHOOL
 OGDEN COMMUNITY SCHOOL
 OKOBOJI COMMUNITY SCHOOL
 OLIN CONSOLIDATED SCHOOL
 ORIENT-MACKSBURG COMM SCHOOL
 OSAGE COMMUNITY SCHOOL DISTRICT
 OSKALOOSA COMMUNITY SCHOOL
 OTTUMWA COMMUNITY SCHOOL
 PANORAMA COMMUNITY SCHOOL
 PARKERSBURG COMMUNITY SCHOOL
 PCM COMMUNITY SCHOOL
 PEKIN COMMUNITY SCHOOL
 PELLA COMMUNITY SCHOOL
 PERRY COMMUNITY SCHOOL
 PLEASANTVILLE COMMUNITY SCHOOL
 POCAHONTAS AREA COMM COLLEGE
 POMEROY-PALMER SCHOOL
 POSTVILLE COMMUNITY SCHOOLS
 PR LKS AEA8 WF AS TTEE
 PRAIRIE LAKES AEA
 PRAIRIE VALLEY COMMUNITY SCHOOL
 PRESCOTT COMMUNITY SCHOOL
 PRESTON COMMUNITY SCHOOL
 RED OAK COMMUNITY SCHOOL
 RIVER VALLEY COMMUNITY SCHOOL
 RIVERSIDE COMMUNITY SCHOOL
 ROCK VALLEY COMMUNITY SCHOOL
 ROCKWELL CITY-LYTTON CSD
 ROCKWELL-SWALEDALE CSD
 ROLAND STORY CSD
 RUDD,ROCKFORD,MARBLE ROCK CSD
 SAC COMMUNITY SCHOOL
 SAYDEL COMMUNITY SCHOOL
 SENTRAL COMMUNITY SCHOOL
 SERGEANT BLUFF-LUTON CSD
 SEYMOUR COMMUNITY SCHOOL
 SHEFFIELD-CHAPIN CSD
 SHELDON COMMUNITY SCHOOL
 SHENANDOAH COMMUNITY SCHOOL
 SIBLEY-OCHEYEDAN CSD
 SIDNEY COMMUNITY SCHOOL
 SIGOURNEY COMMUNITY SCHOOL
 SIOUX CENTER COMMUNITY SCHOOL
 SIOUX CENTRAL CSD
 SIOUX CITY COMMUNITY SCHOOL
 SOLON COMMUNITY SCHOOL
 SOUTH HAMILTON COMMUNITY SCHOOL
 SOUTH OBRIEN COMM SCHOOL DIST
 SOUTH PAGE COMMUNITY SCHOOL
 SOUTH TAMA COUNTY CSD
 SOUTH WINNESHIEK COMMUNITY
 SOUTHEAST IOWA SCHOOLS HEALTH
 SOUTHEAST POLK COMMUNITY SCHOOL
 SOUTHEAST WARREN COMMUNITY
 SOUTHEAST WEBSTER-GRAND
 SOUTHEASTERN COMM COLLEGE TRUST
 SOUTHEASTERN COMMUNITY COLLEGE
 SOUTHERN CAL COMMUNITY SCHOOL
 SPENCER COMMUNITY SCHOOL
 SPIRIT LAKE COMMUNITY SCHOOL
 SPRINGVILLE COMMUNITY SCHOOL
 ST ANSGAR COMMUNITY SCHOOL
 STANTON COMMUNITY SCHOOL
 STARMONT COMMUNITY SCHOOL
 STORM LAKE COMMUNITY SCHOOL
 STRATFORD COMMUNITY SCHOOL
 SUMNER COMMUNITY SCHOOL
 TERRIL COMMUNITY SCHOOL
 TIPTON COMMUNITY SCHOOL
 TITONKA CONSOLIDATED SCHOOL
 TREYNOR COMMUNITY SCHOOL
 TRI-CENTER COMMUNITY SCHOOL
 TRI-COUNTY COMMUNITY SCHOOL
 TRIPOLI COMMUNITY SCHOOL
 TURKEY VALLEY COMMUNITY SCHOOL
 TWIN CEDARS COMMUNITY SCHOOL
 UNDERWOOD COMMUNITY SCHOOL
 UNION COMMUNITY SCHOOL
 UNITED COMMUNITY SCHOOL
 URBANDALE COMMUNITY SCHOOL
 VALLEY COMMUNITY SCHOOL
 VAN BUREN COMMUNITY SCHOOL
 VAN METER COMMUNITY SCHOOL
 VENTURA COMMUNITY SCHOOL
 VILLISCA COMMUNITY SCHOOL
 VINTON-SHELLSBURG COMM SCHOOL
 WACO COMMUNITY SCHOOL
 WALL LAKE COMMUNITY SCHOOL
 WALNUT COMMUNITY SCHOOL
 WAPELLO COMMUNITY SCHOOL
 WAPSIE VALLEY COMMUNITY SCHOOL
 WASHINGTON COMMUNITY SCHOOL
 WATERLOO COMMUNITY SCHOOL
 WAUKEE COMMUNITY SCHOOL
 WAVERLY-SHELL ROCK COMMUNITY
 WAYNE COMMUNITY SCHOOL
 WEBSTER CITY COMMUNITY SCHOOL
 WEST BEND-MALLARD CSD
 WEST BRANCH COMMUNITY SCHOOL
 WEST BURLINGTON COMMUNITY SCHOOL
 WEST CENTRAL COMMUNITY SCHOOL
 WEST CENTRAL VALLEY CSD
 WEST DELAWARE COMMUNITY SCHOOL
 WEST DES MOINES COMMUNITY SCHOOL
 WEST HANCOCK COMMUNITY SCHOOL
 WEST HARRISON COMMUNITY SCHOOL
 WEST LIBERTY COMMUNITY SCHOOL
 WEST LYON COMMUNITY SCHOOL
 WEST MARSHALL COMMUNITY SCHOOL
 WEST MONONA COMMUNITY SCHOOL
 WEST SIOUX COMMUNITY SCHOOL
 WESTERN DUBUQUE COMMUNITY SCHOOL
 WESTERN IOWA TECH COMM COLLEGE
 WESTWOOD COMMUNITY SCHOOL
 WHITING COMMUNITY SCHOOL
 WILLIAMSBURG COMMUNITY SCHOOL
 WILTON COMMUNITY SCHOOL
 WINFIELD MT-UNION COMM SCHOOL
 WINTERSET COMMUNITY SCHOOL
 WODEN-CRYSTAL COMMUNITY SCHOOL
 WOODBURY CENTRAL COMM SCHOOL
 WOODWARD-GRANGER COMM SCHOOL

Program Services and Features

- ISJIT is sponsored by the Iowa Association of School Boards (IASB). IASB's management team meets regularly with the program's service providers to monitor all elements of program operation.
- Unique internet-based reporting system, *ISJIT Online*, provides participants with real-time account inquiry and transaction capabilities via the internet. Participants may invest or withdraw funds, verify account balances or transaction histories, and direct inquiries to any ISJIT service provider with this unique service.
- Provides two daily liquid investment alternatives: Diversified and Direct Government Obligation (DGO) Portfolios. Each alternative is tailored to meet specific participant investment needs. Each offers rates that may exceed those available for other liquid account structures and fixed-term investments with limited liquidity.
- Provides toll-free telephone access to experienced ISJIT representatives who can personally assist with any investment related inquiry or request offer.
- Invests available funds with Iowa financial institutions, offering competitive rates of interest, whenever possible.
- Flexible Withdrawal Certificate of Deposit offers the perfect investment capability for bond proceeds. Each Flex CD is tailored to the specific needs of the project by offering:
 - Payment of a competitive fixed rate of interest
 - No penalty for early withdrawals
 - Monthly liquidity for project needs
 - An extended maturity to accommodate any unanticipated project delays

"The ISJIT Flex CD has been a solid investment option for the Waterloo Community School District for the construction of a new middle school and two new elementary schools during 2008-09. The convenience of investing with ISJIT, getting a good rate and the flexibility to withdraw funds for scheduled payments helped us manage our funds efficiently and effectively. We value the services from ISJIT, so Iowa schools can focus on serving the students."

*Michael L. Coughlin
Chief Financial Officer
Waterloo School District*



Management's Discussion and Analysis

This section of ISJIT Administration Fund, Diversified, Direct Government Obligation (DGO), and Diversified Plus Portfolios' annual Financial Statements presents management's discussion and analysis of the financial position and results of operations for the fiscal years ended June 30, 2009 (FY 2009) and June 30, 2008 (FY 2008). This information is being presented to provide additional information regarding the activities of ISJIT. This discussion and analysis should be read in conjunction with the Independent Auditor's Report of Brooks Lodden P.C., the Financial Statements, and the accompanying notes.

ISJIT is primarily responsible for providing proactive cash management practices and responsiveness to the unique needs of school corporations across Iowa. ISJIT is a common law trust established under Iowa law pursuant to Chapter 28E and Section 279.29, Iowa Code (1985), as amended, which authorizes Iowa schools to jointly invest money pursuant to a joint investment agreement. ISJIT currently operates the Diversified and DGO Portfolios. The Diversified Plus Portfolio suspended operations on January 8, 2009 due to economic factors. The objective of the portfolios is to maintain a high degree of liquidity and safety of principal through investment in short-term securities as permitted for Iowa schools under Iowa law. Activities of the Diversified, DGO, and Diversified Plus Portfolios are described in the Management's Discussion and Analysis and accompanying financial statements and notes to financial statements.

Overview of the Financial Statements

The Management's Discussion and Analysis provides an introduction to and overview of the fiduciary financial statements of ISJIT's Administration Fund, Diversified, DGO, and Diversified Plus Portfolios. The following components comprise the financial statements for the Administration Fund: 1) Statements of Net Assets, 2) Statements of Changes in Net Assets, and 3) Notes to Financial Statements. The following components comprise the financial statements for each Portfolio: 1) Statements of Net Assets, 2) Statements of Changes in Net Assets, 3) Schedule of Investments for FY 2009, and 4) Notes to Financial Statements. The Statements of Net Assets displays the financial position (assets and liabilities) of the funds as of June 30, 2009 and 2008. The Statements of Changes in Net Assets displays the results of operations (income and expenses) and participant/unitholder activity (sales and redemptions) for each of the two most recent fiscal years. The Schedule of Investments lists each security held by the portfolio as of June 30, 2009. The Notes to Financial Statements describe significant accounting policies of the portfolios.

Management's Discussion and Analysis, Continued

Condensed Financial Information and Financial Analysis

Year-to-year variances in most financial statement amounts reported in ISJIT's Administrative Fund, Diversified, DGO, and Diversified Plus Portfolios are caused by a single variable – the level of average net assets (which fluctuates based on the overall levels of participant/unitholder invested balances) in each portfolio. Additionally, changes in the short-term interest rate environment (which follows the general trend established by monetary policy set by the Federal Reserve) contribute to year-over-year variances in the amount of investment income earned. Throughout FY 2009, the benchmark Fed Funds rate has been adjusted downward in three moves by the Federal Reserve to a current level of 0.25% from 2.00% at the beginning of the fiscal year.

Condensed financial information and variance explanations for each portfolio for FY 2009 and FY 2008 follows:

Administration Fund

Condensed information for the Fund through each period ended June 30:	<u>2009</u>	<u>2008</u>	Percentage Change
Total Assets	\$ 110,733	\$ 63,540	42.62%
Net Assets	\$ 99,961	\$ 54,540	45.44%
Income	\$ 111,805	\$ 105,878	-5.59%
Total Expenses	\$ 66,384	\$ 63,209	4.78%

Diversified Portfolio

Condensed information for the Portfolio through each period ended June 30:	<u>2009</u>	<u>2008</u>	Percentage Change
Total Investments	\$ 486,951,584	\$ 366,297,779	32.94%
Net Assets	\$ 489,665,667	\$ 367,028,682	33.41%
Average Net Assets	\$ 360,269,218	\$ 325,766,281	10.59%
Investment Income	\$ 4,579,566	\$ 12,669,327	-63.85%
Total Expenses	\$ 1,170,875	\$ 1,052,290	11.27%
Net Investment Income	\$ 3,408,691	\$ 11,617,037	-70.66%
Units Sold (\$1 per unit)	1,508,460,839	1,283,599,162	17.52%
Units Redeemed (\$1 per unit)	1,686,232,545	1,230,566,786	37.03%
Total Return	1.10%	3.83%	
Ratio of Expenses to Average Net Assets	0.29%	0.32%	
Ratio of Net Investment Income to Average Net Assets	0.95%	3.57%	
Net Asset Value per Unit, Beginning of Period	\$ 1.000	\$ 1.000	
Net Investment Income per Unit	0.009	0.036	
Dividends Distributed per Unit	(0.009)	(0.036)	
Net Asset Value per Unit, End of Period	\$ 1.000	\$ 1.000	

Management's Discussion and Analysis, Continued

Condensed Financial Information and Financial Analysis Continued

Direct Government Obligation Portfolio

Condensed information for the Portfolio through each period ended June 30:	<u>2009</u>	<u>2008</u>	Percentage Change
Total Investments	\$ 15,009,798	\$ 17,528,000	-14.37%
Net Assets	\$ 15,059,438	\$ 17,523,574	-14.06%
Average Net Assets	\$ 21,688,236	\$ 21,483,637	0.95%
Investment Income	\$ 123,792	\$ 739,272	-83.25%
Total Expenses	\$ 13,381	\$ 68,004	-80.32%
Net Investment Income	\$ 110,411	\$ 671,268	-83.55%
Units Sold (\$1 per unit)	35,835,994	32,431,274	10.50%
Units Redeemed (\$1 per unit)	38,410,542	36,111,335	6.37%
Total Return	0.56%	3.17%	
Ratio of Expenses to Average Net Assets	0.31%	0.32%	
Ratio of Net Investment Income to Average Net Assets	0.51%	3.12%	
Net Asset Value per Unit, Beginning of Period	\$ 1.000	\$ 1.000	
Net Investment Income per Unit	0.005	0.031	
Dividends Distributed per Unit	(0.005)	(0.031)	
Net Asset Value per Unit, End of Period	\$ 1.000	\$ 1.000	

Diversified Plus Portfolio

Condensed information for the Portfolio through each period ended June 30:	<u>2009</u>	<u>2008</u>	Percentage Change
Total Investments	\$ 0	\$ 43,729,209	-100.00%
Net Assets	\$ 0	\$ 43,797,766	-100.00%
Average Net Assets	\$ 6,828,625	\$ 34,233,004	-80.05%
Investment Income	\$ 130,638	\$ 1,316,293	-90.08%
Total Expenses	\$ 22,193	\$ 110,560	-79.93%
Net Investment Income	\$ 108,445	\$ 1,205,733	-91.01%
Units Sold (\$1 per unit)	50,137,879	214,100,541	-76.58%
Units Redeemed (\$1 per unit)	94,044,090	212,978,730	-55.84%
Total Return	2.76%	3.81%	
Ratio of Expenses to Average Net Assets	1.62%	0.32%	
Ratio of Net Investment Income to Average Net Assets	1.59%	3.52%	
Net Asset Value per Unit, Beginning of Period	\$ 1.000	\$ 1.000	
Net Investment Income per Unit	0.016	0.035	
Dividends Distributed per Unit	(0.016)	(0.035)	
Net Asset Value per Unit, End of Period	\$ 1.000	\$ 1.000	

Management's Discussion and Analysis, Continued

Condensed Financial Information and Financial Analysis Continued

The net assets for the Administration Fund increased 45.44 percent to \$99,961 in FY 2009 from \$54,540 in FY 2008. The increase in the net assets for the Administration Fund was a result of earning fees greater than anticipated expenses.

During FY 2009, average net assets increased 10.59 percent to \$360,269,218 from average net assets of \$325,766,281 during FY 2008 for the Diversified Portfolio. During FY 2009, average net assets increased .95 percent to \$21,688,236 from average net assets of \$21,483,637 during FY 2008 for the DGO Portfolio. The average net assets for the Diversified Plus Portfolio decreased 80.05 percent to \$6,828,625 in FY 2009 from \$34,233,004 in FY 2008 as a result of suspending operations of the Portfolio on January 8, 2009.

Investment income and net investment income decreased in all three Portfolios during FY 2009 compared to FY 2008 due to the decreasing rate environment throughout FY 2009. Expenses of the Portfolios are calculated on daily net asset totals causing the Diversified Portfolio total expenses to increase while the Direct Government Obligation and Diversified Plus expenses decreased.

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees and Unitholders
Iowa Schools Joint Investment Trust

We have audited the accompanying statements of net assets of the Iowa Schools Joint Investment Trust (ISJIT) Administration Fund, Diversified Portfolio, the Direct Government Obligation Portfolio, and the Diversified Plus Portfolio as of June 30, 2009 and 2008, and the related statements of changes in net assets for the years then ended. We have also audited the accompanying schedules of investments of the Diversified Portfolio and the Direct Government Obligation Portfolio for the year ended June 30, 2009. These financial statements are the responsibility of ISJIT's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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 the significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the ISJIT Administration Fund, Diversified Portfolio, the Direct Government Obligation Portfolio, and the Diversified Plus Portfolio as of June 30, 2009 and 2008, the changes in net assets for the years ended June 30, 2009 and 2008, and the schedules of investments as of June 30, 2009 in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 17, 2009, on our consideration of ISJIT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* should be considered in assessing the results of our audit.

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

Brooks Lodden P.C.

West Des Moines, Iowa
September 17, 2009

Financial Statements

Iowa Schools Joint Investment Trust
Statement of Net Assets
June 30, 2009

	Administration Fund	Diversified Portfolio	Direct Government Obligation Portfolio	Diversified Plus Portfolio	Total
Assets					
Cash	\$ 98,097	\$ 2,903,117	\$ 966	\$ -	\$ 3,002,180
Interest Receivable	-	1,850,003	48,673	-	1,898,676
Accounts Receivable	12,636	-	-	-	12,636
Investments (amortized cost):					
Securities Purchased Under Agreement to Resell	-	109,448,000	7,436,000	-	116,884,000
Certificates of Deposit	-	12,480,000	-	-	12,480,000
Demand Deposits	-	25,038,922	-	-	25,038,922
U.S. Government Obligations	-	339,984,662	7,573,798	-	347,558,460
Total Assets	110,733	491,704,704	15,059,437	-	506,874,874
Liabilities					
Unissued Units	-	1,902,147	-	-	1,902,147
Accounts Payable	10,772	-	-	-	10,772
Administration Fee	-	27,378	-	-	27,378
Investment Advisory Fee	-	25,272	-	-	25,272
Marketing Fee	-	29,484	-	-	29,484
Custodian Fee	-	8,424	-	-	8,424
Sponsorship Fee	-	33,696	-	-	33,696
Administration Fund Fee	-	12,636	-	-	12,636
Total Liabilities	10,772	2,039,037	-	-	2,049,809
Net Assets Held in Trust for Participants	\$ 99,961	\$ 489,665,667	\$ 15,059,437	\$ -	\$ 504,825,065

See accompanying notes to financial statements.

Financial Statements

Iowa Schools Joint Investment Trust Statement of Changes in Net Assets For the Year Ended June 30, 2009

	Administration Fund	Diversified Portfolio	Direct Government Obligation Portfolio	Diversified Plus Portfolio	Total
Investment Income:					
Interest	\$ 441	\$ 4,579,566	\$ 123,792	\$ 130,638	\$ 4,834,437
Investment Expenses:					
Investment Advisory Fees	-	216,162	2,470	4,097	222,729
Administrative Fees	-	234,175	2,676	4,439	241,290
Marketing Fees	-	252,188	2,882	4,780	259,850
Custodian Fees	-	72,054	824	1,366	74,244
Sponsorship Fees	24,000	288,215	3,294	5,463	320,972
Administration Fund Fees	-	108,081	1,235	2,048	111,364
Professional Services	21,575	-	-	-	21,575
Rating Service Fees	10,667	-	-	-	10,667
Other Fees and Expenses	10,142	-	-	-	10,142
Total Investment Expenses	66,384	1,170,875	13,381	22,193	1,272,833
Net Investment Income (Expense)	(65,943)	3,408,691	110,411	108,445	3,561,604
Other Income	111,364	-	-	-	111,364
Net (Decrease) Increase in Net Assets Before Unit Transactions	45,421	3,408,691	110,411	108,445	3,672,968
Units Sold	-	1,805,460,839	35,835,994	50,137,879	1,891,434,712
Units Redeemed	-	(1,686,232,545)	(38,410,542)	(94,044,090)	(1,818,687,177)
Net Increase (Decrease) in Net Assets	45,421	122,636,985	(2,464,137)	(43,797,766)	76,420,503
Net Assets at Beginning of Period	54,540	367,028,682	17,523,574	43,797,766	428,404,562
Net Assets at End of Period	\$ 99,961	\$ 489,665,667	\$ 15,059,437	\$ -	\$ 504,825,065

See accompanying notes to financial statements.

Financial Statements

Iowa Schools Joint Investment Trust
Statement of Net Assets
June 30, 2008

	Administration Fund	Diversified Portfolio	Direct Government Obligation Portfolio	Diversified Plus Portfolio	Total
Assets					
Cash	\$ 52,113	\$ 25,158	\$ 340	\$ 448	\$ 78,059
Interest Receivable		812,267	834	79,774	892,875
Accounts Receivable	11,427	-	-	-	11,427
Investments (amortized cost):					
Securities Purchased Under Agreement to Resell	-	24,546,000	17,528,000	2,882,000	44,956,000
Certificates of Deposit	-	9,800,000	-	2,500,000	12,300,000
U.S. Government Obligations	-	331,951,779	-	35,351,406	367,303,185
Commercial Paper	-	-	-	2,995,803	2,995,803
Total Assets	63,540	367,135,204	17,529,174	43,809,431	428,537,349
Liabilities					
Accounts Payable	9,000	-	-	-	9,000
Administration Fee	-	21,304	1,120	2,333	24,757
Investment Advisory	-	19,666	1,033	2,153	22,852
Marketing Fee	-	22,943	1,207	2,513	26,663
Custodian Fees	-	6,555	345	718	7,618
Sponsorship Fee	-	26,221	1,378	2,871	30,470
Administration Fund Fee	-	9,833	517	1,077	11,427
Total Liabilities	9,000	106,522	5,600	11,665	132,787
Net Assets Held in Trust for Participants	\$ 54,540	\$ 367,028,682	\$ 17,523,574	\$ 43,797,766	\$ 428,404,562

See accompanying notes to financial statements.

Financial Statements

Iowa Schools Joint Investment Trust Statement of Changes in Net Assets For the Year Ended June 30, 2008

	Administration Fund	Diversified Portfolio	Direct Government Obligation Portfolio	Diversified Plus Portfolio	Total
Investment Income:					
Interest	\$ 589	\$ 12,669,327	\$ 739,272	\$ 1,316,293	\$ 14,725,481
Investment Expenses:					
Investment Advisory Fees	-	195,700	12,717	20,564	228,981
Administrative Fees	-	212,009	13,674	22,278	247,961
Marketing Fees	-	228,317	14,762	23,992	267,071
Custodian Fees	-	65,234	4,239	6,855	76,328
Sponsorship Fees	22,500	260,934	16,871	27,419	327,724
Administration Fund Fees	-	90,096	5,741	9,452	105,289
Professional Services	16,769	-	-	-	16,769
Rating Service Fees	14,000	-	-	-	14,000
Other Fees and Expenses	9,940	-	-	-	9,940
Total Investment Expenses	63,209	1,052,290	68,004	110,560	1,294,063
Net Investment Income (Expense)	(62,620)	11,617,037	671,268	1,205,733	13,431,418
Other Income	105,289	-	-	-	105,289
Net (Decrease) Increase in Net Assets Before Unit Transactions	42,669	11,617,037	671,268	1,205,733	13,536,707
Units Sold	-	1,283,599,162	32,431,274	214,100,541	1,530,130,977
Units Redeemed	-	(1,230,566,786)	(36,111,335)	(212,978,730)	(1,479,656,851)
Net Increase (Decrease) in Net Assets	42,669	64,649,413	(3,008,793)	2,327,544	64,010,833
Net Assets at Beginning of Period	11,871	302,379,269	20,532,367	41,470,222	364,393,729
Net Assets at End of Period	\$ 54,540	\$ 367,028,682	\$ 17,523,574	\$ 43,797,766	\$ 428,404,562

See accompanying notes to financial statements.

Financial Statements

Diversified Portfolio - Schedule of Investments - June 30, 2009 - (Showing Percentage of Total Investments)

Par Value	Description	Purchase Yield	Maturity Date	Amortized Cost
SECURITIES PURCHASED UNDER AGREEMENT TO RESELL – 22.48%				
\$ 109,448,000	Deutsche Bank, Repurchase Agreement	0.09%	07/01/09	\$ 109,448,000
	TOTAL			109,448,000
CERTIFICATES OF DEPOSIT – 2.56%				
800,000	People’s Bank, Rock Valley	1.110%	07/13/2009	800,000
700,000	First Central State Bank, DeWitt	1.250%	07/23/2009	700,000
245,000	First Midwest Bank, Moline	1.250%	08/10/2009	245,000
245,000	Tri County Bank and Trust, Cascade	1.850%	08/13/2009	245,000
245,000	Citizens Bank, Sac City	2.000%	08/19/2009	245,000
9,000,000	US Bank, Des Moines	1.250%	11/09/2009	9,000,000
245,000	Northwest Bank, Spencer	1.850%	12/23/2009	245,000
1,000,000	State Bank & Trust, Nevada	2.150%	02/09/2010	1,000,000
	TOTAL			12,480,000
DEMAND DEPOSIT – 5.14%				
10,019,259	Bankers Trust Company, Cedar Rapids	0.400%	07/01/2009	10,019,259
15,019,663	Bankers Trust Company, Des Moines	0.220%	07/01/2009	15,019,663
	TOTAL			25,038,922
U.S. GOVERNMENT OBLIGATIONS – 69.82%				
500,000	Federal Home Loan Mortgage Corp.	4.250%	07/15/2009	500,062
10,000,000	Federal Home Loan Bank, Discount Note		07/27/2009	9,996,849
3,240,000	Federal National Mortgage Assn.	5.375%	08/15/2009	3,256,893
9,000,000	Federal Home Loan Mortgage Corp.	4.125%	09/01/2009	9,056,574
8,550,000	Federal Home Loan Bank	5.000%	09/18/2009	8,630,159
28,000,000	Federal Home Loan Mortgage Corp., Floating Rate Note	0.295%	09/21/2009	27,995,015
17,100,000	Federal Home Loan Mortgage Corp., Floating Rate Note	0.243%	10/08/2009	17,100,121
10,000,000	Federal Home Loan Mortgage Corp., Floating Rate Note	0.246%	10/19/2009	9,998,818
7,500,000	Federal Home Loan Bank, Floating Rate Note	0.979%	11/18/2009	7,500,000
4,000,000	Federal Home Loan Mortgage Corp.	4.000%	12/15/2009	4,064,010
10,000,000	Federal Home Loan Bank, Floating Rate Note	0.449%	12/15/2009	10,016,641
15,800,000	Federal Home Loan Bank, Floating Rate Note	0.997%	01/08/2010	15,811,308
20,000,000	Federal Home Loan Bank, Floating Rate Note	0.369%	01/14/2010	20,000,000
26,522,000	Federal Home Loan Mortgage Corp.	7.250%	01/15/2010	27,463,179
10,000,000	Federal Home Loan Bank, Floating Rate Note	0.670%	02/03/2010	10,000,000
25,000,000	Federal Home Loan Mortgage Corp., Floating Rate Note	0.876%	02/04/2010	25,000,000
1,000,000	Federal Home Loan Mortgage Corp.	3.250%	02/10/2010	1,016,731
20,000,000	Federal National Mortgage Assn., Floating Rate Note	0.883%	02/12/2010	20,043,708
13,000,000	U.S. Treasury Note	6.500%	02/15/2010	13,490,464
7,000,000	Federal Home Loan Bank, Floating Rate Note	0.791%	02/19/2010	7,005,635
8,000,000	Federal Home Loan Bank, Floating Rate Note	0.810%	02/26/2010	8,000,000
15,000,000	Federal Home Loan Bank, Floating Rate Note	0.850%	03/12/2010	14,997,888
10,000,000	Federal Home Loan Bank	0.900%	04/07/2010	10,005,372
10,000,000	Federal Home Loan Bank, Floating Rate Note	0.869%	04/09/2010	10,001,910
9,000,000	Federal Home Loan Bank	0.800%	04/30/2010	9,006,764
10,000,000	Federal Home Loan Bank, Floating Rate Note	0.330%	05/21/2010	10,000,000
15,000,000	Federal Home Loan Bank, Floating Rate Note	0.310%	05/28/2010	15,000,000
15,000,000	Federal National Mortgage Assn., Floating Rate Note	1.029%	07/13/2010	15,026,561
	TOTAL			339,984,662
TOTAL INVESTMENTS – 100%				\$ 486,951,584

See accompanying notes to financial statements.

Financial Statements

**Direct Government Obligation Portfolio
Schedule of Investments - June 30, 2009
(Showing Percentage of Total Investments)**

Par Value	Description	Purchase Yield	Maturity Date	Amortized Cost
SECURITIES PURCHASED UNDER AGREEMENT TO RESELL – 49.54%				
\$ 2,436,000	Banc of America, Repurchase Agreement	0.01%	07/01/09	\$ 2,436,000
2,500,000	Deutsche Bank, Repurchase Agreement	0.01%	07/01/09	2,500,000
2,500,000	Barclays Capital Inc., Repurchase Agreement	0.01%	07/01/09	2,500,000
	TOTAL			<u>7,436,000</u>
U.S. TREASURY BILLS – 50.46%				
\$ 2,500,000	U.S. Treasury Bill	N/A	08/20/09	\$ 2,499,398
3,000,000	U.S. Treasury Bill	N/A	08/27/09	2,999,176
2,000,000	U.S. Treasury Note	6.50%	02/15/10	2,075,224
	TOTAL			<u>7,573,798</u>
TOTAL INVESTMENTS – 100%				<u>\$ 15,009,798</u>

See accompanying notes to financial statements.

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies

Reporting Entity:

Iowa Schools Joint Investment Trust (ISJIT) is defined as a special-purpose unit of the State of Iowa. The definition of a special-purpose governmental entity is an entity that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governmental entities.

ISJIT is a common law trust established under Iowa law pursuant to Chapter 28E and Section 279.29, Iowa Code (1985), as amended, which authorizes Iowa schools to jointly invest moneys pursuant to a joint investment agreement. ISJIT is a Moody's Investors Service rated money market fund pursuant to the requirements of Iowa Code Section 12B.10. ISJIT was established by the adoption of a Joint Powers Agreement and Declaration of Trust as of October 1, 1986, and commenced operations on December 16, 1986. The Joint Powers Agreement and Declaration of Trust was amended on September 22, 1988, and again on May 1, 1993. As amended, ISJIT is authorized and now operates investment programs, including the Diversified and Direct Government Obligation Portfolios. The Diversified Plus Portfolio is an authorized investment program that suspended operations on January 8, 2009 due to economic factors. The Trustees have retained the right to reactivate the Portfolio in the future. The accompanying financial statements include only the activities of the ISJIT Administration Fund, Diversified, DGO, and Diversified Plus Portfolios.

Regulatory Oversight:

The operation of ISJIT is governed by a seven member Board of Trustees, and non-voting persons as may be appointed by the Board. Trustees are appointed by the Board of Trustees of which four of the Trustees shall be members of the Board of Directors of Iowa Association of School Boards (IASB), who are directors participating in the Trust, a superintendent of a school corporation participating in the Trust, and a school board secretary or business official of a school corporation participating in the Trust. IASB serves as the Sponsor of ISJIT. ISJIT is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a Rule 2a-7-like fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

ISJIT reports the Administration Fund, Diversified, DGO, and Diversified Plus Portfolios' financial position and the results of operations using investment trust funds. Investment trust funds are fiduciary funds that are used to account for the assets held in a trustee capacity. The primary purpose of the funds is to generate financial resources while maintaining a high degree of liquidity and safety of principal through investment in short-term securities as permitted for the participants under the Code of Iowa.

Notes to Financial Statements, Continued

Note 1 – Summary of Significant Accounting Policies, Continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation, Continued:

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording assets, liabilities, net assets, revenues, expenditures, and other financing sources and uses. The fiduciary financial statements are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The fiduciary financial statements of ISJIT have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles.

Use of Estimates:

The preparation of financial statements with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the period. Actual results could differ from those estimates.

Authorized Investments:

ISJIT's policy is to only invest in securities specifically permitted for participants under the Code of Iowa, as it now or in the future exists, including the following types of securities and instruments:

Securities issued or guaranteed as to payment of principal and interest by the U.S. Government. These include, for example, Treasury bills, bonds, and notes that are direct obligations of the U.S. Government.

Obligations issued or guaranteed as to payment of principal and interest by agencies or instrumentalities of the U.S. Government. Such agencies and instrumentalities include, for example, Federal Intermediate Credit Banks, Federal Home Loan Banks, the Federal National Mortgage Association and the Farmers Home Administration. Such securities will include those supported by the full faith and credit of the United States Treasury or the right of the agency or instrumentality to borrow from the Treasury, as well as those supported only by the credit of the issuing agency or instrumentality.

Notes to Financial Statements, Continued

Note 1 – Summary of Significant Accounting Policies, Continued

Authorized Investments, Continued:

Collateralized perfected repurchase agreements secured by U.S. Government or U.S. Government agency obligations. A repurchase agreement involves the sale of such securities to ISJIT with the concurrent agreement of the seller to repurchase them at a specified time and price to yield an agreed upon rate of interest. The securities collateralizing the agreement are held in custody by a third-party custodian, are regularly verified by ISJIT's Custodian, and are maintained daily in an amount equal to at least 102 percent of the agreement.

Certificates of Deposits in Iowa financial institutions. Each CD that ISJIT places with an Iowa institution on behalf of the participants in ISJIT is insured by the FDIC for the first \$250,000 of value. All amounts in excess of \$250,000 in an Iowa institution are protected by provisions in the Code of Iowa. The acceptance of public funds by a financial institution constitutes agreement by the financial institution to pledge collateral as required by Iowa Code Section 12C.22 or by the State sinking funding in accordance with Chapter 12C of the Code of Iowa, consent by the financial institution to the disposition of the collateral pledged by the financial institution, consent by the financial institution to assessments by the treasurer of the State of Iowa, and agreement by the financial institution to provide accurate information and to otherwise comply with the requirements of Iowa Code Chapter 12C and Chapter 13.

Commercial paper or other short-term corporate debt that matures within two hundred seventy days and that is rated within the two highest classifications, as established by at least one of the standard rating services approved by the Iowa superintendent of banking provided that at the time of purchase, no more than five percent of all amounts invested in commercial paper and other short-term corporate debt shall be invested in paper and debt rated in the second highest classification. At the time of purchase no more than ten percent of the investment portfolio shall be in these investments and that at the time of purchase no more than five percent of the investment portfolio shall be invested in the securities of a single issuer.

ISJIT adheres to Iowa law and Moody's Investors Service criteria for money market funds developed to minimize risk that the value of investments in the portfolio might vary. ISJIT's investment policy presently limits portfolio investments to the following:

Notes to Financial Statements, Continued

Note 1 – Summary of Significant Accounting Policies, Continued

Authorized Investments, Continued:

- 1) The remaining maturity of any individual investment may not exceed more than 397 days from the date of purchase.
- 2) The maximum dollar weighted average maturity of all portfolios' investments may not exceed 60 days.
- 3) Investments are monitored daily by its Investment Advisor and Administrator to assure that the value of each ISJIT investment does not materially deviate in value from its amortized cost.

As a general policy, investments are held until maturity. However, in an effort to increase yields, or liquidity, ISJIT may sell securities and realize capital gains or losses when there are perceived disparities between maturities for various categories of investments.

Deposits and Investments:

ISJIT reports as "Cash" all cash on hand and on deposit in banks. All cash deposits are held by banks as required under Chapter 12C of the Code of Iowa. Certificates of Deposit are listed separately on the financial statements.

ISJIT reports investments at amortized cost, consistent with GASB Statement No. 31 and 2a-7-like pools. Amortized cost involves valuing a portfolio security at its original date of purchase, and thereafter amortizing any premium or accreting any discount on a straight-line basis to maturity. The amount of premium or discount amortized or accreted to income under the straight-line method does not differ materially from the amount that would be amortized to income under the interest method. Procedures are followed to maintain a constant net asset value of \$1.00 per unit for each portfolio.

Investments are purchased on a delivery versus payment basis and are accounted for on the settlement date. No other settlement procedure is allowed. Interest income, including the accretion of discount and amortization of premium, is recorded daily on the accrual basis.

Method used to determine participants' units sold and redeemed:

In accordance with the regulations of Rule 2a-7-like pools, the method used to determine the participants' units sold and redeemed is the amortized cost method. The amortized cost distributions are accrued to participants' accounts daily and reinvested in additional trust units monthly for compounded interest.

Notes to Financial Statements, Continued

Note 1 – Summary of Significant Accounting Policies, Continued

Method used to determine participants' units sold and redeemed, Continued:

Total distributions for the month are credited to participants' accounts on the last business day of the month. Distributions are automatically reinvested in ISJIT trust units unless cash payment has been requested. Cash payments, if requested, will be made monthly. If a participant redeems the entire account balance during the month, income distributions due to the account are posted on the last business day of the month, with final distribution to the participant on the next business day.

Frequency of determining value of shares:

The net asset value of each portfolio trust units is determined once each day, as of the close of the New York Stock Exchange. Except for federal holidays, such other holidays that are officially observed by commercial banks in Iowa, and days on which no investments in or redemption of trust units occur, the Administrator will compute the portfolio net asset value on each day the New York Stock Exchange is open for trading or when there is a sufficient volume of trading which might materially affect the net asset value of the securities held by the portfolios. The net asset value of each portfolio trust unit is computed by adding the value of all securities and other assets (including income receivable), subtracting liabilities (including accrued expenses) attributable to each portfolio and dividing by the number of trust units of each portfolio outstanding.

The Administrator computes the net asset value of portfolio trust units by using the amortized cost method for valuing securities. Under the amortized cost method a security is initially valued at cost on the date of purchase and, thereafter, any discount or premium is amortized on a straight-line basis to maturity, regardless of fluctuating interest rates or the market value of the security. However, the Investment Adviser has established procedures to stabilize the net asset value of trust units at \$1.00 per trust unit. These procedures include a review by the Investment Adviser as to the extent of the deviation of net asset value based upon available market quotations from the portfolio's \$1.00 amortized cost per value unit. If such deviation exceeds .5 percent, the Investment Advisor will consider what action, if any, should be initiated to reasonably eliminate or reduce material dilution or other unfair results to participants.

Legally binding guarantees:

The Board of Trustees has not provided or obtained any legally binding guarantees during the fiscal years ended June 30, 2009 and 2008.

Notes to Financial Statements, Continued

Note 1 – Summary of Significant Accounting Policies, Continued

Involuntary participation:

There is no requirement under Iowa law for any local government to involuntarily participate in ISJIT.

Income Taxes:

ISJIT is exempt from both state and federal income taxes pursuant to Section 115 of the Internal Revenue Code.

Note 2 – Fees and Expenses

ISJIT contracts for the following services: Administrator, Investment Advisor, Marketing, Sponsorship, and Custodian. In addition, ISJIT pays operating expenses through a separate Administration Fund. Bankers Trust Company, N.A. (Bankers Trust) served as the Administrator, Voyager Asset Management Inc. (Voyageur) served as the Investment Adviser, Local Government Services, Inc. (LGS), a wholly owned subsidiary of IASB, served as the Marketing Services Provider, Bankers Trust Company, N.A served as Custodian for year ended June 30, 2009, and Wells Fargo, N.A. (Wells Fargo) served as the Custodian for the year ended June 30, 2008. Under separate agreements, IASB, Voyageur, Wells Fargo, Bankers Trust, and LGS, are paid fees based upon a percentage of the average daily net asset value for operating the investment programs. All fees are computed on a daily basis and paid monthly to the service providers.

During the period ended June 30, 2009 all of the service providers agreed to waive 100% of their fees from September 22, 2008 through June 30, 2009 for the DGO Portfolio.

Notes to Financial Statements, Continued

Note 2 – Fees and Expenses, Continued

Administration Fund

The Administration Fund pays the operating expenses incurred directly by ISJIT and its Trustees in connection with the discharge of their duties. These expenses include initial and on-going legal fees, rating fees, auditing fees, out-of-pocket expenses of the Trustees, and the cost of printing, mailing and other services performed independently by ISJIT. The maximum expense fee for each portfolio is .10 percent of average daily net assets. The ISJIT Administration Fund fee is calculated daily on each portfolio and transferred to the ISJIT Administration Fund the following month.

For the year ended June 30, 2009, the Diversified, DGO, and Diversified Plus Portfolios allocated \$108,081, \$1,235, and \$2,048, respectively, to the ISJIT Administration Fund for operating expenses. For the year ended June 30, 2008, the Diversified, DGO, and the Diversified Plus Portfolios allocated \$90,096, \$5,741, and \$9,452, respectively, to the ISJIT Administration Fund for operating expenses. The amount due to the Administration Fund at June 30, 2009 was \$12,636, \$0, and \$0, from the Diversified, DGO, and Diversified Plus Portfolios, respectively. The amount due to the Administration Fund at June 30, 2008 was \$9,833, \$517, and \$1,077, from the Diversified, DGO, and Diversified Plus Portfolios, respectively. In addition, ISJIT Administration Fund paid \$22,500 for sponsoring fiscal management conferences for the years ended June 30, 2009 and 2008 to IASB. For the year ended June 30, 2009, the Administration Fund waived fees in the amount of \$5,271 for the DGO Portfolio.

Administrator

For administrative services to the Diversified, DGO, and Diversified Plus Portfolios, Bankers Trust received 0.065 percent of the average daily net asset value. For the year ended June 30, 2009, the Diversified, DGO, and the Diversified Plus Portfolios incurred expenses of \$234,175, \$2,676, and \$4,439, respectively, for services provided by Bankers Trust. For the year ended June 30, 2008, the Diversified, DGO, and the Diversified Plus Portfolios incurred expenses of \$212,009, \$13,674, and \$22,278, respectively, for services provided by Bankers Trust. The amounts due to Bankers Trust on June 30, 2009 were \$27,378, \$0 and \$0 for the Diversified, DGO and Diversified Plus Portfolios, respectively. The amounts due to Bankers Trust on June 30, 2008 were \$21,304, \$1,120 and \$2,333 for the Diversified, DGO and Diversified Plus Portfolios, respectively. For the year ended June 30, 2009, Bankers Trust waived fees in the amount of \$11,421 for the DGO Portfolio.

Notes to Financial Statements, Continued

Note 2 – Fees and Expenses, Continued

Investment Advisor

Voyageur received 0.060 percent of the average daily net asset value for each Portfolio for investment advisor services. For the year ended June 30, 2009, the Diversified, DGO, and Diversified Plus Portfolios incurred actual expenses of \$216,162, \$2,470 and \$4,097, respectively, for services provided by Voyageur. For the year ended June 30, 2008, the Diversified, DGO, and Diversified Plus Portfolios incurred actual expenses of \$195,700, \$12,717 and \$20,564, respectively, for services provided by Voyageur. The amount due to Voyageur at June 30, 2009 was \$25,272 for Diversified, \$0 for DGO, and \$0 for Diversified Plus. The amount due to Voyageur at June 30, 2008 was \$19,666 for Diversified, \$1,033 for DGO, and \$2,153 for Diversified Plus. For the year ended June 30, 2009, Voyageur waived fees in the amount of \$10,543 for the DGO Portfolio.

Custodian

For the year ended June 30, 2009, Bankers Trust received 0.020 percent of the average daily net asset value for each Portfolio for custodial services. The Diversified, DGO, and Diversified Plus Portfolios incurred actual expenses of \$72,054, \$824 and \$1,366, respectively, for services provided by Bankers Trust. The amount due to Bankers Trust at June 30, 2009 was \$8,424 for Diversified, \$0 for DGO, and \$0 for Diversified Plus. For the year ended June 30, 2009, Bankers Trust waived fees in the amount of \$3,288 for the DGO Portfolio.

For the year ended June 30, 2008, Wells Fargo received 0.020 percent of the average daily net asset value for each Portfolio for custodial services. The Diversified, DGO, and Diversified Plus Portfolios incurred actual expenses of \$65,234, \$4,239 and \$6,855, respectively, for services provided by Wells Fargo. The amount due to Wells Fargo at June 30, 2008 was \$6,555 for Diversified, \$345 for DGO, and \$718 for Diversified Plus.

Marketing

For marketing services provided to the Diversified, DGO and Diversified Plus Portfolios, LGS received 0.070 percent of the average daily net asset value. For the year ended June 30, 2009, the Diversified, DGO, and Diversified Plus Portfolios incurred expenses of \$252,188, \$2,882, and \$4,780, respectively, for services provided by LGS for marketing. The amount due to LGS at June 30, 2009 was \$29,484 for Diversified, \$0 for DGO, and \$0 for Diversified Plus. For the year ended June 30, 2008, the Diversified, DGO, and Diversified Plus Portfolios incurred expenses of \$228,317, \$14,762, and \$23,992, respectively, for services provided by LGS for marketing. The amount due to LGS at June 30, 2008 was \$22,943 for Diversified, \$1,207 for DGO, and \$2,513 for Diversified Plus. For the year ended June 30, 2009, LGS waived fees in the amount of \$12,254 for the DGO Portfolio.

Notes to Financial Statements, Continued

Note 2 – Fees and Expenses, Continued

Sponsorship

IASB received an annual fee of 0.080 percent of the average daily net asset value of the Diversified, DGO, and Diversified Plus Portfolios. For the year ended June 30, 2009, the Diversified, DGO, and Diversified Plus Portfolios incurred expenses of \$288,215, \$3,294, and \$5,463, respectively, to IASB. For the year ended June 30, 2008, the Diversified, DGO, and Diversified Plus Portfolios incurred expenses of \$260,934, \$16,871, and \$27,419, respectively, to IASB. The amount due to IASB at June 30, 2009 was \$33,696 for Diversified, \$0 for DGO, and \$0 for Diversified Plus. The amount due to IASB at June 30, 2008 was \$26,221 for Diversified, \$1,378 for DGO, and \$2,871 for Diversified Plus. Occasionally, IASB pays operating costs on behalf of ISJIT and submits requests for payment. The total amount due to IASB for June 30, 2009 and 2008 was \$10,385 and \$4,141, respectively. In addition, ISJIT Administration Fund paid \$22,500 for sponsoring fiscal management conferences for the years ended June 30, 2009 and 2008 to IASB. For the year ended June 30, 2009, IASB waived fees in the amount of \$14,057 for the DGO Portfolio.

Note 3 – Deposit and Investment Risk Disclosures

Under Governmental Accounting Standards Statement No. 40, Deposit and Investment Risk Disclosures (GASB 40), the deposits and investments of state and local governments are exposed to risks that have the potential to result in losses. This Statement addresses common deposit and investment risks related to interest rate risk, credit risk, custodial credit risk, and concentration of credit risk.

Interest Rate Risk. As a means of limiting its exposure to losses arising from rising interest rates, ISJIT's investment policy limits the purchase of investments to a maturity date of no more than 397 days from the purchase date. The maximum dollar weighted average maturity for each Portfolio is 60 days or less. Any commercial paper and other short-term corporate debt purchased for the Diversified Plus Portfolio is further limited to a maturity of no more than 270 days from the purchase date.

Credit Risk. ISJIT is only authorized to invest in instruments authorized by Iowa law which governs the investment of funds by Iowa governmental entities. The investments in the Federal agencies (Federal Home Loan Mortgage Co., Federal National Mortgage Assn., and Federal Home Loan Bank) are all rated A-1+ by Standard and Poor's and P-1 by Moody's Investor Service. The Repurchase Agreements are all collateralized by Federal agency notes which are rated A-1+ by Standard and Poor's and P-1 by Moody's Investor Service. The investment in Certificates of Deposits in Iowa financial institutions is insured by the FDIC for the first \$250,000 and amounts in excess of that are protected by provisions in the Iowa Code. The investments in commercial paper are rated A-1 by Standard and Poor's and P-1 by Moody's Investor Service.

Notes to Financial Statements, Continued

Note 3 – Deposit and Investment Risk Disclosures, Continued

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction the Board will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. In connection with transactions in repurchase agreements, a third-party custodian takes possession of the underlying collateral securities, the value of which exceeds the principal amount of the repurchase transaction, including accrued interest at all times. If the seller defaults and the value of the collateral declines, realization of the collateral by ISJIT may be delayed or limited.

At June 30, 2009, the securities purchased under overnight agreements to resell were collateralized by government and government agency securities with market values of approximately \$111,637,000 and \$7,585,000 respectively for the Diversified and DGO Portfolios.

At June 30, 2008, the securities purchases under overnight agreements to resell were collateralized by government and government agency securities with market values of approximately \$25,037,000, \$17,879,000, and \$2,940,000 for the Diversified, DGO, and Diversified Plus Portfolios, respectively.

Concentration of Credit Risk. ISJIT complies with Moody's limits; 1) 25% maximum concentration per counterparty if less than or equal to 7 days to maturity and a 10% limit beyond 7 days to maturity for repurchase agreements for all Portfolios and 2) 10% in total and a maximum of 5% of any single issuer for commercial paper and other short-term corporate debt for the Diversified Portfolio. The following charts detail the concentration and risk of investments held by each Portfolio:

Notes to Financial Statements, Continued

Note 3 – Deposit and Investment Risk Disclosures, Continued

Diversified as of June 30, 2009

Investment Type	Amortized Cost	Market Value	Weighted Average Days to Maturity	Moody's Rating	S&P Rating	% of Portfolio (Amort. Cost)
Federal Home Loan Bank	\$ 165,972,527	\$ 166,145,126	52	P-1	A-1 +	34.0%
Federal Home Loan Mortgage Co.	122,194,510	122,287,532	71	P-1	A-1 +	25.1%
Deutsche Bank, Repurchase Agreement	109,448,000	109,448,000	1	P-1	A-1 +	22.5%
Federal National Mortgage Assn.	38,327,161	38,303,250	31	P-1	A-1 +	7.9%
Iowa Bank CD's	12,480,000	12,501,303	121			2.56%
Iowa Demand Deposits	25,038,922	25,038,922	1			5.14%
US Treasury Bills	13,490,464	13,491,010	230	P-1	A-1 +	2.8%
TOTAL	\$ 486,951,584	\$ 487,215,143				100%

DGO as of June 30, 2009

Investment Type	Amortized Cost	Market Value	Weighted Average Days to Maturity	Moody's Rating	S&P Rating	% of Portfolio (Amort. Cost)
US Treasury Bills	\$ 7,573,798	\$ 7,574,300	20	P-1	A-1 +	50.4%
Deutsche Bank, Repurchase Agreement	2,500,000	2,500,000	1	P-1	A-1 +	16.7%
Barclays Capital, Repurchase Agreement	2,500,000	2,500,000	1	P-1	A-1 +	16.7%
Banc of America, Repurchase Agreement	2,436,000	2,436,000	1	P-1	A-1 +	16.2%
TOTAL	\$ 15,009,798	\$ 15,010,300				100%

Notes to Financial Statements, Continued

Note 3 – Deposit and Investment Risk Disclosures, Continued

Diversified as of June 30, 2008

Investment Type	Amortized Cost	Market Value	Weighted		S&P Rating	% of Portfolio (Amort. Cost)
			Average Days to Maturity	Moody's Rating		
Federal Home Loan Bank	\$ 147,350,033	\$ 147,284,223	56	P-1	A-1 +	40.2%
Federal National Mortgage Assn.	97,843,725	97,845,852	38	P-1	A-1 +	26.7%
Federal Home Loan Mortgage Co.	86,758,021	86,720,740	68	P-1	A-1 +	23.7%
Deutsche Bank, Repurchase Agreement	24,546,000	24,546,000	1	P-1	A-1 +	6.7%
Iowa Bank CD's	9,800,000	9,794,565	84			2.7%
TOTAL	\$ 366,297,779	\$ 366,191,380				100%

DGO as of June 30, 2008

Investment Type	Amortized Cost	Market Value	Weighted		S&P Rating	% of Portfolio (Amort. Cost)
			Average Days to Maturity	Moody's Rating		
Banc of America, Repurchase Agreement	\$ 4,382,000	\$ 4,382,000	1	P-1	A-1 +	25.0%
Morgan Stanley, Repurchase Agreement	4,382,000	4,382,000	1	P-1	A-1 +	25.0%
Deutsche Bank, Repurchase Agreement	4,382,000	4,382,000	1	P-1	A-1 +	25.0%
Barclays Capital, Repurchase Agreement	4,382,000	4,382,000	1	P-1	A-1 +	25.0%
TOTAL	\$ 17,528,000	\$ 17,528,000				100%

Diversified Plus as of June 30, 2008

Investment Type	Amortized Cost	Market Value	Weighted		S&P Rating	% of Portfolio (Amort. Cost)
			Average Days to Maturity	Moody's Rating		
Federal National Mortgage Assn.	\$ 15,461,772	\$ 15,462,150	39	P-1	A-1 +	35.4%
Federal Home Loan Bank	14,900,045	14,895,151	37	P-1	A-1 +	34.1%
Federal Home Loan Mortgage Co.	4,989,589	4,989,300	36	P-1	A-1 +	11.4%
Commercial Paper	2,995,803	2,995,827	20	P-1	A-1	6.8%
Deutsche Bank, Repurchase Agreement	2,882,000	2,882,000	1	P-1	A-1 +	6.6%
Iowa Bank CD's	2,500,000	2,498,618	82			5.7%
TOTAL	\$ 43,729,209	\$ 43,723,046				100%

Note 4 – Reclassifications

The Investment Advisor and Custodian accounts in the June 30, 2008 Financial Statements have been reclassified for comparative purposes to conform with the presentation in the June 30, 2009 Financial Statements.

**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***

The Board of Trustees
Iowa Schools Joint Investment Trust

We have audited the financial statements of the Iowa Schools Joint Investment Trust (ISJIT) Administration Fund, Diversified Portfolio, Direct Government Obligation Portfolio, and the Diversified Plus Portfolio as of and for the year ended June 30, 2009, and have issued our report thereon dated September 17, 2009. 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 ISJIT'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 entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity'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 the entity'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 the entity's financial statements 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 a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies 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 the ISJIT'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*.

This report is intended solely for the information and use of the Board of Trustees, ISJIT's management, Unitholders, and the State of Iowa and is not intended to be and should not be used by anyone other than these specified parties.

Brooks Zuder, P.C.

West Des Moines, Iowa
September 17, 2009

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