

KWIT-KOJI FM RADIO
A PUBLIC TELECOMMUNICATIONS
ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

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KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>Board of Directors</u> <u>(After September, 2008 Election)</u>		
Dr. Robert Rasmus	President	2011*
Russell Wray	Vice President	2009
Deborah Cook	Member	2009*
Derrick Franck	Member	2011
Curt Grigg	Member	2011
Michael Hunter	Member	2009
Neal Adler	Member	2009*
Norman Lang	Member	Jan 2009
William Lyle	Member	2011
Eldon Schroder	Member	2011

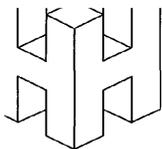
Board of Directors
(Before September, 2008 Election)

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

Community College

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

* Board term lengthened or shortened per the Community College's transition plan for changing Board terms from 3 to 4 years in accordance with House File 2620 of the Code of Iowa.



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

CERTIFIED PUBLIC ACCOUNTANTS

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SIOUX CITY, IOWA 51102
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of net assets, and the related statements of revenues, expenses and changes in net assets, cash flows and functional expenses, of KWIT-KOJI FM RADIO, a public telecommunications entity operated by Western Iowa Tech Community College, and its discretely presented component unit, as of and for the years ended June 30, 2009 and 2008. These financial statements are the responsibility of Community College officials. Our responsibility is to express an opinion on these basic financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KWIT-KOJI FM Radio, a public telecommunications entity operated by Western Iowa Tech Community College, and its discretely presented component unit at June 30, 2009 and 2008, and the respective changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audits were conducted for the purpose of forming an opinion on the statements of net assets, and the related statements of revenues, expenses and changes in net assets, cash flows and functional expenses, which collectively comprise KWIT-KOJI FM Radio's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the year ended June 30, 2007, (which are not presented herein), and expressed unqualified opinions on those financial statements.

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

Sioux City, Iowa
December 15, 2009



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MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of KWIT-KOJI FM Radio, a public telecommunications entity operated by Western Iowa Tech Community College provides this Management's Discussion and Analysis of the radio station's annual financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2009 for KWIT-KOJI FM Radio and does not discuss the component unit of Friends of FM 90. We would encourage the reader to consider this information in conjunction with the radio station's financial statements which follow.

FINANCIAL HIGHLIGHTS

- Operating revenues increased 10.2%, or approximately \$26,351, from fiscal year 2008 (FY08). Corporation for Public Broadcasting support, rental of facilities revenues, donated materials and services and other operating revenues all increased.
- Operating expenses were 4.6%, or approximately \$33,786, less in FY09 than in FY08. Programming and production and management and general decreased while broadcasting and program information increased.
- Net non-operating revenue increased 0.9%, or approximately \$3,395, from FY08 mainly due to an increase in state support, college support –direct and gifts from Friends of FM90 offset by a decrease in college support – indirect and donated facilities.
- The Radio Station's net assets decreased 1.7%, or approximately \$13,632 from FY08.

USING THIS ANNUAL REPORT

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

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

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

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

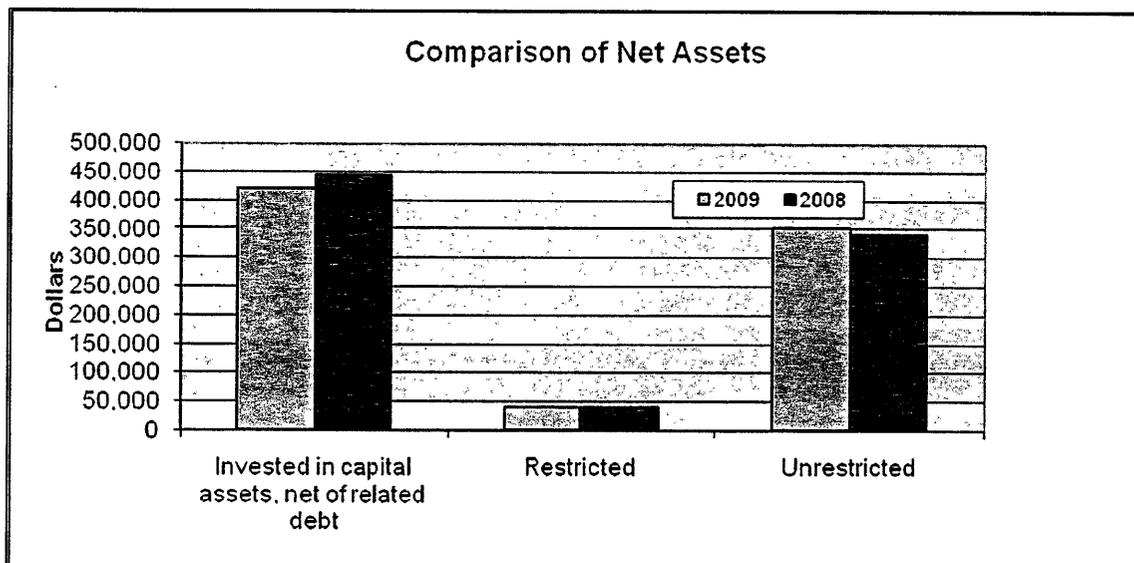


REPORTING THE RADIO STATION AS A WHOLE

The Statements of Net Assets

The Statements of Net Assets presents the assets, liabilities and net assets of the Radio Station as a whole, as of June 30, 2009 which is the end of the fiscal year. The Statements of Net Assets are point-in-time financial statements. The purpose of the statements is to present a fiscal snapshot of the Radio Station to the readers of the financial statements. The Statements of Net Assets 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 Radio Station's financial position by analyzing the increases and decreases in net assets. These statements are also a good source for readers to determine how much the Radio Station owes to outside vendors and creditors. The statements also present the available assets that can be used to satisfy those liabilities.

	Net Assets	
	June 30, 2009	June 30, 2008
Current assets	\$380,390	\$369,247
Capital assets, net of accumulated depreciation	<u>460,851</u>	<u>485,830</u>
Total assets	<u>841,241</u>	<u>855,077</u>
Current liabilities	<u>27,302</u>	<u>27,506</u>
Total liabilities	27,302	27,506
Net assets:		
Invested in capital assets	420,282	445,261
Restricted	40,569	40,569
Unrestricted	<u>353,088</u>	<u>341,741</u>
Total net assets	<u>813,939</u>	<u>827,571</u>
 Total Liabilities and Net Assets	 <u>\$841,241</u>	 <u>\$855,077</u>



The largest portion of the Radio Station's net assets (52%) is invested in capital assets (e.g., buildings and equipment). The restricted portion of the net assets (5%) includes resources that are subject to external restrictions. The remaining net assets (43%) are the unrestricted net assets that can be used to meet the Radio Station's obligations as they come due.

Statements of Revenues, Expenses and Changes in Net Assets

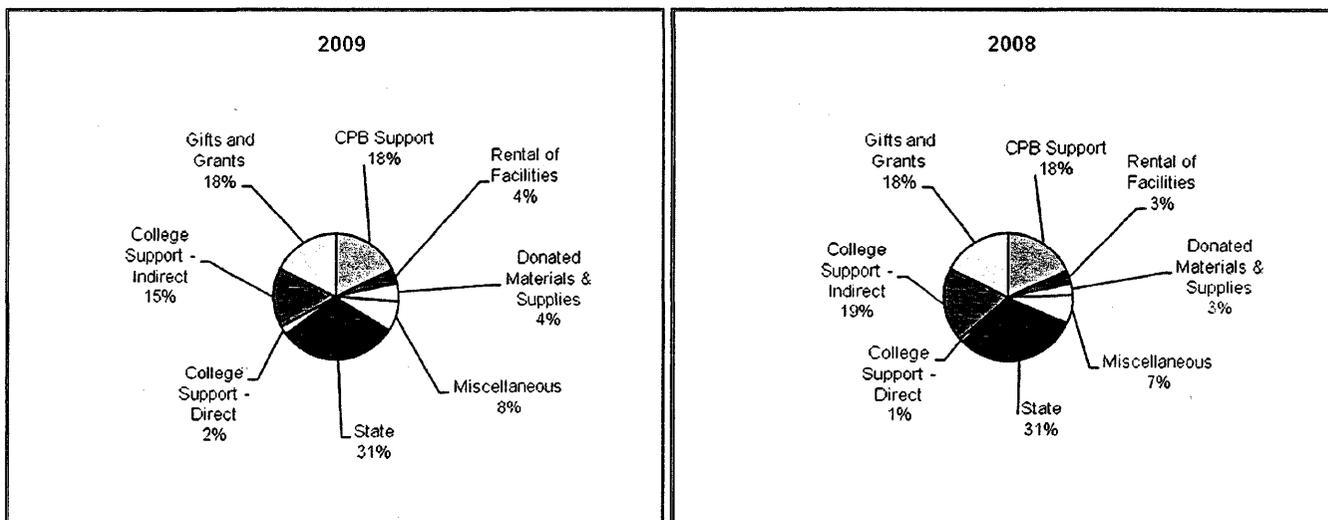
Changes in total net assets as presented on the Statements of Net Assets are based on the activity presented in the Statements of Revenues, Expenses and Changes in Net Assets. The purpose of the statements is to present the revenues received by the Radio Station, both operating and non-operating, and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

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

	Changes in Net Assets	
	Year Ended <u>June 30, 2009</u>	Year Ended <u>June 30, 2008</u>
Operating revenue:		
Corporation for Public Broadcasting Support	\$151,233	\$150,111
Rental of Facilities	32,053	28,442
Donated Materials and Services	37,858	22,659
Other Operating Revenues	<u>64,658</u>	<u>58,239</u>
Total operating revenue	<u>285,802</u>	<u>259,451</u>
Total operating expenses	704,022	737,808
Operating loss	<u>(418,220)</u>	<u>(478,357)</u>
Non-operating revenues (expenses)		
State Support	265,242	256,062
College Support - Direct	17,973	7,506
College Support - Indirect	128,345	152,513
Corporation for Public Broadcasting Grants	0	5,000
Gifts from Friends of FM 90	149,452	140,131
Equipment	(28,079)	(7,506)
Donated Facilities	<u>(128,345)</u>	<u>(152,513)</u>
Net non-operating revenues	<u>404,588</u>	<u>401,193</u>
Change in net assets	(13,632)	(77,164)
Net assets at the beginning of the year	<u>827,571</u>	<u>904,735</u>
Net assets at the end of the year	<u>\$813,939</u>	<u>\$827,571</u>

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

Total Revenues by Source

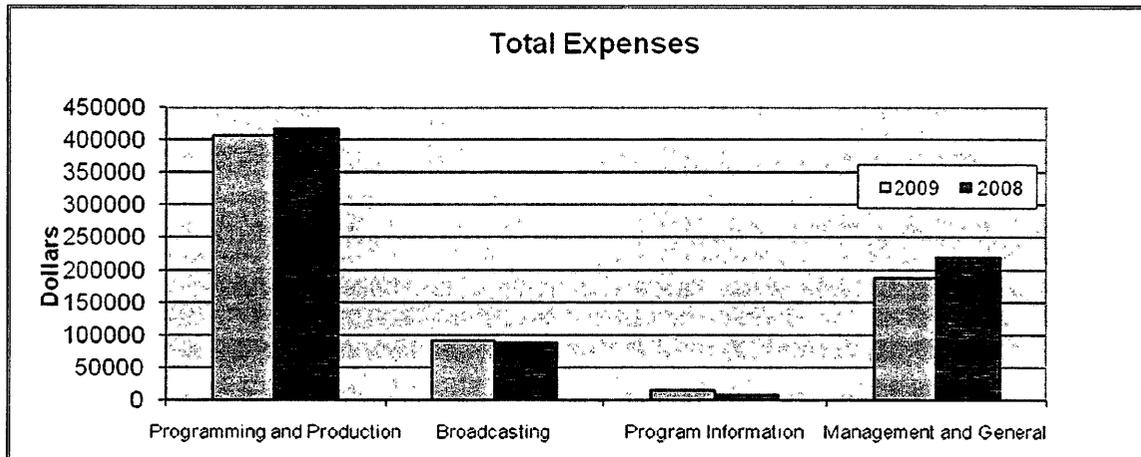


In fiscal year 2009, operating revenues increased by approximately \$26,351 or 10.2%. The increase was a result of the following changes:

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

Operating Expenses

	Year Ended June 30, 2009	Year Ended June 30, 2008
Program Services:		
Programming and Production	\$407,075	\$418,292
Broadcasting	92,078	89,666
Program Information	16,609	8,704
Management and General	<u>188,260</u>	<u>221,146</u>
Total	<u>\$704,022</u>	<u>\$737,808</u>



In fiscal year 2009, operating expenses decreased by approximately \$33,786 or 4.6%. The following factors explain some of the changes:

Program Services, consisting of programming and production, broadcasting and program information decreased by approximately \$900 due to decreased programming costs offset by an increase in broadcasting and program information costs.

Supporting Services, consisting of management and general decreased approximately \$32,886. This was due to the decreased costs of utilities, data processing and other services.

Statements of Cash Flows

Statements of Cash Flows are included in KWIT-KOJI's basic financial statements. These Statements of Cash Flows are an important tool in helping users assess the Radio Station's ability to generate future net cash flows, its ability to meet its obligations as they come due and its need for external financing. The Statements of Cash Flows present information related to cash inflows and outflows, summarized by operating, non-capital financing, capital and related financing and investing activities.

	Cash Flows	
	<u>Year Ended June 30, 2009</u>	<u>Year Ended June 30, 2008</u>
Cash provided (used) by:		
Operating Activities	\$(374,808)	\$(434,310)
Non-capital Financing Activities	386,006	386,530
Capital and Related Financing Activities	0	0
Investing Activities	<u>0</u>	<u>0</u>
Net Increase (Decrease) in Cash	11,198	(47,780)
Cash at the beginning of the year	<u>368,352</u>	<u>416,132</u>
Cash at the end of the year	<u>\$379,550</u>	<u>\$368,352</u>

Cash provided by operating activities includes grants received from the Corporation for Public Broadcasting, rental of tower space and donor contributions. Cash used by operating activities include salary and benefit and vendor payments. Cash provided by non-capital financing activities includes state support and gifts from Friends of FM 90.

KWIT-KOJI FM90 did not have any cash flow from capital and related financing activities or from investing activities.

Statements of Functional Expenses

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

CAPITAL ASSETS

At June 30, 2009, the Radio Station had approximately \$460,851 invested in capital assets, net of accumulated depreciation of \$619,464. Depreciation charges totaled \$43,561 for Fiscal Year 2009. Details of the capital assets are shown below.

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Buildings	\$ 286,625	\$ 286,625
Radio Tower	570,814	570,814
Furniture and equipment	<u>222,876</u>	<u>204,294</u>
	\$1,080,315	\$1,061,733
Accumulated Depreciation	<u>(619,464)</u>	<u>(575,903)</u>
Total	<u>\$ 460,851</u>	<u>\$ 485,830</u>

There are no planned capital expenditures for the fiscal year to end June 30, 2010.

DEBT

At June 30, 2009, the Radio Station had no debt outstanding.

ECONOMIC FACTORS

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

State support for fiscal year 2010 which was expected to decrease approximately \$30,205 over the prior year was further reduced by approximately \$23,504 due to an across the board cut of 10% by the state of Iowa. This reduction creates budgetary issues not only for fiscal year 2010, but also for the next several years.

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

With the exception of state support, the Radio Station anticipates the current fiscal year will be much like the last and will maintain a close watch over resources to maintain the Radio Station's ability to react to unknown issues.

CONTACTING THE RADIO STATION'S FINANCIAL MANAGEMENT

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

KWIT-KOJI FM RADIO

EXHIBIT A

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF NET ASSETS

JUNE 30, 2009

	<u>KWIT-KOJI FM Radio</u>	<u>Component Unit Friends of FM 90</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 379,550	\$ 19,623
Pledges Receivable	<u>840</u>	<u> </u>
Total Current Assets	\$ 380,390	\$ 19,623
<u>OTHER ASSETS</u>		
Endowment Investments - Note 3		\$ 994,482
Capital Assets, Net of Accumulated Depreciation - Note 4	\$ <u>460,851</u>	<u> </u>
Total Other Assets	\$ <u>460,851</u>	\$ <u>994,482</u>
Total Assets	\$ <u>841,241</u>	\$ <u>1,014,105</u>
<u>CURRENT LIABILITIES</u>		
Salaries and Benefits Payable	\$ 10,411	
Compensated Absences	<u>16,891</u>	<u> </u>
Total Current Liabilities	\$ 27,302	-
<u>NET ASSETS</u>		
Invested in Capital Assets	\$ 420,282	
Restricted:		
Non-Expendable		\$ 250,000
Expendable	40,569	764,105
Unrestricted	<u>353,088</u>	<u> </u>
Total Net Assets	\$ <u>813,939</u>	\$ <u>1,014,105</u>
Total Liabilities and Net Assets	\$ <u>841,241</u>	\$ <u>1,014,105</u>

See Accompanying Notes to Financial Statements

KWIT-KOJI FM RADIO

EXHIBIT A

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF NET ASSETS

JUNE 30, 2008

	<u>KWIT-KOJI FM Radio</u>	<u>Component Unit Friends of FM 90</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 368,352	\$ 25,585
Pledges Receivable	<u>895</u>	<u> </u>
Total Current Assets	\$ 369,247	\$ 25,585
<u>OTHER ASSETS</u>		
Endowment Investments - Note 3		\$ 1,103,715
Capital Assets, Net of Accumulated Depreciation - Note 4	\$ <u>485,830</u>	<u> </u>
Total Other Assets	\$ <u>485,830</u>	\$ <u>1,103,715</u>
Total Assets	\$ <u>855,077</u>	\$ <u>1,129,300</u>
<u>CURRENT LIABILITIES</u>		
Salaries and Benefits Payable	\$ 8,972	
Compensated Absences	<u>18,534</u>	<u> </u>
Total Current Liabilities	\$ 27,506	-
<u>NET ASSETS</u>		
Invested in Capital Assets	\$ 445,261	
Restricted:		
Non-Expendable		\$ 250,000
Expendable	40,569	879,300
Unrestricted	<u>341,741</u>	<u> </u>
Total Net Assets	\$ <u>827,571</u>	\$ <u>1,129,300</u>
Total Liabilities and Net Assets	\$ <u>855,077</u>	\$ <u>1,129,300</u>

See Accompanying Notes to Financial Statements

KWIT-KOJI FM RADIO

EXHIBIT B

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2009

	<u>KWIT-KOJI FM Radio</u>	<u>Component Unit Friends of FM 90</u>
<u>OPERATING REVENUES</u>		
Corporation for Public Broadcasting Support	\$ 151,233	
Rental of Facilities	32,053	
Donated Materials and Services	37,858	
Gifts, Contributions and Grants		\$ 145,571
Other Operating Revenues	<u>64,658</u>	
Total Operating Revenues	\$ 285,802	\$ 145,571
<u>OPERATING EXPENSES</u>		
Program Services:		
Programming and Production	\$ 407,075	\$ 2,687
Broadcasting	92,078	
Program Information	<u>16,609</u>	
	\$ 515,762	\$ 2,687
Management and General	<u>188,260</u>	
Total Operating Expenses	\$ 704,022	\$ 2,687
Operating Income (Loss)	\$(418,220)	\$ 142,884
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
State Support	\$ 265,242	
College Support - Direct	17,973	
College Support - Indirect	128,345	
Investment Income, Net of Investment Expense of \$8,701		\$(108,627)
Gifts from Friends of FM 90	149,452	
Payments to KWIT-KOJI		(149,452)
Equipment	(28,079)	
Donated Facilities	<u>(128,345)</u>	
Net Non-Operating Revenues (Expenses)	\$ 404,588	\$(258,079)
Change in Net Assets	\$(13,632)	\$(115,195)
Net Assets - Beginning of Year	<u>827,571</u>	<u>1,129,300</u>
Net Assets - End of Year	\$ <u>813,939</u>	\$ <u>1,014,105</u>

See Accompanying Notes to Financial Statements

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2008

	<u>KWIT-KOJI FM Radio</u>	<u>Component Unit Friends of FM 90</u>
<u>OPERATING REVENUES</u>		
Corporation for Public Broadcasting Support	\$ 150,111	
Rental of Facilities	28,442	
Donated Materials and Services	22,659	
Gifts and Contributions		\$ 127,744
Other Operating Revenues	<u>58,239</u>	
Total Operating Revenues	\$ 259,451	\$ 127,744
<u>OPERATING EXPENSES</u>		
Program Services:		
Programming and Production	\$ 418,292	\$ 5,245
Broadcasting	89,666	
Program Information	<u>8,704</u>	
	\$ 516,662	\$ 5,245
Management and General	<u>221,146</u>	
Total Operating Expenses	\$ 737,808	\$ 5,245
Operating Income (Loss)	\$(478,357)	\$ 122,499
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
State Support	\$ 256,062	
College Support - Direct	7,506	
College Support - Indirect	152,513	
Corporation for Public Broadcasting Grants	5,000	
Investment (Loss), Including Investment Expense of \$10,165		\$(80,711)
Gifts from Friends of FM 90	140,131	
Payments to KWIT-KOJI		(140,131)
Equipment	(7,506)	
Donated Facilities	<u>(152,513)</u>	
Net Non-Operating Revenues (Expenses)	\$ 401,193	\$(220,842)
Change in Net Assets	\$(77,164)	\$(98,343)
Net Assets - Beginning of Year	<u>904,735</u>	<u>1,227,643</u>
Net Assets - End of Year	\$ <u>827,571</u>	\$ <u>1,129,300</u>

See Accompanying Notes to Financial Statements

KWIT-KOJI FM RADIO

EXHIBIT C

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2009

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	<u>KWIT-KOJI FM Radio</u>	<u>Component Unit Friends of FM 90</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash Operating Grants Received from the Corporation for Public Broadcasting	\$ 151,233	
Rental Receipts	32,053	
Cash Received from Donors and Others	64,713	\$ 145,571
Cash Payments to Employees and Others	(622,807)	(2,687)
Net Cash Provided (Used) by Operating Activities	\$(374,808)	\$ 142,884
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Cash Received from State Support	\$ 265,242	
Cash Received from Gifts from Friends of FM 90	120,764	
Cash Paid for Gifts to KWIT-KOJI	_____	\$(120,764)
Net Cash Provided (Used) by Non-Capital Financing Activities	\$ 386,006	\$(120,764)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Acquisition of Capital Assets	_____	\$(28,688)
Net Cash (Used) by Capital and Related Financing Activities	-	\$(28,688)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Earnings on Investments		\$ 41,103
Cash Paid for Investment Expenses		(8,701)
Proceeds from Sale of Investments		267,705
Purchase of Investments	_____	(299,501)
Net Cash Provided by Investing Activities	_____ -	\$ 606
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 11,198	\$(5,962)
Cash and Cash Equivalents - June 30, 2008	<u>368,352</u>	<u>25,585</u>
Cash and Cash Equivalents - June 30, 2009	\$ <u>379,550</u>	\$ <u>19,623</u>

See Accompanying Notes to Financial Statements

KWIT-KOJI FM RADIO

EXHIBIT C

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2008

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	<u>KWIT-KOJI FM Radio</u>	<u>Component Unit Friends of FM 90</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash Operating Grants Received from the Corporation for Public Broadcasting	\$ 150,111	
Rental Receipts	28,442	
Cash Received from Donors and Others	58,192	\$ 127,744
Cash Payments to Employees and Others	(671,055)	(5,245)
Net Cash Provided (Used) by Operating Activities	\$(434,310)	\$ 122,499
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Cash Received from State Support	\$ 256,062	
Cash Received from Gifts from Friends of FM 90	130,468	
Cash Paid for Gifts to KWIT-KOJI	_____	\$(130,468)
Net Cash Provided (Used) by Non-Capital Financing Activities	\$ 386,530	\$(130,468)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Acquisition of Capital Assets	_____	\$(9,663)
Net Cash (Used) by Capital and Related Financing Activities	-	\$(9,663)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Cash Received from Investment Income		\$ 59,751
Cash Paid for Investment Expenses		(10,165)
Cash Paid for Purchase of Investments	_____	(49,113)
Net Cash Provided by Investing Activities	_____ -	\$ 473
Net (Decrease) in Cash and Cash Equivalents	\$(47,780)	\$(17,159)
Cash and Cash Equivalents - June 30, 2007	<u>416,132</u>	<u>42,744</u>
Cash and Cash Equivalents - June 30, 2008	\$ <u>368,352</u>	\$ <u>25,585</u>

See Accompanying Notes to Financial Statements

KWIT-KOJI FM RADIO

EXHIBIT C
(Cont.)

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2009

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	<u>KWIT-KOJI</u> <u>FM Radio</u>	<u>Component Unit</u> <u>Friends of</u> <u>FM 90</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO</u> <u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating Income (Loss)	\$ (418,220)	\$ 142,884
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	\$ 43,561	
Decrease in Pledges Receivable	55	
Increase in Salaries and Benefits Payable	1,439	
(Decrease) in Compensated Absences	(1,643)	
Total Adjustments	\$ 43,412	-
Net Cash Provided (Used) by Operating Activities	\$ <u>(374,808)</u>	\$ <u>142,884</u>
<u>SUPPLEMENTAL SCHEDULE OF SIGNIFICANT</u> <u>NON-CASH ACTIVITIES</u>		
College Support - Indirect	\$ <u>128,345</u>	<u>-</u>
Donated Materials and Services	\$ <u>37,858</u>	<u>-</u>
Gifts from Friends of FM90	\$ <u>28,688</u>	\$ <u>(28,688)</u>

KWIT-KOJI FM RADIO

EXHIBIT C
(Cont.)

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2008

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	<u>KWIT-KOJI</u> <u>FM Radio</u>	<u>Component Unit</u> <u>Friends of</u> <u>FM 90</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO</u> <u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating Income (Loss)	\$ (478,357)	\$ 122,499
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	\$ 41,309	
(Increase) in Pledges Receivable	(47)	
Decrease in Salaries and Benefits Payable	(130)	
Increase in Compensated Absences	<u>2,915</u>	
Total Adjustments	\$ <u>44,047</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	\$ <u>(434,310)</u>	\$ <u>122,499</u>
 <u>SUPPLEMENTAL SCHEDULE OF SIGNIFICANT</u> <u>NON-CASH ACTIVITIES</u>		
College Support - Indirect	\$ <u>152,513</u>	<u>-</u>
Donated Materials and Services	\$ <u>22,659</u>	<u>-</u>
Gifts from Friends of FM90	\$ <u>9,663</u>	\$ (<u>9,663</u>)

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Program Services</u>			<u>Total Program Services</u>
	<u>Programming and Production</u>	<u>Broadcasting</u>	<u>Program Information</u>	
Salaries, Related Payroll Costs and Fringe Benefits	\$ 226,095	\$ 69,234		\$ 295,329
Professional Services	12			12
Memberships	134,837	450		135,287
Communications				
Utilities				
Postage				
Other Services	5,371	1,012		6,383
Materials and Supplies	307	865		1,172
Periodicals	630			630
Lease Expense				
Equipment		90		90
Travel and Meeting Expense	813	2,506		3,319
Donated Personal Services of Volunteers	1,900			1,900
Donated Professional Services			\$ 16,609	16,609
Donated Materials and Facilities ...	18,413			18,413
Depreciation	<u>18,697</u>	<u>17,921</u>	<u> </u>	<u>36,618</u>
 Total Operating Expenses	 \$ <u>407,075</u>	 \$ <u>92,078</u>	 \$ <u>16,609</u>	 \$ <u>515,762</u>

<u>Supporting Services</u> <u>Management</u> <u>and</u> <u>General</u>	<u>Total</u> <u>Expenses</u>
\$ 114,542	\$ 409,871
11,270	11,282
735	136,022
517	517
29,145	29,145
2,415	2,415
2,453	8,836
6,823	7,995
	630
5,328	5,328
4,892	4,982
2,261	5,580
	1,900
936	17,545
	18,413
<u>6,943</u>	<u>43,561</u>
<u>\$ 188,260</u>	<u>\$ 704,022</u>

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Program Services</u>			<u>Total Program Services</u>
	<u>Programming and Production</u>	<u>Broadcasting</u>	<u>Program Information</u>	
Salaries, Related Payroll Costs and Fringe Benefits	\$ 212,890	\$ 67,545		\$ 280,435
Professional Services	1,274			1,274
Memberships	163,799	384		164,183
Communications				-
Utilities				-
Postage				-
Data Processing				-
Other Services	9,243	1,235		10,478
Materials and Supplies	942	629		1,571
Periodicals	461			461
Lease Expense				-
Equipment				-
Travel and Meeting Expense	219	1,952		2,171
Donated Professional Services			\$ 8,704	8,704
Donated Materials and Facilities ...	13,019			13,019
Depreciation	<u>16,445</u>	<u>17,921</u>		<u>34,366</u>
 Total Operating Expenses	 \$ <u>418,292</u>	 \$ <u>89,666</u>	 \$ <u>8,704</u>	 \$ <u>516,662</u>

<u>Supporting Services</u> <u>Management</u> <u>and</u> <u>General</u>	<u>Total</u> <u>Expenses</u>
\$ 108,425	\$ 388,860
13,211	14,485
	164,183
518	518
47,039	47,039
2,859	2,859
10,806	10,806
8,286	18,764
7,272	8,843
68	529
5,328	5,328
7,005	7,005
2,450	4,621
936	9,640
<u>6,943</u>	<u>13,019</u>
	<u>41,309</u>
\$ <u>221,146</u>	\$ <u>737,808</u>

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

Friends purchased \$7,759 of major equipment and \$20,929 of minor equipment for the radio station during the year ended June 30, 2009, and distributed \$120,764 and \$130,468 to KWIT-KOJI for unrestricted programming purposes, during the years ended June 30, 2009 and 2008, respectively.

B. Basis of Presentation

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

Invested in Capital Assets, Net of Related Debt

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

Restricted Net Assets

Nonexpendable

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

Restricted Net Assets

Expendable

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

Unrestricted Net Assets

Net assets that are not subject to externally-imposed situations.

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.)

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

C. Measurement Focus and Basis of Accounting

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

The Radio Station applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretation, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

D. Assets, Liabilities and Net Assets

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

Investments - Investments are stated at fair value.

Capital Assets - Capital assets, which include buildings, radio tower, furniture and equipment, are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at fair market value at the date of donation. Depreciation expense is recorded on capital assets using the straight-line method over their estimated useful lives. For the years ended June 30, 2009 and 2008, depreciation expense was \$43,561 and \$41,309, respectively.

The costs of normal maintenance and repair that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are defined by the Radio Station as assets with initial, individual costs in excess of \$5,000 and estimated useful lives in excess of two years.

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

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.)

E. In-Kind Contributions

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

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

Total recorded in-kind contributions for June 30, 2009 and 2008, are as follows:

	<u>2009</u>	<u>2008</u>
Donated Professional Services of Volunteers:		
Voluntary Services	\$ 1,900	-
Donated Professional Services and Programs:		
Advertising and Contracted Services	17,545	\$ 9,640
Donated Materials and Facilities:		
Compact Discs, Other Materials and Equipment	18,413	13,019
College Facilities	<u>128,345</u>	<u>152,513</u>
	<u>\$ 166,203</u>	<u>\$ 175,172</u>

F. Estimates

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

G. Allowance for Uncollectible Pledges

The allowance for uncollectible pledges is maintained at a balance which, in the opinion of management, is adequate to reflect pledges receivable at their net realizable value. No allowance was considered necessary at June 30, 2009 or 2008.

H. Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates of personnel time and space used.

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

Note 2 - CASH AND CASH EQUIVALENTS

The Radio Station's deposits in the bank accounts of Western Iowa Tech Community College at June 30, 2009 and 2008, were entirely covered by the Federal Depository Insurance Corporation, government securities pledged by the banks as collateral on repurchase agreement accounts, or by the State Sinking Fund, in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

Note 3 - ENDOWMENT INVESTMENTS

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

	<u>2009</u> <u>Cost</u>	<u>2009</u> <u>Market</u>
Wells Fargo Cash Investment Money Market	\$ 89,260	\$ 89,260
Federal Home Loan Bank at 4.750%, Maturing 12-12-14 (AAA)	51,279	53,172
Wells Fargo Advantage Government Securities Fund..	55,422	55,260
Midcap S & P Depository Receipts	47,855	52,600
Oakmark International Fund	57,289	43,956
Federal Home Loan Bank at 5.00%, Maturing 12-11-15 (AAA)	25,769	27,102
Federal Home Loan Mortgage Corporation at 5.25%, Corporation at 5.25%, Maturing 3-12-18 (AAA) ...	24,991	25,180
Federal National Mortgage Association 2.75%, Maturing 3-13-14 (AAA)	24,906	24,945
Wells Fargo Advantage Total Return Bond Fund	145,985	145,591
Hawkeye Community College NJTP Bonds at 5.65%, Maturing 6-1-11 (AA3)	25,589	25,003
NASDAQ 100 Shares	10,415	10,914
S & P Depository Receipts	132,540	119,535
I Shares Funds	170,459	154,909
National Rural Utility COOP at 5.45%, Maturing 4-10-17 (A1)	50,204	51,199
Oakmark Class I Fund	111,299	67,574
IPath Dow Jones - AIG Commodity	<u>49,318</u>	<u>48,282</u>
Total	<u>\$ 1,072,580</u>	<u>\$ 994,482</u>

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

Note 3 - ENDOWMENT INVESTMENTS
(Cont.)

	2008 Cost	2008 Market
Cash	\$ 1,534	\$ 1,534
Wells Fargo Cash Investment Money Market	39,329	39,329
Federal Home Loan Bank at 4.750%, Maturing 12-12-14 (AAA)	51,279	51,062
Wells Fargo Intermediate Government Income Fund	53,104	51,496
Wells Fargo Index Fund	97,764	100,706
Wells Fargo Large Company Growth Fund	121,523	122,367
Midcap S & P Depository Receipts	27,902	44,640
Oakmark International Fund	52,898	49,998
Federal Home Loan Bank at 5.75%, Maturing 12-19-16 (AAA)	25,000	25,008
Federal Home Loan Bank at 5.00%, Maturing 12-11-15 (AAA)	25,769	25,719
Federal Home Loan Mortgage Corporation at 5.25%, Maturing 3-12-18 (AAA)	24,991	25,019
Federal National Mortgage Association 6.0%, Maturing 12-4-18 (AAA)	25,432	25,492
Merrill Lynch & Co. Medium Term Note at 4.50%, Maturing 11-4-10 (A1)	25,201	24,362
Wells Fargo Advantage Total Return Bond Fund	139,230	135,687
Hawkeye Community College NJTP Bonds at 5.65%, Maturing 6-1-11 (AA3)	25,589	25,233
NASDAQ 100 Shares	10,415	13,551
S & P Depository Receipts	52,197	51,192
I Shares Funds	115,902	136,804
Federal National Mortgage Association 6.375%, Maturing 6-15-09 (AAA)	25,632	25,852
National Rural Utility COOP at 5.45%, Maturing 4-10-17 (A1)	50,204	48,812
Oakmark Class I Fund	<u>108,095</u>	<u>79,852</u>
Total	<u>\$ 1,098,990</u>	<u>\$ 1,103,715</u>

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

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

Note 3 - ENDOWMENT INVESTMENTS
(Cont.)

Credit Risk: The endowment investments that were rated by Moody's Investors Service at June 30, 2009 and 2008, have their ratings denoted in parentheses above. The remaining investments have either not been rated or are not exposed to custodial credit risk.

Concentration of Credit Risk: The Radio Station's policy is to diversify its investments by limiting investments in prime bankers acceptances or commercial paper to no more than 10% of its portfolio maturities. At June 30, 2009 and 2008, the following investment types exceeded 5% of the total endowment investment portfolio:

2009

- Federal Home Loan Bank
- Ishare Funds
- Midcap S & P Depository Receipts
- National Rural Utility COOP
- Oakmark Class I Fund
- S & P Depository Receipts
- Wells Fargo Advantage Government Securities Fund
- Wells Fargo Advantage Total Return Bond Fund
- Wells Fargo Cash Investment Money Market

2008

- I Shares Funds
- Oakmark Class I Fund
- Wells Fargo Advantage Total Return Bond Fund
- Wells Fargo Index Fund
- Wells Fargo Large Company Growth Fund

On July 1, 2008, the State of Iowa adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) which assisted organizations in managing their endowment funds. The Friends of FM 90 Endowment consists of one individual fund. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions.

Interpretation of Law

The directors of Friends have reviewed the endowment fund for purposes of classifying as permanently restricted net assets, the historic dollar value of endowment funds received. The term "historic dollar value" is defined as the aggregate fair value in dollars of:

- (1) The original values of the gifts donated to the permanent endowment,
- (2) Each subsequent donation to the fund at the time it is made, and
- (3) Each accumulation made pursuant to a provision in the applicable gift instrument at the time the accumulation is added to the fund.

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

Note 3 - ENDOWMENT INVESTMENTS

(Cont.)

The remaining portion of the donor-restricted endowment funds that are not classified as permanently restricted net assets shall be classified as temporarily restricted net assets until appropriated for expenditure by Friends in a manner consistent with the Standard of Prudence prescribed by UPMIFA.

Endowment Net Asset Composition by Type of Fund as of June 30, 2009.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor - Restricted Funds	\$ _____ -	\$ <u>744,482</u>	\$ <u>250,000</u>	\$ <u>994,482</u>

Endowment Net Asset Composition by Type of Fund as of June 30, 2008.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor - Restricted Funds	\$ _____ -	\$ <u>853,715</u>	\$ <u>250,000</u>	\$ <u>1,103,715</u>

Changes in Endowment Net Assets for the fiscal year ended June 30, 2009.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets, June 30, 2008	-	\$ 853,715	\$ 250,000	\$ 1,103,715
Investment Gains (Losses):				
Investment Income		31,796		\$ 31,796
Net Appreciation				
Realized		(58,204)		(58,204)
Unrealized	_____	(<u>82,825</u>)	_____	(<u>82,825</u>)
Total Investment Gains (Losses)	-	\$ (<u>109,233</u>)	-	\$ (109,233)
Endowment Net Assets, June 30, 2009	_____ -	\$ <u>744,482</u>	\$ <u>250,000</u>	\$ <u>994,482</u>

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

Note 3 - ENDOWMENT INVESTMENTS

(Cont.) Changes in Endowment Net Assets for the fiscal year ended June 30, 2008.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets, June 30, 2007	-	\$ 934,899	\$ 250,000	\$ 1,184,899
Investment Gains (Losses):				
Investment Income		45,012		\$ 45,012
Net Appreciation				
Realized		4,101		4,101
Unrealized	_____	(130,297)	_____	(130,297)
Total Investment Gains (Losses)	-	\$ (81,184)	-	\$ (81,184)
Endowment Net Assets, June 30, 2008	_____ -	\$ <u>853,715</u>	\$ <u>250,000</u>	\$ <u>1,103,715</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires Friends to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. Friends did not have any such deficiencies as of June 30, 2009.

Return Objectives and Risk Parameters

Friends has adopted investment and spending policies for endowment assets that attempt to achieve long-term preservation and conservative growth of the sums received as donations. Endowment assets include those assets of donor-restricted funds that Friends must hold in perpetuity or for a donor-specified period(s) as well as board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that will obtain the maximum possible total return, taking into account both income and appreciation, that is consistent with an acceptable level of risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, Friends relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Friends targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Friends has a policy of appropriating for distribution each year a certain percent, not to exceed four percent, of its endowment fund's market value on December 31st of the preceding year.

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

Note 4 - CAPITAL ASSETS

Capital assets activity for the years ended June 30, 2009 and 2008, is as follows:

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Buildings	\$ 286,625			\$ 286,625
Radio Tower	570,814			570,814
Furniture and Equipment	<u>204,294</u>	\$ <u>18,582</u>	-	<u>222,876</u>
	\$ 1,061,733	\$ 18,582	-	\$ 1,080,315
Accumulated Depreciation	<u>(575,903)</u>	<u>(43,561)</u>	-	<u>(619,464)</u>
Net Capital Assets	\$ <u>485,830</u>	\$ <u>(24,979)</u>	-	\$ <u>460,851</u>

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2008</u>
Buildings	\$ 286,625			\$ 286,625
Radio Tower	570,814			570,814
Furniture and Equipment	<u>215,568</u>	\$ <u>9,663</u>	\$(<u>20,937</u>)	<u>204,294</u>
	\$ 1,073,007	\$ 9,663	\$(20,937)	\$ 1,061,733
Accumulated Depreciation	<u>(555,531)</u>	<u>(41,309)</u>	<u>20,937</u>	<u>(575,903)</u>
Net Capital Assets	\$ <u>517,476</u>	\$ <u>(31,646)</u>	-	\$ <u>485,830</u>

Note 5 - OPERATING LEASES

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

<u>Years Ending June 30,</u>	<u>Amount</u>
2010	\$ 34,283
2011	28,715
2012	28,715
2013	28,715
2014	13,145
Beyond 2014	<u>40,529</u>
Total	\$ <u>174,102</u>

KWIT-KOJI FM RADIO

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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

Note 5 - OPERATING LEASES

(Cont.)

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

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

Total lease expense for the years ended June 30, 2009 and 2008, was \$5,328.

Note 6 - IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IPERS)

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

For the year ended June 30, 2009, Plan members are required to contribute 4.10% of their annual covered salary and the Community College is required to contribute 6.35% of annual payroll. For the year ended June 30, 2008, the required contributions percentages were 3.90% and 6.05%, respectively. Contribution requirements are established by state statute. The Community College's contributions to IPERS for the years ended June 30, 2009, 2008 and 2007, were \$3,712, \$3,460, and \$2,970, respectively, equal to the required contributions for each year.

**Note 7 - TEACHERS INSURANCE AND ANNUITY ASSOCIATION -
COLLEGE RETIREMENT EQUITIES FUND (TIAA-CREF)**

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

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

Note 7 - TEACHERS INSURANCE AND ANNUITY ASSOCIATION -
(Cont.) COLLEGE RETIREMENT EQUITIES FUND (TIAA-CREF)

Contributions made by both employer and employee vest immediately. For the year ended June 30, 2009, as specified by the contract with TIAA-CREF, and in accordance with the Code of Iowa, each employee was required to contribute 4.10% and the Community College was required to contribute 6.35%. For the year ended June 30, 2008, the required contribution percentages were 3.90% and 6.05%, respectively. The Community College's and KWIT-KOJI FM Radio's employees' required and actual contributions to TIAA-CREF for the year ended June 30, 2009, were \$16,695 and \$10,779, respectively. The required and actual contributions to TIAA-CREF for the year ended June 30, 2008, were \$14,738 and \$9,501, respectively.

Note 8 - FUNDRAISING EXPENSES

During the years ended June 30, 2009 and 2008, the Radio Station conducted various fundraising activities. Management and general expenses related to fundraising for the years ended June 30, 2009 and 2008, total \$42,460 and \$35,829, respectively.

Note 9 - CONTINGENCIES

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