

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**

**FINANCIAL STATEMENTS**

June 30, 2009

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**

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**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**

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**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**

**OFFICIALS**

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Term Expires</u></b>
Board of Directors (Before 9/08/2009 Election):		
Robert H. Gallagher	President	2011
Mary Lou Engler	Vice-President	2011
John W. Frampton	Member	2009
Bill Phelan	Member	2009
Milton Shaw	Member	2009
Shirley Stewart	Member	2009
Kendra Beck	Member	2011
Dr. Joseph D'Souza	Member	2011
Bill Vetter	Member	2011
Board of Directors (After 9/08/2009 Election):		
Robert H. Gallagher	President	2011
Mary Lou Engler	Vice-President	2011
John W. Frampton	Member	2013
Bill Phelan	Member	2013
Milton Shaw	Member	2013
Shirley Stewart	Member	2013
Kendra Beck	Member	2011
Dr. Joseph D'Souza	Member	2011
Bill Vetter	Member	2011
Community College:		
Dr. Patricia Keir	Chancellor	
Honey H. Bedell	Board Secretary	
Lana J. Dettbarn	Board Treasurer	



**Winkel, Parker  
& Foster, CPA PC**

Certified Public Accountants & Consultants

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Eastern Iowa Community College District  
Davenport, Iowa

We have audited the accompanying basic financial statements of Eastern Iowa Community College District (District), as of and for the year ended June 30, 2009, as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the discretely presented component units which represent 100% of the assets and revenues of the discretely presented component units. The financial statements of Muscatine Community College Foundation, Scott Community College Foundation, and Eastern Iowa Community College District Foundation, were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based solely on the reports of the other auditors.

We conducted our audit of the District 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. The financial statements of the Muscatine Community College Foundation, Paul B. Sharar Foundation for Clinton Campus, and Scott Community College Foundation discretely presented component units were not audited in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

As described in Note 1 to the basic financial statements, Paul B. Sharar Foundation for Clinton Campus' financial statements are prepared on the income tax basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Muscatine Community College Foundation's financial statements are prepared on the modified cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, based on our audit and the reports of other auditors, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of Eastern Iowa Community College District and its discretely presented component units as of June 30, 2009, and the respective changes in financial position and cash flows where applicable thereof for the year then ended on the basis of accounting described in Note 1 to the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2009 on our consideration of Eastern Iowa Community College District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis 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 audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Eastern Iowa Community College District's basic financial statements. The financial statements for the years ended June 30, 2008, 2007 and 2006 (which are not presented herein) were audited by other auditors who expressed an unqualified opinion on those financial statements. The statements and schedules listed in the table of contents as supplementary information, as well as the accompanying schedule of expenditures of federal awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Walt, Park & Foster, CPA PC*

Clinton, Iowa  
December 21, 2009

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

Eastern Iowa Community College District provides this Management's Discussion and Analysis of the District's annual financial statements. This narrative overview and analysis of the financial activities of Eastern Iowa Community College District is for the fiscal year ended June 30, 2009. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

Eastern Iowa Community College District is a public, comprehensive community college district established by Iowa Code 260C.1 in 1966 that includes Clinton, Muscatine, and Scott Community Colleges. The District encompasses all or part of eight counties, serving a population base of almost 280,000 citizens. Each year, the District serves 6,346 full-time equivalent credit students in approximately 60 arts and science and 80 career technology programs. Non-credit programming serves 56,496 participants each year in areas such as adult basic education, job skills training, English as a Second Language, computer skills training, state-mandated training, community interest classes, and developmental education. The District provides a variety of services and customized training for business and industry and offers more targeted training through its three technology centers, the Advanced Technology Environmental Education Center (ATEEC), the Graphic Arts Technology Center, and the Blong Technology Center.

The District is governed by a nine-member Board of Directors whose members are elected to three-year terms by voters within their individual districts. The EICCD colleges are accredited as a single district as part of the Higher Learning Commission/North Central Association's Academic Quality Improvement Project (AQIP), an alternative accreditation method based on the National Baldrige Education Criteria. EICCD was one of the first colleges in the nation to seek this type of accreditation, as a result of its strong commitment to continuous quality improvement.

In addition to its three main campuses in Bettendorf, Clinton, and Muscatine, EICCD operates additional attendance sites in Clinton, Columbus Junction, Davenport, and Maquoketa. The District has a strong emphasis on creating partnerships with area K-12 schools, other higher education institutions, local governments, and business and industry. These partnerships, along with a focused effort to secure grant funding, have allowed the District to continue to serve the needs of its communities, even in times of decreased state funding.

The District has the following discretely presented component units: Muscatine Community College Foundation, Paul B. Sharar Foundation for Clinton Campus, Scott Community College Foundation, and Eastern Iowa Community College District Foundation (Foundations). The Foundations' purpose is to support the District through donations to provide scholarships to students and for the enhancement and extension of facilities, equipment, and services.

**Financial Highlights**

- District revenues totaled \$70,381,021 compared to \$63,448,161 for 2008.
- District operating expenses were \$65,762,774 compared to \$59,054,925 for 2008.
- The District's net assets increased \$4,041,842 or approximately 7% from fiscal year 2008. Fiscal year 2008 net assets increased \$4,036,300 from fiscal year 2007.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

**Using This Annual Report**

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

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

The basic financial statements consist of a statement of net assets, a statement of revenues, expenses, and changes in net assets, and a statement of cash flows. These provide information about the activities of the District as a whole and present an overall view of the District's finances. The District presents schedules of discretely presented component units' financial statements in separate presentations.

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

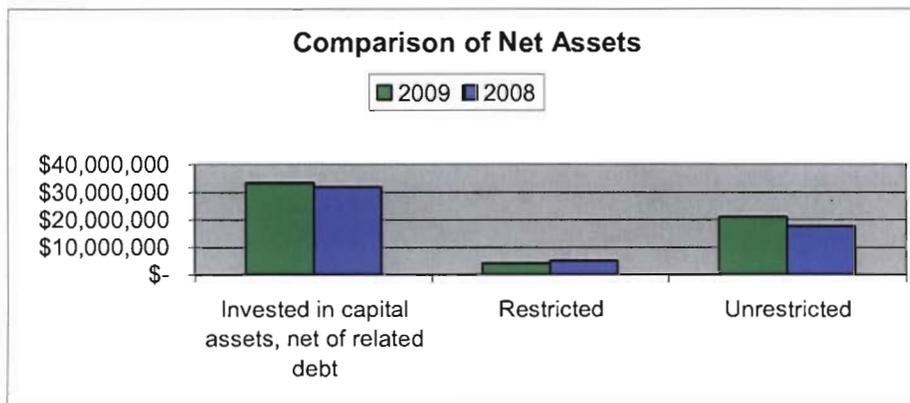
Supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year, and the supplementary information provides detailed information about the individual funds of the District.

**Reporting the District as a Whole**

Statement of Net Assets: The statement of net assets presents the assets, liabilities, and net assets of the District as a whole, as of the end of the fiscal year June 30, 2009. The statement of net assets is a point-in-time financial statement. The purpose of this statement is to present a fiscal snapshot of the District to the readers of the financial statements. The statement of net assets includes year-end information concerning current and noncurrent assets, current and noncurrent liabilities and net assets (assets less liabilities). Over time, readers of the financial statements will be able to determine the District's financial position by analyzing the increases and decreases in net assets. This statement is also a good source for readers to determine how much the District owes to outside vendors and creditors. The statement also presents the available assets that can be used to satisfy those liabilities.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

	<b>June 30,</b>	
	<b>2009</b>	<b>2008</b>
<b>Net assets</b>		
Current and other assets	\$ 91,001,981	\$ 87,320,595
Capital assets, net of accumulated depreciation	<u>47,906,627</u>	<u>36,644,413</u>
<b>Total assets</b>	<u>138,908,608</u>	<u>123,965,008</u>
Current liabilities	28,764,654	23,707,584
Noncurrent liabilities	<u>51,627,188</u>	<u>45,782,500</u>
<b>Total liabilities</b>	<u>80,391,842</u>	<u>69,490,084</u>
Net assets		
Invested in capital assets, net of related debt	33,340,707	31,832,278
Restricted	4,143,688	4,973,393
Unrestricted	<u>21,032,371</u>	<u>17,669,253</u>
<b>Total net assets</b>	<u>\$ 58,516,766</u>	<u>\$ 54,474,924</u>



The largest portion of the District's net assets (57%) for 2009 and (58%) for 2008 is the invested in capital assets (e.g., land, buildings, and equipment), less the related debt. The debt related to the invested in capital assets is liquidated with resources other than capital assets. The restricted portion of the net assets (7%) for 2009 and (9%) for 2008 includes resources that are subject to external restrictions. The remaining net assets (36%) for 2009 and (33%) for 2008 are the unrestricted net assets that can be used to meet the District's obligations as they come due.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

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

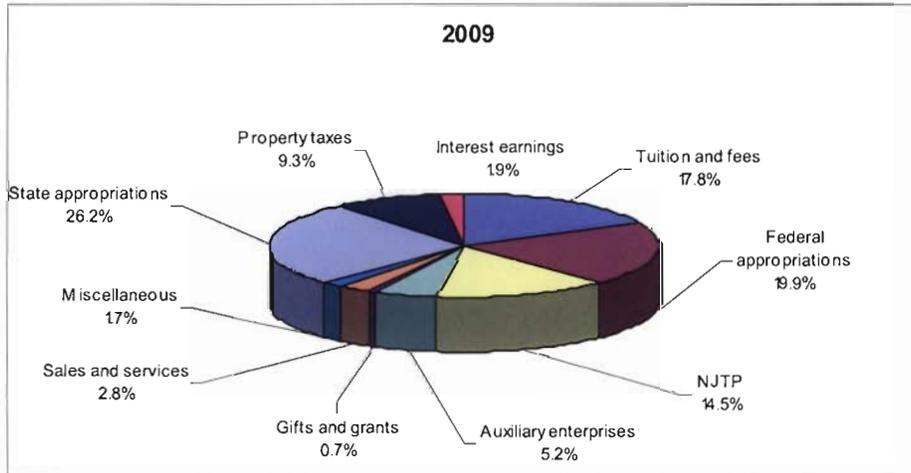
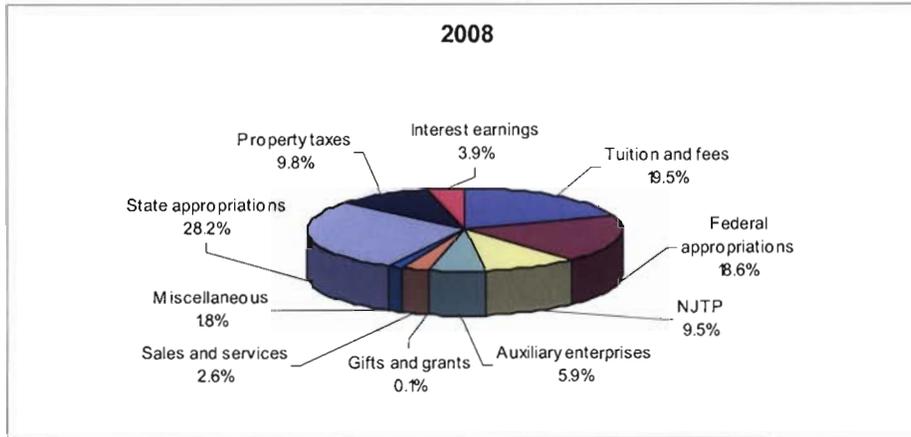
In general, a public college, such as Eastern Iowa Community College District, will report an operating loss since the financial reporting model classifies state appropriations and property taxes as nonoperating revenues. Operating revenues are received for providing goods and services to the various students, customers and constituencies of the District. 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 District. Nonoperating revenues are revenues received for which goods and services are not provided. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life.

	<b>Year Ended June 30,</b>	
	<b>2009</b>	<b>2008</b>
<b>Changes in net assets</b>		
Revenues:		
Tuition and fees	\$ 12,512,056	\$ 12,389,617
Federal appropriations	14,032,972	11,820,809
Iowa Industrial New Jobs Training Program	10,206,186	6,053,305
Auxiliary enterprises revenue	3,671,056	3,735,316
Gifts and grants	527,723	80,287
Sales and service	1,940,639	1,644,924
Miscellaneous	1,220,925	1,158,947
State appropriations	18,440,501	17,904,822
Property taxes	6,521,951	6,234,473
Investment earnings	1,307,012	2,465,661
<b>Total revenues</b>	<b>70,381,021</b>	<b>63,488,161</b>
Total operating expenses	65,762,774	59,054,925
Loss on disposal of capital assets	556	146,250
Interest on indebtedness	575,849	250,686
<b>Total expenses</b>	<b>66,339,179</b>	<b>59,451,861</b>
<b>Increase in net assets</b>	<b>4,041,842</b>	<b>4,036,300</b>
Net assets:		
Beginning	54,474,924	50,438,624
Ending	<b>\$ 58,516,766</b>	<b>\$ 54,474,924</b>

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

**Total Revenue by Source**

The statement of revenues, expenses, and changes in net assets reflects positive years for both 2009 and 2008, with an increase in the net assets of \$4,041,842 and \$4,036,300, respectively.



In fiscal year 2009, the major fluctuations in revenues were a result of the following changes:

- Iowa Industrial New Jobs Training Program increased by approximately \$4,153,000.
- Federal appropriations increased by approximately \$2,212,000.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

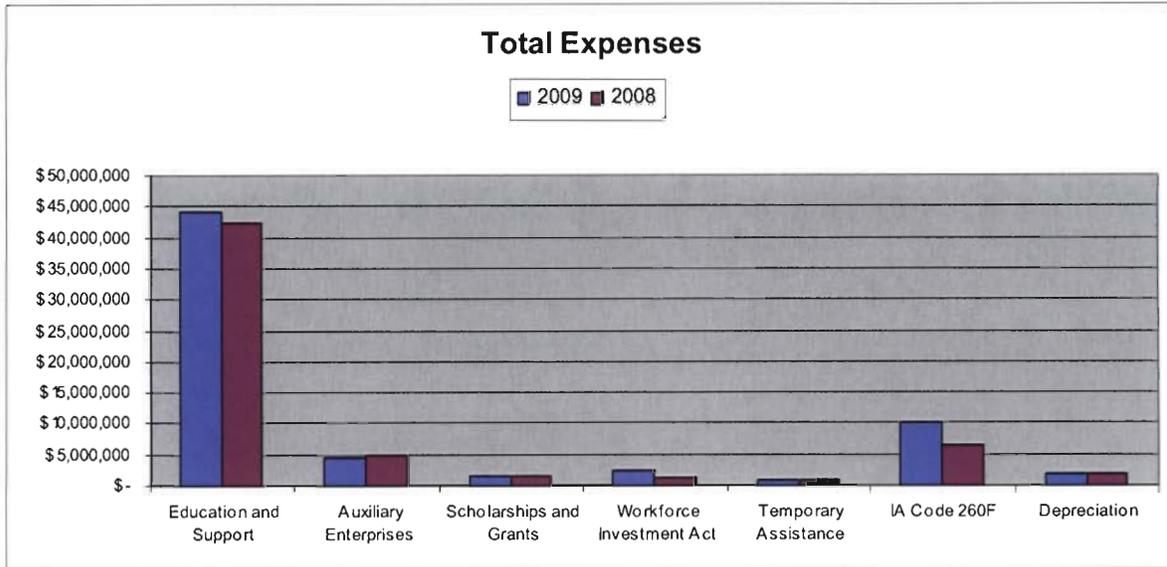
In fiscal year 2008, the major fluctuations in revenues were a result of the following changes:

- Iowa Industrial New Jobs Training Program decreased by approximately \$1,141,000.
- State appropriations increased due to an increase in state general aid.

**Operating expenses**

	<b>Year Ended June 30,</b>	
	<b>2009</b>	<b>2008</b>
Education and support:		
Liberal arts and science	\$ 10,248,756	\$ 9,652,538
Vocational technical	10,492,250	9,819,925
Adult education	4,246,545	3,991,091
Cooperative services	514,963	1,109,138
General administration	2,821,858	2,876,457
Student services	3,547,933	3,478,405
Learning resources	858,080	874,700
Physical plant	4,008,586	3,923,487
General institution	7,427,105	6,716,535
Auxiliary enterprises	4,678,283	4,828,565
Scholarships and grants	1,619,963	1,384,012
Workforce Investment Act	2,455,281	1,241,092
Temporary Assistance for Needy Families	901,096	948,996
Iowa Industrial New Jobs Training Program	10,224,634	6,497,119
Depreciation expense	1,717,441	1,712,865
<b>Total operating expenses</b>	<b>\$ 65,762,774</b>	<b>\$ 59,054,925</b>

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**



In fiscal year 2009, the major fluctuation in operating expenses was a result of the following factor:

- Iowa Industrial New Jobs Training Program expenses increased approximately \$3,728,000 due to more companies participating than in the previous year.

In fiscal year 2008, the major fluctuation in operating expenses was a result of the following factor:

- Iowa Industrial New Jobs Training Program expenses decreased approximately \$1,513,000 due to less companies participating than in the previous year.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

Statement of Cash Flows: The statement of cash flows is an important tool in helping the users to assess the District's ability to generate future net cash flows, its ability to meet its obligations as they come due, and its need for external financing. The statement of cash flows presents information related to cash inflows and outflows, summarized by operating, noncapital financing, capital financing, and investing activities.

<b>Cash flows</b>	<u>Year Ended June 30,</u>	
	<u>2009</u>	<u>2008</u>
Cash provided by (used in):		
Operating activities	\$(28,761,428)	\$(20,239,277)
Noncapital financing activities	29,695,786	24,558,980
Capital and related financing activities	(3,303,506)	(5,477,884)
Investing activities	<u>3,621,427</u>	<u>6,654,394</u>
<b>Net increase (decrease) in cash</b>	1,252,279	5,496,213
 Cash:		
Beginning	<u>36,940,577</u>	<u>31,444,634</u>
Ending	<u>\$ 38,192,856</u>	<u>\$ 36,940,577</u>

Cash used for operating activities includes tuition, fees, grants and contracts, net of payments to employees and to suppliers. Cash provided by noncapital financing activities includes state appropriations and local property taxes received by the District. Cash used by capital and related financing activities represents the proceeds from debt, the principal and interest payments on debt, and the purchase of capital assets. Cash provided by investing activities includes investment income earned.

**Capital Assets**

As of June 30, 2009, the District has \$47,906,627 invested in capital assets, net of accumulated depreciation of \$33,428,025. Depreciation charges totaled \$1,717,441 for fiscal year 2009. As of June 30, 2008, the District had \$36,644,413 invested in capital assets, net of accumulated depreciation of \$31,802,922. Depreciation charges totaled \$1,712,865 for fiscal year 2008. Details of the capital assets are shown below.

<b>Capital assets</b>	<u>June 30,</u>	
	<u>2009</u>	<u>2008</u>
Land	\$ 3,963,180	\$ 3,963,180
Construction in progress	11,054,069	1,596,801
Buildings	56,021,912	53,097,324
Other structures and improvements	4,293,972	4,209,110
Furniture and equipment	<u>6,001,519</u>	<u>5,580,920</u>
<b>Totals</b>	<u>\$ 81,334,652</u>	<u>\$ 68,447,335</u>

More detailed information about the District's capital assets is presented in Note 3 to the basic financial statements.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009**

**Debt**

As of June 30, 2009, the District had \$58,797,188 in debt outstanding, excluding compensated absences of \$1,406,170, an increase of \$8,044,688 from 2008. The majority of the increase is due to an additional bond payable. As of June 30, 2008, the District had \$50,752,500 in debt outstanding, excluding compensation absences of \$1,481,759, an increase of \$940,000 from 2007. The majority of the increase is due to an additional note payable.

**Outstanding debt**

	<b>June 30,</b>	
	<b><u>2009</u></b>	<b><u>2008</u></b>
Capital loan notes	\$ 1,205,000	\$ 1,765,000
Certificates payable	43,685,000	46,045,000
Note payable	1,022,500	1,167,500
Net OPEB liability	169,688	-
Bonds payable	11,000,000	-
Revenue bonds payable	1,715,000	1,775,000
<b>Totals</b>	<b>\$ 58,797,188</b>	<b>\$ 50,752,500</b>

More detailed information about the District's outstanding debt is presented in Note 4 to the basic financial statements.

**Economic factors**

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

- Expenses will increase as the number of students increases. The costs associated with serving students will continue to rise, but not more than the expected increase in tuition income.
- Facilities at the District require constant maintenance and upkeep, but these expenditures will be funded through the Plant Fund.

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

**Contacting the District's Financial Management**

This financial report is designed to provide our customers, taxpayers in the community college district, and our creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Eastern Iowa Community College District, 306 West River Drive, Davenport, Iowa 52801.

## **BASIC FINANCIAL STATEMENTS**

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
STATEMENT OF NET ASSETS - PRIMARY INSTITUTION  
June 30, 2009**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 38,192,856
Investments	21,772,612
Receivables:	
Property taxes	7,521,469
Due from other governments	3,523,776
Other	2,226,447
Inventories	965,774
<b>Total current assets</b>	<b>74,202,934</b>

**NONCURRENT ASSETS**

Due from Iowa Industrial New Jobs Training Program	16,799,047
Capital assets:	
Land	3,963,180
Buildings	56,021,912
Other structures and improvements	4,293,972
Furniture and equipment	6,001,519
Construction in progress	11,054,069
Accumulated depreciation	(33,428,025)
<b>Total noncurrent assets</b>	<b>64,705,674</b>

**TOTAL ASSETS**

**\$ 138,908,608**

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 3,541,137
Salaries and benefits payable	4,499,491
Compensated absences	1,406,170
Accrued interest payable	248,957
Deferred revenue	10,876,015
Assets held in custody for others	1,022,884
Certificates payable	4,900,000
Notes and bonds payable	2,270,000
<b>Total current liabilities</b>	<b>28,764,654</b>

**NONCURRENT LIABILITIES**

Certificates payable	38,785,000
Net OPEB liability	169,688
Notes and bonds payable	12,672,500
<b>Total noncurrent liabilities</b>	<b>51,627,188</b>

Total liabilities

80,391,842

**NET ASSETS**

Invested in capital assets, net of related debt	33,340,707
Restricted for:	
Education and support	3,739,220
Property tax cash reserve	404,468
Unrestricted	21,032,371
<b>Total net assets</b>	<b>58,516,766</b>

**TOTAL LIABILITIES AND NET ASSETS**

**\$ 138,908,608**

The accompanying notes are an integral part of the financial statements.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS -**  
**PRIMARY INSTITUTION**  
**Year Ended June 30, 2009**

**OPERATING REVENUES**

Tuition and fees, net of scholarship allowances of \$5,635,322	\$ 12,512,056
Federal appropriations	6,926,674
Iowa Industrial New Jobs Training Program	10,206,186
Auxiliary enterprises revenue, net of allowances of \$1,481,554	3,671,056
Gifts and grants	527,723
Sales and services	1,940,639
Miscellaneous	<u>1,220,925</u>
Total operating revenues	<u>37,005,259</u>

**OPERATING EXPENSES**

Education and support:	
Liberal arts and sciences	10,248,756
Vocational technical	10,492,250
Adult education	4,246,545
Cooperative services	514,963
General administration	2,821,858
Student services	3,547,933
Learning resources	858,080
Physical plant	4,008,586
General institution	7,427,105
Auxiliary enterprises	4,678,283
Scholarships and grants	1,619,963
Workforce Investment Act	2,455,281
Temporary Assistance for Needy Families	901,096
Iowa Industrial New Jobs Training Program	10,224,634
Depreciation expense	<u>1,717,441</u>
Total operating expenses	<u>65,762,774</u>

Operating loss (28,757,515)

**NONOPERATING REVENUES (EXPENSES):**

State appropriations	18,440,501
Pell grant	7,106,298
Property taxes	6,521,951
Investment earnings	1,307,012
Loss on disposal of capital assets	(556)
Interest on indebtedness	<u>(575,849)</u>
Net nonoperating revenues	<u>32,799,357</u>

Increase in net assets 4,041,842

**NET ASSETS:**

Beginning	<u>54,474,924</u>
Ending	<u>\$ 58,516,766</u>

The accompanying notes are an integral part of the financial statements.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**STATEMENT OF CASH FLOWS - PRIMARY INSTITUTION**  
June 30, 2009

**CASH FLOWS FROM OPERATING ACTIVITIES**

Tuition and fees	\$ 13,362,539
Federal appropriations	6,844,750
Iowa Industrial New Jobs Training Program	5,808,162
Payments to employees for salaries and benefits	(34,631,058)
Payments to suppliers for goods and services	(19,338,080)
Scholarships	(8,736,839)
Auxiliary enterprise	3,671,056
Other receipts	<u>4,258,042</u>
Net cash used in operating activities	<u>(28,761,428)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

State appropriations	18,440,501
Pell grant	7,106,298
Property taxes	6,521,951
Proceeds from certificates payable	1,995,000
Payments on certificates payable	(4,355,000)
Miscellaneous Agency Fund receipts	1,641,340
Miscellaneous Agency Fund disbursements	<u>(1,654,304)</u>
Net cash provided by noncapital financing activities	<u>29,695,786</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Acquisition of capital assets	(12,980,212)
Proceeds from notes and bonds payable	11,000,000
Principal paid on notes and bonds payable	(765,000)
Interest paid on notes and bonds payable	<u>(558,294)</u>
Net cash used in capital and related financing activities	<u>(3,303,506)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest on investments	1,307,012
Sale of investments	<u>2,314,415</u>
Net cash provided by investing activities	<u>3,621,427</u>

Net increase in cash and cash equivalents 1,252,279

**CASH AND CASH EQUIVALENTS**

Beginning	<u>36,940,577</u>
Ending	<u>\$ 38,192,856</u>

**RECONCILIATION OF OPERATING LOSS TO NET CASH  
USED IN OPERATING ACTIVITIES**

Operating loss	\$ (28,757,515)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	1,717,441
Changes in assets and liabilities:	
(Increase) decrease in due from other governments	(81,924)
(Increase) decrease in other receivables	568,755
(Increase) decrease in inventories	(41,590)
(Increase) decrease in due from Iowa Industrial New Jobs Training Program	(4,053,008)
Increase (decrease) in accounts payable	118,691
Increase (decrease) in salaries and benefits payable	1,168,156
Increase (decrease) in OPEB liability	169,688
Increase (decrease) in deferred revenue	505,467
Increase (decrease) in compensated absences	<u>(75,589)</u>
Total adjustments	<u>(3,913)</u>
Net cash used in operating activities	<u>\$ (28,761,428)</u>

The accompanying notes are an integral part of the financial statements.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
STATEMENT OF NET ASSETS - DISCRETELY PRESENTED COMPONENT UNITS**

	<u>June 30, 2009</u>		<u>August 30, 2008</u>	<u>December 31, 2008</u>	
	<u>Muscatine Community College Foundation</u>		<u>Paul B. Sharar Foundation for Clinton Campus</u>	<u>Scott Community College Foundation</u>	<u>Eastern Iowa Community College District Foundation</u>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 3,693	\$	129,441	\$ 619,091	\$ 128,840
Temporary cash investments, certificates of deposit	-		-	-	526,532
Investments	-		2,556,830	881,024	288,595
Receivables	-		-	3,810	4,600
Total current assets	<u>3,693</u>		<u>2,686,271</u>	<u>1,503,925</u>	<u>948,567</u>
<b>NONCURRENT ASSETS</b>					
Note receivable	62,500		-	-	33,718
Investments	6,622,369		-	-	-
Total noncurrent assets	<u>6,684,869</u>		<u>-</u>	<u>-</u>	<u>33,718</u>
<b>TOTAL ASSETS</b>	<u>\$ 6,688,562</u>	\$	<u>2,686,271</u>	\$ 1,503,925	<u>\$ 982,285</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ -	\$	-	\$ 49,115	\$ -
<b>NET ASSETS</b>					
Restricted for scholarships and grants	6,658,492		2,642,524	1,397,737	984,681
Unrestricted	30,070		43,747	57,073	(2,396)
Total net assets	<u>6,688,562</u>		<u>2,686,271</u>	<u>1,454,810</u>	<u>982,285</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 6,688,562</u>	\$	<u>2,686,271</u>	\$ 1,503,925	<u>\$ 982,285</u>

The accompanying notes are an integral part of the financial statements.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS -  
DISCRETELY PRESENTED COMPONENT UNITS**

	<u>Year Ended June 30, 2009</u>	<u>Year Ended August 30, 2008</u>	<u>Year Ended December 31, 2008</u>	
	<u>Muscatine Community College Foundation</u>	<u>Paul B. Sharar Foundation for Clinton Campus</u>	<u>Scott Community College Foundation</u>	<u>Eastern Iowa Community College District Foundation</u>
<b>REVENUES</b>				
Operating revenue, gifts and grants	\$ 183,780	\$ 132,164	\$ 108,223	\$ 61,175
<b>EXPENSES</b>				
Operating expenses:				
Scholarships and grants	602,275	216,865	185,798	10,947
Miscellaneous expense	9,529	5,200	32,651	15,360
Total operating expenses	<u>611,804</u>	<u>222,065</u>	<u>218,449</u>	<u>26,307</u>
Operating income (loss)	<u>(428,024)</u>	<u>(89,901)</u>	<u>(110,226)</u>	<u>34,868</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Transfer of property interest	-	-	-	-
Interest expense	-	-	-	(1,547)
Gain on sale of property	-	-	-	6,391
Unrealized loss on investments	(1,433,877)	-	(484,679)	-
Realized loss on sale of investments	(6,164)	-	(7,373)	-
Investment earnings	266,414	196,734	39,279	447
Total nonoperating revenues (expenses)	<u>(1,173,627)</u>	<u>196,734</u>	<u>(452,773)</u>	<u>5,291</u>
Increase in net assets	(1,601,651)	106,833	(562,999)	40,159
<b>NET ASSETS</b>				
Beginning	8,290,213	2,579,438	2,017,809	942,126
Ending	<u>\$ 6,688,562</u>	<u>\$ 2,686,271</u>	<u>\$ 1,454,810</u>	<u>\$ 982,285</u>

The accompanying notes are an integral part of the financial statements.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
STATEMENT OF CASH FLOWS -  
DISCRETELY PRESENTED COMPONENT UNITS**

	Year Ended June 30, 2009	Year Ended August 30, 2008	Year Ended December 31, 2008	
	Muscatine Community College Foundation	Paul B. Sharar Foundation for Clinton Campus	Scott Community College Foundation	Eastern Iowa Community College District Foundation
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Gifts and grants	\$ 183,780	\$ 132,164	\$ 108,223	\$ 259,576
Payments to suppliers for goods and services	(10,879)	(5,200)	16,464	(16,470)
Scholarships and grants	(602,275)	(216,865)	(125,347)	(10,947)
Net cash provided by (used in) operating activities	(429,374)	(89,901)	(660)	232,159
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Interest paid	-	-	-	(60,947)
Principal payment on note payable	-	-	-	(185,778)
Net cash provided by (used in) capital and related financing activities	-	-	-	(246,725)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from note receivable	25,000	-	-	62,969
Interest received	266,414	196,734	39,279	447
Purchase of property and equipment	-	-	-	(39,700)
Proceeds from sale of property and equipment	-	-	-	578,884
Purchase of temporary cash investments, certificates of deposit	-	-	-	(525,567)
Purchase of investments	-	(89,999)	-	(81,160)
Proceeds from sale or maturity of investments	121,038	-	245,895	-
Net cash provided by (used in) investing activities	412,452	106,735	285,174	(4,127)
Net increase (decrease) in cash and cash equivalents	(16,922)	16,834	284,514	(18,693)
<b>CASH AND CASH EQUIVALENTS</b>				
Beginning	20,615	112,607	334,577	147,533
Ending	\$ 3,693	\$ 129,441	\$ 619,091	\$ 128,840
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (428,024)	\$ (89,901)	\$ (110,226)	\$ 34,868
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
(Increase) decrease in receivables	-	-	60,451	198,401
Increase (decrease) in payables	(1,350)	-	49,115	(1,110)
Total adjustments	(1,350)	-	109,566	197,291
Net cash provided by (used in) operating activities	(429,374)	(89,901)	(660)	232,159
Schedule of noncash investing activities, net appreciation (depreciation) on investments	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 1 - FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES**

**Financial Reporting Entity**

Eastern Iowa Community College District (District) is a publicly-supported post-secondary two-year institution established and operated by Merged Area IX under the provisions of Chapter 260C of the Code of Iowa.

In fulfilling the responsibilities assigned to it by law, Eastern Iowa Community College District offers a comprehensive educational program and support services to serve local and state needs. The District offers arts and science courses, career education, adult education, and cooperative programs as its curriculum. In addition, the District acts as an agency for the State of Iowa in connection with the Workforce Investment Act. The Eastern Iowa Community College District maintains campuses in Bettendorf, Clinton, and Muscatine and has its administrative offices in Davenport. The Eastern Iowa Community College District is governed by a Board of Directors whose members are elected from each district within Merged Area IX.

Accounting principles generally accepted in the United States of America require that the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. In addition, the GASB issued Statement No. 39, *Determining Whether Certain Organizations are Component Units*, which sets forth additional criteria to determine whether certain organizations for which the District is not financially accountable should be reported as component units based on the nature and significance of their relationship with the District. These criteria include (1) the economic resources being received or held by the separate organization being entirely or almost entirely for the direct benefit of the District or its constituents, (2) the District being entitled to, or having the ability to otherwise access, a majority of the economic resources received or held by the District, and (3) the economic resources received or held by an individual organization that the District is entitled to, or has the ability to otherwise access, are significant to the District.

The District is considered to be a primary government and has included Muscatine Community College Foundation, Scott Community College Foundation, Paul B. Sharar Foundation for Clinton Campus, and Eastern Iowa Community College District Foundation as discretely presented component units in their basic financial statements in the current year with the adoption of GASB Statement No. 39 due to the nature of their relationship with the District.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 1 - FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (CONTINUED)**

The District Foundations are non-profit corporations, governed by a separate Board of Directors. The Foundations' purpose is to support the District through donations to provide scholarships to students, and for the enhancement and extension of facilities, equipment and services. The Foundations operate on the following fiscal year-ends:

Muscatine Community College Foundation	June 30, 2009
Paul B. Sharar Foundation for Clinton Campus	August 30, 2008
Scott Community College Foundation	December 31, 2008
Eastern Iowa Community College District Foundation	December 31, 2008

Separately issued financial statements for the discretely presented component units can be obtained at Eastern Iowa Community College District, 306 West River Drive, Davenport, Iowa 52801.

The Scott Community College Foundation and the Eastern Iowa Community College District Foundation are presented on the accrual basis of accounting. The Muscatine Community College Foundation prepares its financial statements on the basis of modified cash receipts and disbursements which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Paul B. Sharar Foundation for Clinton Campus prepares its financial statements on the income tax basis which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Significant Accounting Policies**

Financial statement presentation: The basic financial statements (i.e., the statements of net assets, revenues, expenses, and changes in net assets, and cash flows) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

Measurement focus and basis of accounting: For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined in GASB Statement No. 35. Accordingly, the basic financial statements of the District have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are 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.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 1 - FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Accounting standards: The District follows Governmental Accounting Standards Board (GASB) pronouncements as well as following all Financial Accounting Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Cash and cash equivalents: For purposes of the statement of cash flows, all short-term deposits or cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily converted to known amounts of cash, and at the date of purchase, have a maturity no longer than three months.

Investments: Investments are stated at their fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Property taxes receivable: Property taxes receivable is recognized on the levy or lien date, which is the date that the tax asking is certified by the Board of Directors to the appropriate County Auditors. Current year delinquent property tax receivable represents unpaid taxes from the current year. The succeeding year property tax receivable represents taxes certified by the Board of Directors to be collected in the next fiscal year for purposes set out in the budget for the next fiscal year. By statute, the Board of Directors is required to certify its budget to the County Auditor by March 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied.

Due from Iowa Industrial New Jobs Training Program (NJTP): This receivable represents the total amount to be remitted to the District for training projects entered into between the District and employers under the provisions of Chapter 260E of the Code of Iowa. The receivable amount is based on NJTP project expenditures incurred through June 30, 2009, plus interest incurred on NJTP certificates, less reimbursements received to date.

Due from other governments: This asset represents state aid, grants and reimbursements due from the State of Iowa, and grants and reimbursements due from the federal government.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 1 - FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Inventories: Inventories are stated at the lower of cost or market (first-in, first-out) method. As of June 30, 2009, inventories are as follows:

	<b>Unrestricted Current Funds</b>
Bookstore	\$ 939,550
Parts	<u>26,224</u>
<b>Total</b>	<b><u>\$ 965,774</u></b>

Capital assets: Capital assets, which include land, buildings, other structures and improvements, and furniture and equipment, are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Capital assets are defined by the District as assets with initial, individual costs in excess of \$5,000 and estimated useful lives in excess of one year.

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

	<u>Years</u>
Buildings and other structures and improvements	25
Furniture and equipment	7

The District does not capitalize or depreciate their library book collection. This collection is unencumbered, held for public education, protected, cared for, and preserved and the proceeds from the sale of library books, if any, are not material to the District.

Salaries and benefits payable: Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities. Expenditures for employees who have elected and been approved for early retirement are also accrued in this liability.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 1 - FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Deferred revenue: Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets have not been spent for their intended purpose restriction. Deferred revenue consists of unspent grant proceeds and the succeeding year property tax receivable.

Compensated absences: District employees accumulate a limited amount of earned but unused vacation for subsequent use. Earned but unused vacation is paid to the employee upon termination, death or retirement. Amounts representing the cost of compensated absences are recorded as compensated absences. These liabilities have been computed based on rates of pay in effect as of June 30, 2009.

Accrued interest payable: Interest on long-term bonded indebtedness is recorded as a liability when the interest is payable.

Net assets: Net assets are classified according to restrictions or availability of assets for satisfaction of District obligations. Invested in capital assets, net of related debt represents the net value of capital assets less the debt incurred to acquire or construct the assets and the borrowed resources not yet expended, but restricted for capital purchases. Restricted net assets represent the amounts segregated for specific purposes as required by the Code of Iowa, bond covenants, donors, or outside agencies. All remaining net assets are unrestricted for legal purposes, but may be designated for specific purposes. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Auxiliary enterprises revenues and expenses: Auxiliary enterprises revenues and expenses primarily represent revenues generated and expenses associated with bookstore, cafeteria, daycare, parts, and printing.

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

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

Operating and nonoperating activities: Operating activities, as reported in the statement of revenues, expenses, and changes in net assets are transactions that result from exchange transactions, such as payments received for providing services and payments made for services or goods received. Nonoperating activities include state appropriations, property tax, interest earnings and interest on indebtedness.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 1 - FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Use of 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. Actual results could differ from those estimates.

Scholarship allowances and student aid: Financial aid to students is reported in the financial statements, as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid (loans, funds provided to students as awarded by third parties and Federal Direct Lending) is accounted for as third-party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances which reduce revenue. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

**A. Primary Institution**

The District's deposits in banks at June 30, 2009 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

Interest rate risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits operating funds portfolio to maturities of less than 397 days.

Credit risk: The District is authorized by statute to invest public funds in obligations of the United States government; its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Directors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district. However, the District's investment policy additionally limits investments in commercial paper to obligations that mature within 270 days and that is rated within the two highest classifications, as established by at least one of the standard rating services, with no more than 5% at the time of purchase placed in the second highest classification. At the time of purchase, no more than 10% of the investment portfolio can be in these investments and no more than 5% of the investment portfolio can be invested in the securities of a single issuer.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

As of June 30, 2009, the District's investments were not subject to nationally recognized statistical ratings.

Concentration of credit risk: The District's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. The District's investment policy seeks to provide safety of the principal, maintain the necessary liquidity to match expected liabilities, and obtain a reasonable rate of return. The policy allows for investments of up to 100% in interest bearing savings, money market and checking accounts, certificates of deposits, repurchase agreements, money market mutual funds, bonds, notes, certificates of indebtedness, treasury bills or other securities issued by the United States of America, its agencies and allowable instrumentalities; up to 10% in prime bankers' acceptances; and up to 10% in commercial paper. The policy does not allow the District to invest in futures or options.

Custodial credit risk: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. It is the District's policy to require that time deposits in excess of FDIC insurable limits be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default.

As of June 30, 2009, the carrying amount of the District's deposits excluding \$8,340 of petty cash totaled \$59,965,468, with a bank balance of \$60,644,951.

A reconciliation of deposits and investments as shown on the statement of net assets - primary institution follows:

Carrying amount of deposits	\$ 59,957,128
Petty cash	<u>8,340</u>
<b>Total</b>	<b><u>\$ 59,965,468</u></b>
Cash and investments	\$ 38,192,856
Investments	<u>21,772,612</u>
<b>Total</b>	<b><u>\$ 59,965,468</u></b>

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2009

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Component Units**

The component units have the following investments at year-end:

	<u>Market Value</u>	<u>Cost</u>
Government and corporate bonds	\$ 1,093,258	\$ 1,106,777
Mutual and equity funds	9,289,966	10,405,231
Money market accounts	25,810	25,810
Certificates of deposit	<u>1,512</u>	<u>1,512</u>
<b>Total</b>	<b><u>\$ 10,410,546</u></b>	<b><u>\$ 11,539,330</u></b>

**NOTE 3 - CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2009 is as follows:

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Capital assets not being depreciated:				
Land	\$ 3,963,180	\$ -	\$ -	\$ 3,963,180
Construction in progress	<u>1,596,801</u>	<u>11,733,987</u>	<u>2,276,719</u>	<u>11,054,069</u>
Total capital assets not being depreciated	<u>5,559,981</u>	<u>11,733,987</u>	<u>2,276,719</u>	<u>15,017,249</u>
Capital assets being depreciated:				
Buildings	53,097,324	2,924,588	-	56,021,912
Other structures and improvements	4,209,110	84,862	-	4,293,972
Furniture and equipment	<u>5,580,920</u>	<u>513,494</u>	<u>92,895</u>	<u>6,001,519</u>
Total capital assets being depreciated	<u>62,887,354</u>	<u>3,522,944</u>	<u>92,895</u>	<u>66,317,403</u>
Less accumulated depreciation for:				
Buildings	25,795,563	1,162,864	-	26,958,427
Other structures and improvements	1,989,258	133,862	-	2,123,120
Furniture and equipment	<u>4,018,101</u>	<u>420,715</u>	<u>92,338</u>	<u>4,346,478</u>
Total accumulated depreciation	<u>31,802,922</u>	<u>1,717,441</u>	<u>92,338</u>	<u>33,428,025</u>
Total capital assets being depreciated, net	<u>31,084,432</u>	<u>1,805,503</u>	<u>557</u>	<u>32,889,378</u>
<b>Total capital assets, net</b>	<b><u>\$ 36,644,413</u></b>	<b><u>\$ 13,539,490</u></b>	<b><u>\$ 2,277,276</u></b>	<b><u>\$ 47,906,627</u></b>

Furniture and equipment of \$215,725 is restricted for the Workforce Investment Act, Temporary Assistance for Needy Families, and other training programs. Capital assets above include agency fund capital assets of \$104,634.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 4 - NONCURRENT LIABILITIES**

A summary of changes in noncurrent liabilities for the year ended June 30, 2009 is as follows:

	<b>Balance June 30, 2008</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2009</b>	<b>Amount Due Within One Year</b>
Certificates payable	\$46,045,000	\$ 1,995,000	\$4,355,000	\$ 43,685,000	\$ 4,900,000
Capital loan notes	1,765,000	-	560,000	1,205,000	585,000
Note payable	1,167,500	-	145,000	1,022,500	145,000
Dormitory revenue bonds	1,775,000	-	60,000	1,715,000	65,000
Net OPEB liability	-	169,688	-	169,688	-
Bonds payable	-	11,000,000	-	11,000,000	1,475,000
Compensated absences	<u>1,481,759</u>	<u>1,406,170</u>	<u>1,481,759</u>	<u>1,406,170</u>	<u>1,406,170</u>
<b>Total</b>	<b><u>\$52,234,259</u></b>	<b><u>\$14,570,858</u></b>	<b><u>\$6,601,759</u></b>	<b><u>\$60,203,358</u></b>	<b><u>\$ 8,576,170</u></b>

In accordance with agreements dated between June 30, 1997 and June 30, 2009, the District issued certificates with a June 30, 2009 outstanding balance of \$43,685,000 and with interest rates ranging from 3.00% to 7.75% per annum. These certificates were issued to finance the development and training costs incurred relative to implementing the Iowa Industrial New Jobs Training Program (NJTP). NJTP's purpose is to provide tax-aided training for employees of industries which are new to or are expanding their operations within the State of Iowa. Interest on the certificates is payable semiannually, while the principal matures annually. The certificates are to be retired from the proceeds of withholding taxes remitted by the State of Iowa, incremental property taxes, budgeted reserves, and in the case of default, from standby property taxes collected.

The future debt service requirements on these certificates are as follows:

Year Ending June 30,	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2010	\$ 4,900,000	\$ 2,034,936	\$ 6,934,936
2011	5,135,000	1,778,874	6,913,874
2012	5,835,000	1,528,622	7,363,622
2013	5,830,000	1,252,864	7,082,864
2014	6,390,000	986,584	7,376,584
2015-2019	<u>15,595,000</u>	<u>1,384,108</u>	<u>16,979,108</u>
<b>Total</b>	<b><u>\$ 43,685,000</u></b>	<b><u>\$ 8,965,988</u></b>	<b><u>\$ 52,650,988</u></b>

Pursuant to a loan agreement entered into on May 15, 2000, the District issued capital loan notes with a June 30, 2009 balance of \$1,205,000. Rates range from 5.35% to 5.50%. Interest is accrued semiannually with principal and interest payments due annually in varying amounts through 2011. These notes were issued primarily to finance the purchase of grounds, construction of buildings, payment of debts contracted for the construction of buildings, purchase of buildings, equipment for buildings, and for the purpose of maintaining, remodeling, improving and expanding the District.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 4 - NONCURRENT LIABILITIES (CONTINUED)**

The capital loan notes will be repaid from the future receipt of installments of the tax levy of 20¼ cents per thousand dollars of assessed value authorized by the voters of Eastern Iowa Community College District at the election held September 14, 1999, pursuant to authority granted by Section 260C.22 of the Code of Iowa.

The notes payable consists of notes due to Muscatine Community College Foundation and Water Park Entertainment Ltd. The note due to Muscatine Community College Foundation was entered into on November 10, 1999. As of June 30, 2009, the note has a balance of \$62,500. It is a noninterest bearing, unsecured note. Principal is due in full as of December 31, 2010. The note due to Water Park Entertainment Ltd. was entered into on March 3, 2008. As of June 30, 2009, the note has a balance of \$960,000. Annual principal payments of \$120,000 are due through February 2016. Interest is due annually at 6%. The note is secured by the real estate purchased.

The District issued dormitory revenue bonds, Series 2001 with a balance of \$1,715,000 as of June 30, 2009. Rates range from 5.00% to 5.85%. Interest is due semiannually and principal is due annually in varying amounts through 2022. The proceeds of the bond were used for the construction of college apartments. Revenues earned by the project will be pledged for repayment of the bond payable. The bond is collateralized by a mortgage on the dormitory property.

The District issued School Bonds, Series 2008, with a balance of \$11,000,000 as of June 30, 2009. Rates ranging from 3.75% to 4.50% with final maturity on June 1, 2019. The proceeds of the bonds were used for specific District-wide projects.

Future maturities and interest of the notes and bonds payable as of June 30, 2009 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2010	\$ 2,270,000	\$ 649,003	\$ 2,919,003
2011	2,265,000	547,963	2,812,963
2012	1,567,500	445,913	2,013,413
2013	1,465,000	383,328	1,848,328
2014	1,425,000	323,933	1,748,933
2015-2019	5,365,000	816,268	6,181,268
2020-2022	585,000	70,200	655,200
<b>Total</b>	<u>\$14,942,500</u>	<u>\$ 3,236,608</u>	<u>\$ 18,179,108</u>

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 5 - RETIREMENT SYSTEM**

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

Plan members are required to contribute 4.10% of their annual covered salary and the District is required to contribute 6.35% of annual payroll. Contribution requirements are established by state statute. The District's contributions to IPERS for the years ended June 30, 2009, 2008 and 2007 were \$937,070, \$851,711, and \$770,657, respectively, equal to the required contributions for each year.

**NOTE 6 - TEACHERS INSURANCE AND ANNUITY ASSOCIATION - COLLEGE RETIREMENT EQUITIES FUND (TIAA-CREF)**

Eastern Iowa Community College District contributes to the TIAA-CREF retirement program which is a defined contribution plan. TIAA administers the retirement plan for the District. The defined contribution retirement plan provides individual annuities for each plan participant. As required by the Code of Iowa, all eligible District employees must participate in a retirement plan from the date they are employed. Contributions made by both employer and employee vest immediately. As specified by the contract with TIAA-CREF, and in accordance with the Code of Iowa, each employee is required to contribute 4.10% and the District is required to contribute 6.35%. The District and employees' required and actual contributions to TIAA-CREF for the year ended June 30, 2009 were \$581,324 and \$375,332, respectively.

**NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

Eastern Iowa Community College District implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits other Than Pensions during the year ended June 30, 2009.

Plan Description - Eastern Iowa Community College District operates a single-employer retiree benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are 268 active, 54 retired and 3 dependent members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug coverage is provided through a fully-insured plan. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

Funding Policy - The contribution requirements of plan members are established and may be amended by Eastern Iowa Community College District. Eastern Iowa Community College District currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation - Eastern Iowa Community College District's annual OPEB is calculated based on the annual required contribution (ARC) of Eastern Iowa Community College District, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of Eastern Iowa Community College District's annual OPEB cost for the year ended June 30, 2009, the amount actually contributed to the plan and changes in Eastern Iowa Community College District's net OPEB obligation:

Annual required contribution	\$ 623,752
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	623,752
Contributions made	454,064
Increase in net OPEB obligation	169,688
Net OPEB obligation beginning of year	-
Net OPEB obligation end of year	\$ 169,688

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of the year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2009.

For the year ended June 30, 2009, Eastern Iowa Community College District contributed \$454,064 to the medical plan.

Eastern Iowa Community College District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2009 are summarized as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2009	\$623,752	73%	\$169,688

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

Funded Status and Funding Progress - As of July 1, 2008, the most recent actuarial valuation date for the period July 1, 2008 through June 30, 2009, the actuarial accrued liability was \$5.495 million. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$12,253,001 and the ratio of the UAAL to covered payroll was 44.8%. As of June 30, 2009, there were no trust fund assets.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The schedule of funding progress, presented as required supplementary information in the section following the Notes to the Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2008 actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions includes a 4.50% discount rate based on Eastern Iowa Community College District's funding policy. The projected annual medical trend rate is 10%. The ultimate medical trend rate is 5%. The medical trend rate is reduced to .56% each year until reaching the 5% ultimate trend rate.

Mortality rates are from the IRS 2008 Combined Static Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2007 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2007.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 8 - OPERATING LEASES**

The District has leased various facilities, land, and vehicles under operating leases. The leases expire on various dates through 2014 and require various minimum annual rentals. Some of the leases also require the payment of normal maintenance and insurance on the properties.

The following is a schedule, by year, of the future minimum rentals due under these operating leases:

Year Ending June 30,	
2010	\$ 177,793
2011	131,761
2012	39,726
2013	31,322
2014	<u>6,494</u>
<b>Total</b>	<b><u>\$ 387,096</u></b>

Rental payments made during the year ended June 30, 2009 for all operating leases totaled approximately \$203,593.

**NOTE 9 - RISK MANAGEMENT PROGRAM**

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

The members' annual contributions are to fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund IMPACC's general and administrative expenses, claims, claim expenses and reinsurance expenses due and payable in the current year. The District's contributions to the risk-sharing pool are recognized as expenditures at the time of payment. The District's total contributions to IMPACC for the year ended June 30, 2009 were \$420,991.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 9 - RISK MANAGEMENT PROGRAM (CONTINUED)**

The Program uses reinsurance to reduce its exposure to large losses. The Program has a self-insured retention of \$200,000 per property/liability, \$100,000 for error/omissions, and \$200,000 for workers' compensation. The policy limit per occurrence is \$800,000 for property/liability, \$900,000 for errors/omissions, and \$150,000 for workers' compensation. Excess insurance for workers' compensation is for statutory limits. Excess for all other lines is \$10,000,000 per occurrence. Property is insured with excess coverage over the self-insured retention of up to \$50,000,000 for boiler and machinery and up to \$250,000,000 for other property. Stop gap loss protection is provided above the member's loss fund.

In the event any claim or series of claims exceed the amount of aggregate excess insurance, then payment of such claims shall be the obligation of the respective individual member. The District does not report a liability for losses in excess of reinsurance unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, as of June 30, 2009, no liability has been recorded by the District. Settled claims have not exceeded the risk pool or reinsurance coverage in any of the past three fiscal years.

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

The District also carries commercial insurance purchased from other insurers for coverage associated with the Workforce Investment Act and for employee health claims. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

**NOTE 10 - TERMINATION BENEFITS**

The District approved an Early Retirement Incentive Plan (ERIP) effective April 21, 2003. To be eligible for the ERIP, an employee must be employed full-time and be 55 years of age with 10 or more years of consecutive service with the District. Retirement is to begin at the end of the academic year for instructional staff and the end of the fiscal year for administration, professional, and support staff. Participation must be approved by the administrative office.

Early retirement benefits are equal to 50-65% of the final contract salary based upon years of service.

Early retirement benefits will be paid in two equal installments over three calendar years. The first payment will be paid in the fiscal year of the retirement. The second half of the benefit is paid in the fiscal year following retirement.

At June 30, 2009, the District has obligations to 15 participants with a total liability of \$262,506.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009**

**NOTE 10 - TERMINATION BENEFITS (CONTINUED)**

The District also approved an Early Retirement Incentive Plan (ERIP) for fiscal and academic year 2009. To be eligible for the ERIP, an employee must be employed full-time and be 55 years of age with 10 or more years of consecutive service with the District. Retirement is to begin at the end of the academic year for instructional staff and the end of the fiscal year for administration, professional, and support staff. Participation must be approved by the administrative office.

Early retirement benefits are equal to 100-115% of the employee's regular contractual salary in effect during the employee's year of service prior to retirement based on years of service.

Early retirement benefits will be paid in three equal installments over three calendar years. The first payment will be paid July 2009, the second payment will be paid January 2010, and the third payment will be paid January 2011.

At June 30, 2009, the District has obligations to 30 participants with a total liability of \$2,284,772.

Actual early retirement expenditures for the year ended June 30, 2009 totaled \$1,281,192.

**NOTE 11 - JOBS TRAINING PROGRAMS**

The District administers the Iowa Industrial New Jobs Training Program (NJTP) in Area IX in accordance with Chapter 260E of the Code of Iowa. NJTP's purpose is to provide tax-aided training or retraining for employees of industries which are new to or are expanding their operations within the State of Iowa. Certificates are sold by the District to fund approved projects and are to be retired by proceeds from anticipated jobs credits from withholding taxes, incremental property taxes, budgeted reserves, and in the case of default, from standby property taxes. The District is currently administering 143 projects receiving project funding or in the repayment stage. In cases where projects exceed the budgeted amounts, the District intends to obtain additional withholding revenue from the companies.

The District also administers the Iowa Jobs Training Program (IJTP) in Area IX in accordance with Chapter 260F of the Code of Iowa. The IJTP's purpose is to provide customized training for existing employers. Approved businesses receive loans from the Iowa Department of Economic Development. The District is currently administering 85 projects.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009**

**NOTE 12 - NEW PRONOUNCEMENTS**

The Governmental Accounting Standards Board (GASB) has issued several Statements not yet implemented by the District. The Statements which may impact the District are as follows:

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, will be effective for the District beginning with its year ending June 30, 2010. This statement establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software.

The District's management has not yet determined the effect these Statements will have on the District's financial statements.

**NOTE 13 - DISCRETELY PRESENTED COMPONENT UNIT NOTE RECEIVABLE**

Muscatine Community College Foundation loaned Muscatine Community College \$250,000 during fiscal year ended June 30, 2000. The amount outstanding as of June 30, 2009 is \$62,500. The note is noninterest bearing and was loaned in support of the new childcare facility. The loan proceeds were to be consistent with Braunworth Fund stipulations. The loan is to be repaid within ten years based on a signed contract with Eastern Iowa Community College District. Under the terms of the agreement, utilization of the facility is restricted to classrooms and childcare for as long as there is a balance due.

This information is an integral part of the accompanying financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN  
REQUIRED SUPPLEMENTARY INFORMATION**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b - a)/c)</b>
July 1, 2008	-	\$5,495,418	\$5,495,418	0.00%	\$12,253,001	44.8%

See Note 7 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

## SUPPLEMENTARY INFORMATION

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES  
Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Between Actual and Final Budget</b>
Unrestricted	<u>\$42,194,696</u>	<u>\$39,792,696</u>	<u>\$38,064,198</u>	<u>\$ 1,728,498</u>
Restricted	\$ 13,817,507	\$ 16,219,507	\$ 15,677,007	\$ 542,500
Unemployment	31,850	31,850	25,221	6,629
Insurance	370,000	370,000	376,732	(6,732)
Early retirement	427,178	427,178	1,281,192	(854,014)
Equipment replacement	1,031,444	1,031,444	1,588,395	(556,951)
Standby	<u>18,302</u>	<u>18,302</u>	<u>18,448</u>	<u>(146)</u>
<b>Total restricted</b>	<u>\$ 15,696,281</u>	<u>\$ 18,098,281</u>	<u>\$ 18,966,995</u>	<u>\$ (868,714)</u>
Plant	<u>\$ 15,291,570</u>	<u>\$ 15,291,570</u>	<u>\$ 12,004,141</u>	<u>\$ 3,287,429</u>

The accompanying note is an integral part of the schedule.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTE TO BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES  
BUDGETARY REPORTING  
Year Ended June 30, 2009**

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

Budgets are not required to be adopted for the Auxiliary Enterprises subgroup, Workforce Investment Act accounts, Temporary Assistance for Needy Families, Iowa Code 260F Jobs Training, scholarships and grants account, Loan Funds, and Agency Funds.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
BALANCE SHEET  
June 30, 2009**

	<b>Current Funds</b>	
	<b>Unrestricted</b>	<b>Restricted</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 25,046,449	\$ 5,804,135
Investments	-	21,772,612
Receivables:		
Property taxes	2,202,626	3,087,428
Due from other governments	639,651	2,010,589
Other	869,251	881,035
Due from other funds	-	5,759,715
Inventories	965,774	-
Due from Iowa Industrial New Jobs Training Program	-	16,799,047
Capital assets:		
Land	-	-
Buildings	-	-
Other structures and improvements	-	-
Furniture and equipment	-	-
Construction in progress	-	-
Accumulated depreciation	-	-
	<b>\$ 29,723,751</b>	<b>\$ 56,114,561</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 1,219,865	\$ 775,427
Salaries and benefits payable	1,777,548	2,721,943
Accrued interest payable	72,280	176,677
Due to other funds	9,904,284	-
Deferred revenue	3,608,136	4,425,714
Assets held in custody for others	-	-
Compensated absences	1,220,058	186,112
Certificates payable	-	43,685,000
Net OPEB liability	-	-
Notes and bonds payable	-	-
Total liabilities	<b>17,802,171</b>	<b>51,970,873</b>
<b>FUND BALANCES</b>		
Invested in capital assets, net of related debt	-	-
Restricted for:		
Education and support	-	3,739,220
Property tax cash reserve	-	404,468
Unrestricted	11,921,580	-
Total fund balances	<b>11,921,580</b>	<b>4,143,688</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 29,723,751</b>	<b>\$ 56,114,561</b>

<u>Loan Funds</u>	<u>Plant Funds</u>	<u>Agency Funds</u>	<u>Adjustments</u>	<u>Total</u>
\$ 500	\$ 7,341,772	\$ -	\$ -	\$ 38,192,856
-	-	-	-	21,772,612
-	2,231,415	-	-	7,521,469
-	178,241	695,295	-	3,523,776
-	253,206	222,955	-	2,226,447
35,801	4,108,768	-	(9,904,284)	-
-	-	-	-	965,774
-	-	-	-	16,799,047
-	3,963,180	-	-	3,963,180
-	55,936,479	85,433	-	56,021,912
-	4,284,766	9,206	-	4,293,972
-	5,991,524	9,995	-	6,001,519
-	11,054,069	-	-	11,054,069
-	-	-	(33,428,025)	(33,428,025)
<u>\$ 36,301</u>	<u>\$ 95,343,420</u>	<u>\$ 1,022,884</u>	<u>\$ (43,332,309)</u>	<u>\$ 138,908,608</u>
\$ -	\$ 1,545,845	\$ -	\$ -	\$ 3,541,137
-	-	-	-	4,499,491
-	-	-	-	248,957
-	-	-	(9,904,284)	-
-	2,842,165	-	-	10,876,015
-	-	1,022,884	-	1,022,884
-	-	-	-	1,406,170
-	-	-	-	43,685,000
-	-	-	169,688	169,688
-	14,942,500	-	-	14,942,500
-	19,330,510	1,022,884	(9,734,596)	80,391,842
-	66,768,732	-	(33,428,025)	33,340,707
-	-	-	-	3,739,220
-	-	-	-	404,468
36,301	9,244,178	-	(169,688)	21,032,371
<u>36,301</u>	<u>76,012,910</u>	<u>-</u>	<u>(33,597,713)</u>	<u>58,516,766</u>
<u>\$ 36,301</u>	<u>\$ 95,343,420</u>	<u>\$ 1,022,884</u>	<u>\$ (43,332,309)</u>	<u>\$ 138,908,608</u>

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**June 30, 2009**

	<b>Current Funds</b>	
	<b>Unrestricted</b>	<b>Restricted</b>
<b>REVENUES</b>		
General:		
Tuition and fees	\$ 17,904,977	\$ 242,401
Property taxes	2,178,010	2,165,855
State appropriations	16,798,383	1,285,451
Federal appropriations	1,293,135	12,795,587
Gifts and grants	49,385	-
Sales and services	646,800	2,538,663
Interest	484,547	588,672
Iowa Industrial New Jobs Training Program	-	10,206,186
Miscellaneous	<u>468,942</u>	<u>114,656</u>
	<u>39,824,179</u>	<u>29,937,471</u>
Auxiliary enterprises:		
Sales and services	5,152,610	-
Miscellaneous	<u>326,986</u>	<u>-</u>
	<u>5,479,596</u>	<u>-</u>
Total revenues	<u>45,303,775</u>	<u>29,937,471</u>
<b>EXPENDITURES</b>		
Education and support:		
Liberal arts and sciences	10,218,328	-
Vocational technical	7,926,596	3,769,961
Adult education	4,199,577	55,464
Cooperative services	885,552	1,311,440
General administration	1,772,095	1,281,192
Student services	3,528,450	-
Learning resources	854,264	-
Physical plant	3,321,633	376,732
General institution	5,751,780	1,654,537
Workforce Investment Act	-	2,455,281
Temporary Assistance for Needy Families	-	901,096
Iowa Industrial New Jobs Training Program	-	10,224,634
Depreciation expense	<u>-</u>	<u>-</u>
	<u>38,458,275</u>	<u>22,030,337</u>
Auxiliary enterprises	4,804,177	-
Scholarships and grants	-	8,736,839
Plant asset acquisitions	-	-
Interest on indebtedness	<u>575,849</u>	<u>-</u>
	<u>5,380,026</u>	<u>8,736,839</u>
Total expenditures	<u>43,838,301</u>	<u>30,767,176</u>
Excess of revenues over expenditures	<u>1,465,474</u>	<u>(829,705)</u>
<b>OTHER ADDITIONS (DEDUCTIONS)</b>		
Expended for plant assets	-	-
Retirement of indebtedness	(765,000)	-
Disposal of plant assets	<u>-</u>	<u>-</u>
Total other additions (deductions)	<u>(765,000)</u>	<u>-</u>
Net change in fund balances	700,474	(829,705)
<b>FUND BALANCES</b>		
Beginning	<u>11,221,106</u>	<u>4,973,393</u>
Ending	<u>\$ 11,921,580</u>	<u>\$ 4,143,688</u>

<u>Loan Funds</u>	<u>Plant Funds</u>			<u>Adjustments</u>	<u>Total</u>
	<u>Unexpended</u>	<u>Retirement of Indebtedness</u>	<u>Investment in Plant</u>		
\$ -	\$ -	\$ -	\$ -	\$ (5,635,322)	\$ 12,512,056
-	2,178,086	-	-	-	6,521,951
-	362,666	-	-	(5,999)	18,440,501
-	29,534	-	-	(85,284)	14,032,972
-	478,338	-	-	-	527,723
-	724,929	-	-	(1,969,753)	1,940,639
-	233,793	-	-	-	1,307,012
-	-	-	-	-	10,206,186
157	10,828,970	-	(10,518,786)	-	893,939
157	14,836,316	-	(10,518,786)	(7,696,358)	66,382,979
-	-	-	-	(1,481,554)	3,671,056
-	-	-	-	-	326,986
-	-	-	-	(1,481,554)	3,998,042
157	14,836,316	-	(10,518,786)	(9,177,912)	70,381,021
-	-	-	-	30,428	10,248,756
-	-	-	-	(1,204,307)	10,492,250
-	-	-	-	(8,496)	4,246,545
-	-	-	-	(1,682,029)	514,963
-	-	-	-	(231,429)	2,821,858
-	-	-	-	19,483	3,547,933
-	-	-	-	3,816	858,080
-	3,027,501	-	-	(2,717,280)	4,008,586
-	-	-	-	20,788	7,427,105
-	-	-	-	-	2,455,281
-	-	-	-	-	901,096
-	-	-	-	-	10,224,634
-	-	-	-	1,717,441	1,717,441
-	3,027,501	-	-	(4,051,585)	59,464,528
-	-	-	-	(125,894)	4,678,283
-	-	-	-	(7,116,876)	1,619,963
-	8,976,640	-	-	(8,976,640)	-
-	-	-	-	-	575,849
-	8,976,640	-	-	(16,219,410)	6,874,095
-	12,004,141	-	-	(20,270,995)	66,338,623
157	2,832,175	-	(10,518,786)	11,093,083	4,042,398
-	-	-	12,980,212	(12,980,212)	-
-	-	-	765,000	-	-
-	-	-	(92,894)	92,338	(556)
-	-	-	13,652,318	(12,887,874)	(556)
157	2,832,175	-	3,133,532	(1,794,791)	4,041,842
36,144	6,412,003	-	63,635,200	(31,802,922)	54,474,924
\$ 36,301	\$ 9,244,178	\$ -	\$ 66,768,732	\$ (33,597,713)	\$ 58,516,766

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**UNRESTRICTED CURRENT FUNDS**  
**EDUCATION AND SUPPORT**  
**Year Ended June 30, 2009**

	<u>Education</u>			
	<u>Liberal Arts and Sciences</u>	<u>Vocational Technical</u>	<u>Adult Education</u>	<u>Cooperative Services</u>
<b>REVENUES</b>				
Tuition:				
Resident	\$ 10,118,031	\$ 2,646,753	\$ 1,958,857	\$ 417,666
Non-resident	924,792	572,376	-	-
Fees	954,395	174,752	134,569	-
Property taxes	-	-	-	-
State appropriations	6,583,060	5,525,761	4,638,235	3,629
Federal appropriations	-	21,292	428,400	462,398
Gifts and grants	-	-	7,235	-
Sales and services	36,294	108,532	34,934	-
Interest	-	-	-	-
Miscellaneous	7,146	8,633	20,633	-
	<u>18,623,718</u>	<u>9,058,099</u>	<u>7,222,863</u>	<u>883,693</u>
Allocation of support services revenues	1,637,104	1,515,575	883,127	-
Total revenues	<u>20,260,822</u>	<u>10,573,674</u>	<u>8,105,990</u>	<u>883,693</u>
<b>EXPENDITURES</b>				
Salaries and benefits	8,455,701	7,165,729	2,673,213	754,309
Services	1,632,909	386,011	1,037,940	97,988
Materials and supplies	74,939	297,417	272,952	24,937
Travel	46,653	75,059	75,062	8,103
Expended for plant assets	8,126	2,380	15,335	-
Retirement of indebtedness	-	-	-	-
Interest on indebtedness	-	-	-	-
Miscellaneous	-	-	125,075	215
	<u>10,218,328</u>	<u>7,926,596</u>	<u>4,199,577</u>	<u>885,552</u>
Allocation of support services revenues	6,711,020	6,212,828	3,620,223	-
Total expenditures	<u>16,929,348</u>	<u>14,139,424</u>	<u>7,819,800</u>	<u>885,552</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 3,331,474</u>	<u>\$ (3,565,750)</u>	<u>\$ 286,190</u>	<u>\$ (1,859)</u>
<b>FUND BALANCES</b>				
Beginning				
Ending				

<b>Support</b>					
<b>General Admini- stration</b>	<b>Student Services</b>	<b>Learning Resources</b>	<b>Physical Plant</b>	<b>General Institution</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,141,307
-	-	-	-	-	1,497,168
-	2,786	-	-	-	1,266,502
2,178,010	-	-	-	-	2,178,010
5,999	41,699	-	-	-	16,798,383
228,414	152,631	-	-	-	1,293,135
-	-	-	150	42,000	49,385
460,483	105	2,553	3,817	82	646,800
484,547	-	-	-	-	484,547
347,829	1,938	3,160	34,105	45,498	468,942
3,705,282	199,159	5,713	38,072	87,580	39,824,179
(3,705,282)	(199,159)	(5,713)	(38,072)	(87,580)	-
-	-	-	-	-	39,824,179
1,308,255	3,388,988	727,247	1,095,632	3,516,561	29,085,635
331,565	76,242	59,404	1,024,668	2,097,082	6,743,809
29,599	44,000	63,128	139,259	40,077	986,308
63,862	19,220	4,485	881	93,144	386,469
-	-	-	967,807	-	993,648
-	-	-	740,000	-	740,000
-	-	-	575,849	-	575,849
38,814	-	-	93,386	4,916	262,406
1,772,095	3,528,450	854,264	4,637,482	5,751,780	39,774,124
(1,772,095)	(3,528,450)	(854,264)	(4,637,482)	(5,751,780)	-
-	-	-	-	-	39,774,124
\$ -	\$ -	\$ -	\$ -	\$ -	50,055
					4,364,534
					<u>\$ 4,414,589</u>

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**UNRESTRICTED CURRENT FUNDS**  
**AUXILIARY ENTERPRISES**  
**Year Ended June 30, 2009**

	<u>Cafeteria</u>	<u>Bookstore</u>	<u>Daycare</u>	<u>Parts</u>
<b>REVENUES</b>				
Fees	\$ -	\$ -	\$ -	\$ -
Federal appropriations	-	-	11,253	-
Sales and services	10,824	3,916,349	244,311	68,520
Miscellaneous, primarily gifts	4,006	-	-	-
Total revenues	<u>14,830</u>	<u>3,916,349</u>	<u>255,564</u>	<u>68,520</u>
<b>EXPENDITURES</b>				
Salaries and benefits	-	372,799	204,709	16,802
Services	6,305	136,235	2,552	88
Materials and supplies	7,184	31,488	14,621	2,680
Merchandise purchased for sale	2,721	2,836,519	2,077	57,162
Travel	-	2,571	240	-
Expended for plant assets	-	125,894	-	-
Retirement of indebtedness	-	-	25,000	-
Miscellaneous	-	278,825	-	-
Total expenditures	<u>16,210</u>	<u>3,784,331</u>	<u>249,199</u>	<u>76,732</u>
Net change in fund balances	(1,380)	132,018	6,365	(8,212)
<b>FUND BALANCES</b>				
Beginning	<u>135,594</u>	<u>1,796,959</u>	<u>67,244</u>	<u>12,768</u>
Ending	<u>\$ 134,214</u>	<u>\$ 1,928,977</u>	<u>\$ 73,609</u>	<u>\$ 4,556</u>

<u>Printing</u>	<u>Student Housing</u>	<u>Video Consortium</u>	<u>Kahl Auxiliary</u>	<u>Other</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,776	\$ 2,776
-	-	-	-	-	11,253
120,093	317,965	90,447	239,924	144,177	5,152,610
-	-	-	-	308,951	312,957
<u>120,093</u>	<u>317,965</u>	<u>90,447</u>	<u>239,924</u>	<u>455,904</u>	<u>5,479,596</u>
23,677	86,464	82,110	-	-	786,561
50,970	117,358	890	-	130,573	444,971
33,888	5,801	7,097	-	1,351	104,110
-	-	-	-	-	2,898,479
-	-	26	-	-	2,837
-	-	-	-	-	125,894
-	-	-	-	-	25,000
-	160,088	-	-	2,412	441,325
<u>108,535</u>	<u>369,711</u>	<u>90,123</u>	<u>-</u>	<u>134,336</u>	<u>4,829,177</u>
11,558	(51,746)	324	239,924	321,568	650,419
<u>478,958</u>	<u>1,108,656</u>	<u>12,211</u>	<u>1,826,283</u>	<u>1,417,943</u>	<u>6,856,616</u>
<u>\$ 490,516</u>	<u>\$ 1,056,910</u>	<u>\$ 12,535</u>	<u>\$ 2,066,207</u>	<u>\$ 1,739,511</u>	<u>\$ 7,507,035</u>

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**RESTRICTED CURRENT FUNDS**  
**Year Ended June 30, 2009**

	<u>Scholarships and Grants</u>	<u>Equipment Replacement</u>	<u>Insurance</u>	<u>Unemployment Compensation</u>	<u>Workforce Investment Act</u>
<b>REVENUES</b>					
Tuition, resident	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes	-	968,002	343,090	33,199	-
State appropriations	405,610	-	-	-	-
Federal appropriations	7,369,074	-	-	-	2,455,281
Sales and services	939,256	-	-	-	-
Interest	-	-	-	-	-
Iowa Industrial New Jobs Training Program	-	-	-	-	-
Miscellaneous	29,637	-	-	-	-
Total revenues	<u>8,743,577</u>	<u>968,002</u>	<u>343,090</u>	<u>33,199</u>	<u>2,455,281</u>
<b>EXPENDITURES</b>					
Salaries and benefits	-	-	-	25,221	1,587,583
Services	-	-	376,732	-	406,158
Materials and supplies	-	738,946	-	-	138,718
Travel	-	-	-	-	17,161
Expended for plant assets	-	849,449	-	-	-
Interest on indebtedness	-	-	-	-	-
Employer reimbursements	-	-	-	-	-
Federal Pell Grant Program	7,106,298	-	-	-	-
Federal Supplemental Educational Opportunity Grant (SEOG)	159,390	-	-	-	-
Other miscellaneous scholarships	1,467,790	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	3,361	-	-	-	305,661
Total expenditures	<u>8,736,839</u>	<u>1,588,395</u>	<u>376,732</u>	<u>25,221</u>	<u>2,455,281</u>
Net change in fund balances	6,738	(620,393)	(33,642)	7,978	-
<b>FUND BALANCES</b>					
Beginning	<u>32,195</u>	<u>710,190</u>	<u>11,135</u>	<u>11,209</u>	<u>-</u>
Ending	<u>\$ 38,933</u>	<u>\$ 89,797</u>	<u>\$ (22,507)</u>	<u>\$ 19,187</u>	<u>\$ -</u>

Temporary Assistance for Needy Families	Iowa Industrial New Jobs Training Program	Economic Development	Other Federal Programs	Other Training	Other	Cash Reserve	Total
\$ -	\$ -	\$ -	\$ 157,886	\$ 84,515	\$ -	\$ -	\$ 242,401
-	18,448	-	-	-	803,116	-	2,165,855
-	-	-	-	879,841	-	-	1,285,451
901,096	-	-	2,070,136	-	-	-	12,795,587
-	-	1,488,742	-	62,976	47,689	-	2,538,663
-	-	588,672	-	-	-	-	588,672
-	10,206,186	-	-	-	-	-	10,206,186
-	-	-	-	85,019	-	-	114,656
<u>901,096</u>	<u>10,224,634</u>	<u>2,077,414</u>	<u>2,228,022</u>	<u>1,112,351</u>	<u>850,805</u>	<u>-</u>	<u>29,937,471</u>
656,488	-	840,184	1,148,931	311,833	1,281,192	-	5,851,432
204,791	4,654,916	718,545	612,552	452,864	2,663	-	7,429,221
33,947	-	6,152	115,942	110,356	11,312	-	1,155,373
4,070	-	20,793	121,462	11,679	-	-	175,165
-	-	-	31,409	248,533	-	-	1,129,391
-	2,248,333	-	-	-	-	-	2,248,333
-	3,109,088	-	-	-	-	-	3,109,088
-	-	-	-	-	-	-	7,106,298
-	-	-	-	-	-	-	159,390
-	-	-	65,912	-	-	-	1,533,702
-	212,297	-	-	-	-	-	212,297
1,800	-	-	346,432	232	-	-	657,486
<u>901,096</u>	<u>10,224,634</u>	<u>1,585,674</u>	<u>2,442,640</u>	<u>1,135,497</u>	<u>1,295,167</u>	<u>-</u>	<u>30,767,176</u>
-	-	491,740	(214,618)	(23,146)	(444,362)	-	(829,705)
-	-	4,124,712	(129,821)	575,741	(766,436)	404,468	4,973,393
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,616,452</u>	<u>\$ (344,439)</u>	<u>\$ 552,595</u>	<u>\$ (1,210,798)</u>	<u>\$ 404,468</u>	<u>\$ 4,143,688</u>

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF CHANGES IN ASSETS HELD IN CUSTODY FOR OTHERS -**  
**AGENCY FUNDS**  
**Year Ended June 30, 2009**

	<u>Athletics</u>	<u>Clubs, Organizations, and Activities</u>	<u>Iowa Industrial New Jobs Training Program</u>	<u>Other</u>	<u>Total</u>
<b>BALANCE, BEGINNING</b>	\$ 6,206	\$ 439,893	\$ 577,414	\$ 12,335	\$ 1,035,848
Additions:					
Fees	-	425,936	-	-	425,936
State appropriations	-	-	285,500	-	285,500
Gifts and grants	-	29,010	-	-	29,010
Sales and services	54,788	73,959	-	7,753	136,500
Other	253,385	172,917	-	338,092	764,394
Total additions	<u>308,173</u>	<u>701,822</u>	<u>285,500</u>	<u>345,845</u>	<u>1,641,340</u>
Deductions:					
Salaries and benefits	12,018	67,022	-	16,733	95,773
Services	160,392	147,052	285,259	320,555	913,258
Materials and supplies	56,164	60,050	241	907	117,362
Merchandise purchased for sale	3,232	10,241	-	-	13,473
Travel	51,972	155,747	-	-	207,719
Expended for plant assets	-	20,350	-	-	20,350
Scholarships	22,481	14,284	-	9,340	46,105
Other	-	240,264	-	-	240,264
Total deductions	<u>306,259</u>	<u>715,010</u>	<u>285,500</u>	<u>347,535</u>	<u>1,654,304</u>
<b>BALANCE, ENDING</b>	<u>\$ 8,120</u>	<u>\$ 426,705</u>	<u>\$ 577,414</u>	<u>\$ 10,645</u>	<u>\$ 1,022,884</u>

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTE TO SUPPLEMENTARY INFORMATION  
Year Ended June 30, 2009**

Statements presented in the supplementary information are reported using the current financial resources measurement focus and the accrual basis of accounting, except for depreciation. The schedule of revenues, expenditures, and changes in fund balance is the statement of financial activities related to the current reporting period. It does not purport to present the results of operations or net income or loss for the period as would a statement of income or a statement of revenues and expenses. In order to ensure observance of limitations and restrictions placed on the use resources available to the District, the accounts of the District are maintained in accordance with the principles of "fund accounting". This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in the financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions are accounted for and reported by fund group. Within each fund group, fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated for specific purposes by action of the governing board. Externally restricted funds may only be utilized in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which the governing board retains full control to use in achieving any of its institutional purposes.

All gains and losses arising from the sale, collection, or other disposition of investments and other noncash assets are accounted for in the fund which owned such assets. Ordinary revenue derived from investments, receivables, and the like, is accounted for in the fund owning such assets.

The District utilizes the following fund groups:

**Current Funds:**

These funds are utilized to account for those economic resources that are expendable for the purpose of performing the primary and supporting missions of the District. These include the following unrestricted and restricted subfunds:

Unrestricted: The Education and Support subgroup of the Unrestricted Current Funds accounts for the general operations of the District. All property taxes and other revenues that are not allocated by law or contractual agreement to some other fund are accounted for in this subgroup. From this subgroup are paid the general operating costs, the fixed charges and the acquisition of plant assets that are not paid from other funds.

The Auxiliary Enterprises subgroup accounts for activities which are intended to provide non-instructional services for sales to students, staff, and/or institutional departments, and which are supplemental to the educational and general objectives of the District. In addition, they account for activities which provide instructional and laboratory experiences for students and which incidentally create goods and services that may be sold to students, faculty, staff, and the general public.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTE TO SUPPLEMENTARY INFORMATION  
Year Ended June 30, 2009**

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

The Scholarships and Grants subgroup accounts for resources available for awards to students which are not in payment of services rendered to the District and which will not require repayment to the District.

The District has agreements with various businesses under the Iowa Industrial New Jobs Training Program (NJTP). The District administers the program, with the revenues and expenditures being restricted by the State for use in this program. The District is accounting for the activity of the NJTP in the Restricted Current Funds.

**Loan Funds:**

These funds are used to account for student loan transactions.

**Plant Funds:**

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

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

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

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

**Agency Funds:**

The Agency Funds are used to account for assets held by the District in a custodial capacity or as an agent for others. Transactions of Agency Funds do not affect the schedule of revenues, expenditures, and changes in fund balances.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF CREDIT AND CONTACT HOUR ENROLLMENT  
Year Ended June 30, 2009**

Category	Credit Hours			Contact Hours		
	Eligible for Aid	Not Eligible for Aid	Total	Eligible for Aid	Not Eligible for Aid	Total
Arts and sciences	92,673	-	92,673	-	-	-
Vocational education	59,627	-	59,627	-	-	-
Adult/continuing education	-	-	-	912,705	67,287	979,992
Cooperative programs/services	-	-	-	-	3,132	3,132
Related services and activities	-	-	-	-	167,760	167,760
	<u>152,300</u>	<u>-</u>	<u>152,300</u>	<u>912,705</u>	<u>238,179</u>	<u>1,150,884</u>

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
COMPARISON OF TAXES AND INTERGOVERNMENTAL REVENUES**

	Year Ended June 30,									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	
Local (property tax)	\$ 6,521,951	\$ 6,234,473	\$ 6,146,983	\$ 5,675,994	\$ 5,507,975	\$ 5,507,975	\$ 5,777,008	\$ 5,431,247	\$ 5,301,706	
State	18,440,501	17,904,822	15,551,674	14,848,484	13,772,428	13,772,428	13,049,738	13,900,765	16,266,585	
Federal	14,032,972	11,820,809	11,376,763	11,581,712	11,807,181	11,807,181	12,042,761	11,984,720	10,153,576	
	<u>\$ 38,995,424</u>	<u>\$ 35,960,104</u>	<u>\$ 33,075,420</u>	<u>\$ 32,106,190</u>	<u>\$ 31,087,584</u>	<u>\$ 31,087,584</u>	<u>\$ 30,869,507</u>	<u>\$ 31,316,732</u>	<u>\$ 31,721,867</u>	

EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2009

Federal Grantor/Pass-Through Grantor/ <u>Program Title</u>	Federal CFDA <u>Number</u>	Pass-Through Entity Identifying <u>Number</u>	Federal <u>Expenditures</u>	New <u>Loans</u>
U.S. Department of Labor				
Passed through Iowa Department of Workforce Development:				
Workforce Investment Act -				
ARRA - Adult Program	17.258	7-W-09-FR-0	\$ 149,562	\$ -
ARRA - Youth Activities	17.259	7-W-09-FR-0	537,075	-
ARRA - Dislocated Workers	17.260	7-W-09-FR-0	1,498,001	-
Dislocated Workers	17.260	7-W-PF-RR-2-14	12,964	-
Dislocated Workers	17.260	9-W-PF-RR-0-17	2,224	-
Dislocated Workers	17.260	9-W-PF-RR-0-20	4,654	-
Dislocated Workers	17.260	9-W-PF-RR-0-23	9,490	-
Dislocated Workers	17.260	9-W-PF-RR-0-29	2,800	-
Dislocated Workers	17.260	9-W-PF-RR-0-36	15,954	-
<b>Total Workforce Investment Act Cluster</b>			<u>2,232,724</u>	<u>-</u>
Employment Service	17.207	7-W-09-FR-0	35,598	-
Disabled Veterans' Outreach Program	17.801	7-W-09-FR-0	11,082	-
<b>Total Employment Services Cluster</b>			<u>46,680</u>	<u>-</u>
Unemployment Insurance	17.225	7-W-09-FR-0	41,317	-
Trade Adjustment Assistance Workers	17.245	7-W-09-FR-0	-	-
New Iowan	17.261	7-W-09-FR-0	12,016	-
Work Incentives Grant (Disability Navigator)	17.266	7-W-09-FR-0	-	-
DOL Logistics	17.269	SGA-DFA-PY-05-1	313,964	-
Passed through the Iowa Department of Education:				
Mine Health and Safety Grant	17.600	N/A	1,025	-
WIA Incentive Grants - Family Literacy Grant	17.267	N/A	55,272	-
WIA Incentive Grants - Literacy Grant	17.267	N/A	28,939	-
<b>Total U.S. Department of Labor</b>			<u>2,731,937</u>	<u>-</u>
U.S. National Science Foundation				
Direct Programs:				
Education and Human Resources	47.076	DUE-0702439	326,365	-
Education and Human Resources	47.076	DUE-0602633	135,584	-
			461,949	-
Passed through St. Ambrose University:				
Step Grant	47.076	DUE-0431502	107,289	-
Stem Grant		DUE-0806496	2,000	-
			109,289	-
Passed through National Partnership for Environmental Technology Education, NSF Tribal				
	47.076	10313	71,651	-
Passed through Madison College, Education and Human Resources				
	47.076	435310	1,905	-
Passed through Century College, Investigative Sciences and Law Enforcement Technology (ISLET) Project				
	47.076	DUE-0501722	1,200	-
<b>Total U.S. National Science Foundation</b>			<u>645,994</u>	<u>-</u>
U.S. Small Business Administrations:				
Passed through Iowa State University, Small Business Development Center				
	59.037	N/A	109,608	-
U.S. Environmental Protection Agency:				
Passed through Hazardous Materials Training and Research Institute, Brownfield Job Training Cooperative Agreements				
	66.814	N/A	56,601	-

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2009**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	New Loans
U.S. Department of Education				
Direct Programs:				
Student Financial Assistance:				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	\$ 167,360	\$ -
Federal Family Education Loans:				
Stafford Loans	84.032	N/A	-	13,677,643
PLUS Loans	84.032	N/A	-	22,501
Federal Work-Study Program	84.033	N/A	160,262	-
Federal Pell Grant Program	84.063	N/A	7,106,298	-
Academic Competitiveness Grant	84.375	N/A	57,499	-
<b>Total Student Financial Assistance Cluster</b>			<u>7,491,419</u>	<u>13,700,144</u>
TRIO - Student Support Services	84.042	N/A	268,413	-
Sustainable Energy	84.116Z		29,534	-
			<u>7,789,366</u>	<u>13,700,144</u>
Passed through Iowa Department of Education:				
Adult Education - State Grant Program	84.002	N/A	361,285	-
Vocational Education - Basic Grants to States	84.048		467,244	-
			<u>828,529</u>	<u>-</u>
Passed through Georgetown University, Cooperative Association of States for Scholarships (CASS)				
	84.000	EDH-A-00-03-00004-0	317,654	-
<b>Total U.S. Department of Education</b>			<u>8,935,549</u>	<u>13,700,144</u>
U.S. Department of Health and Humans Services:				
Passed through Iowa Workforce Development, Temporary Assistance for Needy Families	93.558	7-W-09-FR-0	901,096	-
U.S. Department of Agriculture:				
Direct, Ag Learning Center	10.226	N/A	21,292	-
Passed through Iowa Department of Education, Child and Adult Care Food Program	10.558	5885NU11	11,253	-
Passed through Iowa Department of Workforce Development, State Administrative Matching Grants for Food Stamp Program				
	10.561	7-W-09-FR-0	11,843	-
Development, State Administrative Matching Grants for Food Stamp Program	10.561	7-W-09-FR-0	3,701	-
<b>Total U.S. Department of Agriculture</b>			<u>48,089</u>	<u>-</u>
U.S. Department of State Bureau of Educational and Cultural Affairs:				
Professional Exchanges Annual Open Grant (India)	19.415	S-ECAPE-05-GR-123(JY)	16,420	-
Passed through Kirkwood Community College, Community Colleges for International Development				
	00.000	N/A	192,574	-
<b>Total U.S. Department of State Bureau of Educational and Cultural Affairs</b>			<u>208,994</u>	<u>-</u>
U.S. Agency for International Development				
Development Partnerships for University Cooperation and Development	98.012	N/A	43,642	-
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 13,681,510</u>	<u>\$ 13,700,144</u>

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2009**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 2 - STUDENT FINANCIAL ASSISTANCE**

The District is responsible only for the performance of certain administrative duties with respect to the Federal Direct Student Loan Program, and accordingly, these loans are not included in its financial statements. It is not practical to determine the balance of the loans outstanding to students and former students of the District under this program as of June 30, 2009.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2009**

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
	N/A	



**Winkel, Parker  
& Foster, CPA PC**

Certified Public Accountants & Consultants

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

To the Board of Directors  
Eastern Iowa Community College District  
Davenport, Iowa

We have audited the accompanying financial statements of Eastern Iowa Community College District as of and for the year ended June 30, 2009, which collectively comprise Eastern Iowa Community College District's basic financial statements listed in the table of contents, and have issued our report thereon dated December 21, 2009. We did not audit the financial statements of the discretely presented component units which represent 100% of the assets and revenues of the discretely presented component units. The financial statements of Muscatine Community College Foundation, Scott Community College Foundation, and Eastern Iowa Community College District Foundation, were audited by other Auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based solely on the reports of the other auditors. 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 Eastern Iowa Community College District'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 and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be 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 Eastern Iowa Community College District'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*.

### **Iowa State Statutory Requirements**

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2009 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statement of the District as identified in Part IV of the accompanying Schedule of Findings and Questioned Costs. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

This report, a public record by law, is intended solely for the information and use of the officials, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Walt, Park & Foster, CPA PC*

Clinton, Iowa  
December 21, 2009



**Winkel, Parker  
& Foster, CPA PC**

Certified Public Accountants & Consultants

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

To the Board of Directors  
Eastern Iowa Community College District  
Davenport, Iowa

**Compliance**

We have audited the compliance of Eastern Iowa Community College District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Eastern Iowa Community College District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of Eastern Iowa Community College District's management. Our responsibility is to express an opinion on Eastern Iowa Community College District's compliance based on our audit.

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

In our opinion, Eastern Iowa Community College District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

## Internal Control Over Compliance

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

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

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

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

This report is intended solely for the information and use of the officials, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Walt, Park & Foster, CPA PC*

Clinton, Iowa  
December 21, 2009

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009**

**Part I - Summary of Independent Auditor's Results:**

**Financial Statements**

Type of auditor's report issued: Unqualified opinion

Internal control over financial reporting:

- Material weakness(es) identified?                           yes      x   no
- Significant deficiency(ies) identified that are not  
  considered to be material weaknesses?                   yes      x   none reported
- Noncompliance material to financial statements noted?        yes      x   no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?                           yes      x   no
- Significant deficiency(ies) identified that are not  
  considered to be material weakness(es)?                   yes      x   none reported

Type of auditor's report issued on compliance for major programs:

Unqualified opinion

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?                           yes      x   no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	<u>Student Financial Aid Cluster:</u>
<u>84.007</u>	<u>Federal Supplemental Educational Opportunity Grants (SEOG)</u>
	<u>Federal Family Education Loans (FFEL):</u>
<u>84.032</u>	<u>Stafford Loans</u>
<u>84.032</u>	<u>PLUS Loans</u>
<u>84.033</u>	<u>Federal Work-Study Program (FWS)</u>
<u>84.063</u>	<u>Federal Pell Grant Program</u>
<u>84.375</u>	<u>Academic Competitiveness Grant</u>
	<u>Workforce Investment Act Cluster:</u>
<u>17.258</u>	<u>Workforce Investment Act Adult Program</u>
<u>17.259</u>	<u>Workforce Investment Act Youth Activities</u>
<u>17.260</u>	<u>Workforce Investment Act Dislocated Workers</u>
<u>17.269</u>	<u>Department of Labor Logistics</u>
<u>47.076</u>	<u>Education and Human Resources</u>

Dollar threshold used to distinguish between type A and type B programs: \$ 821,450

Auditee qualified as low-risk auditee?                      x   yes           no

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009**

**Part II: Findings Related to the Financial Statements:**

**SIGNIFICANT DEFICIENCIES:**

No matters were reported

**INSTANCES OF NONCOMPLIANCE:**

No matters were reported

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009**

**Part III: Findings and Questioned Costs for Federal Awards**

**INSTANCES OF NONCOMPLIANCE:**

No matters were reported

**SIGNIFICANT DEFICIENCIES:**

No matters were reported

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009**

**Part IV: Other Findings Related to Required Statutory Reporting:**

- IV-A-09 Certified budget - Disbursements during the year ended June 30, 2009 did not exceed amounts budgeted in total.
- IV-B-09 Questionable expenditures - No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-C-09 Travel expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- IV-D-09 Business transactions - No business transactions between the District and District officials or employees were noted.
- IV-E-09 Bond coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- IV-F-09 Board minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-G-09 Publication - The District published a statement showing all receipts and disbursements of all funds for fiscal year 2009, including the names of all persons, firms, or corporations to which disbursements were made, as required by Section 260C.14(12) of the Code of Iowa.
- IV-H-09 Deposits and investments - No instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the District's investment policy were noted.
- IV-I-09 Credit/Contact Hours - Eligible credit and contact hours reported to the Iowa Department of Education by the District were supported by detailed records maintained by the District.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
CORRECTIVE ACTION PLAN  
Year Ended June 30, 2009**

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