

WESTERN IOWA TECH COMMUNITY COLLEGE  
SIOUX CITY, IOWA

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

JUNE 30, 2009

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WESTERN IOWA TECH COMMUNITY COLLEGE

OFFICIALS

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

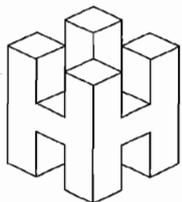
**Board of Directors  
(Before September, 2008 Election)**

Dr. Robert Rasmus	President	2010
Russell Wray	Vice President	2009
Deborah Cook	Member	2010
Derrick Franck	Member	2008
Curt Grigg	Member	2008
Michael Hunter	Member	2009
Norman Lang	Member	2010
William Lyle	Member	2008
Eldon Schroder	Member	2008

Community College

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

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



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

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of WESTERN IOWA TECH COMMUNITY COLLEGE, Sioux City, Iowa, as of and for the year ended June 30, 2009, which collectively comprise the College's basic financial statements listed in the table of contents. These financial statements are the responsibility of the Community College's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Community College at June 30, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 25, 2009, on our consideration of the Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Western Iowa Tech Community College's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the nine years ended June 30, 2008, (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 11, including the Schedule of Expenditures of Federal Awards required by the U. S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Henzel, Conner & Williams, P.C.*  
Certified Public Accountants

Sioux City, Iowa  
November 25, 2009



■  
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■  
Cherokee Campus  
& Conference Center  
Denison Campus  
Le Mars Center  
Mapleton Center  
Sioux City Campus

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

### FINANCIAL HIGHLIGHTS

- Operating revenues decreased 6.3%, or approximately \$1,465,704, from fiscal year 2008 (FY08). Tuition and fees, federal appropriation, sales and services, and auxiliary enterprises revenues increased while Iowa Industrial New Jobs Training Program (NJTP) and miscellaneous revenues decreased.
- Operating expenses were 1.7%, or approximately \$697,344, less in FY09 than in FY08. Liberal arts and sciences, adult education, student services, learning resources, general institution, auxiliary enterprises, scholarships and grants and depreciation increased while vocational technical, cooperative services, administration, physical plant, workforce investment act and bad debts and collection costs decreased.
- Net non-operating revenue increased 41.9%, or approximately \$8,125,245, from FY08 mainly due to an increase in state appropriations, Pell grant, property tax and gifts and grants offset by a decrease in earnings on investment and an increases interest on indebtedness.
- The Community College's net assets increased 35.4%, or approximately \$8,710,653 from FY08.

### USING THIS ANNUAL REPORT

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

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

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

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

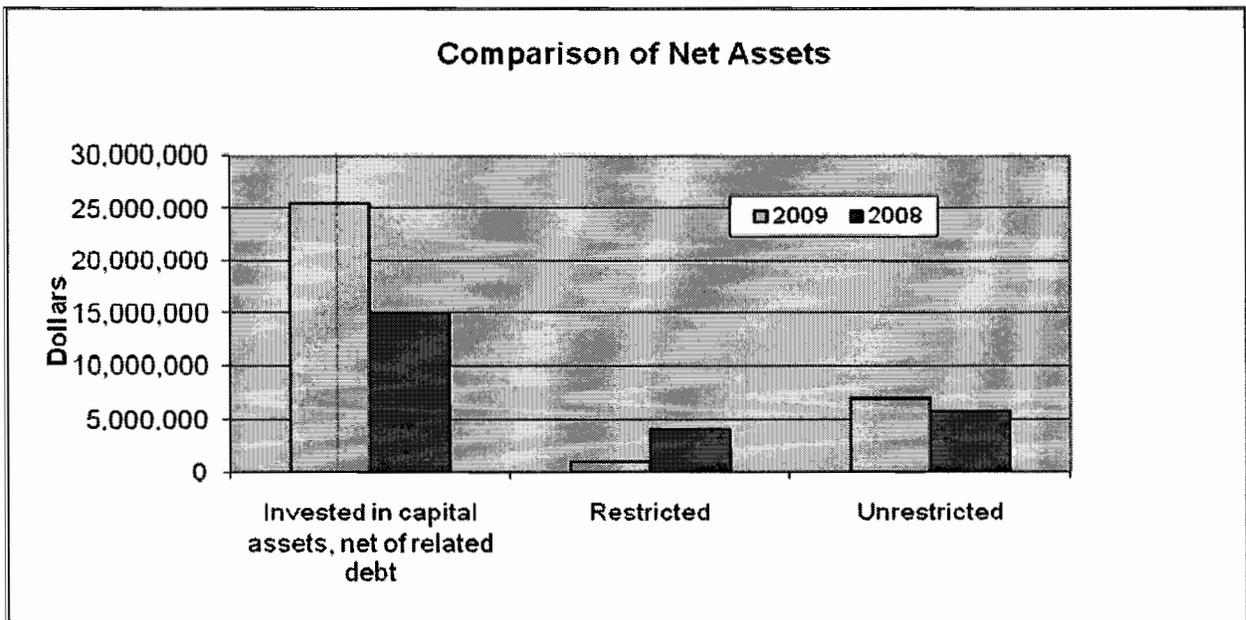
Other supplementary information provides a comparison of the College's budget for the year and detailed information about the individual funds. In addition, the schedule of expenditures of federal awards provides details of various programs benefiting the College.

## REPORTING THE COLLEGE AS A WHOLE

### The Statement of Net Assets

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

	<b>Net Assets</b>	
	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Current assets	\$31,409,031	\$33,509,179
Non-current assets	<u>36,157,820</u>	<u>25,829,676</u>
Total assets	<u>67,566,851</u>	<u>59,338,855</u>
Current liabilities	16,596,837	16,521,438
Non-current liabilities	<u>17,629,842</u>	<u>18,187,898</u>
Total liabilities	<u>34,226,679</u>	<u>34,709,336</u>
Net assets:		
Invested in capital assets, net of related debt	25,492,815	14,932,473
Restricted	934,307	3,969,808
Unrestricted	<u>6,913,050</u>	<u>5,727,238</u>
Total net assets	<u>33,340,172</u>	<u>24,629,519</u>
 Total Liabilities and Net Assets	 <u>\$67,566,851</u>	 <u>\$59,338,855</u>



The largest portion of the Community College's net assets (76%) is invested in capital assets (e.g., land, buildings and equipment), less the related debt. The debt related to the capital assets is liquidated with resources other than capital assets. The restricted portion of the net assets (3%) includes resources that are subject to external restrictions. The remaining net assets (21%) are the unrestricted net assets that can be used to meet the Community College's obligations as they come due.

#### Statement of Revenues, Expenses and Changes in Net Assets

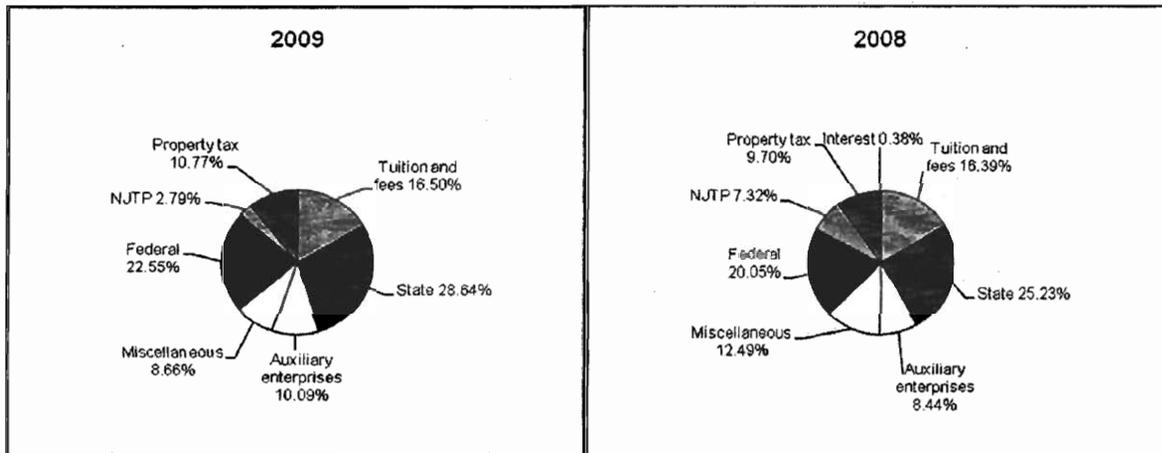
Changes in total net assets as presented on the Statement of Net Assets are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Assets. The purpose of the statement is to present the revenues received by the Community College, both operating and non-operating, and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

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

	<b>Changes in Net Assets</b>	
	Year Ended <u>June 30, 2009</u>	Year Ended <u>June 30, 2008</u>
Operating revenue:		
Tuition and fees, net	\$7,349,876	\$6,957,991
Federal appropriations	4,944,209	4,208,448
Sales and services	117,104	98,934
Iowa Industrial New Jobs Training Program	1,241,317	3,104,955
Auxiliary enterprises	4,497,054	3,582,384
Miscellaneous	<u>3,540,966</u>	<u>5,109,337</u>
Total operating revenue	<u>21,690,526</u>	<u>23,156,230</u>
Total operating expenses	40,487,455	41,184,799
Operating loss	<u>(18,796,929)</u>	<u>(18,028,569)</u>
Non-operating revenues (expenses)		
State appropriations	12,758,967	10,707,286
Pell Grant	5,108,080	4,302,629
Property tax	4,796,578	4,116,197
Earnings on investments	229,427	691,746
Gifts and Grants	5,410,544	86,412
Gain (Loss) on sale of capital assets	( 8,287)	6,980
Interest on indebtedness	<u>(787,727)</u>	<u>(528,913)</u>
Net non-operating revenues	<u>27,507,582</u>	<u>19,382,337</u>
Increase in net assets	8,710,653	1,259,587
Net assets at the beginning of the year	<u>24,629,519</u>	<u>23,369,932</u>
Net assets at the end of the year	<u>\$33,340,172</u>	<u>\$24,629,519</u>

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

### Total Revenues by Source



In fiscal year 2009, operating revenues decreased by approximately \$1,465,704 or 6.3%. The increase was a result of the following changes:

Tuition and fees, net of scholarship allowances, increased by approximately \$391,885 due to a modest tuition increase paired with an increase in enrollment.

Federal revenues increased by \$735,761 mainly due to an increase in the federal Department of Labor grant. Note that the Federal revenue line from the previous year has been restated due to state reporting guidelines placing the Pell grant revenue under the non-capital financing heading.

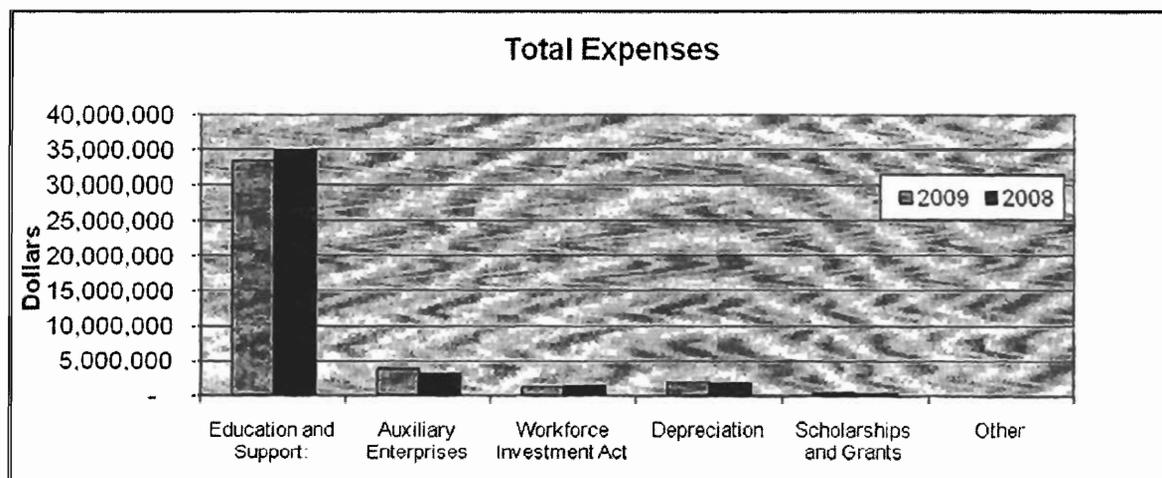
The Iowa Industrial New Jobs Training Program (NJTP) decreased by \$1,863,638 mainly due to having a smaller bond issue than the previous year.

Auxiliary enterprises revenue increased by approximately \$914,670 due mostly to an increase in students purchasing books and supplies and cafeteria sales as well as increased dormitory occupancy due to the construction of an additional dormitory.

Miscellaneous revenues decreased by approximately \$1,568,371 due to the New Jobs Training Program (NJTP). Additional information is presented in Note 12 to the financial statements.

## Operating Expenses

	Year Ended June 30, 2009	Year Ended June 30, 2008
<b>Education and Support:</b>		
Liberal Arts and Sciences	\$3,824,307	\$3,516,265
Vocational Technical	7,432,981	7,596,623
Adult Education	2,321,661	2,018,411
Cooperative Services	3,248,611	6,500,618
Administration	1,696,747	1,779,911
Student Services	1,820,399	1,759,830
Learning Resources	295,940	279,383
Physical Plant	5,043,636	5,316,176
General Institution	7,741,300	6,016,614
Auxiliary Enterprises	3,717,389	3,061,656
Scholarships and Grants	308,794	252,116
Workforce Investment Act	1,168,458	1,446,775
Bad Debts and Collection Costs	( 405)	( 341)
Depreciation	<u>1,867,637</u>	<u>1,640,762</u>
<b>Total</b>	<b><u>\$40,487,455</u></b>	<b><u>\$41,184,799</u></b>



In fiscal year 2009, operating expenses decreased by approximately \$697,344 or 1.7%. The following factors explain some of the changes:

Liberal arts and sciences, vocational technical and adult education, the three functions relating to student instruction, increased approximately \$447,650. The increase in the costs of salaries and benefits, materials, supplies and equipment needs was attributable to the increased enrollment.

Cooperative services decreased by approximately \$3,252,007 as a result of decreased training expenditures associated with the New Jobs Training Program bond issues. These expenses are dependent on the needs of the participating companies.

## Statement of Cash Flows

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

	<b>Cash Flows</b>	
	Year Ended <u>June 30, 2009</u>	Year Ended <u>June 30, 2008</u>
Cash provided (used) by:		
Operating Activities	\$(18,622,761)	\$(17,548,269)
Non-capital Financing Activities	22,304,802	19,182,813
Capital and Related Financing Activities	( 8,086,362)	( 513,908)
Investing Activities	<u>120,941</u>	<u>791,242</u>
Net Increase (Decrease) in Cash	( 4,283,380)	1,911,878
Cash at the beginning of the year	<u>22,180,929</u>	<u>20,269,051</u>
Cash at the end of the year	<u>\$17,897,549</u>	<u>\$22,180,929</u>

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

### CAPITAL ASSETS

At June 30, 2009, the Community College had approximately \$34.3 million invested in capital assets, net of accumulated depreciation of \$25.0 million. Depreciation charges totaled \$1,867,637 for Fiscal Year 2009. Details of the capital assets are shown below.

	<b>Capital Assets, Net, at Year End</b>	
	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Land	\$ 817,175	\$ 487,184
Buildings	30,712,561	14,568,900
Construction in progress	0	7,223,806
Furniture and equipment	<u>2,743,079</u>	<u>2,322,583</u>
Total	<u>\$34,272,815</u>	<u>\$24,602,473</u>

Planned capital expenditures for the fiscal year to end June 30, 2010 and beyond may include the construction of a student life and wellness center. This project will be funded with a combination of Plant Fund property tax, private contributions and an \$800,000 challenge grant. The Community College will spend approximately \$5.0 million for the construction of the facility. More detailed information about the Community College's capital assets is presented in Note 4 to the financial statements.

## **DEBT**

At June 30, 2009, the Community College had \$18.9 million in debt outstanding, a decrease of \$890,000 from 2008. The table below summarizes these amounts by type.

	<b>Outstanding Debt</b>	
	<u>June 30, 2009</u>	<u>June 30, 2008</u>
NJTP certificates payable	\$10,140,000	\$10,140,000
Bonds payable	8,245,000	8,380,000
Capital loan notes payable	<u>535,000</u>	<u>1,290,000</u>
Total	<u>\$18,920,000</u>	<u>\$19,810,000</u>

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

## **ECONOMIC FACTORS**

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

State aid for fiscal year 2010 which was expected to decrease approximately \$1,260,823 over the prior year to be offset by an increase in the federal funds of the American Recovery and Reinvestment Act (ARRA) of \$1,325,320 was decreased in the fall of 2009 by \$910,389 due to an across the board cut of 10% by the state of Iowa. This reduction creates budgetary issues not only for fiscal year 2010, but also for the next several years.

The College experienced enrollment growth for the fall of 2009 with an increase in credit hours of approximately 13.7% from the previous fall semester.

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

Facilities at the Community College will continue to require constant maintenance and upkeep.

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

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

## **CONTACTING THE COMMUNITY COLLEGE'S FINANCIAL MANAGEMENT**

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

WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF NET ASSETS

JUNE 30, 2009

ASSETS

CURRENT ASSETS

Cash and Pooled Investments - Note 2 .....	\$ 17,897,549
Receivables:	
Accounts (Net of Allowance of \$526,821) .....	4,151,892
Property Tax .....	5,007,802
Pledges .....	94,310
Due from Other Governments .....	1,640,964
Inventories - Note 3 .....	601,611
Prepaid Expenses .....	<u>2,014,903</u>
<hr/>	
Total Current Assets .....	\$ 31,409,031

NONCURRENT ASSETS

Restricted Cash and Pooled Investments .....	\$ 566,758
Other Investments - Note 2 .....	1,146,534
Pledges Receivable .....	171,713
Capital Assets, Net of Accumulated Depreciation - Note 4 .....	<u>34,272,815</u>
Total Noncurrent Assets .....	\$ 36,157,820

Total Assets .....

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\$ 67,566,851

LIABILITIES AND NET ASSETSCURRENT LIABILITIES

## Payables:

Accounts .....	\$ 2,391,725
Iowa Industrial New Jobs Training Program .....	771,366
Salaries and Benefits Payable .....	1,160,281
Accrued Interest .....	70,658
Deferred Revenue .....	7,325,724
Early Retirement Payable – Note 15 .....	485,943
Compensated Absences .....	618,960
Deposits Refundable .....	27,545
Deposits Held in Custody for Others .....	1,594,635
Certificates Payable - Note 7 .....	1,475,000
Bonds Payable - Note 7 .....	140,000
Notes Payable – Note 7 .....	<u>535,000</u>
 Total Current Liabilities .....	 \$ 16,596,837

NONCURRENT LIABILITIES

Early Retirement Payable – Note 15 .....	\$ 859,842
Certificates Payable – Note 7 .....	8,665,000
Bonds Payable – Note 7 .....	<u>8,105,000</u>
 Total Noncurrent Liabilities .....	 \$ 17,629,842
 Total Liabilities .....	 \$ 34,226,679

NET ASSETS

Invested in Capital Assets, Net of Related Debt .....	\$ 25,492,815
Restricted	
Expendable:	
Scholarships and Grants .....	201
Loans .....	150,627
Debt Service .....	1,180,915
Cash Reserve .....	678,851
Other .....	<u>( 1,076,287)</u>
Total Restricted Expendable .....	934,307
Unrestricted .....	<u>6,913,050</u>
 Total Net Assets .....	 \$ 33,340,172
 Total Liabilities and Net Assets .....	 \$ <u>67,566,851</u>

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2009

OPERATING REVENUES:

Tuition and Fees, Net of Scholarship Allowances of \$4,914,773 .....	\$ 7,349,876
Federal Appropriations .....	4,944,209
Sales and Services .....	117,104
Iowa Industrial New Jobs Training Program .....	1,241,317
Auxiliary Enterprises Revenue .....	4,497,054
Miscellaneous .....	<u>3,540,966</u>
 Total Operating Revenues .....	 \$ 21,690,526

OPERATING EXPENSES:

Education and Support:	
Liberal Arts and Sciences .....	\$ 3,824,307
Vocational Technical .....	7,432,981
Adult Education .....	2,321,661
Cooperative Services .....	3,248,611
Administration .....	1,696,747
Student Services .....	1,820,399
Learning Resources .....	295,940
Physical Plant .....	5,043,636
General Institution .....	7,741,300
Auxiliary Enterprises .....	3,717,389
Scholarships and Grants .....	308,794
Workforce Investment Act .....	1,168,458
Bad Debts and Collection Costs (Recoveries) .....	( 405)
Depreciation .....	<u>1,867,637</u>
 Total Operating Expenses .....	 \$ 40,487,455
 Operating (Loss) .....	 \$( 18,796,929)

NON-OPERATING REVENUES (EXPENSES)

State Appropriations .....	\$ 12,758,967
Pell Grant .....	5,108,080
Property Tax .....	4,796,578
Earnings on Investments .....	229,427
Gifts and Grants .....	5,410,544
(Loss) on Sale of Capital Assets .....	( 8,287)
Interest on Indebtedness .....	<u>( 787,727)</u>
 Net Non-Operating Revenues .....	 \$ 27,507,582
 Increase in Net Assets .....	 \$ 8,710,653
Net Assets Beginning of Year .....	<u>24,629,519</u>
Net Assets End of Year .....	\$ <u>33,340,172</u>

See Accompanying Notes to Financial Statements

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and Fees .....	\$ 5,260,649
Federal Appropriations .....	4,490,708
Iowa Industrial New Jobs Training Program .....	1,241,317
Payments to Employees for Salaries and Benefits .....	( 22,389,280)
Payments to Suppliers for Goods and Services .....	( 13,349,301)
Payments to NJTP Recipients .....	( 1,723,184)
Scholarships .....	( 308,794)
Auxiliary Enterprise Receipts .....	4,497,054
Other Receipts .....	<u>3,658,070</u>
Net Cash (Used) by Operating Activities .....	\$( 18,622,761)

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

State Appropriations .....	\$ 12,758,967
Pell Grant .....	5,108,080
Property Tax .....	4,796,578
Gifts and Grants .....	181,594
Issuance of Debt .....	1,395,000
Principal Paid on Debt .....	( 1,395,000)
Interest Paid on Debt .....	( 478,885)
Agency Receipts .....	671,082
Agency Disbursements .....	( <u>732,614</u> )
Net Cash Provided by Non-Capital Financing Activities .....	\$ 22,304,802

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of Capital Assets .....	\$( 6,317,316)
Addition to Restricted Cash .....	( 566,758)
Principal Paid on Debt .....	( 890,000)
Interest Paid on Debt .....	( <u>312,288</u> )
Net Cash (Used) by Capital and Related Financing Activities .....	\$( 8,086,362)

CASH FLOWS FROM INVESTING ACTIVITIES

Earnings on Investments .....	\$ 229,427
Unrealized Gain on Investments .....	201,141
Purchase of Investments .....	( 823,567)
Proceeds from Sale of Investments .....	<u>513,940</u>
Net Cash Provided by Investing Activities .....	\$ <u>120,941</u>

Net Decrease in Cash and Cash Equivalents .....

Cash and Cash Equivalents – Beginning of Year .....

Cash and Cash Equivalents – End of Year .....

NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES

Donated Building and Equipment .....

See Accompanying Notes to Financial Statements

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WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2009

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

Operating (Loss) .....	\$( 18,796,929)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities:	
Depreciation .....	\$ 1,867,637
Bad Debts and Collection Costs (Recoveries) .....	( 405)
(Increase) Decrease in:	
Accounts Receivable .....	( 1,895,142)
Due from Other Governments .....	( 453,501)
Inventories .....	306,956
Prepaid Expenses .....	37,553
Increase (Decrease) in:	
Accounts Payable .....	( 488,960)
Salaries and Benefits Payable .....	( 851)
Deferred Operating Revenue .....	( 94,085)
Early Retirement Payable .....	367,332
Compensated Absences .....	12,822
Deposits Refundable .....	13,693
Payable for Cost of Iowa Industrial New Jobs Training Program .....	<u>619,149</u>
Total Adjustments .....	\$ <u>174,168</u>
Net Cash (Used) by Operating Activities .....	\$( <u>18,622,761</u> )

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

These financial statements present Western Iowa Tech Community College and its component unit, Western Iowa Tech Community College Foundation.

Western Iowa Tech Community College Foundation is a legally separate, tax-exempt foundation. The Foundation was established for the purpose of providing support to the Community College and scholarships for its students. Because the Foundation provides benefits exclusively to the Community College, its financial activities are included in deposits held in custody for others in these financial statements, and its assets are blended with those of the Community College. Significant financial data for the Foundation for the year ended June 30, 2009, is as follows:

Total Assets .....	\$ 1,507,955
Total Liabilities .....	\$ 23,000
Total Net Assets .....	\$ 1,484,955
Total Revenues .....	\$ 395,133
Total Expenses .....	\$ 468,587

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.)

Foundation revenues and expenses include \$136,653 of in-kind support from the Community College, which has been eliminated in these financial statements. Foundation expenses include \$138,718 related to fundraising and \$329,869 in scholarships.

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

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

Restricted Net Assets:

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

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

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

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

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

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.)

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

D. Assets, Liabilities and Net Assets

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

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

Cash and Cash Equivalents that are externally restricted to make debt service payments, maintain sinking or reserved funds or to purchase or construct capital or other restricted assets, are classified as restricted.

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

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

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

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

The costs of normal maintenance and repair that do not add to the value of the assets or materially extend asset lives are not capitalized. The amount of interest capitalized during construction of the Bur Oak Suites was \$92,736 for the year ended June 30, 2009.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

<u>Assets</u>	<u>Amount</u>
Land, Buildings and Improvements .....	\$ 25,000
Equipment and Vehicles .....	\$ 5,000

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

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

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

Payable for Iowa Industrial New Jobs Training Programs (NJTP) - This represents the amount that has been remitted to the Community College for training projects entered into between the Community College and employers under the provisions of Chapter 260E of the Code of Iowa. The payable amount is based on reimbursements received through June 30, 2009, on NJTP projects, less interest incurred on NJTP certificates and expenses incurred on NJTP projects to date.

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

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

Compensated Absences - Community College employees accumulate a limited amount of earned but unused vacation benefits for subsequent use or for payment upon termination, death or retirement. Amounts representing the cost of compensated absences are recorded as liabilities. These liabilities have been computed based on rates of pay in effect at June 30, 2009.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.)

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

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

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

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

- E. Scholarship Allowances and Student Aid - Financial aid to students is reported in the financial statements under the alternative method, as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid (loans and funds provided to students as awarded by third parties) is accounted for as third party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a total Community College basis by allocating the cash payments to students, excluding payments for services, on the ratio of all aid to the aid not considered to be third party aid.
- F. Fundraising Expense - During the year ended June 30, 2009, KWIT-KOJI FM Radio conducted various fundraising activities. General institution operating expenses include \$42,460 related to fundraising.
- G. Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - CASH AND INVESTMENTS

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

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Note 2 - CASH AND INVESTMENTS

(Cont.)

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

Included in the Community College's cash and pooled investments is \$7,552,666 which is designated for specific purposes, such as the Iowa Industrial New Jobs Training Program and student scholarships to be awarded by the Western Iowa Tech Community College Foundation.

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

Investments held by Western Iowa Tech Community College Foundation at June 30, 2009, are as follows:

Mutual Funds .....	\$ 453,534
Certificates of Deposit .....	568,782
Money Market Funds .....	103,450
Government Securities .....	<u>20,768</u>
	\$ <u>1,146,534</u>

In addition, the Community College had investments in the Iowa Schools Joint Investment Trust which are valued at an amortized cost of \$1,052,995, pursuant to Rule 2a-7 under the Investment Company Act of 1940.

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

**Credit Risk:** The Community College's investments in the Iowa Schools Joint Investment Trust at June 30, 2009, were rated AAA by Moody's Investors Service. The investment in Money Market Funds has not been rated, the investment in open-end Mutual Funds is not exposed to custodial credit risk, and the non-negotiable Certificates of Deposit do not meet the disclosure requirements of GASB No. 3, as amended by No. 40.

**Concentration of Credit Risk:** The Community College's policy is to diversify its investments by limiting investments in prime bankers acceptances or commercial paper to no more than 10% of its portfolio. At June 30, 2009, the Community College's investment in Mutual Funds is 20.6% of its total investments.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Note 3 - INVENTORIES

The Community College's inventories at June 30, 2009, are as follows:

Bookstore (Merchandise Held for Resale) .....	\$	582,921
Cafeteria (Supplies and Materials) .....		7,678
Auto Tech (Supplies and Materials) .....		<u>11,012</u>
	\$	<u>601,611</u>

Note 4 - CAPITAL ASSETS

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

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Capital Assets Not Being Depreciated:				
Land .....	\$ 487,184	\$ 329,991		\$ 817,175
Construction in Progress .....	<u>7,223,806</u>	<u>-</u>	\$ <u>7,223,806</u>	<u>-</u>
Total Capital Assets Not Being Depreciated .....	\$ 7,710,990	\$ 329,991	\$ 7,223,806	\$ 817,175
Capital Assets Being Depreciated:				
Buildings and Other Structures .....	\$ 33,394,170	\$ 17,301,147		\$ 50,695,317
Furniture and Equipment .....	<u>6,828,848</u>	<u>1,138,934</u>	\$ <u>227,065</u>	<u>7,740,717</u>
Total Capital Assets Being Depreciated ..	\$ 40,223,018	\$ 18,440,081	\$ 227,065	\$ 58,436,034
Less Accumulated Depreciation:				
Buildings .....	\$ 18,825,270	\$ 1,157,486		\$ 19,982,756
Furniture and Equipment .....	<u>4,506,265</u>	<u>710,151</u>	\$ <u>218,778</u>	<u>4,997,638</u>
	\$ <u>23,331,535</u>	\$ <u>1,867,637</u>	\$ <u>218,778</u>	\$ <u>24,980,394</u>
Net Capital Assets Being Depreciated ...	\$ <u>16,891,483</u>	\$ <u>16,572,444</u>	\$ <u>8,287</u>	\$ <u>33,455,640</u>
Net Capital Assets ...	\$ <u>24,602,473</u>	\$ <u>16,902,435</u>	\$ <u>7,232,093</u>	\$ <u>34,272,815</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Note 5 - SECURITY INSTITUTE AGREEMENTS

Intergovernmental Agencies

The Community College entered into an intergovernmental agreement to form a seven member commission to build and operate a tri-governmental security institute.

The purpose of the institute is to (1) establish the Regional Institute for Preparedness Agency, (2) through the Agency, to apply for grants and other funds from the State of Iowa which the State has made available for the construction of a new Regional Preparedness Building Facility on the Sioux City Campus of the College, (3) to provide space within the building for the purpose of conducting training classes for the first responders and other related training, (4) to provide space within the building to house the 911 emergency dispatching employees and equipment who operate under the control and direction of the Woodbury County Information and Communication Commission, (5) to provide space within the building to house the emergency operations center and its equipment, and (6) to establish joint operational guidelines and procedures for use of the building by the different entities who will occupy the building.

Construction of the aforementioned building was completed during the year ended June 30, 2009. Costs for construction were covered by grant monies from the State of Iowa funded through Woodbury County. The building is owned by the Community College but subject to use by the City of Sioux City and Woodbury County as described above. Construction costs covered by Woodbury County for the Community College approximated \$5.2 million dollars for the year ended June 30, 2009 and have been recorded as a capital asset on the Statement of Net Assets and related revenue on the Statement of Revenues, Expenses and Changes in Net Assets. In addition, the College contributed an additional \$850,000 towards the building costs. The Community College is also responsible for the costs of equipping the classrooms with furniture and equipment which are required to conduct emergency responder training.

The term of the above agreement and the existence of the commission is twenty years.

Third Party Agreements

The Community College has also contracted with a third party to construct and finish a secure unit consisting of approximately 4,600 square feet of space on the lower level of the building described above. The \$2.0 million dollar cost to construct and finish the unit was paid by the third party, on behalf of the Community College. In turn, the Community College has agreed to allow exclusive use of this portion of the facility for an initial term of 10 years with options to extend the initial term for up to 5 additional 10 year renewal terms, which management believes is likely. At the end of the initial and all renewal terms, or on the 60<sup>th</sup> anniversary of the agreement, the Community College shall have the right and option to take control and exercise exclusive use of the Facility from the third party. The Community College, however, is the legal owner of the constructed space.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Note 5 - SECURITY INSTITUTE AGREEMENTS

(Cont.)

There are no payments as part of this agreement as the third party desires a backup server facility for their telecommunications and computer information systems data and the Community College is engaged in providing vocational education services to area students including networking, telecommunications, and information security. The Community College will take advantage of the educational opportunities to provide job training and instruction for its students through the shared use of equipment and technology in the facility area of the building in cooperation with the third party.

Note 6 - ANTICIPATORY WARRANTS

Anticipatory warrants are warrants which are legally drawn on College funds but are not paid for lack of funds, in accordance with Chapter 74 of the Code of Iowa. During the year ended June 30, 2009, the Community College issued no anticipatory warrants.

Note 7 - LONG-TERM DEBT

A summary of long-term debt for the year ended June 30, 2009, is as follows:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>
Certificates Payable ...	\$ 10,140,000	\$ 1,395,000	\$ 1,395,000	\$ 10,140,000
Bonds Payable .....	8,380,000		135,000	8,245,000
Capital Loan Notes ..	<u>1,290,000</u>		<u>755,000</u>	<u>535,000</u>
	<u>\$ 19,810,000</u>	<u>\$ 1,395,000</u>	<u>\$ 2,285,000</u>	<u>\$ 18,920,000</u>

Certificates Payable

In accordance with agreements dated between December 1, 1984 and June 1, 2009, the Community College issued certificates totaling \$34,555,000 with interest rates ranging from 2.15% to 9.40%. As of June 30, 2009, the outstanding balance of the certificates was \$10,140,000, with interest rates ranging from 2.15% to 6.55%. The debt was incurred to fund the development and training costs incurred relative to implementing Chapter 260E of the Code of Iowa, Iowa Industrial New Jobs Training Program (NJTP). NJTP's purpose is to provide tax-aided training for employees of industries which are new to or are expanding their operations within the State of Iowa. Interest is payable semi-annually, while principal payments are due annually. The certificates are to be retired by proceeds from anticipated job credits from withholding taxes, incremental property tax, budgeted reserves, and in the case of default, from standby property tax.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Note 7 - LONG-TERM DEBT

(Cont.) The certificates will mature as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010 .....	\$ 1,475,000	\$ 464,079	\$ 1,939,079
2011 .....	1,460,000	398,249	1,858,249
2012 .....	1,400,000	335,801	1,735,801
2013 .....	1,365,000	274,039	1,639,039
2014 .....	1,410,000	212,164	1,622,164
2015 - 2018 .....	<u>3,030,000</u>	<u>307,946</u>	<u>3,337,946</u>
	<u>\$ 10,140,000</u>	<u>\$ 1,992,278</u>	<u>\$ 12,132,278</u>

Bonds Payable

The Community College has issued bonds for the purchase and construction of campus buildings as allowed by Section 260C.19 of the Code of Iowa. The bonds issued were for the construction of Bur Oak Suites, the Community College's suite-style housing. As such, the Community College has pledged the related housing revenue to payment of the bonds.

Details of the Community College's June 30, 2009, bonded indebtedness are as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010 .....	3.40	\$ 140,000	\$ 366,488	\$ 506,488
2011 .....	3.50	145,000	361,727	506,727
2012 .....	3.60	150,000	356,652	506,652
2013 .....	3.70	155,000	351,253	506,253
2014 .....	3.80	160,000	345,517	505,517
2015-2019 .....	3.90 - 4.30	930,000	1,626,308	2,556,308
2020-2024 .....	4.40 - 4.60	<u>6,565,000</u>	<u>1,145,547</u>	<u>7,710,547</u>
		<u>\$ 8,245,000</u>	<u>\$ 4,553,492</u>	<u>\$ 12,798,492</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Note 7 - LONG-TERM DEBT

(Cont.) Capital Loan Notes Payable

The Community College has issued notes for the construction of the Advanced Sciences Building as allowed by Section 260C.19 of the Code of Iowa. Details of the Community College's June 30, 2009, notes payable are as follows:

<u>Years Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010 .....	3.20 - 3.35	\$ <u>535,000</u>	\$ <u>11,097</u>	\$ <u>546,097</u>
		\$ <u>535,000</u>	\$ <u>11,097</u>	\$ <u>546,097</u>

Note 8 - OPERATING LEASES

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

<u>Years Ending June 30,</u>	<u>Amount</u>
2010 .....	\$ 24,283
2011 .....	28,715
2012 .....	28,715
2013 .....	28,715
2014 .....	13,145
2015 and Thereafter .....	<u>40,529</u>
	\$ <u>174,102</u>

The Community College has leased various pieces of office equipment, as well as various facilities within the area to house different divisions of the Community College. These leases have been classified as operating leases and accordingly, all rents are expensed as incurred. The leases expire between 2009 and 2012, and require various minimum annual rentals. Certain leases are renewable for additional periods. Some of the leases also require the payment of normal maintenance and insurance on the properties. In most cases, management expects that the leases will be renewed or replaced by other leases.

The following is a schedule by year of future minimum rental payments required under operating leases which have initial or remaining non-cancelable lease terms in excess of one year, as of June 30, 2009:

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Note 8 - OPERATING LEASES  
(Cont.)

<u>Years Ending June 30,</u>	<u>Amount</u>
2010 .....	\$ 66,219
2011 .....	11,393
2012 .....	<u>4,885</u>
	\$ <u>82,497</u>

Rent expenses for the year ended June 30, 2009, for all operating leases, except those with terms of a month or less that were not renewed, totaled \$102,411.

Note 9 - IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IPERS)

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

Plan members are required to contribute 4.10% of their annual covered salary and the Community College is required to contribute 6.35% of annual covered payroll. Contribution requirements are established by state statute. The Community College's contributions to IPERS for the years ended June 30, 2009, 2008, and 2007, were \$337,763, \$300,382, and \$248,145, respectively, equal to the required contributions for each year.

Note 10 - TEACHERS INSURANCE AND ANNUITY ASSOCIATION -  
COLLEGE RETIREMENT EQUITIES FUND (TIAA-CREF)

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

Contributions made by both employer and employee vest immediately. As specified by the contract with TIAA-CREF, and in accordance with the Code of Iowa, each employee is required to contribute 4.10% and the Community College is required to contribute 6.35%. The Community College's and employees' required and actual contributions to TIAA-CREF for the year ended June 30, 2009, were \$602,607 and \$389,085, respectively.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Note 11 - RISK POOL

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

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

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

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

The Program's intergovernmental contract with its members provides that in the event any claim or series of claims exceeds the amount of aggregate excess insurance, then payment of such claims shall be the obligation of the respective individual member. The Community College does not report a liability for losses in excess of reinsurance unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2009, no liability has been recorded in the Community College's financial statements. As of June 30, 2009, settled claims have not exceeded the risk pool or reinsurance company coverage in any of the past three fiscal years.

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

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Note 12 - RELATED ORGANIZATIONS

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

Significant financial data for Friends of FM-90 for the year ended June 30, 2009, follows:

Total Assets .....	\$ 1,014,105
Total Liabilities .....	-
Total Net Assets .....	\$ 1,014,105
Total Revenues .....	\$ 36,944
Total Expenses .....	\$ 2,687
Contributions to the Community College .....	\$ 149,452

Note 13 - NEW JOBS TRAINING PROGRAMS

Western Iowa Tech Community College administers the Iowa Industrial New Jobs Training Program (NJTP) in Area XII in accordance with Chapter 260E of the Code of Iowa. NJTP's purpose is to provide tax-aided training or retraining for employees of industries which are new to or are expanding their operations within the State of Iowa. Certificates are sold by the Community College to fund approved projects and are to be retired by proceeds from anticipated jobs credits from withholding taxes, incremental property taxes, budgeted reserves and in the case of default, from standby property taxes. Since inception, the Community College has administered 105 projects with 31 currently receiving project funding. The remaining 74 projects have been completed and the certificates have been paid off.

Program parameters specify that the Community College is entitled to retain any interest earned by NJTP funds in excess of the amount required to provide training and retire the certificates. During the year ended June 30, 2009, the Community College recognized \$75,675 of miscellaneous revenue from excess interest.

Note 14 - IN-KIND CONTRIBUTIONS - KWIT-KOJI FM

Not included in the financial statements of the Community College are donated services for KWIT-KOJI FM Radio Station. The value of the in-kind contributions, calculated at estimated fair market value, was \$37,858 during the year ended June 30, 2009.

Note 15 - EARLY RETIREMENT PAYABLE

The early retirement payable reflected on the statement of net assets represents the Community College's liability for remuneration and health insurance coverage for all employees who had accepted early retirement under a policy offered by the Community College. Early retirement is funded on a pay-as-you-go basis through property tax levies. The Community College's voluntary early retirement policy was terminated on June 30, 2009.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Note 16 - COMMITMENTS AND CONTINGENCIES

The Community College is currently involved in certain legal matters which are being defended and handled in the ordinary course of business. The liability, if any, associated with these matters is not determinable at June 30, 2009. The College's attorney and insurance carrier are defending the lawsuits, and it is the opinion of management that their resolution will not have a material effect on the Community College's financial position.

During the year ended June 30, 2007, the Community College entered arbitration with United Electrical, Radio and Machine Workers of America regarding the layoff of custodial staff in April, 2006. Arbitration was settled on July 6, 2007, with the Community College liable for back pay and benefits. Management of the Community College estimated the portion of the liability attributable to the year ended June 30, 2007, and included that estimate in operating expenses in its prior year financial statements. An estimated liability relating to the last individual is included in accounts payable at June 30, 2009, as related information is still being collected for that individual.

Effective July 1, 2009, the Community College's required contributions to IPERS and TIAA-CREF both increased to 6.65% of annual covered payroll.

Note 17 - SUBSEQUENT EVENT

On May 11, 2009, the Community College Board approved sale of the Ida Grove facility. The agreement for the sale at \$120,000 was entered into on June 8, 2009.

On October 8, 2009, per executive order by the Governor of Iowa, State funds will be reduced by 10% across the board due to a weakened economy. State aid was reduced by approximately \$900,000 for the 2010 fiscal year.

The Community College has evaluated all subsequent events through November 25, 2009, the date the financial statements were available to be issued.

WESTERN IOWA TECH COMMUNITY COLLEGE

OTHER SUPPLEMENTARY INFORMATION

JUNE 30, 2009

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

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

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

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

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

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

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

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

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

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

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

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

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

The Community College has several individual fund deficits in the restricted fund group at June 30, 2009. These deficits are attributable to current and prior years' unexpected expenditures exceeding revenue. The Community College intends to eliminate these deficits with future revenues.

BUDGETARY COMPARISON SCHEDULE OF EXPENDITURESBUDGET AND ACTUALFOR THE YEAR ENDED JUNE 30, 2009

<u>Funds/Levy</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Between Actual and Budget</u>
Unrestricted .....	\$ 26,464,893	\$ 24,697,273	\$ 1,767,620
Restricted .....	\$ 16,299,814	\$ 6,712,599	\$ 9,587,215
Unemployment .....	57,166	75,355	( 18,189)
Tort Liability .....	124,169	118,675	5,494
Insurance .....	1,117,418	1,281,135	( 163,717)
Early Retirement .....		683,527	( 683,527)
Equipment Replacement .....	<u>552,322</u>	<u>523,704</u>	<u>28,618</u>
Total Restricted .....	\$ 18,150,889	\$ 9,394,995	\$ 8,755,894
Plant .....	\$ <u>13,377,725</u>	\$ <u>11,328,281</u>	\$ <u>2,049,444</u>
Total .....	\$ <u>57,993,507</u>	\$ <u>45,420,549</u>	\$ <u>12,572,958</u>

NOTE TO BUDGETARY REPORTING

JUNE 30, 2009

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

Budgets are not required to be adopted for the Auxiliary Enterprises Subgroup, Workforce Investment Act Accounts, Scholarships and Grants Accounts, Loan Funds, or Agency Funds.

The variance in the Unrestricted Fund is due to increased enrollment and a continuing, concentrated effort by the Community College to reduce expenditures. The variance in Restricted is due to the Community College administering fewer Iowa New Jobs Training Program projects than anticipated. The overage in unemployment is attributable to staffing changes. The overage in Insurance is due to changes in allowable insurance reimbursements through IMPACC, resulting in increased premiums. The overage in early retirement is attributable to employees electing to participate in an early retirement program that was subsequently terminated June 30, 2009.

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

WESTERN IOWA TECH COMMUNITY COLLEGE

BALANCE SHEET

JUNE 30, 2009

<u>ASSETS</u>	<u>Current Funds</u>		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Loan Funds</u>
Cash and Investments:			
Cash and Pooled Investments .....	\$ 8,903,325	\$ 6,881,958	\$ 149,238
Other Investments .....			
Receivables:			
Accounts (Net of Allowance of \$526,821) .....	1,323,386	2,793,765	1,389
Property Tax .....	1,234,620	2,538,562	
Pledges .....			
Due from Other Funds .....	1,280,181	4,413,578	
Due from Other Governments .....	316,336	202,942	
Inventories .....	601,611		
Prepaid Expenditures .....	246,140	1,768,155	
Restricted Cash and Pooled Investments .....	516,758		
Capital Assets:			
Land .....			
Buildings and Other Structures .....			
Furniture and Equipment .....			
Accumulated Depreciation .....			
Total Assets .....	\$ <u>14,422,357</u>	\$ <u>18,598,960</u>	\$ <u>150,627</u>

SCHEDULE 2

<u>Unexpended</u>	<u>Plant Funds</u> <u>Retirement of</u> <u>Indebtedness</u>	<u>Investment</u> <u>in Plant</u>	<u>Agency</u> <u>Funds</u>	<u>Adjustments</u>	<u>Total</u>
\$ 99,817	\$ 1,180,915		\$ 682,296		\$ 17,897,549
			1,146,534		1,146,534
6,050			27,302		4,151,892
1,234,620					5,007,802
				\$ 266,023	266,023
1,535,613			9	( 7,229,381)	-
115,069			1,006,617		1,640,964
					601,611
			608		2,014,903
50,000					566,758
		\$ 817,175			\$ 817,175
		50,695,317			50,695,317
		7,740,717			7,740,717
				( 24,980,394)	( 24,980,394)
<u>\$ 3,041,169</u>	<u>\$ 1,180,915</u>	<u>\$ 59,253,209</u>	<u>\$ 2,863,366</u>	<u>\$( 31,943,752)</u>	<u>\$ 67,566,851</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

BALANCE SHEET

JUNE 30, 2009

<u>LIABILITIES AND FUND BALANCE</u>	<u>Current Funds</u>		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Loan Funds</u>
<u>LIABILITIES</u>			
Payables:			
Accounts .....	\$ 1,209,226	\$ 829,672	
Iowa Industrial New Jobs Training Program .....		771,366	
Salaries and Benefits Payable .....	1,032,251	128,030	
Accrued Interest .....		38,673	
Due to Other Funds .....	4,838,156	1,117,226	
Deferred Revenue .....	1,363,354	4,503,249	
Early Retirement Payable .....		1,345,785	
Compensated Absences .....	496,766	122,194	
Deposits Refundable .....	27,545		
Deposits Held in Custody for Others .....			
Certificates Payable .....		10,140,000	
Bonds Payable .....			
Notes Payable .....			
Total Liabilities .....	\$ 8,967,298	\$ 18,996,195	-
 <u>FUND BALANCE</u>			
Invested in Capital Assets, Net of Related Debt .....			
Fund Balances (Deficits):			
Restricted:			
Expendable:			
Scholarships and Grants .....		\$ 201	
Loans .....			\$ 150,627
Debt Service .....			
Cash Reserve .....		678,851	
Other .....		( 1,076,287)	
Unrestricted .....	\$ 3,066,400		
Auxiliary Enterprises .....	2,388,659		
Total Fund Balance .....	\$ 5,455,059	\$ ( 397,235)	\$ 150,627
Total Liabilities and Fund Balance .....	\$ 14,422,357	\$ 18,598,960	\$ 150,627

SCHEDULE 2  
(Cont.)

<u>Unexpended</u>	<u>Plant Funds</u>		<u>Agency Funds</u>	<u>Adjustments</u>	<u>Total</u>
	<u>Retirement of Indebtedness</u>	<u>Investment in Plant</u>			
\$ 316,573			\$ 36,254		\$ 2,391,725
					771,366
31,985					1,160,281
1,234,620			1,273,999	\$( 7,229,381)	70,658
			224,501		-
					7,325,724
					1,345,785
					618,960
					27,545
			1,328,612	266,023	1,594,635
		\$ 8,245,000			10,140,000
		<u>535,000</u>			8,245,000
\$ 1,583,178	-	\$ 8,780,000	\$ 2,863,366	\$( 6,963,358)	\$ 34,226,679
		\$ 50,473,209		\$( 24,980,394)	\$ 25,492,815
					201
					150,627
	\$ 1,180,915				1,180,915
					678,851
\$ 1,457,991					( 1,076,287)
					4,524,391
					<u>2,388,659</u>
\$ 1,457,991	\$ 1,180,915	\$ 50,473,209	-	( 24,980,394)	\$ 33,340,172
\$ 3,041,169	\$ 1,180,915	\$ 59,253,209	\$ 2,863,366	\$( 31,943,752)	\$ 67,566,851

WESTERN IOWA TECH COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Current Funds</u>		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Loan Funds</u>
<b><u>REVENUES</u></b>			
General:			
State Appropriations .....	\$ 10,446,985	\$ 2,196,913	
Tuition and Fees .....	12,264,649		
Property Tax .....	1,175,234	2,446,110	
Federal Appropriations .....	853,015	9,199,274	
Sales and Services .....	117,104		
Earnings on Investments .....	116,034	76,315	\$ 5,290
Iowa Industrial New Jobs Training Program .....		1,241,317	
Increase in Plant Investment Due to Plant Expenditures (Including \$1,429,037 in Current Fund Expenditures) .....			
Increase in Plant Investment Due to Retirement of Debt .....			
Miscellaneous .....	1,454,653	2,086,313	
Gifts and Grants .....			5,097
Gain on Disposal of Capital Assets .....			
	<u>\$ 26,427,674</u>	<u>\$ 17,246,242</u>	<u>\$ 10,387</u>
Auxiliary Enterprises:			
State Appropriations .....	\$ 12,547		
Federal Appropriations .....	24,678		
Sales and Services .....	4,349,138		
Interest on Investments .....	16		
Miscellaneous .....	110,675		
	<u>\$ 4,497,054</u>	<u>-</u>	<u>-</u>
Total Revenues .....	\$ 30,924,728	\$ 17,246,242	\$ 10,387
<b><u>EXPENDITURES</u></b>			
Education and Support:			
Liberal Arts and Sciences .....	\$ 3,799,443	\$ 181,096	
Vocational Technical .....	7,059,390	827,433	
Adult Education .....	1,772,436	1,154,029	
Cooperative Services .....	394,682	2,853,929	
Administration .....	1,696,747		
Student Services .....	1,799,025	22,894	
Learning Resources .....	335,174	351	
Physical Plant .....	2,455,602	1,348,032	
General Institution .....	<u>5,384,774</u>	<u>2,529,580</u>	
Total Education and Support .....	\$ 24,697,273	\$ 8,917,344	

SCHEDULE 3

<u>Unexpended</u>	<u>Plant Funds</u>		<u>Adjustments</u>	<u>Total</u>
	<u>Retirement of Indebtedness</u>	<u>Investment in Plant</u>		
\$ 115,069				\$ 12,758,967
1,175,234			\$( 4,914,773)	7,349,876
				4,796,578
				10,052,289
				117,104
	\$ 31,788			229,427
				1,241,317
		\$12,059,504	( 12,059,504)	-
		890,000	( 890,000)	-
5,376,497		28,950		3,540,966
			( 8,287)	5,410,544
				( 8,287)
\$ 6,666,800	\$ 31,788	\$12,978,454	\$( 17,872,564)	\$ 45,488,781
				\$ 12,547
				24,678
				4,349,138
				16
				110,675
				4,497,054
\$ 6,666,800	\$ 31,788	\$12,978,454	\$( 17,872,564)	\$ 49,985,835
				\$ 3,824,307
			\$( 156,232)	7,432,981
			( 453,842)	2,321,661
			( 604,804)	3,248,611
				1,696,747
			( 1,520)	1,820,399
			( 39,585)	295,940
\$ 564,121		\$ 542,188	133,693	5,043,636
			( 173,054)	7,741,300
\$ 564,121	-	\$ 542,188	\$( 1,295,344)	\$ 33,425,582

WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2009

	Current Funds		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Loan Funds</u>
<u>EXPENDITURES - (Continued)</u>			
Auxiliary Enterprises .....	\$ 3,717,389		
Scholarships and Grants .....		\$ 5,223,567	
Workforce Investment Act .....		1,168,458	
Bad Debts and Collection Costs (Recoveries) .....			\$( 405)
Plant Asset Acquisitions .....			
Retirement of Indebtedness .....			
Disposal of Plant Assets .....			
Interest on Indebtedness .....		477,651	
Depreciation .....			
Total Expenditures and Other Deductions .....	\$ <u>28,414,662</u>	\$ <u>15,787,020</u>	\$( <u>405</u> )
Excess (Deficiency) of Revenues and Other Additions Over Expenditures and Other Deductions .....	\$ 2,510,066	1,459,222	\$ 10,792
<u>TRANSFERS</u>			
Mandatory Transfers .....	( 505,943)		
Non-Mandatory Transfers .....	( <u>1,483,524</u> )	( <u>1,754,647</u> )	
Net .....	\$ 520,599	\$ ( 295,425)	\$ 10,792
Fund Balances (Deficit) Beginning of Year .....	<u>4,934,460</u>	( <u>101,810</u> )	<u>139,835</u>
Fund Balances (Deficit) End of Year .....	\$ <u>5,455,059</u>	\$ ( <u>397,235</u> )	\$ <u>150,627</u>

SCHEDULE 3  
(Cont.)

<u>Unexpended</u>	<u>Plant Fund</u> <u>Retirement of</u> <u>Indebtedness</u>	<u>Investment</u> <u>in Plant</u>	<u>Adjustments</u>	<u>Total</u>
				\$ 3,717,389
			\$( 4,914,773)	308,794
				1,168,458
				( 405)
\$ 10,764,160			( 10,764,160)	-
	\$ 890,000		( 890,000)	-
		\$ 227,065	( 227,065)	-
	310,076			787,727
			<u>1,867,637</u>	<u>1,867,637</u>
\$ <u>11,328,281</u>	\$ <u>1,200,076</u>	\$ <u>769,253</u>	\$( <u>16,223,705</u> )	\$ <u>41,275,182</u>
\$( 4,661,481)	\$( 1,168,288)	\$ 12,209,201	\$( 1,648,859)	\$ 8,710,653
	505,943			-
<u>5,326,694</u>	( <u>2,088,523</u> )		-	-
\$ 665,213	\$( 2,750,868)	\$ 12,209,201	\$( 1,648,859)	\$ 8,710,653
<u>792,778</u>	<u>3,931,783</u>	<u>38,264,008</u>	( <u>23,331,535</u> )	<u>24,629,519</u>
\$ <u>1,457,991</u>	\$ <u>1,180,915</u>	\$ <u>50,473,209</u>	\$( <u>24,980,394</u> )	\$ <u>33,340,172</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

UNRESTRICTED FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

EDUCATION AND SUPPORT

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Education</u>			
	<u>Liberal Arts and Sciences</u>	<u>Vocational Technical</u>	<u>Adult Education</u>	<u>Cooperative Services</u>
<u>REVENUES</u>				
State Appropriations .....	\$ 2,457	\$ 5,677		
Tuition and Fees .....	5,842,456	4,533,445	\$ 1,107,958	\$ 346,061
Property Tax .....				
Federal Appropriations .....	9,251	512,227	256,684	
Sales and Services .....			3,827	22,292
Interest on Investments .....				
Miscellaneous .....	<u>12,193</u>	<u>8,138</u>	<u>102,313</u>	<u>310,302</u>
	\$ 5,866,357	\$ 5,059,487	\$ 1,470,782	\$ 678,655
Allocation of Support Services ....	<u>4,445,295</u>	<u>6,381,911</u>	<u>2,525,187</u>	
Total Revenues .....	\$ 10,311,652	\$ 11,441,398	\$ 3,995,969	\$ 678,655
<u>EXPENDITURES</u>				
Salaries and Benefits .....	\$ 3,652,733	\$ 5,742,684	\$ 1,367,362	\$ 334,199
Services .....	65,715	489,279	208,058	15,068
Materials and Supplies .....	68,294	502,513	138,061	35,763
Travel .....	12,701	98,031	31,858	9,652
Plant Asset Acquisitions .....		74,358		
Collection Costs .....		152,524	27,097	
Awards to Subrecipients .....				
	\$ 3,799,443	\$ 7,059,389	\$ 1,772,436	\$ 394,682
Allocation of Support Services ....	<u>3,885,631</u>	<u>5,578,427</u>	<u>2,207,265</u>	-
Total Expenditures .....	\$ 7,685,074	\$ 12,637,816	\$ 3,979,701	\$ 394,682
Excess of Revenues Over (Under) Expenditures .....	\$ 2,626,578	( 1,196,418)	\$ 16,268	\$ 283,973
<u>TRANSFERS</u>				
Non-Mandatory Transfers .....	( 16,300)	( 361,890)	237,158	-
Net .....	\$ 2,610,278	\$( 1,558,308)	\$ 253,426	\$ 283,973
Fund Balance Beginning of Year .....				
Fund Balance End of Year .....				

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

SCHEDULE 4

Support

<u>General Administration</u>	<u>Student Services</u>	<u>Learning Resources</u>	<u>Physical Plant</u>	<u>General Institution</u>	<u>Education and Support Total</u>
\$ 10,166,143	\$ 4,557			\$ 268,151	\$ 10,446,985
4,542	430,187				12,264,649
6,956	51,478	\$ 7,670	\$ 1,175,234	8,265	1,175,234
116,034	43,200		484	34,553	853,015
112,812	20,711	10	13,232	813,331	117,104
<u>\$ 10,406,487</u>	<u>\$ 550,133</u>	<u>\$ 7,680</u>	<u>\$ 1,263,793</u>	<u>\$ 1,124,300</u>	<u>\$ 1,454,653</u>
(10,406,487)	( 550,133)	( 7,680)	(1,263,793)	(1,124,300)	116,034
-	-	-	-	-	1,454,653
					<u>\$ 26,427,674</u>
\$ 1,277,120	\$ 1,564,156	\$ 216,326	\$ 1,036,494	\$ 3,323,763	\$ 18,514,837
329,848	112,779	16,385	1,024,826	1,692,158	3,954,116
27,407	108,185	78,738	392,240	308,464	1,659,665
58,142	13,905		2,042	51,377	277,708
4,230		23,725			98,083
				9,013	183,851
<u>\$ 1,696,747</u>	<u>\$ 1,799,025</u>	<u>\$ 335,174</u>	<u>\$ 2,455,602</u>	<u>\$ 5,384,775</u>	<u>\$ 24,697,273</u>
( 1,696,747)	(1,799,025)	(335,174)	(2,455,602)	(5,384,775)	9,013
-	-	-	-	-	9,013
					<u>\$ 24,697,273</u>
-	-	-	-	-	-
					<u>\$ 1,730,401</u>
3,890	( 8,700)	-	(1,413,507)	50,825	( 1,508,524)
\$ 3,890	\$ ( 8,700)	-	\$ (1,413,507)	\$ 50,825	\$ 221,877
.....					<u>2,844,524</u>
.....					<u>\$ 3,066,401</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

UNRESTRICTED FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

AUXILIARY ENTERPRISES

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Bookstore</u>	<u>Parts Department</u>	<u>Cafeteria</u>
<u>REVENUES</u>			
State Appropriations .....	\$ 3,682		\$ 2,931
Federal Appropriations .....	2,010		6,003
Sales and Services .....	2,774,676	\$ 126,992	654,265
Interest on Investments .....			
Miscellaneous .....	<u>28,896</u>	<u>          </u>	<u>15,038</u>
Total Revenues .....	\$ 2,809,264	\$ 126,992	\$ 678,237
<u>EXPENDITURES</u>			
Salaries and Benefits .....	\$ 169,190	\$ 16,841	\$ 126,957
Services .....	26,317		92,366
Materials and Supplies .....	18,750	10,847	24,739
Plant .....			
Travel .....	2,494		
Cost of Goods Sold .....	2,099,880	96,556	330,657
Bad Debts and Collection Costs .....	<u>814</u>	<u>( 275)</u>	<u>          </u>
Total Expenditures .....	\$ 2,317,445	\$ 123,969	\$ 574,719
Excess (Deficiency) of Revenues Over Expenditures .....	\$ 491,819	\$ 3,023	\$ 103,518
<u>TRANSFERS</u>			
Mandatory Transfers .....			
Non-Mandatory Transfers .....	<u>( 321,767)</u>	<u>          </u>	<u>16,722</u>
Net .....	\$ 170,052	\$ 3,023	\$ 120,240
Fund Balance (Deficit) Beginning of Year .....	<u>1,587,755</u>	<u>( 14,695)</u>	<u>          -</u>
Fund Balance (Deficit) End of Year .....	\$ <u>1,757,807</u>	\$( <u>11,672</u> )	\$ <u>120,240</u>

<u>Vocational Servicing Accounts</u>	<u>Dormitories</u>	<u>Other</u>	<u>Total</u>
	\$ 5,934		\$ 12,547
	16,665		24,678
\$ 956	764,706	\$ 27,543	4,349,138
		16	16
<u>          </u>	<u>53,124</u>	<u>13,617</u>	<u>110,675</u>
\$ 956	\$ 840,429	\$ 41,176	\$ 4,497,054
	\$ 176,533		\$ 489,521
	165,377	\$ 6,521	290,581
\$ 13,577	331,790	10,036	409,739
	1,520		1,520
			2,494
			2,527,093
<u>          </u>	<u>( 4,098)</u>	<u>          </u>	<u>( 3,559)</u>
\$ 13,577	\$ 671,122	\$ 16,557	\$ 3,717,389
\$( 12,621)	\$ 169,307	\$ 24,619	\$ 779,665
	( 505,943)		( 505,943)
	<u>305,045</u>	<u>25,000</u>	<u>25,000</u>
\$( 12,621)	\$( 31,591)	\$ 49,619	\$ 298,722
<u>44,575</u>	<u>3,215</u>	<u>469,086</u>	<u>2,089,936</u>
\$ <u>31,954</u>	\$ <u>( 28,376)</u>	\$ <u>518,705</u>	\$ <u>2,388,658</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

RESTRICTED FUND

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Scholarship and Grants</u>	<u>Equipment Replacement</u>	<u>Cash Reserve</u>	<u>Tort Liability</u>
<u>REVENUES</u>				
State Appropriations .....				
Property Tax .....		\$ 522,333		\$ 142,932
Federal Appropriations .....	\$ 5,223,567			
Earnings on Investments .....	55			
Iowa Industrial New Jobs Training Program .....				
Miscellaneous .....	_____	_____	_____	_____
Total Revenues .....	\$ 5,223,622	\$ 522,333	-	\$ 142,932
<u>EXPENDITURES</u>				
Salaries and Benefits .....				
Services .....				\$ 118,675
Materials and Supplies .....				
Travel .....				
Plant Asset Acquisitions .....		\$ 523,704		
Interest on Indebtedness .....				
Awards to Subrecipients .....				
Federal Pell Grant Program.....	\$ 5,108,080			
Federal Supplemental Educational Opportunity Grant (FSEOG) .....	107,900			
Federal Academic ..Competitiveness Grants .....	7,587			
Total Expenditures .....	\$ 5,223,567	\$ 523,704	-	\$ 118,675
Excess (Deficiency) of Revenues Over Expenditures .....	55	( 1,371)		24,257
<u>TRANSFERS</u>				
Non-Mandatory Transfers .....	_____	_____	_____	_____
Net .....	\$ 55	\$( 1,371)	-	\$ 24,257
Fund Balance (Deficit) Beginning of Year .....	146	86,717	\$ 678,851	\$( 18,753)
Fund Balance (Deficit) End of Year .....	\$ 201	\$ 85,346	\$ 678,851	\$ 5,504

<u>Insurance</u>	<u>Unemployment Compensation</u>	<u>Early Retirement</u>	<u>Title III</u>	<u>TRIO</u>	<u>Workforce Investment Act</u>	<u>Iowa Industrial New Jobs Training Program</u>	<u>Other</u>	<u>Total</u>
							\$ 2,196,913	\$ 2,196,913
\$ 1,746,149	\$ 16,354	\$ 18,342	\$ 451,522	\$ 719,668	\$ 1,119,289	\$ 75,675	1,685,228	2,446,110
							585	9,199,274
				350				76,315
						1,241,317		1,241,317
						<u>1,502,992</u>	<u>582,971</u>	<u>2,086,313</u>
\$ 1,746,149	\$ 16,354	\$ 18,342	\$ 451,522	\$ 720,018	\$ 1,119,289	\$ 2,819,984	\$ 4,465,697	\$ 17,246,242
\$ 52,274	\$ 75,355	\$ 683,527	\$ 267,621	\$ 535,492	\$ 634,616		\$ 1,515,340	\$ 3,764,225
1,228,861			54,436	95,488	30,657	\$ 2,342,333	387,850	4,258,300
			90,509	22,359	13,011		61,767	187,646
			14,010	7,085	13,373		39,424	73,892
			24,946				753,883	1,302,533
						477,651		477,651
				22,405	476,801			499,206
								5,108,080
								107,900
								<u>7,587</u>
\$ <u>1,281,135</u>	\$ <u>75,355</u>	\$ <u>683,527</u>	\$ <u>451,522</u>	\$ <u>682,829</u>	\$ <u>1,168,458</u>	\$ <u>2,819,984</u>	\$ <u>2,758,264</u>	\$ <u>15,787,020</u>
\$ 465,014	\$( 59,001)	\$( 665,185)	-	\$ 37,189	\$( 49,169)	-	\$ 1,707,433	\$ 1,459,222
				( 37,189)			(1,717,458)	( 1,754,647)
\$ 465,014	\$( 59,001)	\$( 665,185)	-	-	\$( 49,169)	-	\$( 10,025)	\$( 295,425)
( <u>1,118,721</u> )	<u>46,184</u>	<u>166,460</u>			( <u>35,891</u> )		<u>93,197</u>	( <u>101,810</u> )
\$( <u>653,707</u> )	\$( <u>12,817</u> )	\$( <u>498,725</u> )	<u>-</u>	<u>-</u>	\$( <u>85,060</u> )	<u>-</u>	\$ <u>83,172</u>	\$( <u>397,235</u> )

SCHEDULE OF CHANGES IN DEPOSITS HELD IN CUSTODY FOR OTHERS

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Retraining Grants</u>	<u>Foundation</u>	<u>Other</u>	<u>Total</u>
Balance Beginning of Year .....	-	\$ 1,273,277	\$ 116,867	\$ 1,390,144
 <u>ADDITIONS</u>				
State Appropriations .....	\$ 115,897			\$ 115,897
Tuition and Fees .....			\$ 42,156	42,156
Federal Appropriations .....				
Earnings (Loss) on Investments .....		\$( 171,933)	244	( 171,689)
Gifts and Grants .....		451,666		451,666
Miscellaneous .....			<u>233,052</u>	<u>233,052</u>
Total Additions .....	\$ 115,897	\$ 279,733	\$ 275,452	\$ 671,082
 <u>DEDUCTIONS</u>				
Services .....	\$ 127,933	\$ 1,129	\$ 46,327	\$ 175,389
Materials and Supplies .....		104	222,569	222,673
Travel .....			4,683	4,683
Other .....		<u>329,869</u>		<u>329,869</u>
Total Deductions .....	\$ 127,933	\$ 331,102	\$ 273,579	\$ 732,614
Net .....	\$( <u>12,036</u> )	( <u>51,369</u> )	\$ <u>1,873</u>	\$( <u>61,532</u> )
Balance End of Year .....	\$( <u>12,036</u> )	\$ <u>1,221,908</u>	\$ <u>118,740</u>	\$ <u>1,328,612</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

SCHEDULE 8

SCHEDULE OF CREDIT AND CONTACT HOURS

FOR THE YEAR ENDED JUNE 30, 2009

<u>Category</u>	<u>Credit Hours</u>			<u>Contact Hours</u>		
	<u>Eligible for Aid</u>	<u>Not Eligible for Aid</u>	<u>Total</u>	<u>Eligible for Aid</u>	<u>Not Eligible for Aid</u>	<u>Total</u>
Arts and Sciences .....	43,610		43,610	785,405		785,405
Vocational Education .....	53,292		53,292	1,127,571		1,127,571
Adult Education/Continuing Education .....				419,720	26,436	446,156
Cooperative Programs/ Services .....						
Related Services and Activities .....						
Total .....	<u>96,902</u>	<u>-</u>	<u>96,902</u>	<u>2,332,696</u>	<u>26,436</u>	<u>2,359,132</u>

WESTERN IOWA TECH COMMUNITY COLLEGE  
SCHEDULE OF TAXES AND INTERGOVERNMENTAL REVENUES  
FOR THE LAST TEN YEARS

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Local (Property Tax) .....	\$ 4,796,578	\$ 4,116,197	\$ 3,916,092	\$ 3,698,263
State .....	12,771,514	10,709,902	9,921,957	9,270,872
Federal .....	<u>10,076,967</u>	<u>8,524,100</u>	<u>7,935,290</u>	<u>7,086,963</u>
Total .....	\$ <u>27,645,059</u>	\$ <u>23,350,199</u>	\$ <u>21,773,339</u>	\$ <u>20,056,098</u>

<u>Years Ended June 30,</u>					
<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$ 3,002,078	\$ 3,086,007	\$ 5,182,880	\$ 3,391,504	\$ 3,247,429	\$ 2,937,968
8,473,661	9,355,305	8,421,172	8,484,112	9,245,552	8,698,391
<u>7,800,208</u>	<u>7,788,142</u>	<u>7,837,206</u>	<u>7,358,290</u>	<u>6,467,518</u>	<u>5,482,460</u>
\$ <u>19,275,947</u>	\$ <u>20,229,454</u>	\$ <u>21,441,258</u>	\$ <u>19,233,906</u>	\$ <u>18,960,499</u>	\$ <u>17,118,819</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

SCHEDULE OF CURRENT FUND REVENUES BY SOURCE  
AND EXPENDITURES BY FUNCTION

FOR THE LAST TEN YEARS

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b><u>REVENUES:</u></b>				
State Appropriations .....	\$ 12,656,445	\$ 10,559,746	\$ 9,754,187	\$ 9,155,272
Tuition and Fees .....	12,264,649	11,100,584	10,834,157	10,800,821
Property Tax .....	3,621,344	2,982,270	2,787,654	2,623,537
Federal Appropriations .....	10,076,967	8,524,100	7,935,290	7,086,963
Sales and Services .....	117,104	98,934	121,751	106,525
Earnings on Investments .....	192,349	558,060	809,138	666,651
Iowa Industrial New Jobs Training Program .....	1,241,317	3,104,955	1,171,738	3,672,907
Auxiliary Enterprises .....	4,459,829	3,566,745	3,354,158	3,043,232
Miscellaneous .....	<u>3,540,966</u>	<u>5,122,112</u>	<u>2,589,157</u>	<u>4,958,998</u>
Total Revenues .....	\$ <u>48,170,970</u>	\$ <u>45,617,506</u>	\$ <u>39,357,230</u>	\$ <u>42,114,906</u>
<b><u>EXPENDITURES:</u></b>				
Liberal Arts and Sciences .....	\$ 3,980,539	\$ 3,643,430	\$ 3,438,704	\$ 3,293,910
Vocational Technical .....	7,886,823	8,407,204	7,527,893	7,426,871
Adult Education .....	2,926,465	2,034,962	2,004,817	1,809,915
Cooperative Services .....	3,248,611	6,500,618	1,927,432	6,697,364
Administration .....	1,696,747	1,804,641	1,668,920	1,476,720
Student Services .....	1,821,919	1,759,810	1,548,750	1,597,998
Learning Resources .....	335,525	336,368	300,938	319,772
Physical Plant .....	3,803,634	3,823,678	4,151,919	3,319,010
General Institution .....	7,914,354	6,106,456	6,032,523	6,676,005
Auxiliary Enterprises .....	3,717,389	3,061,656	2,951,213	2,613,278
Scholarships and Grants .....	5,223,567	4,394,709	4,113,238	4,058,105
Workforce Investment Act .....	1,168,458	1,446,775	1,704,877	1,053,859
Job Training Partnership Act .....	-	-	-	-
Interest on Indebtedness .....	<u>477,651</u>	<u>470,187</u>	<u>491,408</u>	<u>533,297</u>
Total Expenditures .....	\$ <u>44,201,682</u>	\$ <u>43,790,494</u>	\$ <u>37,862,632</u>	\$ <u>40,876,104</u>

SCHEDULE 10

Years Ended June 30,					
<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$ 8,473,661	\$ 9,355,305	\$ 8,421,172	\$ 8,484,112	\$ 9,245,552	\$ 8,698,391
11,142,572	10,141,825	9,754,265	8,932,348	7,560,492	7,201,057
1,938,989	1,944,500	4,068,354	2,285,603	2,167,533	1,875,734
7,666,784	7,747,572	7,772,361	7,319,243	6,467,518	5,482,460
127,471	126,436	109,510	108,449	88,611	99,432
277,322	134,187	196,851	318,428	653,241	571,988
1,903,622	2,064,372	1,577,803	1,660,658	822,692	1,882,130
3,135,438	2,916,532	2,740,297	2,600,176	2,425,994	2,301,814
<u>2,589,956</u>	<u>2,035,030</u>	<u>1,734,604</u>	<u>1,828,871</u>	<u>1,596,454</u>	<u>2,318,696</u>
\$ <u>37,255,815</u>	\$ <u>36,465,759</u>	\$ <u>36,375,217</u>	\$ <u>33,537,888</u>	\$ <u>31,028,087</u>	\$ <u>30,431,702</u>
\$ 3,164,724	\$ 2,925,208	\$ 2,805,884	\$ 2,552,187	\$ 2,211,760	\$ 2,048,955
6,944,050	6,893,558	6,646,855	6,705,029	6,206,829	5,807,246
1,774,306	1,628,509	2,055,200	1,931,591	2,097,352	2,158,895
2,458,362	2,549,567	2,016,823	2,060,482	1,290,613	2,395,578
1,421,744	1,365,849	1,400,845	1,528,087	1,393,164	1,360,556
1,485,412	1,373,771	1,368,664	1,361,324	1,356,604	1,415,859
297,428	303,239	277,658	273,076	344,679	316,043
2,984,886	2,762,746	2,397,831	2,171,925	2,374,882	2,012,500
5,553,734	5,131,641	5,058,715	7,229,694	5,065,321	4,359,550
2,725,916	2,449,999	2,335,679	2,230,191	2,058,626	1,873,679
4,524,888	4,463,198	4,291,822	3,469,183	2,639,782	2,313,018
1,079,897	1,395,269	1,431,312	1,821,472	1,890,360	-
-	-	-	-	1,905	1,671,891
<u>298,283</u>	<u>326,848</u>	<u>408,993</u>	<u>503,059</u>	<u>599,799</u>	<u>685,899</u>
\$ <u>34,713,630</u>	\$ <u>33,569,402</u>	\$ <u>32,496,281</u>	\$ <u>33,837,300</u>	\$ <u>29,531,676</u>	\$ <u>28,419,669</u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2009

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Program Expenditures</u>	<u>New Loans and New Loan Guarantees</u>
Direct:			
U. S. Department of Education:			
Student Financial Aid Cluster:			
Federal Supplemental Educational Opportunity Grant (FSEOG) .....	84.007	\$ 113,295	
Federal Family Education Loans .....	84.032		\$ 9,408,422
Federal Work Study Program (FWS) .....	84.033	127,686	
Federal Pell Grant Program .....	84.063(a)	5,108,080	
Federal Pell Grant Program - Administration .....	84.063(a)	9,715	
Academic Competitiveness Grants .....	84.375	<u>7,587</u>	
		\$ 5,366,363	\$ 9,408,422
TRIO Cluster:			
Student Support Services .....	84.042	\$ 279,590	
Talent Search .....	84.044	221,305	
Upward Bound .....	84.047	<u>217,665</u>	
		\$ 718,560	-
Higher Education – Institutional Aid - Title III ...	84.031	\$ 451,522	
Business and International Education Program ...	84.153A	\$ 58,888	
Community Based Job Training Program:			
Boiler Training Grant .....	17.269	\$ 677,574	
The Security Institute .....	17.269	<u>44,718</u>	
		\$ 722,292	
Boiler Training Grant .....	84.116Z	\$ 95,305	
National Science Foundation:			
Science, Technology, Engineering, and Mathematics Education .....	47.076	\$ 56,699	
U. S. Department of Labor:			
Advanced Manufacturing Industry Project .....	17.261	\$ 421,592	
Occupational Safety and Health Administration:			
Susan Harwood Training Grant Program .....	17.502	\$ <u>92,369</u>	
Total Direct .....		\$ 7,983,590	\$ 9,408,422
Indirect:			
U. S. Department of Health and Human Services:			
Indirect Through Iowa Workforce Development:			
Temporary Assistance for Needy Families ....	93.558	\$ 304,494	
National Science Foundation:			
Indirect Through the Midwest Center for Information Technology:			
Education and Human Resources	47.076	\$ 998	

See Accompanying Note to Schedule of Expenditures of Federal Awards

WESTERN IOWA TECH COMMUNITY COLLEGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2009

SCHEDULE 11  
(Cont.)

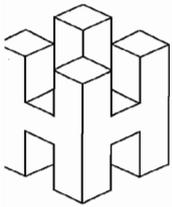
<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Program Expenditures</u>	<u>New Loans and New Loan Guarantees</u>
U. S. Department of Labor:			
Indirect Through Iowa Workforce Development:			
Workforce Investment Act (WIA) Cluster:			
WIA Adult Program .....	17.258(b)	\$ 157,819	
WIA Adult Program - ARRA .....	17.258(b)	21,457	
WIA Apprenticeship Integration .....	17.258(b)	388	
WIA Youth Activities .....	17.259(c)	140,939	
WIA Youth Activities - ARRA .....	17.259(c)	62,740	
WIA Dislocated Workers .....	17.260(d)	416,389	
WIA Dislocated Workers - ARRA .....	17.260(d)	51,637	
WIA Incentive Grants .....	17.267	<u>28,498</u>	
		\$ 879,867	
U. S. Department of Education:			
Indirect Through the Iowa Department of Education:			
Adult Education - State Grant Program .....	84.002	\$ 260,064	
Vocational Education - Basic Grants to States .	84.048	\$ 407,777	
Tech Prep .....	84.048A	<u>77,819</u>	
		\$ 485,596	
Family Literacy Incentive Grant .....	17.267	\$ 29,941	
Indirect Through Youth Build:			
National Farmworker Jobs Program .....	17.274	\$ 40,826	
Indirect Through Regional Innovation Grant:			
WIA Dislocated Workers .....	17.260	\$ 79,069	
Small Business Administration:			
Indirect Through Iowa State University:			
Small Business Development Centers .....	59.037	\$ 86,861	
U.S. Department of Commerce:			
Indirect Through the Siouxland Initiative:			
Economic Adjustment Implementation Grant ..	11.307	\$ <u>25,600</u>	
Total Indirect .....		\$ <u>2,193,316</u>	-
Total .....		\$ <u>10,176,906</u>	\$ <u>9,408,422</u>

- (a) Total expenditures for CFDA Number 84.063 were \$5,117,795.  
(b) Total expenditures for CFDA Number 17.258 were \$179,664.  
(c) Total expenditures for CFDA Number 17.259 were \$203,679.  
(d) Total expenditures for CFDA Number 17.260 were \$468,026.

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2009

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



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

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

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

We have audited the accompanying financial statements of WESTERN IOWA TECH COMMUNITY COLLEGE, as of and for the year ended June 30, 2009, as listed in the table of contents and have issued our report thereon dated November 25, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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

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

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

### Compliance and Other Matters

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

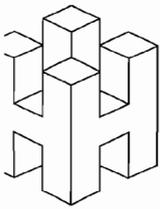
We noted certain matters that we reported to management of Western Iowa Tech Community College in a separate communication dated November 25, 2009.

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

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

*Hurjes, Conner & Williams, P.C.*  
Certified Public Accountants

Sioux City, Iowa  
November 25, 2009



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

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

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

**Compliance**

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

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

In our opinion, Western Iowa Tech Community College complied, in all material respects, with the requirements referred to above that are applicable to its major Federal programs for the year ended June 30, 2009.

**Internal Control Over Compliance**

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

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

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

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

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

*Hirjes Conner & Williams, P.C.*

Certified Public Accountants

Sioux City, Iowa  
November 25, 2009

WESTERN IOWA TECH COMMUNITY COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009

Part I: Summary of the Independent Auditors' Results:

Financial Statements

Type of Auditor's Report Issued:		Unqualified
Internal Control Over Financial Reporting:		
Material Weakness(es) Identified?	___ Yes	___ <u>X</u> No
Significant Deficiencies Identified Not Considered to be Material Weakness(es)?	___ Yes	___ <u>X</u> None Reported
Noncompliance Material to Financial Statements Noted?	___ Yes	___ <u>X</u> No

Federal Awards

Internal Control Over Major Programs:		
Material Weakness(es) Identified?	___ Yes	___ <u>X</u> No
Significant Deficiencies Identified Not Considered to be Material Weakness(es)?	___ Yes	___ <u>X</u> None Reported
Type of Auditor's Report Issued on Compliance for Major Programs:		Unqualified
Any Audit Findings Disclosed That are Required to be Reported in Accordance With Section 510(a) of Circular A-133?	___ Yes	___ <u>X</u> No

Major Programs

- Student Financial Aid Cluster, Including:
  - CFDA Number 84.007      Federal Supplemental Educational Opportunity Grant (FSEOG)
  - CFDA Number 84.032      Federal Family Education Loans
  - CFDA Number 84.033      Federal Work Study Program (FWS)
  - CFDA Number 84.063      Federal Pell Grant Program
  - CFDA Number 84.375      Academic Competitiveness Grants
- Workforce Investment Act (WIA) Cluster, Including:
  - CFDA Number 17.258      WIA Adult Program
  - CFDA Number 17.259      WIA Youth Activities
  - CFDA Number 17.260      WIA Dislocated Workers
  - CFDA Number 17.267      WIA Incentive Grants
- CFDA Number 17.269      Community Based Job Training Grant
- CFDA Number 84.048      Vocational Education - Basic Grant Program
- CFDA Number 93.558      Temporary Assistance for Needy Families

Dollar threshold used to distinguish between Type A and Type B programs:      \$ 300,000

Auditee Qualified as Low-Risk Auditee?        X   Yes      \_\_\_ No

WESTERN IOWA TECH COMMUNITY COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009

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

None reported.

WESTERN IOWA TECH COMMUNITY COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009

Part III: Findings and Questioned Costs for Federal Awards:

None reported.

WESTERN IOWA TECH COMMUNITY COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009

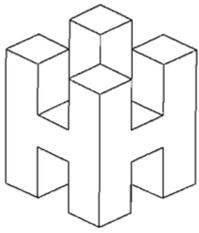
Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-09 Certified Budget - Expenditures in total for the year ended June 30, 2009, did not exceed the amounts budgeted.
- IV-B-09 Questionable Disbursements - No expenditures we believe did not meet the requirements of public purpose as defined in the Attorney General's opinion, dated April 25, 1979, were noted.
- IV-C-09 Travel Expense - No expenditures of Community College money for travel expenses of spouses of Community College officials or employees were noted. No travel advances to Community College officials or employees were noted.
- IV-D-09 Business Transactions - No business transactions between the Community College and Community College officials or employees were noted.
- IV-E-09 Bond Coverage - Surety bond coverage of Community College officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure the coverage is adequate for current operations.
- IV-F-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 Community College published a statement showing the receipts and disbursements of all funds for the fiscal year 2008, including the names of all persons, firms or corporations to which disbursements were made, as required by Chapter 260C.14(12) of the Code of Iowa.
- IV-H-09 Deposits and Investments - No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the Community College's investment policy were noted.
- IV-I-09 Credit and Contact Hours - Eligible credit and contact hours reported to the Iowa Department of Education by the Community College were supported by detailed records maintained by the Community College, except for a system programming error in which the hours were being accumulated incorrectly.

Recommendation - The College should develop procedures to ensure the report submitted to the Iowa Department of Education reconciles to the supporting detailed records and submit an updated report to the Iowa Department of Education.

Response - Recommendation accepted.

Conclusion - Response accepted.



**HENJES, CONNER &  
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To the Board of Directors  
Western Iowa Tech Community College  
Sioux City, Iowa

We have audited the financial statements of WESTERN IOWA TECH COMMUNITY COLLEGE for the year ended June 30, 2009, and have issued our report thereon dated November 25, 2009. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter dated August 17, 2009. Professional standards require that we provide you with the following information related to our audit.

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

As stated in our engagement letter dated August 17, 2009, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

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

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

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

#### Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to management in our meeting about planning matters on August 18, 2009.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Western Iowa Tech Community College are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2009. We noted no transactions entered into by the Community College during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

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

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

##### *Difficulties Encountered in Performing the Audit*

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

### *Corrected and Uncorrected Misstatements*

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

There were seven audit adjustments made to the original trial balance presented to us to begin our audit. One adjustment related to recording sinking and reserve fund requirements per the Dormitory Revenue Bonds, Series 2008. The remaining entries were primarily related to year end adjustment of the payable for Iowa New Jobs Training Programs and to properly reflect Job Training Partners activity for the year. The volume of audit entries remained consistent with prior years. By comparison, management posts over 2,000 entries to the Community College's 23,000 accounts during the year, in addition to transactions numbering in the hundreds of thousands.

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

### *Non-Financial Audit Findings*

There was one finding that did not result in an audit adjustment. The finding related to a system programming error in which the eligible contact and credit hours were being accumulated incorrectly.

### *Disagreements with Management*

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

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 25, 2009.

### *Management Consultations with Other Independent Accountants*

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

*Other Audit Findings or Issues*

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

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

*Hargis, Connor & Williams, P.C.*  
Certified Public Accountants

Sioux City, Iowa  
November 25, 2009

PAJE No.	Account Description	W/P Ref	Account Number	Asset	Liability	Equity	Revenue Expense
1	BOOKSTORE - REQUIRED TEXTBOOKS : RE	D-1/1	03-5-7021-00-6510				25,639.51
1	BOOKSTORE - REQUIRED TEXTBOOKS : AU		03-5-7021-00-1630	-25,639.51			
To pass on adjustment for price testing projected error							
2	PLYMOUTH ENERGY, LLC : TRAINING EXP	O-2	02-4-9228-00-6280				126,806.00
2	PLYMOUTH ENERGY, LLC : ACCOUNTS PAY		02-4-9228-00-2010		-126,806.00		
2	: LONG TERM RECEIV		02-4-9228-00-1470	126,806.00			
2	: INCOME CLEARING		02-4-9228-00-4910				-126,806.00
To pass on adjustment to AP for unrecorded liability							
PAJE Totals By Classification				101,166.49	-126,806.00	0.00	25,639.51
Classification Totals Before PAJE				107,350,911.15	-35,614,258.25	-72,485,145.66	748,492.76