ISJIT Annual Financial Report June 30, 2010

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Statement from the Sponsoring Association

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

Short-term investors continue to face numerous challenges brought on by near-zero short-term interest rates and challenging, albeit improving, credit markets. The Federal Reserve's Open Market Committee is continuing to keep the Fed Funds rate within a target range of between 0% and .25%, and more generally short-term interest rates continue to be anchored at extremely low levels of less than 0.40%. Market expectations seem to indicate that monetary policy will not be increased between now and mid-year, 2011.

This interest rate environment has translated to lower earnings rates available from all manner of liquid cash investment vehicles, including ISJIT. The Fund's Portfolios continue to provide a competitive return, with an emphasis on the preservation of principal and maintenance of suitable liquidity for all participants.

IASB is committed to assisting local school districts on their journey to excellence by freeing dollars in your budget that can be focused on student learning. ISJIT continues to grow and with 393 authorized participants, has provided a much needed investment option for Iowa schools.

As the Interim Executive Director, I would like to thank this past year's ISJIT participants. I appreciate your continuing support as we strengthen the IASB and focus our efforts on serving Iowa's education community.

Sincerely,

Veronica Stalker
Interim Executive Director
Iowa Association of School Boards

Message from the Chair

On behalf of the entire ISJIT Board, I'm pleased to present this Annual Financial Report for the period ended June 30, 2010.

Market conditions again made it very difficult for ISJIT to generate meaningful yields for its participants through ISJIT's various investment programs, since short-term interest rates remained at near-historic lows throughout the year. In an effort to maximize yields in this challenging environment, ISJIT's service providers reduced ISJIT's expenses by waiving a substantial portion of their fees. On behalf of the Board, I would like to publicly thank ISJIT's service providers for their efforts.

ISJIT welcomed one new member in the 2009-2010 fiscal year, bringing our participant total to 393. We serve a very high percent of the AEA's, community colleges and school districts that are in our market area. That is reflected in the fiscal year-end balance of $634,496,535 in all funds.

On the people side, I'd like to welcome Dallas Center-Grimes Superintendent Gary Sinclair and IASB board member Mike Sexton and Joan Corbin to our board table. They replace Tom Downs of SE Polk and Dick VandeKieft of Cedar Falls and Jack Hill of North Scott. Veronica Stalker, as acting Executive Director of IASB also joins us.

Change is also the theme as we look at some of the parties that assist ISJIT. In July, the board approved the selection of the Davis Brown Law Firm in Des Moines as legal counsel to ISJIT.

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

Together we can make ISJIT even better.

On behalf of the Board,

Tom Wieseler
Chairperson

Board of Trustees

Tom Wieseler, *Chair Person*
Mt. Vernon Community School District
Mt. Vernon, IA

Amy Jurrens – *Vice Chair*
George-Little Rock Community School District
George, IA

Greg Reynolds, *Treasurer and Trustee*
Keokuk Community School District
Keokuk, IA

Mike Sexton - *Trustee*
Rockwell City-Lytton Community School District
Rockwell City, IA

Gary Sinclair - *Trustee*
Dallas Center-Grimes Community School District
Dallas Center, IA

Joan Corbin - *Trustee*
Pella Community School District
Pella, IA

ISJIT Board of Trustees meets regularly to review the program's operation and to consider program operating enhancements that might be of assistance to ISJIT participants. Each of the six members of the board represents the interests of its home school corporation as well as 393 other ISJIT program members. Each Board member has served as a school board member, business manager, or administrator in his/her home district or Association for many years prior to their ISJIT service. Together, the ISJIT Board provides an extensive network of experience and knowledge of participants' cash management needs to the program's ongoing operation. The diversity of experience and attention to detail by each member of the Board ensures that the program's history of helpful cash management assistance will continue to be available to ISJIT participants well into the future.

Membership Profile

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

Membership Profile, Continued

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

Program Services and Features

- ISJIT is sponsored by the Iowa Association of School Boards (IASB). IASB's management team meets regularly with the program's service providers to monitor all elements of program operation.

- Unique internet-based reporting system, *ISJIT Online*, provides participants with real-time account inquiry and transaction capabilities via the internet. Participants may invest or withdraw funds, verify account balances or transaction histories, and direct inquiries to any ISJIT service provider with this unique service.

- Provides two daily liquid investment alternatives: Diversified and Direct Government Obligation (DGO) Portfolios. Each portfolio is tailored to meet specific participant investment needs, and has been structured to produce yields that compare favorably to yields available in other liquid account structures and fixed-term investments with limited liquidity.

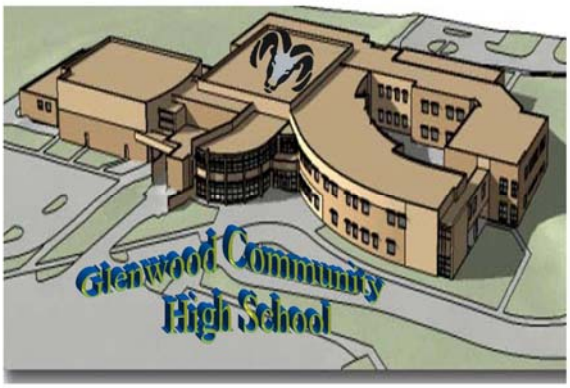
- Provides toll-free telephone access to experienced ISJIT representatives who can personally assist with any investment-related inquiry or request.

- Invests available funds with Iowa financial institutions, offering competitive rates of interest, whenever possible.

- Flexible Withdrawal Certificate of Deposit offers the perfect investment capability for bond proceeds. Each Flex CD is tailored to the specific needs of the project by offering:
    - Payment of a competitive fixed rate of interest
    - No penalty for early withdrawals
    - Monthly liquidity for project needs
    - An extended maturity to accommodate any unanticipated project delays

"The ISJIT Flex CD has been a solid investment option for the Glenwood Community School District for the construction of a new high school. The fact that we had unanticipated delays in the project helped us as we were able to keep the bond proceeds within the flex CD which greatly benefited the district and taxpayers by having the ability to draw down funds as needed and gaining interest along the way. We were able to purchase additional equipment to help outfit the building."

-Devin Embray
Superintendent
Glenwood Community School District



Management's Discussion and Analysis

This section of the ISJIT Annual Report presents management's discussion and analysis of the financial position and results of operations for the fiscal years ended June 30, 2010 (FY 2010) and June 30, 2009 (FY 2009). This information is being presented to provide additional information regarding the activities of ISJIT. This discussion and analysis should be read in conjunction with the Independent Auditor's Report of Brooks Lodden P.C., the Financial Statements, and the accompanying notes.

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

Overview of the Financial Statements

The Management's Discussion and Analysis provides an introduction to and overview of the financial statements of ISJIT's Administration Fund and the Diversified, DGO, and Diversified Plus Portfolios. The following components comprise the financial statements for the Administration Fund: 1) Statement of Net Assets, 2) Statement of Changes in Net Assets, and 3) Notes to Financial Statements. The following components comprise the financial statements for each Portfolio: 1) Statement of Net Assets, 2) Statement of Changes in Net Assets, 3) Schedule of Investments for FY 2010, and 4) Notes to Financial Statements. The Statement of Net Assets displays the financial position (assets and liabilities) of the funds as of June 30, 2010 and 2009. The Statement of Changes in Net Assets displays the results of operations (income and expenses) and participant/unitholder activity (sales and redemptions) for each of the two most recent fiscal years. The Schedule of Investments lists each security held by the portfolio as of June 30, 2010. The Notes to Financial Statements describe significant accounting policies of the portfolios and other supplemental information.

Condensed Financial Information and Financial Analysis

Year-to-year variances in most financial statement amounts reported in ISJIT's Administrative Fund, Diversified, DGO, and Diversified Plus Portfolios are caused by a single variable – the level of average net assets (which fluctuates based on the overall levels of participant/unitholder invested balances) in each portfolio. Additionally, changes in the short-term interest rate environment (which follows the general trend established by monetary policy set by the Federal Reserve) contribute to year-over-year variances in the amount of investment income earned.

Condensed financial information and variance explanations for each portfolio for FY 2010 and FY 2009 follows:

Administration Fund

Condensed information for the Fund through each period ended June 30:		2010		2009	Percentage Change
Total Assets	$	65,731	$	110,733	-40.64%
Total Liabilities	$	26,337	$	10,772	144.49%
Net Assets	$	39,394	$	99,961	-60.60%
Income	$	25,598	$	111,805	-77.10%
Total Expenses	$	86,164	$	66,384	37.46%

Diversified Portfolio

Condensed information for the Portfolio through each period ended June 30:		2010		2009	Percentage Change
Total Investments	$	569,742,757	$	486,951,584	17.00%
Total Liabilities	$	1,319,436	$	2,039,037	-35.29%
Net Assets	$	572,431,726	$	489,665,667	16.90%
Average Net Assets	$	534,341,117	$	360,269,218	48.32%
Investment Income	$	1,541,574	$	4,579,566	-66.34%
Total Expenses	$	930,852	$	1,170,875	-20.50%
Net Investment Income	$	610,722	$	3,408,691	-82.08%
Units Sold ($1 per unit)		2,155,761,399		1,508,460,839	42.91%
Units Redeemed ($1 per unit)		2,073,606,062		1,686,232,545	22.97%
Total Return		0.29%		1.27%	
Ratio of Expenses to Average Net Assets		0.17%		0.33%	
Ratio of Net Investment Income to Average Net Assets		0.12%		0.94%	
Net Asset Value per Unit, Beginning of Period	$	1.000	$	1.000	
Net Investment Income per Unit		0.001		0.009	
Dividends Distributed per Unit		(0.001)		(0.009)	
Net Asset Value per Unit, End of Period	$	1.000	$	1.000	

Condensed Financial Information and Financial Analysis Continued

Direct Government Obligation Portfolio

Condensed information for the Portfolio through each period ended June 30:		2010		2009	Percentage Change
Total Investments	$	17,685,811	$	15,009,798	17.83%
Total Liabilities	$	1,171	$	0	100.00%
Net Assets	$	17,703,939	$	15,059,438	17.56%
Average Net Assets	$	16,876,386	$	21,688,236	-22.19%
Investment Income	$	27,091	$	123,792	-78.12%
Total Expenses	$	1,171	$	13,381	-91.25%
Net Investment Income	$	25,920	$	110,411	-76.52%
Units Sold ($1 per unit)		19,914,700		35,835,994	-44.43%
Units Redeemed ($1 per unit)		17,296,118		38,410,542	-54.97%
Total Return		0.16%		0.57%	
Ratio of Expenses to Average Net Assets		0.01%		0.06%	
Ratio of Net Investment Income to Average Net Assets		0.15%		0.51%	
Net Asset Value per Unit, Beginning of Period	$	1.000	$	1.000	
Net Investment Income per Unit		0.002		0.005	
Dividends Distributed per Unit		(0.002)		(0.005)	
Net Asset Value per Unit, End of Period	$	1.000	$	1.000	

Diversified Plus Portfolio

Condensed information for the Portfolio through each period ended June 30:		2010		2009	Percentage Change
Total Investments	$	0	$	0	0%
Total Liabilities	$	0	$	0	0%
Net Assets	$	0	$	0	0%
Average Net Assets	$	0	$	6,828,625	-100.00%
Investment Income	$	0	$	130,638	-100.00%
Total Expenses	$	0	$	22,193	-100.00%
Net Investment Income	$	0	$	108,445	-100.00%
Units Sold ($1 per unit)		0		50,137,879	-100.00%
Units Redeemed ($1 per unit)		0		94,044,090	-100.00%
Total Return		0%		1.91%	
Ratio of Expenses to Average Net Assets		0%		.33%	
Ratio of Net Investment Income to Average Net Assets		0%		1.58%	
Net Asset Value per Unit, Beginning of Period	$	0.000	$	1.000	
Net Investment Income per Unit		0.000		0.016	
Dividends Distributed per Unit		(0.000)		(0.016)	
Net Asset Value per Unit, End of Period	$	0.000	$	1.000	

Condensed Financial Information and Financial Analysis Continued

The net assets for the Administration Fund decreased 60.60 percent to $39,394 FY 2010 from $99,961 FY 2009. The decrease in net assets for the Administration Fund was a result of a reduction in the Administration Fund fee charged to the portfolios, and an increase in legal fees incurred by the fund.

During FY 2010, average net assets increased 48.32 percent to $534,341,117 from average net assets of $360,269,218 during FY 2009 for the Diversified Portfolio.

During FY 2010, average net assets decreased 22.19 percent to $16,876,386 from average net assets of $21,688,236 during FY 2009 for the DGO Portfolio.

The average net assets for the Diversified Plus Portfolio decreased 100 percent to $0 in FY 2010 from $6,828,625 in FY 2009 as a result of suspending operations of the Portfolio on January 8, 2009.

Investment income and net investment income decreased in the Portfolios during FY 2010 compared to FY 2009 due to the decreasing rate environment throughout FY 2010.

Expenses of the Portfolios are calculated on the daily net asset totals. Total expenses decreased in all three Portfolios during FY 2010 due to the decreasing rate environment and the voluntary fee waivers by the vendors.

Brooks Lodden P.C.
certified public accountants

Telford A. Lodden, CPA, CFP®, CVA, Shareholder
Bruce W. Hartley, CPA, Shareholder
John E. Lamale, CPA, Shareholder
Brent L. Alexander, CPA, Shareholder

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of net assets of the Iowa Schools Joint Investment Trust (ISJIT) Administration Fund, Diversified Portfolio and the Direct Government Obligation Portfolio as of June 30, 2010 and 2009, and the related statements of changes in net assets for the years then ended. We have also audited the statement of net assets for the Diversified Plus Portfolio as of June 30, 2009, and the related statement of changes in net assets for the year then ended. In addition, we have also audited the accompanying schedules of investments of the Diversified Portfolio and the Direct Government Obligation Portfolio for the year ended June 30, 2010. These financial statements are the responsibility of ISJIT's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the ISJIT Administration Fund, Diversified Portfolio, and the Direct Government Obligation Portfolio as of June 30, 2010 and 2009, the changes in net assets for the years ended June 30, 2010 and 2009, and the financial position of the Diversified Plus Portfolio and changes in net assets for the year ended June 30, 2009, and the schedules of investments as of June 30, 2010, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 19, 2010, on our consideration of ISJIT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Brooks Lodden, P.C.

West Des Moines, Iowa
October 19, 2010

1441 29th Street, Suite 305 • West Des Moines, IA 50266 • Phone: 515.223.7300 • Fax: 515.223.8778

Financial Statements

Iowa Schools Joint Investment Trust
Statement of Net Assets
June 30, 2010

	Administration Fund	Diversified Portfolio	Direct Government Obligation Portfolio	Diversified Plus Portfolio	Total
Assets					
Cash	$ 64,626	$ 2,268,604	$ 8,353	$ -	$ 2,341,583
Interest Receivable	-	1,739,801	10,946	-	1,750,747
Accounts Receivable	1,105	-	-	-	1,105
Investments (amortized cost):					
Securities Purchased Under Agreement to Resell	-	114,375,000	11,675,000	-	126,050,000
Certificates of Deposit	-	980,000	-	-	980,000
Demand Deposits	-	35,058,411	-	-	35,058,411
U.S. Treasury Bills	-	-	2,999,644	-	2,999,644
U.S. Government Agency Obligations	-	419,329,346	3,011,167	-	422,340,513
Total Assets	65,731	573,751,162	17,705,110	-	591,522,003
Liabilities					
Unissued Units		1,257,830			1,257,830
Accounts Payable	26,337	-	-	-	26,337
Administration Fee	-	19,374	235	-	19,609
Investment Advisory Fee	-	17,884	217	-	18,101
Marketing Fee	-	12,419	253	-	12,672
Custodian Fee	-	5,961	72	-	6,033
Sponsorship Fee	-	4,968	289	-	5,257
Administration Fund Fee	-	1,000	105	-	1,105
Total Liabilities	26,337	1,319,436	1,171	-	1,346,944
Net Assets Held in Trust for Participants	$ 39,394	$ 572,431,726	$ 17,703,939	$ -	$ 590,175,059

See accompanying notes to financial statements.

Financial Statements, Continued

Iowa Schools Joint Investment Trust
Statement of Changes in Net Assets
For the Year Ended June 30, 2010

	Administration Fund	Diversified Portfolio	Direct Government Obligation Portfolio	Diversified Plus Portfolio	Total
Investment Income:					
Interest	$ 121	$ 1,541,574	$ 27,091	$ -	$ 1,568,786
Investment Expenses:					
Investment Advisory Fees	-	231,329	217	-	231,546
Administrative Fees	-	251,042	235	-	251,277
Marketing Fees	-	196,682	253	-	196,935
Custodian Fees	-	77,268	72	-	77,340
Sponsorship Fees	18,000	149,159	289	-	167,448
Administration Fund Fees	-	25,372	105	-	25,477
Professional Services	46,827	-	-	-	46,827
Rating Service Fees	10,500	-	-	-	10,500
Other Fees and Expenses	10,837	-	-	-	10,837
Total Investment Expenses	86,164	930,852	1,171	-	1,018,187
Net Investment Income (Expense)	(86,043)	610,722	25,920	-	550,599
Other Income	25,477	-	-	-	25,477
Net (Decrease) Increase in Net Assets Before Unit Transactions	(60,566)	610,722	25,920	-	576,076
Units Sold	-	2,155,761,399	19,914,700	-	2,175,676,099
Units Redeemed	-	(2,073,606,062)	(17,296,118)	-	(2,090,902,180)
Net Increase (Decrease) in Net Assets	(60,566)	82,766,059	2,644,502	-	85,349,995
Net Assets Held in Trust for Participants at Beginning of Period	99,961	489,665,667	15,059,437	-	504,825,065
Net Assets Held in Trust for Participants at End of Period	$ 39,394	$ 572,431,726	$ 17,703,939	$ -	$ 590,175,059

See accompanying notes to financial statements.

Financial Statements, Continued

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

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

See accompanying notes to financial statements.

Financial Statements, Continued

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

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

See accompanying notes to financial statements.

Diversified Portfolio
Schedule of Investments - June 30, 2010
(Showing Percentage of Total Investments)

Par Value	Description	Purchase Yield	Maturity Date	Amortized Cost
SECURITIES PURCHASED UNDER AGREEMENT TO RESELL – 20.07%				
$ 30,000,000	Barclays Capital , Repurchase Agreement	0.180%	07/01/10	$ 30,000,000
25,000,000	BNP Paribas, Repurchase Agreement	0.240%	07/01/10	25,000,000
59,375,000	Deutsche Bank, Repurchase Agreement	0.040%	07/01/10	59,375,000
	TOTAL			114,375,000
CERTIFICATES OF DEPOSIT – 0.17%				
245,000	People's Bank, Rock Valley	1.080%	10/06/2010	245,000
245,000	First Central State Bank, DeWitt	1.300%	10/19/2010	245,000
245,000	Citizens Bank, Sac City	0.700%	08/12/2010	245,000
245,000	State Bank & Trust, Nevada	1.000%	02/09/2011	245,000
	TOTAL			980,000
DEMAND DEPOSIT – 6.15%				
10,048,342	Bankers Trust Company, Cedar Rapids	0.270%	07/01/2010	10,048,342
25,010,069	Bankers Trust Company, Des Moines	0.300%	07/01/2010	25,010,069
	TOTAL			35,058,411
U.S. GOVERNMENT OBLIGATIONS – 73.61%				
50,000,000	Federal National Mortgage Assn., Discount Note		07/07/10	49,998,500
21,250,000	Federal Home Loan Bank	0.145%	07/09/10	21,249,824
25,000,000	Federal Home Loan Bank, Floating Rate Note	0.290%	07/09/10	25,000,000
40,000,000	Federal Home Loan Mortgage	0.194%	07/12/10	40,000,142
12,095,000	Federal National Mortgage Assn.	4.125%	07/12/10	12,109,433
20,000,000	Federal National Mortgage Assn., Floating Rate Note	0.188%	07/13/10	20,000,845
46,205,000	Federal Home Loan Bank	3.500%	07/16/10	46,267,279
30,000,000	Federal Home Loan Mortgage	3.250%	07/16/10	30,038,339
15,000,000	Federal National Mortgage Assn.	1.450%	09/10/10	15,033,540
20,000,000	Federal Home Loan Mortgage, Floating Rate Note	0.508%	09/24/10	20,007,594
10,000,000	Federal Home Loan Bank	0.440%	10/07/10	10,000,114
5,000,000	Federal National Mortgage Assn.	2.875%	10/12/10	5,036,567
3,000,000	Federal National Mortgage Assn.	5.000%	10/18/10	3,042,342
8,000,000	Federal National Mortgage Assn.	4.125%	10/18/10	8,091,702
8,000,000	Federal Farm Credit Bank	0.410%	10/26/10	7,999,609
3,950,000	Federal Farm Credit Bank	0.380%	11/03/10	3,948,863
15,500,000	U.S Treasury Note	1.250%	11/30/10	15,551,396
7,000,000	Federal Home Loan Bank	0.330%	12/10/10	6,996,464
14,525,000	U.S Treasury Note	0.875%	12/31/10	14,553,499
10,258,000	Federal National Mortgage Assn., Floating Rate Note	0.351%	04/01/11	10,266,586
11,400,000	Federal Home Loan Bank	0.350%	04/05/11	11,395,229
5,000,000	Federal Home Loan Bank	0.580%	05/27/11	4,999,675
15,000,000	Federal Home Loan Bank, Floating Rate Note	0.330%	06/10/11	15,000,000
22,750,000	Federal Home Loan Bank, Floating Rate Note,	0.250%	07/11/11	22,741,804
	TOTAL			419,329,346
TOTAL INVESTMENTS – 100%				$ 569,742,757

See accompanying notes to financial statements.

Direct Government Obligation Portfolio
Schedule of Investments - June 30, 2010
(Showing Percentage of Total Investments)

Par Value	Description	Purchase Yield	Maturity Date	Amortized Cost
SECURITIES PURCHASED UNDER AGREEMENT TO RESELL – 66.01%				
$ 4,000,000	Banc of America, Repurchase Agreement	0.01%	07/01/10	$ 4,000,000
3,675,000	Barclays Capital Inc., Repurchase Agreement	0.01%	07/01/10	3,675,000
4,000,000	Deutsche Bank, Repurchase Agreement	0.02%	07/01/10	4,000,000
	TOTAL			11,675,000
U.S. TREASURY BILLS – 16.96%				
$ 3,000,000	U.S. Treasury Bill	0.15%	07/29/10	2,999,644
	TOTAL			2,999,644
U.S. GOVERNMENT OBLIGATIONS – 17.03%				
$ 3,000,000	U.S. Treasury Note/Bond	0.08%	01/31/11	3,011,167
	TOTAL			3,011,167
TOTAL INVESTMENTS – 100%				$ 17,685,811

See accompanying notes to financial statements.

Note 1 – Summary of Significant Accounting Policies

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

Regulatory Oversight:
The operation of ISJIT is governed by a six member Board of Trustees, and non-voting persons as may be appointed by the Board. Trustees are appointed by the Board of Trustees, of which four of the Trustees shall be members of the Board of Directors of Iowa Association of School Boards (IASB), who are directors participating in the Trust, a superintendent of a school corporation participating in the Trust, and a school board secretary or business official of a school corporation participating in the Trust. IASB serves as the Sponsor of ISJIT. ISJIT is not registered with the Securities and Exchange Commission (SEC); however, ISJIT follows investment procedures similar to the investment procedures followed by SEC-registered money market mutual funds.

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

Note 1 – Summary of Significant Accounting Policies, Continued

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

Use of Estimates:
The preparation of financial statements with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the period. Actual results could differ from those estimates.

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

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

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

Note 1 – Summary of Significant Accounting Policies, Continued

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

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

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

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

Note 1 – Summary of Significant Accounting Policies, Continued

Authorized Investments, Continued:

1) The remaining maturity of any individual investment may not exceed more than 397 days from the date of purchase.

2) The maximum dollar weighted average maturity of all portfolios' investments may not exceed 60 days.

3) Investments are monitored daily by its Investment Advisor and Administrator to assure that the value of each ISJIT investment does not materially deviate in value from its amortized cost.

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

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

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

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

Method used to determine participants' units sold and redeemed:
Consistent with the methodologies employed by other Rule 2a-7-like pools, the method used to determine the ISJIT participants' units sold and redeemed is the amortized cost method. The amortized cost distributions are accrued to participants' accounts daily and reinvested in additional trust units monthly for compounded interest.

Note 1 – Summary of Significant Accounting Policies, Continued

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

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

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

Legally binding guarantees:
The Board of Trustees has not provided or obtained any legally binding guarantees during the fiscal years ended June 30, 2010 and 2009.

Note 1 – Summary of Significant Accounting Policies, Continued

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

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

Note 2 – Fees and Expenses

ISJIT has entered into contracts for the following services: Administrator, Investment Advisor, Marketing, Sponsorship, and Custodian. In addition, ISJIT pays operating expenses through a separate Administration Fund. During the fiscal year ended June 30, 2010, Bankers Trust Company (Bankers Trust) served as the Administrator and Custodian, RBC Global Asset Management (US) Inc. (RBC GAM) served as the Investment Adviser, Local Government Services, Inc. (LGS), a wholly owned subsidiary of IASB, served as the Marketing Services Provider and the IASB served as the Sponsor. Under separate agreements, Bankers Trust, RBC GAM, LGS and IASB are paid fees based upon a percentage of ISJIT's average daily net assets. All fees are computed on a daily basis and paid monthly to the service providers. The following tables displays the fees waived by the service providers for the years ended June 30, 2010 and 2009:

2010 Waived Fees:

Portfolio	Administrator	Investment Advisor	Marketing	Custodian	Administration Fund	Sponsor	Total
Diversified	$95,998	$89,015	$177,054	$29,513	$134,800	$277,968	$804,348
DGO	$10,730	$9,905	$11,556	$3,301	$4,956	$13,207	$53,655
Total	**$106,728**	**$98,920**	**$188,610**	**$32,814**	**$139,756**	**$291,175**	**$858,003**

2009 Waived Fees:

Portfolio	Administrator	Investment Advisor	Marketing	Custodian	Administration Fund	Sponsor	Total
DGO	$11,421	$10,543	$12,254	$3,288	$5,271	$14,057	$56,834

Note 2 – Fees and Expenses, Continued

Administration Fund

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

For the year ended June 30, 2010, the Diversified, DGO, and Diversified Plus Portfolios allocated $25,372, $105, and $0, respectively, to the ISJIT Administration Fund for operating expenses. For the year ended June 30, 2009, the Diversified, DGO, and the Diversified Plus Portfolios allocated $108,081, $1,235, and $2,048, respectively, to the ISJIT Administration Fund for operating expenses. The amount due to the Administration Fund at June 30, 2010 was $1,000, $105, and $0, from the Diversified, DGO, and Diversified Plus Portfolios, respectively. The amount due to the Administration Fund at June 30, 2009 was $12,636, $0, and $0, from the Diversified, DGO, and Diversified Plus Portfolios, respectively. In addition, ISJIT Administration Fund paid $17,500 and $22,500 for sponsoring fiscal management conferences for the years ended June 30, 2010 and 2009, respectively, to IASB.

Administrator

For administrative services to the Diversified, DGO, and Diversified Plus Portfolios, Bankers Trust received 0.065 percent of the average daily net asset value. For the year ended June 30, 2010, the Diversified, DGO, and the Diversified Plus Portfolios incurred expenses of $251,042, $235, and $0, respectively, for services provided by Bankers Trust. For the year ended June 30, 2009, the Diversified, DGO, and the Diversified Plus Portfolios incurred expenses of $234,175, $2,676, and $4,439, respectively, for services provided by Bankers Trust. The amounts due to Bankers Trust on June 30, 2010 were $19,374, $235 and $0 for the Diversified, DGO and Diversified Plus Portfolios, respectively. The amounts due to Bankers Trust on June 30, 2009 were $27,378, $0 and $0 for the Diversified, DGO and Diversified Plus Portfolios, respectively.

Note 2 – Fees and Expenses, Continued

Investment Advisor

RBC Global Asset Management (US) Inc. (RBC GAM) received 0.060 percent of the average daily net asset value for each Portfolio for investment advisor services. For the year ended June 30, 2010, the Diversified, DGO, and Diversified Plus Portfolios incurred actual expenses of $231,329, $217 and $0, respectively, for services provided by RBC GAM. For the year ended June 30, 2009, the Diversified, DGO, and Diversified Plus Portfolios incurred actual expenses of $216,162, $2,470 and $4,097, respectively, for services provided by RBC GAM. The amount due to RBC GAM at June 30, 2010 was $17,884 for Diversified, $217 for DGO, and $0 for Diversified Plus. The amount due to RBC GAM at June 30, 2009 was $25,272 for Diversified, $0 for DGO, and $0 for Diversified Plus.

Custodian

Bankers Trust received 0.020 percent of the average daily net asset value for each Portfolio for custodial services. For the year ended June 30, 2010, the Diversified, DGO, and Diversified Plus Portfolios incurred actual expenses of $77,268, $72 and $0 respectively, for services provided by Bankers Trust. For the year ended June 30, 2009, the Diversified, DGO, and Diversified Plus Portfolios incurred actual expenses of $72,054, $824 and $1,366, respectively, for services provided by Bankers Trust. The amount due to Bankers Trust at June 30, 2010 was $5,961 for Diversified, $72 for DGO, and $0 for Diversified Plus. The amount due to Bankers Trust at June 30, 2009 was $8,424 for Diversified, $0 for DGO, and $0 for Diversified Plus.

Note 2 – Fees and Expenses, Continued

Marketing

For marketing services provided to the Diversified, DGO and Diversified Plus Portfolios, LGS received 0.070 percent of the average daily net asset value. For the year ended June 30, 2010, the Diversified, DGO, and Diversified Plus Portfolios incurred expenses of $196,682, $253, and $0, respectively, for services provided by LGS for marketing. For the year ended June 30, 2009, the Diversified, DGO, and Diversified Plus Portfolios incurred expenses of $252,188, $2,882, and $4,780, respectively, for services provided by LGS for marketing. The amount due to LGS at June 30, 2010 was $12,419 for Diversified, $253 for DGO, and $0 for Diversified Plus. The amount due to LGS at June 30, 2009 was $29,484 for Diversified, $0 for DGO, and $0 for Diversified Plus.

Sponsorship

IASB received an annual fee of 0.080 percent of the average daily net asset value of the Diversified, DGO, and Diversified Plus Portfolios. For the year ended June 30, 2010, the Diversified, DGO, and Diversified Plus Portfolios incurred expenses of $149,159, $289, and $0, respectively, to IASB. For the year ended June 30, 2009, the Diversified, DGO, and Diversified Plus Portfolios incurred expenses of $288,215, $3,294, and $5,463, respectively, to IASB. The amount due to IASB at June 30, 2010 was $4,968 for Diversified, $289 for DGO, and $0 for Diversified Plus. The amount due to IASB at June 30, 2009 was $33,696 for Diversified, $0 for DGO, and $0 for Diversified Plus. Occasionally, IASB pays operating costs on behalf of ISJIT and submits requests for payment.

The total amount due to IASB for June 30, 2010 and 2009 was $7,200 and $10,385, respectively. In addition, ISJIT Administration Fund paid $17,500 and $22,500 for sponsoring fiscal management conferences for the years ended June 30, 2010 and 2009, respectively, to IASB.

Note 3 – Deposit and Investment Risk Disclosures

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

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

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

Note 3 – Deposit and Investment Risk Disclosures, Continued

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

At June 30, 2010, the securities purchased under overnight agreements to resell were collateralized by government and government agency securities with market values of $116,662,502 and $11,908,632 respectively for the Diversified and DGO Portfolios.

At June 30, 2009, the securities purchased under overnight agreements to resell were collateralized by government and government agency securities with market values of $111,636,961 and $7,584,871 respectively for the Diversified and DGO Portfolios.

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

Note 3 – Deposit and Investment Risk Disclosures, Continued

Diversified as of June 30, 2010

Investment Type	Amortized Cost	Market Value	Weighted Average Days to Maturity	Moody's Rating	S&P Rating	% of Portfolio (Amort. Cost)
Federal Home Loan Bank	$ 163,650,390	$ 163,665,481	51	P-1	A-1 +	28.70%
Federal Home Loan Mortgage Co.	90,046,075	90,028,900	30	P-1	A-1 +	15.80%
Deutsche Bank, Repurchase Agreement	59,375,000	59,375,000	1	P-1	A-1 +	10.40%
BNP Paribas, Repurchase Agreement	25,000,000	25,000,000	2	P-1	A-1 +	4.40%
Barclays Capital, Repurchase Agreement	30,000,000	30,000,000	4	P-1	A-1 +	5.30%
US Treasury Note	30,104,895	30,137,113	168	P-1	A-1 +	5.30%
Federal Farm Credit Bank	11,948,472	11,957,529	121	P-1	A-1 +	2.10%
Federal National Mortgage Assn.	123,579,514	123,586,223	29	P-1	A-1 +	21.70%
Iowa Bank CD's	980,000	980,000	119			0.20%
Iowa Demand Deposits	35,058,411	35,058,411	1			6.10%
TOTAL	$ 569,742,757	$ 569,788,657				100%

DGO as of June 30, 2010

Investment Type	Amortized Cost	Market Value	Weighted Average Days to Maturity	Moody's Rating	S&P Rating	% of Portfolio (Amort. Cost)
US Treasury Bills	$ 2,999,644	$ 2,999,610	29	P-1	A-1 +	17.00%
US Treasury Note/Bond	3,011,167	3,010,770	215	P-1	A-1 +	17.00%
Deutsche Bank, Repurchase Agreement	4,000,000	4,000,000	1	P-1	A-1 +	22.60%
Barclays Capital, Repurchase Agreement	3,675,000	3,675,000	1	P-1	A-1 +	20.80%
Banc of America, Repurchase Agreement	4,000,000	4,000,000	1	P-1	A-1 +	22.60%
TOTAL	$ 17,685,811	$ 17,685,380				100%

Note 3 – Deposit and Investment Risk Disclosures, Continued

Diversified as of June 30, 2009

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

DGO as of June 30, 2009

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

Brooks Lodden P.C.
certified public accountants

Telford A. Lodden, CPA, CFP®, CVA, Shareholder
Bruce W. Hartley, CPA, Shareholder
John E. Lamale, CPA, Shareholder
Brent L. Alexander, CPA, Shareholder

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

The Board of Trustees
Iowa Schools Joint Investment Trust

We have audited the financial statements of the Iowa Schools Joint Investment Trust (ISJIT) Administration Fund, Diversified Portfolio, and Direct Government Obligation Portfolio as of and for the year ended June 30, 2010 and have issued our report thereon dated October 19, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, 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.

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Compliance and Other Matters

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

We noted certain matters that we reported to management of ISJIT in a separate letter dated October 19, 2010.

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

Brooks Lockh, P.C.

West Des Moines, Iowa
October 19, 2010

Service Providers and Sponsoring Organization

Investment Advisor:
RBC Global Asset Management (US) Inc.
100 South 5th Street, Suite 2300
Minneapolis, MN 55402
(800) 553-2143 www.voyageur.net

Administrator & Custodian:
Bankers Trust Company
453 7th Street, Post Office Box 897
Des Moines, IA 50304-0897
(800) 872-0140 www.bankerstrust.com

Marketing Agent:
LGS, Inc.
6000 Grand Avenue
Des Moines, IA 50312-1417

Independent Auditors:
Brooks Lodden, P.C.
1441 29th Street, Suite 305
West Des Moines, IA 50266
(515) 223-8778

Legal Counsel:
Davis, Brown, Koehn, Shors & Roberts, P.C.
The Davis Brown Tower
215 10th Street, Suite 1300
Des Moines, IA 50309
(515) 288-2500

Sponsor:
Iowa Association of School Boards
6000 Grand Avenue
Des Moines, IA 50312-1417

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Bruce W. Hartley, CPA, Shareholder
John E. Lamale, CPA, Shareholder
Brent L. Alexander, CPA, Shareholder

To the Management and the Governing Board
of the Iowa Schools Joint Investment Trust

In planning and performing our audit of the financial statements of the Iowa Schools Joint Investment Trust for the year ended June 30, 2010, we considered the organization's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls. We previously reported on the organization's internal control in our report dated October 19, 2010. This letter does not affect our report dated October 19, 2010, on the financial statements of the organization.

We have already discussed many of these comments and suggestions with various organization personnel and the board, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Minutes

Chapter 21.3 of the Iowa code states "each governmental body shall keep minutes of all its meetings showing the date, time and place, the members present, and the action taken at each meeting. The minutes shall show the results of each vote taken and information sufficient to indicate the vote of each member present. The vote of each member present shall be made public at the open session. The minutes shall be public records open to public inspection." During our review of the minutes of ISJIT, we noted that not all of the items required by Chapter 21.3 were included in some of the minutes of the organization. In addition, we also noted that not all significant matters discussed at meetings were included in the minutes. For instance, Brooks Lodden, P.C. personnel attended the September 16, 2009 board meeting and discussed with the board the following: 1) Since new management took over at IASB, management should review and become aware of the controls that are in place at the vendors to ensure controls of the program were being operated appropriately; 2) To watch for wire transfers regarding repurchase agreements as we had noted during the audit that if the wire transfer fees were not being paid by Bankers Trust, the income earned on the repurchase agreements would be in a negative position; 3) We noted during the audit that the collateral was being held at Bank of New York in Voyageur's name and not the name of the organization. Although an agreement existed between Voyageur and the organization, we recommended that the organization change the name of the collateral account to ensure that the collateral is properly identified as public funds. We recommend the organization ensure that minutes properly reflect all matters and discussions in the minutes and comply with Chapter 21.3 of the Iowa Code.

Chapter 28E.6(3) requires minutes and expenses of the organization to be published within 20 days after the organization's meeting. During the audit, we noted the January 20, 2010 board meeting and expenses were published 7 days late and the March 24, 2010 board meeting and expenses were published 8 days late. We recommend the organization establish procedures to comply with Chapter 28E .6(3) to ensure the meetings and expenses of the organization are published within 20 days after an organizational meeting.

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Administration Fund

The Iowa Association of School Boards (IASB) maintains and controls the Administration Fund bank account located at Bankers Trust. This account is in name of ISJIT and is used to track the resources allocated from the portfolios to cover all administrative expenses of the portfolios, such as board expenses, audit fees, legal fees, rating fees, and any other fees associated with managing the portfolios. We recommend the board consider transferring the control of the Administration Fund account from IASB to Bankers Trust to manage as the administrator and incorporate the financial activities of this fund into the financial statements provided to the board.

Direct Government Obligation (DGO) Portfolio

ISJIT currently operates two funds. Diversified Portfolio and Direct Government Obligation Portfolio (DGO). Income for the DGO portfolio for the year ended June 30, 2010 was $27,091, and the cost of the rating for the fund was $4,500 or approximately 16.6% of the income earned. We recommend the board consider suspending the DGO fund until the current economic factors justify having a separate rating on the fund.

This report is intended solely for the information and use of the Governing Board, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Brooke Jordan, P.C.

West Des Moines, Iowa
October 19, 2010

Brooks Lodden P.C.
certified public accountants

Telford A. Lodden, CPA, CFP®, CVA, Shareholder
Bruce W. Hartley, CPA, Shareholder
John E. Lamale, CPA, Shareholder
Brent L. Alexander, CPA, Shareholder

To the Board of Trustees
Iowa Schools Joint Investment Trust
Des Moines, Iowa

We have audited the financial statements of the Iowa Schools Joint Investment Trust (ISJIT) Administration Fund, Diversified Portfolio and the Direct Governmental Obligation Portfolio for the years ended June 30, 2010 and 2009, in addition to, the Diversified Plus Portfolio for the year ended June 30, 2009, and have issued our report thereon dated October 19, 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 20, 2010. Professional standards also require that we communicate to you the following information related to our audit.

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 ISJIT 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 2010. We noted no transactions entered into by the governmental unit 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 estimate affecting the financial statements is interest receivable. Management's estimate of the interest receivable is based on the accretion of interest on a straight-line basis over the term of the investment with a cutoff at June 30, 2010. We evaluated the key factors and assumptions used to develop the interest receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

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. During our audit, one audit adjustment to the Administration Fund was made in the amount of $5,087.50. This audit adjustment was for legal expenses incorrectly charged to ISJIT. There were no other corrected or uncorrected misstatements noted during the audit.

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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 October 19, 2010.

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 governmental unit'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 governmental unit'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 Trustees and ISJIT's management and is not intended to be used by anyone other than these specified parties.

Brooks Lodch, P.C.

West Des Moines, Iowa
October 19, 2010