

WESTERN IOWA TECH COMMUNITY COLLEGE
SIOUX CITY, IOWA

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

JUNE 30, 2010

CONTENTS

		<u>Page</u>
Officials		1
Independent Auditors' Report		2 - 3
Management's Discussion and Analysis		4 - 10
Basic Financial Statements:	<u>Exhibit</u>	
Statement of Net Assets	A	11 - 12
Statement of Revenues, Expenses and Changes in Net Assets	B	13
Statement of Cash Flows	C	14 - 15
Notes to Financial Statements		16 - 31
Other Supplementary Information:	<u>Schedule</u>	
Introduction to Other Supplementary Information		32 - 33
Budgetary Comparison Schedule of Expenditures- Budget to Actual	1	34
Note to Budgetary Reporting		35
Balance Sheet - All Funds	2	36 - 39
Schedule of Revenues, Expenditures and Changes in Fund Balance - All Funds	3	40 - 43
Unrestricted Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balances - Education and Support	4	44 - 45
Schedule of Revenues, Expenditures and Changes in Fund Balances - Auxiliary Enterprises	5	46 - 47
Schedule of Revenues, Expenditures and Changes in Fund Balances - Restricted Fund	6	48 - 49
Schedule of Changes in Deposits Held in Custody for Others	7	50
Schedule of Credit and Contact Hours	8	51
Schedule of Tax and Intergovernmental Revenues	9	52 - 53
Schedule of Current Fund Revenues by Source and Expenditures by Function	10	54 - 55
Schedule of Expenditures of Federal Awards	11	56 - 59
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>		60 - 61
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133		62 - 63
Schedule of Findings and Questioned Costs		64 - 67

WESTERN IOWA TECH COMMUNITY COLLEGE

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Directors (<u>After September, 2009 Election</u>)		
Dr. Robert Rasmus	President	2011
Russell Wray	Vice President	2013
Deborah Cook	Member	2013
Derrick Franck	Member	2011
Curt Grigg	Member	2011
Michael Hunter	Member	2013
Neal Adler	Member	2013
William Lyle	Member	2011
Eldon Schroder	Member	2011

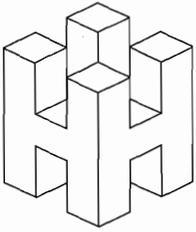
Board of Directors (<u>Before September, 2009 Election</u>)		
Dr. Robert Rasmus	President	2011*
Russell Wray	Vice President	2009
Deborah Cook	Member	2009*
Derrick Franck	Member	2011
Curt Grigg	Member	2011
Michael Hunter	Member	2009
Neal Adler	Member	2009*
William Lyle	Member	2011
Eldon Schroder	Member	2011

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 terms from 3 to 4 years in accordance with House File 2620 of the Code of Iowa.

WESTERN IOWA TECH COMMUNITY COLLEGE



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

CERTIFIED PUBLIC ACCOUNTANTS

800 FRANCES BUILDING
505 FIFTH STREET
P.O. BOX 1528
SIOUX CITY, IOWA 51102

PH. (712) 277-3931
(800) 274-3931
FAX (712) 233-3431

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, 2010, 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 financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 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 respective financial position of Western Iowa Tech Community College at June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated October 28, 2010, on our consideration of Western Iowa Tech 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, 2009, (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.

Hogjes, Courser & Williams, P.C.
Certified Public Accountants

Sioux City, Iowa
October 28, 2010



■
Western Iowa Tech
Community College
4647 Stone Avenue
P.O. Box 5199
Sioux City, IA 51102-5199
712-274-6400
800-352-4649
Fax: 712-274-6412
www.witcc.edu

■
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, 2010. We would encourage the reader to consider this information in conjunction with the Community College's financial statements which follow.

FINANCIAL HIGHLIGHTS

- Operating revenues increased 11.8%, or \$2,550,312, from fiscal year 2009 (FY09). Federal appropriation, sales and services, Iowa Industrial New Jobs Training Program (NJTP) and auxiliary enterprises revenues increased while tuition and fees, net and miscellaneous revenues decreased. Tuition and fees, net decreased due to the netting of the increase in Pell Grant awards against the tuition and fee revenue.
- Operating expenses were 6.0%, or \$2,429,497, more in FY10 than in FY09. Liberal arts and sciences, vocational technical, adult education, administration, student services, general institution, auxiliary enterprises, workforce investment act, bad debts and collection costs and depreciation increased while cooperative services, learning resources, physical plant, scholarships and grants decreased.
- Net non-operating revenue decreased 15.1%, or \$4,151,090, from FY09 mainly due to a decrease in state appropriations, earnings on investments, gifts and grants offset by an increase in Pell grant, property tax, gain on sale of capital assets and interest on indebtedness.
- The Community College's net assets increased 14.0%, or \$4,680,378 from FY09.

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.

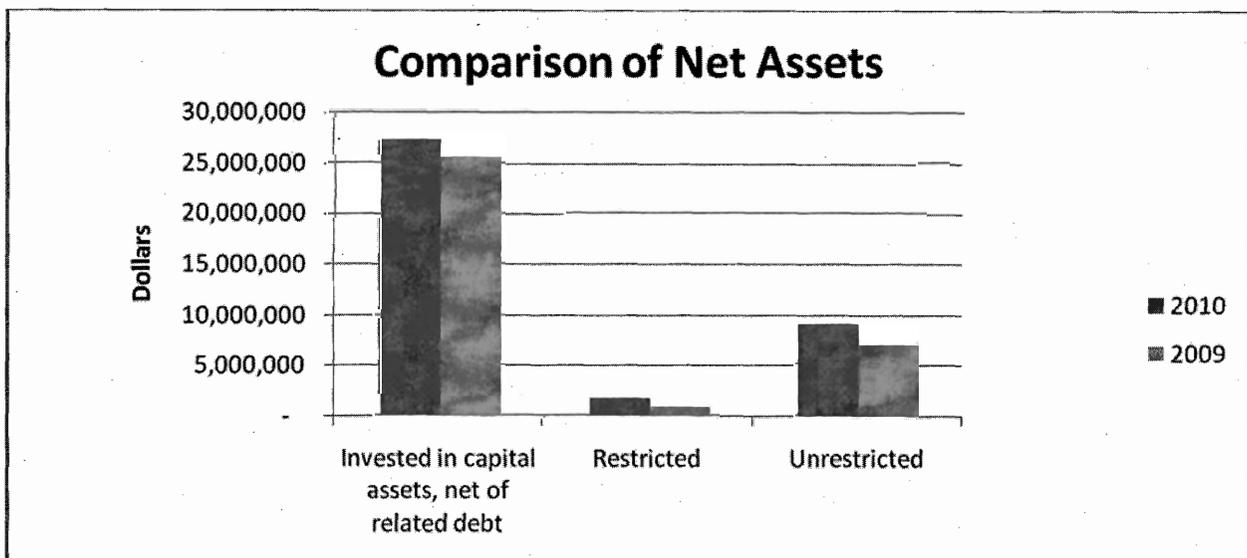
Other supplementary information provides a comparison of the College's budget for the year and detailed information about the individual funds. In addition, the schedule of expenditures of federal awards provides details of various programs benefiting the College.

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, 2010 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.

	Net Assets	
	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Current assets	\$33,510,476	\$31,409,031
Non-current assets	<u>37,767,551</u>	<u>36,157,820</u>
Total assets	<u>71,278,027</u>	<u>67,566,851</u>
Current liabilities	17,361,877	16,596,837
Non-current liabilities	<u>15,895,600</u>	<u>17,629,842</u>
Total liabilities	<u>33,257,477</u>	<u>34,226,679</u>
Net assets:		
Invested in capital assets, net of related debt	27,268,121	25,492,815
Restricted	1,762,894	934,307
Unrestricted	<u>8,989,535</u>	<u>6,913,050</u>
Total net assets	<u>38,020,550</u>	<u>33,340,172</u>
 Total Liabilities and Net Assets	 <u>\$71,278,027</u>	 <u>\$67,566,851</u>



The largest portion of the Community College's net assets (72%) 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 (4%) includes resources that are subject to external restrictions.

The remaining net assets (24%) 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.

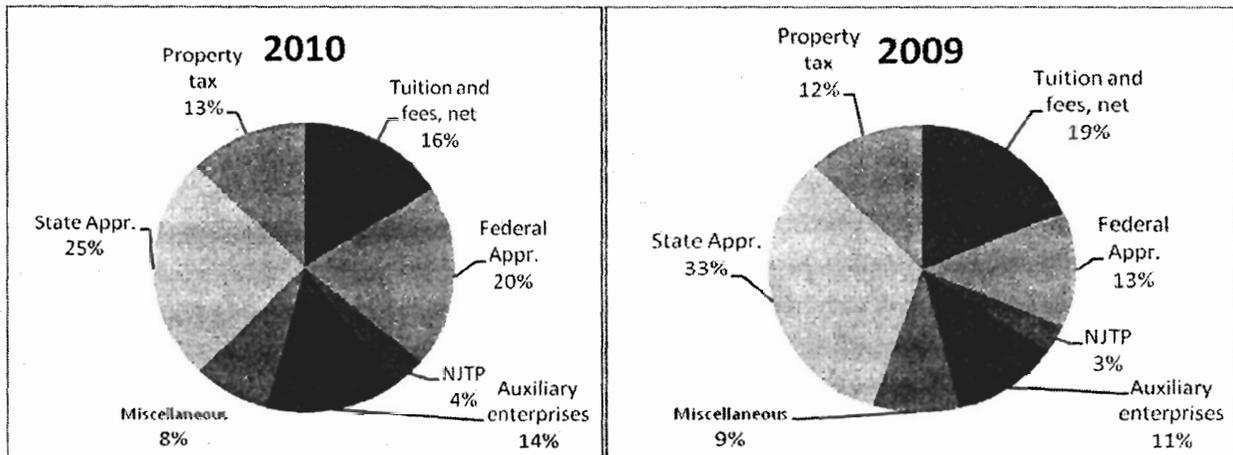
In general, a public community college, such as Western Iowa Tech Community College, will report an operating loss since the financial reporting model classifies state appropriations, Pell grants, and property tax as non-operating revenues. Operating revenues are received for providing goods and services 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.

Changes in Net Assets

	Year Ended <u>June 30, 2010</u>	Year Ended <u>June 30, 2009</u>
Operating revenue:		
Tuition and fees, net	\$6,153,050	\$7,349,876
Federal appropriations	7,807,182	4,944,209
Sales and services	146,295	117,104
Iowa Industrial New Jobs Training Program	1,411,410	1,241,317
Auxiliary enterprises	5,562,597	4,497,054
Miscellaneous	<u>3,160,304</u>	<u>3,540,966</u>
Total operating revenue	<u>24,240,838</u>	<u>21,690,526</u>
Total operating expenses	42,916,952	40,487,455
Operating loss	<u>(18,676,114)</u>	<u>(18,796,929)</u>
Non-operating revenues (expenses)		
State appropriations	9,497,293	12,758,967
Pell Grant	9,365,534	5,108,080
Property tax	4,995,062	4,796,578
Earnings on investments	103,275	229,427
Gifts and Grants	138,726	5,410,544
Gain (Loss) on sale of capital assets	90,939	(8,287)
Interest on indebtedness	<u>(834,337)</u>	<u>(787,727)</u>
Net non-operating revenues	<u>23,356,492</u>	<u>27,507,582</u>
Increase in net assets	4,680,378	8,710,653
Net assets at the beginning of the year	<u>33,340,172</u>	<u>24,629,519</u>
Net assets at the end of the year	<u>\$38,020,550</u>	<u>\$33,340,172</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 2010, operating revenues increased \$2,550,312 or 11.8%. The increase was a result of the following changes:

Tuition and fees, net of scholarship allowances, decreased \$1,196,826 due to a modest tuition increase paired with a significant increase in enrollment offset by a significant increase in Pell Grant awards.

Federal revenues increased \$2,862,973 mainly due to new funding with the American Recovery and Reinvestment Act (ARRA) and the federal Department of Labor grant.

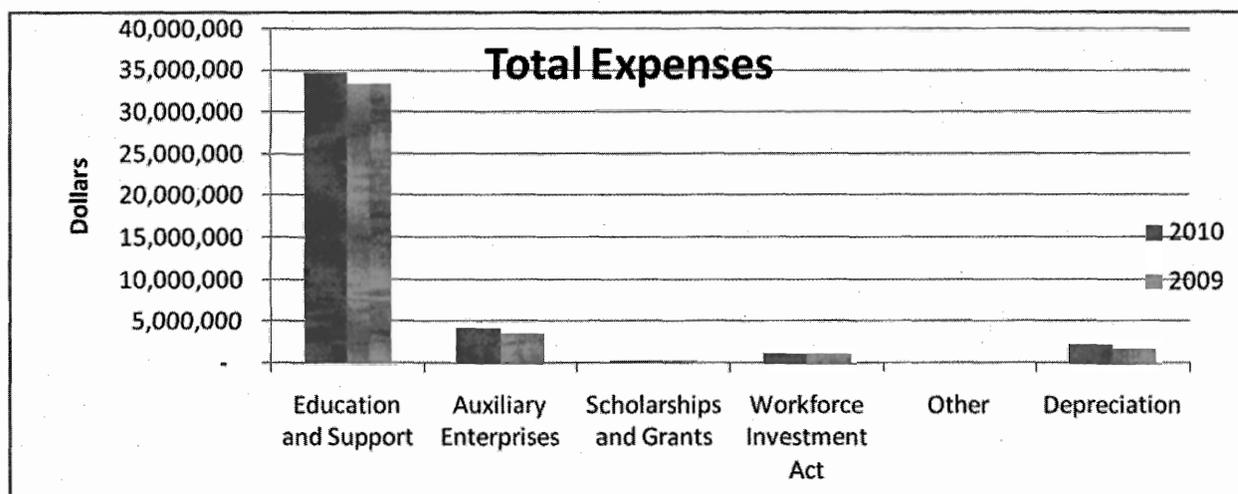
The Iowa Industrial New Jobs Training Program (NJTP) increased \$170,093 mainly due to having a larger bond issue than the previous year.

Auxiliary enterprises revenue increased \$1,065,543 due mostly to an increase in students purchasing books and supplies and cafeteria sales as well as increased dormitory occupancy with the construction of an additional dormitory.

Miscellaneous revenues decreased \$380,662 due to the New Jobs Training Program (NJTP). Additional information is presented in Note 14 to the financial statements.

Operating Expenses

	Year Ended <u>June 30, 2010</u>	Year Ended <u>June 30, 2009</u>
Education and Support:		
Liberal Arts and Sciences	\$3,937,364	\$3,824,307
Vocational Technical	8,446,935	7,432,981
Adult Education	2,966,673	2,321,661
Cooperative Services	2,804,446	3,248,611
Administration	1,735,794	1,696,747
Student Services	1,884,318	1,820,399
Learning Resources	286,504	295,940
Physical Plant	4,950,663	5,043,636
General Institution	7,823,250	7,741,300
Auxiliary Enterprises	4,361,093	3,717,389
Scholarships and Grants	244,622	308,794
Workforce Investment Act	1,240,032	1,168,458
Bad Debts and Collection Costs	-	(405)
Depreciation	<u>2,235,258</u>	<u>1,867,637</u>
Total	<u>\$42,916,952</u>	<u>\$40,487,455</u>



In fiscal year 2010, operating expenses increased \$2,429,497 or 6.0%. 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 \$1,772,023. The increase in the costs of salaries and benefits, materials, supplies and equipment needs was attributable to the increased enrollment.

Auxiliary enterprises increased \$643,704 as a result of an increase in enrollment requiring more books and supplies for the bookstore operation and additional food supplies for the cafeteria operation.

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.

	Cash Flows	
	Year Ended <u>June 30, 2010</u>	Year Ended <u>June 30, 2009</u>
Cash provided (used) by:		
Operating Activities	\$(15,012,248)	\$(18,622,761)
Non-capital Financing Activities	22,495,084	22,304,802
Capital and Related Financing Activities	(4,120,519)	(8,086,362)
Investing Activities	<u>(232,601)</u>	<u>120,941</u>
Net Increase (Decrease) in Cash	3,129,716	(4,283,380)
Cash at the beginning of the year	<u>17,897,549</u>	<u>22,180,929</u>
Cash at the end of the year	<u>\$21,027,265</u>	<u>\$17,897,549</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 used 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, 2010, the Community College had approximately \$35.4 million invested in capital assets, net of accumulated depreciation of \$26.9 million. Depreciation charges totaled \$2,235,258 for Fiscal Year 2010. Details of the capital assets are shown below.

Capital Assets, Net, at Year End

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Land	\$ 812,453	\$ 817,175
Buildings	30,691,813	30,712,561
Construction in progress	779,569	-
Furniture and equipment	<u>3,089,286</u>	<u>2,743,079</u>
Total	<u>\$35,373,121</u>	<u>\$34,272,815</u>

Planned capital expenditures for the fiscal year to end June 30, 2011 and beyond include the completion of 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, 2010, the Community College had \$16.8 million in debt outstanding, a decrease of \$2,150,000 from 2009. The table below summarizes these amounts by type.

	Outstanding Debt	
	<u>June 30, 2010</u>	<u>June 30, 2009</u>
NJTP certificates payable	\$8,665,000	\$10,140,000
Bonds payable	8,105,000	8,245,000
Capital loan notes payable	<u>-</u>	<u>535,000</u>
Total	<u>\$16,770,000</u>	<u>\$18,920,000</u>

More detailed information about the Community College's outstanding debt is presented in Note 7 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 2011 is expected to increase approximately \$491,384 over the prior year. The fiscal year 2010 funding of the American Recovery and Reinvestment Act (ARRA) of \$1,468,753 of federal funds was not continued for fiscal year 2011. This reduction in funding creates budgetary issues not only for fiscal year 2011, but also for the next several years.

The College experienced significant enrollment growth for the fall of 2010 with an increase in credit hours of approximately 14.1% 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.

This Page Intentionally Left Blank

BASIC FINANCIAL STATEMENTS

WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF NET ASSETS

JUNE 30, 2010

ASSETS

CURRENT ASSETS

Cash and Pooled Investments - Note 2	\$ 21,027,265
Receivables:	
Accounts (Net of Allowance of \$764,875)	2,388,530
Property Tax	5,224,011
Pledges	174,315
Due from Other Governments	2,244,816
Inventories - Note 3	699,228
Prepaid Expenses	1,752,311

Total Current Assets	\$ 33,510,476
----------------------	---------------

NONCURRENT ASSETS

Restricted Cash and Pooled Investments	\$ 567,134
Other Investments - Note 2	1,482,410
Pledges Receivable	344,886
Capital Assets, Net of Accumulated Depreciation/Amortization - Note 4	35,373,121

Total Noncurrent Assets	\$ 37,767,551
-------------------------	---------------

Total Assets	\$ 71,278,027
--------------	---------------

LIABILITIES AND NET ASSETSCURRENT LIABILITIES

Payables:

Accounts	\$ 2,241,594
Iowa Industrial New Jobs Training Program	1,251,613
Salaries and Benefits Payable	1,144,453
Accrued Interest	63,331
Deferred Revenue	7,324,746
Early Retirement Payable - Note 16	687,535
Compensated Absences	648,027
Deposits Refundable	39,922
Deposits Held in Custody for Others	2,285,361
Current Portion of Capital Lease Obligation - Note 9	70,295
Certificates Payable - Note 7	1,460,000
Bonds Payable - Note 7	145,000
	<hr/>
Total Current Liabilities	\$ 17,361,877

NONCURRENT LIABILITIES

Early Retirement Payable - Note 16	\$ 623,828
Capital Lease Obligations, Net of Current Portion - Note 9	106,772
Certificates Payable - Note 7	7,205,000
Bonds Payable - Note 7	7,960,000
	<hr/>
Total Noncurrent Liabilities	\$ 15,895,600

Total Liabilities	\$ 33,257,477
-------------------	---------------

NET ASSETS

Invested in Capital Assets, Net of Related Debt	\$ 27,268,121
Restricted	
Expendable:	
Scholarships and Grants	318
Loans	157,210
Debt Service	1,876,978
Cash Reserve	678,851
Other	(950,463)
Total Restricted Expendable	<hr/> 1,762,894
Unrestricted	<hr/> 8,989,535
	<hr/>
Total Net Assets	\$ 38,020,550
	<hr/>
Total Liabilities and Net Assets	<u>\$ 71,278,027</u>

See Accompanying Notes to Financial Statements

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETSFOR THE YEAR ENDED JUNE 30, 2010OPERATING REVENUES

Tuition and Fees, Net of Scholarship Allowances of \$9,217,515	\$ 6,153,050
Federal Appropriations	7,807,182
Sales and Services	146,295
Iowa Industrial New Jobs Training Program	1,411,410
Auxiliary Enterprises Revenue	5,562,597
Miscellaneous	3,160,304
	<hr/>
Total Operating Revenues	\$ 24,240,838

OPERATING EXPENSES

Education and Support:	
Liberal Arts and Sciences	\$ 3,937,364
Vocational Technical	8,446,935
Adult Education	2,966,673
Cooperative Services	2,804,446
Administration	1,735,794
Student Services	1,884,318
Learning Resources	286,504
Physical Plant	4,950,663
General Institution	7,823,250
Auxiliary Enterprises	4,361,093
Scholarships and Grants	244,622
Workforce Investment Act	1,240,032
Depreciation/Amortization	2,235,258
	<hr/>
Total Operating Expenses	\$ 42,916,952
Operating (Loss)	\$ (18,676,114)

NON-OPERATING REVENUES (EXPENSES)

State Appropriations	\$ 9,497,293
Pell Grant	9,365,534
Property Tax	4,995,062
Earnings on Investments	103,275
Gifts and Grants	138,726
Gain on Sale of Capital Assets	90,939
Interest on Indebtedness	(834,337)
	<hr/>
Net Non-Operating Revenues	\$ 23,356,492
Increase in Net Assets	\$ 4,680,378
Net Assets Beginning of Year	<hr/> 33,340,172
Net Assets End of Year	<hr/> <hr/> \$ 38,020,550

See Accompanying Notes to Financial Statements

STATEMENT OF CASH FLOWSFOR THE YEAR ENDED JUNE 30, 2010CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and Fees	\$ 7,699,225
Federal Appropriations	7,203,330
Iowa Industrial New Jobs Training Program	1,411,410
Payments to Employees for Salaries and Benefits	(23,128,854)
Payments to Suppliers for Goods and Services	(15,368,005)
Payments to NJTP Recipients	(1,453,928)
Scholarships	(244,622)
Auxiliary Enterprise Receipts	5,562,597
Other Receipts	3,306,599
Net Cash (Used) by Operating Activities	<u>\$ (15,012,248)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

State Appropriations	\$ 9,497,293
Pell Grant	9,365,534
Property Tax	4,995,062
Gifts and Grants	138,726
Principal Paid on Debt	(1,475,000)
Interest Paid on Debt	(464,079)
Agency Receipts	1,127,819
Agency Disbursements	(690,271)
Net Cash Provided by Non-Capital Financing Activities	<u>\$ 22,495,084</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of Capital Assets	\$ (3,390,918)
Proceeds from Disposal of Capital Assets	146,293
Addition to Restricted Cash	(376)
Issuance of Debt	177,067
Principal Paid on Debt	(675,000)
Interest Paid on Debt	(377,585)
Net Cash (Used) by Capital and Related Financing Activities	<u>\$ (4,120,519)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Earnings on Investments	\$ 69,521
Purchase of Investments	(1,326,871)
Proceeds from Sale of Investments	1,024,749
Net Cash (Used) by Investing Activities	<u>\$ (232,601)</u>
Net Increase in Cash and Cash Equivalents	\$ 3,129,716
Cash and Cash Equivalents - Beginning of Year	<u>17,897,549</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 21,027,265</u></u>

See Accompanying Note to Financial Statements

WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2010

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

Operating Loss	\$ (18,676,114)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities:	
Depreciation/Amortization	\$ 2,235,258
(Increase) Decrease in:	
Accounts Receivable	1,763,362
Due from Other Governments	(603,852)
Inventories	(97,617)
Prepaid Expenses	262,592
Increase (Decrease) in:	
Accounts Payable	(150,131)
Salaries and Benefits Payable	(15,828)
Deferred Operating Revenue	(217,187)
Early Retirement Payable	(34,422)
Compensated Absences	29,067
Deposits Refundable	12,377
Payable for Cost of Iowa Industrial New Jobs Training Program	480,247
Total Adjustments	<u>\$ 3,663,866</u>
Net Cash (Used) by Operating Activities	<u><u>\$ (15,012,248)</u></u>

See Accompanying Notes to Financial Statements

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Western Iowa Tech Community College is a publicly supported 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 campuses in Sioux City, 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 U.S. generally accepted accounting principles 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, 2010, is as follows:

Total Assets	\$ 2,196,801
Total Liabilities	\$ 24,076
Total Net Assets	\$ 2,172,725
Total Revenues	\$ 1,193,889
Total Expenses	\$ 506,119

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.)

Foundation revenues and expenses include \$153,728 of in-kind support from the Community College, which has been eliminated in these financial statements. Foundation expenses include \$191,400 related to fundraising and \$314,719 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 net asset categories/components:

Invested in Capital Assets, Net of Related Debt - Capital assets, net of accumulated depreciation/amortization 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 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, 2010

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 Interpretations, 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.

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.

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 Auditor 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.

Capital Assets - Capital assets, which include land, buildings and improvements, intangibles, 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. No interest costs were capitalized since there were no qualifying assets.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

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
Intangible Assets	\$ 5,000
Equipment and Vehicles	\$ 5,000

Depreciation/amortization 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, 2010 on NJTP projects, less interest incurred on NJTP certificates and expenses incurred to date.

Salaries and Benefits Payable - Payroll and related expenses for teachers with annual contracts corresponding to the current school 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 assets have not been spent for their intended purpose. 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 hours 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, 2010.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.)

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

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 course start date for all summer session student registrations as of the end of the fiscal year.

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.

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, pell grants, property tax and interest 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, 2010, KWIT-KOJI FM Radio conducted various fundraising activities. General institution operating expenses include \$36,155 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, 2010, 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, 2010

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 \$9,090,227 which is restricted 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, 2010, are as follows:

Money Markets	\$ 130,147
Certificates of Deposit	311,704
U.S. Government Agencies	21,560
Mutual Funds	832,133
Corporate Bonds	48,704
Equity Securities	<u>138,162</u>
	\$ <u>1,482,410</u>

In addition, the Community College had investments in the Iowa Schools Joint Investment Trust which are valued at an amortized cost of \$16,643, 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 15 months of receipt) to 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, 2010, 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.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Note 3 - INVENTORIES

The Community College's inventories at June 30, 2010, are as follows:

Bookstore (Merchandise Held for Resale)	\$	672,616
Cafeteria (Supplies and Materials)		16,250
Auto Tech (Supplies and Materials)		<u>10,362</u>
	\$	<u>699,228</u>

Note 4 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2010, 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	\$ 817,175	\$ 2,590	\$ 7,312	\$ 812,453
Construction in Progress	<u>-</u>	<u>779,569</u>	<u>-</u>	<u>779,569</u>
Total Capital Assets Not Being Depreciated	\$ 817,175	\$ 782,159	\$ 7,312	\$ 1,592,022
Capital Assets Being Depreciated:				
Buildings and Other Structures	\$ 50,695,317	\$ 1,467,181	\$ 114,594	\$ 52,047,904
Furniture and Equipment	<u>7,740,717</u>	<u>1,141,578</u>	<u>202,226</u>	<u>8,680,069</u>
Total Capital Assets Being Depreciated ..	\$ 58,436,034	\$ 2,608,759	\$ 316,820	\$ 60,727,973
Less Accumulated Depreciation:				
Buildings	\$ 19,982,756	\$ 1,474,241	100,906	\$ 21,356,091
Furniture and Equipment	<u>4,997,638</u>	<u>761,017</u>	<u>\$ 167,872</u>	<u>5,590,783</u>
Total Accumulated Depreciation	\$ <u>24,980,394</u>	\$ <u>2,235,258</u>	\$ <u>268,778</u>	\$ <u>26,946,874</u>
Net Capital Assets Being Depreciated ...	\$ <u>33,455,640</u>	\$ <u>373,501</u>	\$ <u>48,042</u>	\$ <u>33,781,099</u>
Net Capital Assets ...	\$ <u>34,272,815</u>	\$ <u>1,155,660</u>	\$ <u>55,354</u>	\$ <u>35,373,121</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Note 5 - SECURITY INSTITUTE AGREEMENTS

Intergovernmental Agencies

In 2009, 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.

The building is owned by the Community College but subject to use by the City of Sioux City and Woodbury County as described above. 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 60th 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, 2010

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, 2010, the Community College issued no anticipatory warrants.

Note 7 - CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2010 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	-	\$ 1,475,000	\$ 8,665,000
Bonds Payable	8,245,000	-	140,000	8,105,000
Capital Loan Notes ..	<u>535,000</u>	<u>-</u>	<u>535,000</u>	<u>-</u>
	<u>\$ 18,920,000</u>	<u>-</u>	<u>\$ 2,150,000</u>	<u>\$ 16,770,000</u>

Certificates Payable

In accordance with agreements dated between December 1, 1984 and June 1, 2010, the Community College issued certificates totaling \$38,545,000 with interest rates ranging from 2.15% to 9.80% per annum. The debt was incurred to fund the development and training costs related 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 semiannually, while principal payments are due annually. The certificates are to be retired by proceeds from anticipated job credits from withholding tax, 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, 2010

Note 7 - CHANGES IN LONG-TERM LIABILITIES
(Cont.) The certificates will mature as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,395,000	145,502	1,540,502
2016 - 2019	<u>1,635,000</u>	<u>162,444</u>	<u>1,797,444</u>
	<u>\$ 8,665,000</u>	<u>\$ 1,528,199</u>	<u>\$ 10,193,199</u>

Bonds Payable

The Community College has issued bonds dated February 1, 2008 for the purchase and construction of Bur Oak Suites as allowed by Section 260C.19 of the Code of Iowa. As such, the Community College has pledged the related housing revenue to payment of the bonds.

Details of the Community College's June 30, 2010 bonded indebtedness are as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	3.90	170,000	339,438	509,438
2016-2020	4.00-4.40	975,000	1,588,088	2,563,088
2021-2025	4.50-4.60	<u>6,350,000</u>	<u>844,329</u>	<u>7,194,329</u>
		<u>\$ 8,105,000</u>	<u>\$ 4,187,004</u>	<u>\$ 12,292,004</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

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. These leases have been classified as operating leases. The estimated minimum rent receipts for the duration of the leases are as follows:

<u>Years Ending</u> <u>June 30,</u>	<u>Amount</u>
2011	34,297
2012	28,715
2013	28,715
2014	13,145
2015	13,145
2016 and Thereafter	<u>27,385</u>
	<u>\$ 145,402</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, 2010:

<u>Years Ending</u> <u>June 30,</u>	<u>Amount</u>
2011	\$ 54,028
2012	48,238
2013	32,711
2014	11,425
2015	<u>4,285</u>
	<u>\$ 150,687</u>

Rent expenses for the year ended June 30, 2010, for all operating leases, except those with terms of a month or less that were not renewed, totaled \$98,019.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Note 9 - CAPITAL LEASE

The Community College is the lessee of equipment under a capital lease expiring in 2013. The assets and liability under the capital lease are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The asset is depreciated over its productive life. Depreciation of assets under capital leases is included in depreciation expense. The following is a summary of property held under the capital lease:

Equipment	\$ 197,844
Less: Accumulated Depreciation	(13,190)
	<u>\$ 184,654</u>

Future minimum lease payments under the capital lease, as of June 30, 2010, for each of the next five years and in the aggregate are:

<u>Years Ending</u> <u>June 30,</u>	<u>Amount</u>
2011	\$ 70,295
2012	70,295
2013	<u>46,864</u>
Total Future Minimum Lease Payments	\$ 187,454
Less: Amounts Representing Interest	(10,387)
Present Value of Net Future Minimum Lease Payments	\$ 177,067
Less: Current Obligation	(70,295)
Net Long-Term Obligation	<u>\$ 106,772</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Note 10 - 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 4.30% of their annual covered salary and the Community College is required to contribute 6.65% of annual covered salary. Contribution requirements are established by state statute. The Community College's contributions to IPERS for the years ended June 30, 2010, 2009, and 2008, were \$347,120, \$337,763, and \$300,382, respectively, equal to the required contributions for each year.

Note 11 - 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 4.30% and the Community College is required to contribute 6.65%. The Community College's and employees' required and actual contributions to TIAA-CREF for the year ended June 30, 2010, were \$580,444 and \$375,315, respectively.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Note 12 - 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 are 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 expense 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 all lines is \$800,000 per occurrence, except for errors and omissions which is \$900,000 and workers compensation which is \$300,000. 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. Flood and earthquake exposures are covered in the property program each having \$16,000,000 limits. Also covered is employee fidelity up to \$1,000,000 and boiler and machinery coverage up to \$100,000,000. 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 such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2010, no liability has been recorded in the Community College's financial statements. As of June 30, 2010, 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, 2010

Note 13 - 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, 2010, follows:

Total Assets	\$ 1,114,581
Total Liabilities	-
Total Net Assets	\$ 1,114,581
Total Revenues	\$ 291,242
Total Expenses	\$ 6,205
Contributions to the Community College	\$ 184,561

Note 14 - NEW JOBS TRAINING PROGRAMS

The 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 tax, budgeted reserves and in the case of default, from standby property tax. Since inception, the Community College has administered 105 projects with 30 currently receiving project funding. The remaining 75 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, 2010, the Community College recognized \$969 of miscellaneous revenue from excess interest.

Note 15 - 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 \$39,101 during the year ended June 30, 2010.

Note 16 - 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, 2010.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Note 17 - 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, 2010. 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, 2010, as related information is still being collected for that individual.

Effective July 1, 2010, the Community College's required contributions to IPERS and TIAA-CREF both increased to 6.95% of annual covered payroll.

Note 18 - DEFICIT FUND BALANCE

The Community College has a deficit fund balance of \$271,294 in the Restricted Fund at June 30, 2010. The Community College plans to cover this deficit with future revenues.

Note 19 - SUBSEQUENT EVENT

The Community College has evaluated all subsequent events through October 28, 2010, the date the financial statements were available to be issued.

OTHER SUPPLEMENTARY INFORMATION

WESTERN IOWA TECH COMMUNITY COLLEGE

OTHER SUPPLEMENTARY INFORMATION

JUNE 30, 2010

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 accounts:

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

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

Investment in Plant - This account 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 the 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 schedule 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, 2010. 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 TO ACTUALFOR THE YEAR ENDED JUNE 30, 2010

<u>Funds/Levy</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Between Actual and Budget</u>
Unrestricted	\$ 27,525,509	\$ 25,337,766	\$ 2,187,743
Restricted	\$ 18,506,851	\$ 7,092,148	\$ 11,414,703
Unemployment	65,102	64,219	883
Tort Liability	141,616	134,872	6,744
Insurance	1,219,798	1,216,906	2,892
Early Retirement	-	440,110	(440,110)
Equipment Replacement	578,524	533,522	45,002
Total Restricted	\$ 20,511,891	\$ 9,481,777	\$ 11,030,114
Plant	\$ 12,301,678	\$ 3,218,813	\$ 9,082,865
Total	<u>\$ 60,339,078</u>	<u>\$ 38,038,356</u>	<u>\$ 22,300,722</u>

NOTE TO BUDGETARY REPORTING

JUNE 30, 2010

The Board of Directors annually prepares a budget designating the proposed expenditures for operation of the Community College on a basis consistent with U.S. generally accepted accounting principles. 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, Scholarships and Grants Accounts, Loan Funds, and 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 early retirement is attributable to employees electing to participate in an early retirement program that was subsequently terminated June 30, 2010.

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, 2010

<u>ASSETS</u>	<u>Current Funds</u>		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Loan Funds</u>
Cash and Investments:			
Cash and Pooled Investments	\$ 9,145,124	\$ 8,555,499	\$ 155,821
Other Investments			
Receivables:			
Accounts (Net of Allowance of \$764,875)	1,304,356	962,785	1,389
Property Tax	1,293,578	2,636,855	
Pledges			
Due from Other Funds	2,735,735	3,552,451	
Due from Other Governments	368,559	223,806	
Inventories	699,228		
Prepaid Expenditures	254,451	1,496,860	
Restricted Cash and Pooled Investments	517,134		
Capital Assets:			
Land			
Buildings and Other Structures			
Furniture and Equipment			
Construction in Process			
Accumulated Depreciation			
Total Assets	<u>\$ 16,318,165</u>	<u>\$ 17,428,256</u>	<u>\$ 157,210</u>

SCHEDULE 2

Plant Funds					
Unexpended	Retirement of Indebtedness	Investment in Plant	Agency Funds	Adjustments	Total
\$ 757,926	\$ 1,876,978		\$ 535,917		\$ 21,027,265
			1,482,410		1,482,410
120,000					2,388,530
1,293,578					5,224,011
				519,201	519,201
1,941,467			950	(8,230,603)	-
			1,652,451		2,244,816
					699,228
			1,000		1,752,311
50,000					567,134
		812,453			812,453
		52,047,904			52,047,904
		8,680,069			8,680,069
		779,569			779,569
				(26,946,874)	(26,946,874)
<u>\$ 4,162,971</u>	<u>\$ 1,876,978</u>	<u>\$ 62,319,995</u>	<u>\$ 3,672,728</u>	<u>\$ (34,658,276)</u>	<u>\$ 71,278,027</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

BALANCE SHEET

JUNE 30, 2010

<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	1,096,665	677,520	
Iowa Industrial New Jobs Training Program		1,251,613	
Salaries and Benefits Payable	1,008,454	135,999	
Accrued Interest		33,187	
Due to Other Funds	5,400,834	1,170,801	
Capital Lease Obligation			
Deferred Revenue	1,497,237	4,314,879	
Early Retirement Payable		1,311,363	
Compensated Absences	508,839	139,188	
Deposits Refundable	39,922		
Deposits Held in Custody for Others			
Certificates Payable		8,665,000	
Bonds Payable			
	-----	-----	-----
Total Liabilities	\$ 9,551,951	\$ 17,699,550	\$ -
 <u>FUND BALANCE</u>			
Invested in Capital Assets, Net of Related Debt			
Fund Balances (Deficits):			
Restricted			
Expendable:			
Scholarships and Grants		318	
Loans			157,210
Debt Service			
Cash Reserve		678,851	
Other		(950,463)	
Unrestricted	3,586,182		
Auxiliary Enterprises	3,180,032		
	-----	-----	-----
Total Fund Balance	\$ 6,766,214	\$ (271,294)	\$ 157,210
	-----	-----	-----
Total Liabilities and Fund Balance	\$ 16,318,165	\$ 17,428,256	\$ 157,210

SCHEDULE 2
(Cont.)

Unexpended	Plant Funds		Agency Funds	Adjustments	Total
	Retirement of Indebtedness	Investment in Plant			
438,861			28,548		\$ 2,241,594
					1,251,613
					1,144,453
30,144					63,331
			1,658,968	(8,230,603)	-
177,067					177,067
1,293,578			219,052		7,324,746
					1,311,363
					648,027
					39,922
			1,766,160	519,201	2,285,361
					8,665,000
		8,105,000			8,105,000
<u>\$ 1,939,650</u>	<u>\$ -</u>	<u>\$ 8,105,000</u>	<u>\$ 3,672,728</u>	<u>\$ (7,711,402)</u>	<u>\$ 33,257,477</u>
		\$ 54,214,995		\$ (26,946,874)	\$ 27,268,121
					318
					157,210
	1,876,978				1,876,978
					678,851
					(950,463)
2,223,321					5,809,503
					3,180,032
<u>\$ 2,223,321</u>	<u>\$ 1,876,978</u>	<u>\$ 54,214,995</u>	<u>\$ -</u>	<u>\$ (26,946,874)</u>	<u>\$ 38,020,550</u>
<u>\$ 4,162,971</u>	<u>\$ 1,876,978</u>	<u>\$ 62,319,995</u>	<u>\$ 3,672,728</u>	<u>\$ (34,658,276)</u>	<u>\$ 71,278,027</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2010

<u>REVENUES</u>	<u>Current Funds</u>		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Loan Funds</u>
<u>General:</u>			
State Appropriations	\$ 8,575,255	922,038	
Tuition and Fees	15,370,565		
Property Tax	1,231,359	2,532,344	
Federal Appropriations	2,306,915	14,865,801	
Sales and Services	146,295		
Earnings on Investments	64,762	14,167	2,662
Iowa Industrial New Jobs Training Program		1,411,410	
Increase in Plant Investment Due to Plant Expenditures (Including \$964,026 in Current Fund Expenditures)			
Increase in Plant Investment Due to Retirement of Debt			
Miscellaneous	1,633,536	1,526,768	
Gifts and Grants			3,921
Gain on Disposal of Capital Assets			
	<u>\$ 29,328,687</u>	<u>\$ 21,272,528</u>	<u>\$ 6,583</u>
<u>Auxiliary Enterprises:</u>			
Federal Appropriations	\$ 36,066		
Sales and Services	5,457,891		
Interest on Investments	393		
Miscellaneous	68,247		
	<u>\$ 5,562,597</u>	<u>\$ -</u>	<u>\$ -</u>
 Total Revenues	 \$ 34,891,284	 \$ 21,272,528	 \$ 6,583
 <u>EXPENDITURES</u>			
<u>Education and Support:</u>			
Liberal Arts and Sciences	\$ 3,891,151	151,746	
Vocational Technical	6,997,170	1,854,377	
Adult Education	1,795,833	1,250,551	
Cooperative Services	330,696	2,473,750	
Administration	1,735,794		
Student Services	1,816,323	67,995	
Learning Resources	324,695	50,708	
Physical Plant	2,707,090	1,305,359	
General Institution	5,739,014	2,369,507	
	<u>\$ 25,337,766</u>	<u>\$ 9,523,993</u>	<u>\$ -</u>
 Total Education and Support	 \$ 25,337,766	 \$ 9,523,993	 \$ -

Unexpended	Plant Funds		Adjustments	Total
	Retirement of Indebtedness	Investment in Plant		
				\$ 9,497,293
			(9,217,515)	6,153,050
1,231,359				4,995,062
				17,172,716
				146,295
	21,684			103,275
				1,411,410
		3,839,765	(3,839,765)	-
		675,000	(675,000)	-
134,805				3,160,304
				138,726
			90,939	90,939
<u>\$ 1,366,164</u>	<u>\$ 21,684</u>	<u>\$ 4,514,765</u>	<u>\$ (13,641,341)</u>	<u>\$ 42,869,070</u>
				\$ 36,066
				5,457,891
				393
				68,247
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,562,597</u>
\$ 1,366,164	\$ 21,684	\$ 4,514,765	\$ (13,641,341)	\$ 48,431,667
			(105,533)	\$ 3,937,364
			(404,612)	8,446,935
			(79,711)	2,966,673
				2,804,446
				1,735,794
				1,884,318
			(88,899)	286,504
492,817		456,159	(10,762)	4,950,663
			(285,271)	7,823,250
<u>\$ 492,817</u>	<u>\$ -</u>	<u>\$ 456,159</u>	<u>\$ (974,788)</u>	<u>\$ 34,835,947</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Current Funds</u>		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Loan Funds</u>
<u>EXPENDITURES - (Continued)</u>			
Auxiliary Enterprises	\$ 4,361,093		
Scholarships and Grants		\$ 9,462,137	
Workforce Investment Act		1,240,032	
Plant Asset Acquisitions			
Retirement of Indebtedness			
Disposal of Plant Assets			
Interest on Indebtedness		458,593	
Depreciation			
	<u>\$ 29,698,859</u>	<u>\$ 20,684,755</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues and Other Additions Over Expenditures and Other Deductions	\$ 5,192,425	\$ 587,773	\$ 6,583
<u>TRANSFERS</u>			
Mandatory Transfers	(548,715)		
Non-Mandatory Transfers	(3,332,555)	(461,832)	
Net	\$ 1,311,155	\$ 125,941	\$ 6,583
Fund Balances (Deficit) Beginning of Year	<u>5,455,059</u>	<u>(397,235)</u>	<u>150,627</u>
Fund Balances (Deficit) End of Year	<u>\$ 6,766,214</u>	<u>\$ (271,294)</u>	<u>\$ 157,210</u>

SCHEDULE 3
(Cont.)

Plant Funds				
Unexpended	Retirement of Indebtedness	Investment in Plant	Adjustments	Total
				\$ 4,361,093
			(9,217,515)	244,622
				1,240,032
2,725,996			(2,725,996)	-
	675,000		(675,000)	-
		316,820	(316,820)	-
	375,744			834,337
			2,235,258	2,235,258
<u>\$ 3,218,813</u>	<u>\$ 1,050,744</u>	<u>\$ 772,979</u>	<u>\$ (11,674,861)</u>	<u>\$ 43,751,289</u>
\$ (1,852,649)	\$ (1,029,060)	\$ 3,741,786	\$ (1,966,480)	\$ 4,680,378
	548,715			-
2,617,979	1,176,408			-
<u>\$ 765,330</u>	<u>\$ 696,063</u>	<u>\$ 3,741,786</u>	<u>\$ (1,966,480)</u>	<u>\$ 4,680,378</u>
1,457,991	1,180,915	50,473,209	(24,980,394)	33,340,172
<u>\$ 2,223,321</u>	<u>\$ 1,876,978</u>	<u>\$ 54,214,995</u>	<u>\$ (26,946,874)</u>	<u>\$ 38,020,550</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, 2010

	Education			
	Liberal Arts and Sciences	Vocational Technical	Adult Education	Cooperative Services
<u>REVENUES</u>				
State Appropriations				
Tuition and Fees	\$ 7,577,187	\$ 5,493,354	\$ 1,470,655	\$ 332,574
Property Tax				
Federal Appropriations	9,765	496,048	243,469	
Sales and Services			6,500	17,062
Interest on Indebtedness				
Miscellaneous	35,720	12,401	127,475	283,264
	<u>\$ 7,622,672</u>	<u>\$ 6,001,803</u>	<u>\$ 1,848,099</u>	<u>\$ 632,900</u>
Allocation of Support Services	4,138,146	6,509,885	2,575,182	-
	<u>\$ 11,760,818</u>	<u>\$ 12,511,688</u>	<u>\$ 4,423,281</u>	<u>\$ 632,900</u>
<u>EXPENDITURES</u>				
Salaries and Benefits	3,729,866	5,631,367	1,424,499	282,057
Services	74,435	531,744	163,683	20,433
Materials and Supplies	80,486	539,625	172,742	20,795
Travel	6,364	45,084	31,575	7,411
Plant Asset Acquisitions		41,894		
Collection Costs		207,456	3,334	
Awards to Subrecipients				
	<u>\$ 3,891,151</u>	<u>\$ 6,997,170</u>	<u>\$ 1,795,833</u>	<u>\$ 330,696</u>
Allocation of Support Services	3,856,402	6,066,662	2,399,852	-
	<u>\$ 7,747,553</u>	<u>\$ 13,063,832</u>	<u>\$ 4,195,685</u>	<u>\$ 330,696</u>
Excess of Revenues Over (Under)				
Expenditures	\$ 4,013,265	\$ (552,144)	\$ 227,596	\$ 302,204
<u>TRANSFERS</u>				
Non-Mandatory Transfers	(114,150)	(415,000)	133,591	-
	<u>\$ 3,899,115</u>	<u>\$ (967,144)</u>	<u>\$ 361,187</u>	<u>\$ 302,204</u>

Fund Balance Beginning of Year

Fund Balance End of Year

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

Support					
General Administration	Student Services	Learning Resources	Physical Plant	General Institution	Education and Support Total
\$ 8,349,069			\$ 5,855	\$ 220,331	\$ 8,575,255
3,575	\$ 493,220				15,370,565
			1,231,359		1,231,359
1,473,759	64,236	\$ 4,857	6,610	8,171	2,306,915
	52,170		35,189	35,374	146,295
64,762					64,762
188,244	23,200	275	157,816	805,141	1,633,536
<u>\$ 10,079,409</u>	<u>\$ 632,826</u>	<u>\$ 5,132</u>	<u>\$ 1,436,829</u>	<u>\$ 1,069,017</u>	<u>\$ 29,328,687</u>
(10,079,409)	(632,826)	(5,132)	(1,436,829)	(1,069,017)	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,328,687</u>
1,345,705	1,581,246	203,747	1,009,774	3,427,778	\$ 18,636,039
298,259	126,203	11,185	1,273,664	2,016,110	4,515,716
30,106	94,968	75,363	422,286	236,663	1,673,034
59,798	13,906		1,366	39,651	205,155
		34,400		5,326	81,620
1,926					212,716
				13,486	13,486
<u>\$ 1,735,794</u>	<u>\$ 1,816,323</u>	<u>\$ 324,695</u>	<u>\$ 2,707,090</u>	<u>\$ 5,739,014</u>	<u>\$ 25,337,766</u>
(1,735,794)	(1,816,323)	(324,695)	(2,707,090)	(5,739,014)	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,337,766</u>
\$ -	\$ -	\$ -	\$ -	\$ -	3,990,921
-	(25,000)	-	(3,079,616)	29,035	(3,471,140)
<u>\$ -</u>	<u>\$ (25,000)</u>	<u>\$ -</u>	<u>\$ (3,079,616)</u>	<u>\$ 29,035</u>	<u>\$ 519,781</u>
					3,066,401
					<u>\$ 3,586,182</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, 2010

	<u>Bookstore</u>	<u>Parts Department</u>	<u>Cafeteria</u>
<u>REVENUES</u>			
Federal Appropriations	\$ 5,473		\$ 5,376
Sales and Services	3,447,429	\$ 187,247	801,642
Interest on Indebtedness			
Miscellaneous	15,548		12,456
	<hr/>	<hr/>	<hr/>
Total Revenues	\$ 3,468,450	\$ 187,247	\$ 819,474
 <u>EXPENDITURES</u>			
Salaries and Benefits	\$ 183,706	\$ 16,412	\$ 135,801
Services	24,132		139,788
Materials and Supplies	34,619	8,871	39,723
Travel	1,132		624
Cost of Goods Sold	2,641,486	141,347	451,443
Bad Debts and Collection Costs	228		
Miscellaneous	100,000		
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 2,985,303	\$ 166,630	\$ 767,379
 Excess (Deficiency) of Revenues Over Expenditures			
	\$ 483,147	\$ 20,617	\$ 52,095
 <u>TRANSFERS</u>			
Mandatory Transfers			
Non-Mandatory Transfers			
	<hr/>	<hr/>	<hr/>
Net	\$ 483,147	\$ 20,617	\$ 52,095
Fund Balance (Deficit) Beginning of Year	1,757,807	(11,672)	120,240
	<hr/>	<hr/>	<hr/>
Fund Balance (Deficit) End of Year	<u>\$ 2,240,954</u>	<u>\$ 8,945</u>	<u>\$ 172,335</u>

SCHEDULE 5

Vocational Servicing Accounts	Dormitories	Other	Total
	\$ 25,217		\$ 36,066
\$ 60	998,345	\$ 23,168	5,457,891
	376	17	393
	29,105	11,138	68,247
\$ 60	\$ 1,053,043	\$ 34,323	\$ 5,562,597
	\$ 210,903	\$ 5,340	\$ 552,162
	146,758	6,590	317,268
	18,578	53,515	155,306
	608		2,364
			3,234,276
	(511)		(283)
			100,000
\$ -	\$ 376,336	\$ 65,445	\$ 4,361,093
\$ 60	\$ 676,707	\$ (31,122)	\$ 1,201,504
	(548,715)		(548,715)
		138,585	138,585
\$ 60	\$ 127,992	\$ 107,463	\$ 791,374
31,954	(28,376)	518,705	2,388,658
<u>\$ 32,014</u>	<u>\$ 99,616</u>	<u>\$ 626,168</u>	<u>\$ 3,180,032</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

RESTRICTED FUND

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Scholarship and Grants</u>	<u>Equipment Replacement</u>	<u>Cash Reserve</u>
<u>REVENUES</u>			
State Appropriations			
Property Tax		\$ 547,259	
Federal Appropriations	\$ 9,462,137		
Earnings on Investments	117		
Iowa Industrial New Jobs Training Program			
Miscellaneous			
Total Revenues	\$ 9,462,254	\$ 547,259	\$ -
 <u>EXPENDITURES</u>			
Salaries and Benefits			
Services			
Materials and Supplies			
Plant Asset Acquisitions		\$ 533,522	
Travel			
Interest on Indebtedness			
Awards to Subrecipients			
Federal Pell Grant Program	\$ 9,365,534		
Federal Supplemental Educational Opportunity Grant (FSEOG)	81,402		
Federal Academic Competitiveness Grants	15,201		
Total Expenditures	\$ 9,462,137	\$ 533,522	\$ -
Excess (Deficiency) of Revenues Over Expenditures	\$ 117	\$ 13,737	\$ -
 <u>TRANSFERS</u>			
Non-Mandatory Transfers	-		
Net	\$ 117	\$ 13,737	\$ -
Fund Balance (Deficit) Beginning of Year	201	85,346	678,851
Fund Balance (Deficit) End of Year	<u>\$ 318</u>	<u>\$ 99,083</u>	<u>\$ 678,851</u>

Tort Liability	Insurance	Unemployment Compensation	Early Retirement	Title III	TRiO	Workforce Investment Act	Iowa Industrial New Jobs Training Program	Project Prosper	Other	Total
									\$ 922,038	\$ 922,038
\$ 117,861	\$ 1,578,672	\$ 41,240	\$ 247,312	\$ 363,230	\$ 774,907	\$ 1,215,180		\$ 500,809	2,549,538	14,865,801
							\$ 13,588		462	14,167
							1,411,410			1,411,410
					195		967,770		558,803	1,526,768
\$ 117,861	\$ 1,578,672	\$ 41,240	\$ 247,312	\$ 363,230	\$ 775,102	\$ 1,215,180	\$ 2,392,768	500,809	\$ 4,030,841	\$ 21,272,528
\$ 134,872	\$ 52,383 1,164,523	\$ 64,219	\$ 440,110	\$ 231,682	\$ 552,883	\$ 635,196		\$ 165,404	\$ 1,777,593	\$ 3,919,470
				53,992	99,168	78,448	\$ 1,934,175	196,539	1,202,743	4,864,460
				53,895	21,371	32,596		94,797	375,155	577,814
				10,159		1,992		21,613	213,684	780,970
				13,502	9,623	9,182		3,441	41,120	76,868
							458,593			458,593
					42,810	482,618		19,015		544,443
										9,365,534
										81,402
										15,201
\$ 134,872	\$ 1,216,906	\$ 64,219	\$ 440,110	\$ 363,230	\$ 725,855	\$ 1,240,032	\$ 2,392,768	\$ 500,809	\$ 3,610,295	\$ 20,684,755
\$ (17,011)	\$ 361,766	\$ (22,979)	\$ (192,798)	\$ -	\$ 49,247	\$ (24,852)	\$ -	-	\$ 420,546	\$ 587,773
					(49,247)				(412,585)	(461,832)
\$ (17,011)	\$ 361,766	\$ (22,979)	\$ (192,798)	\$ -	\$ -	\$ (24,852)	\$ -	-	\$ 7,961	\$ 125,941
5,504	(653,707)	(12,817)	(498,725)	-	-	(85,060)	-	-	83,172	(397,235)
\$ (11,507)	\$ (291,941)	\$ (35,796)	\$ (691,523)	\$ -	\$ -	\$ (109,912)	\$ -	-	\$ 91,133	\$ (271,294)

This Page Intentionally Left Blank

SCHEDULE OF CHANGES IN DEPOSITS HELD IN CUSTODY FOR OTHERSAGENCY FUNDSFOR THE YEAR ENDED JUNE 30, 2010

	<u>Retraining Grants</u>	<u>Foundation</u>	<u>Other</u>	<u>Total</u>
Balance Beginning of Year	\$ (12,036)	\$ 1,221,908	\$ 118,740	\$ 1,328,612
<u>ADDITIONS</u>				
State Appropriations	\$ 111,507			\$ 111,507
Tuition and Fees			\$ 66,501	66,501
Earnings (Loss) on Investments		\$ 66,869	17	66,886
Gifts and Grants		720,115		720,115
Miscellaneous			162,810	162,810
Total Additions	\$ 111,507	\$ 786,984	\$ 229,328	\$ 1,127,819
<u>DEDUCTIONS</u>				
Services	\$ 99,471	\$ 38,370	\$ 37,774	\$ 175,615
Materials and Supplies		94	198,464	198,558
Travel			1,379	1,379
Other		314,719		314,719
Total Deductions	\$ 99,471	\$ 353,183	\$ 237,617	\$ 690,271
Net	\$ 12,036	\$ 433,801	\$ (8,289)	\$ 437,548
Balance End of Year	<u>\$ -</u>	<u>\$ 1,655,709</u>	<u>\$ 110,451</u>	<u>\$ 1,766,160</u>

SCHEDULE OF CREDIT AND CONTACT HOURS

FOR THE YEAR ENDED JUNE 30, 2010

<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	47,574		47,574	835,226		835,226
Vocational Education	63,520		63,520	1,313,928		1,313,928
Adult Education/Continuing Education			-	494,761	25,003	519,764
Cooperative Programs/ Services			-			-
Related Services and Activities			-			-
Total	<u>111,094</u>	<u>-</u>	<u>111,094</u>	<u>2,643,915</u>	<u>25,003</u>	<u>2,668,918</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

SCHEDULE OF TAX AND INTERGOVERNMENTAL REVENUES

FOR THE LAST TEN YEARS

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Local (Property Tax)	\$ 4,995,062	\$ 4,796,578	\$ 4,116,197	\$ 3,916,092
State	9,497,293	12,771,514	10,709,902	9,921,957
Federal	<u>17,208,782</u>	<u>10,076,967</u>	<u>8,524,100</u>	<u>7,935,290</u>
Total	<u>\$ 31,701,137</u>	<u>\$ 27,645,059</u>	<u>\$ 23,350,199</u>	<u>\$ 21,773,339</u>

SCHEDULE 9

YEARS ENDED JUNE 30,					
<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 3,698,263	\$ 3,002,078	\$ 3,086,007	\$ 5,182,880	\$ 3,391,504	\$ 3,247,429
9,270,872	8,473,661	9,355,305	8,421,172	8,484,112	9,245,552
<u>7,086,963</u>	<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>\$ 20,056,098</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>

WESTERN IOWA TECH COMMUNITY COLLEGE

SCHEDULE OF CURRENT FUND REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION

FOR THE LAST TEN YEARS

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>REVENUES</u>				
State Appropriations	9,497,293	12,656,445	10,559,746	9,754,187
Tuitions and Fees	15,370,565	12,264,649	11,100,584	10,834,157
Property Tax	3,763,703	3,621,344	2,982,270	2,787,654
Federal Appropriations	17,208,782	10,076,967	8,524,100	7,935,290
Sales and Services	146,295	117,104	98,934	121,751
Earnings on Investments	78,929	192,349	558,060	809,138
Iowa Industrial New Jobs Training Program	1,411,410	1,241,317	3,104,955	1,171,738
Auxiliary Enterprises	5,526,531	4,459,829	3,566,745	3,354,158
Miscellaneous	3,160,304	3,540,966	5,122,112	2,589,157
 Total Revenues	 <u>\$ 56,163,812</u>	 <u>\$ 48,170,970</u>	 <u>\$ 45,617,506</u>	 <u>\$ 39,357,230</u>
 <u>EXPENDITURES</u>				
Liberal Arts and Sciences	4,042,897	3,980,539	3,643,430	3,438,704
Vocational Technical	8,851,547	7,886,823	8,407,204	7,527,893
Adult Education	3,046,384	2,926,465	2,034,962	2,004,817
Cooperative Services	2,804,446	3,248,611	6,500,618	1,927,432
Administration	1,735,794	1,696,747	1,804,641	1,668,920
Student Services	1,884,318	1,821,919	1,759,810	1,548,750
Learning Resources	375,403	335,525	336,368	300,938
Physical Plant	4,012,449	3,803,634	3,823,678	4,151,919
General Institution	8,108,521	7,914,354	6,106,456	6,032,523
Auxiliary Enterprises	4,361,093	3,717,389	3,061,656	2,951,213
Scholarships and Grants	9,462,137	5,223,567	4,394,709	4,113,238
Workforce Investment Act	1,240,032	1,168,458	1,446,775	1,704,877
Job Training Partnership Act	-	-	-	-
Interest on Indebtedness	458,593	477,651	470,187	491,408
 Total Expenditures	 <u>\$ 50,383,614</u>	 <u>\$ 44,201,682</u>	 <u>\$ 43,790,494</u>	 <u>\$ 37,862,632</u>

SCHEDULE 10

YEARS ENDED JUNE 30,					
2006	2005	2004	2003	2002	2001
9,155,272	8,473,661	9,355,305	8,421,172	8,484,112	9,245,552
10,800,821	11,142,572	10,141,825	9,754,265	8,932,348	7,560,492
2,623,537	1,938,989	1,944,500	4,068,354	2,285,603	2,167,533
7,086,963	7,666,784	7,747,572	7,772,361	7,319,243	6,467,518
106,525	127,471	126,436	109,510	108,449	88,611
666,651	277,322	134,187	196,851	318,428	653,241
3,672,907	1,903,622	2,064,372	1,577,803	1,660,658	822,692
3,043,232	3,135,438	2,916,532	2,740,297	2,600,176	2,425,994
4,958,998	2,589,956	2,035,030	1,734,604	1,828,871	1,596,454
<u>\$ 42,114,906</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>
3,293,910	3,164,724	2,925,208	2,805,884	2,552,187	2,211,760
7,426,871	6,944,050	6,893,558	6,646,855	6,705,029	6,206,829
1,809,915	1,774,306	1,628,509	2,055,200	1,931,591	2,097,352
6,697,364	2,458,362	2,549,567	2,016,823	2,060,482	1,290,613
1,476,720	1,421,744	1,365,849	1,400,845	1,528,087	1,393,164
1,597,998	1,485,412	1,373,771	1,368,664	1,361,324	1,356,604
319,772	297,428	303,239	277,658	273,076	344,679
3,319,010	2,984,886	2,762,746	2,397,831	2,171,925	2,374,882
6,676,005	5,553,734	5,131,641	5,058,715	7,229,694	5,065,321
2,613,278	2,725,916	2,449,999	2,335,679	2,230,191	2,058,626
4,058,105	4,524,888	4,463,198	4,291,822	3,469,183	2,639,782
1,053,859	1,079,897	1,395,269	1,431,312	1,821,472	1,890,360
-	-	-	-	-	1,905
533,297	298,283	326,848	408,993	503,059	599,799
<u>\$ 40,876,104</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>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2010

Grantor/Program	Agency or Pass-Through Number	Federal CFDA Number	Program Expenditures	New Loans and New Loan Guarantees
Direct:				
U.S. Department of Education:				
Student Financial Aid Cluster:				
Federal Supplemental Educational Opportunity				
Grant (FSEOG)	N/A	84.007	\$ 85,473	
Federal Family Education Loans	N/A	84.032		\$ 11,810,868
Federal Work Study Program (FWS)	N/A	84.033(a)	145,934	
ARRA - Federal Work Study Program (FWS)	N/A	84.033(a)	27,651	
Federal Pell Grant Program	N/A	84.063(b)	9,365,534	
Federal Pell Grant Program - Administration	N/A	84.063(b)	13,220	
Academic Competitiveness Grants	N/A	84.375	15,201	
			\$ 9,653,013	\$ 11,810,868
TRiO Cluster:				
Student Support Services	N/A	84.042	\$ 311,479	
Talent Search	N/A	84.044	202,291	
Upward Bound	N/A	84.047	260,970	
			\$ 774,740	\$ -
Higher Education - Institutional Aid - Title III	N/A	84.031	\$ 363,230	
Business and International Education Program	N/A	84.153A	\$ 116,221	
Community Based Job Training Program:				
Boiler Training Grant	N/A	17.269	\$ 987,029	
The Security Institute	N/A	17.269	504,531	
			\$ 1,491,560	\$ -
National Science Foundation:				
Science, Technology, Engineering, and Mathematics				
Education	N/A	47.076	\$ 105,238	
U.S. Department of Labor:				
Advanced Manufacturing Industry Project	N/A	17.261	\$ 365,210	
ARRA - Worker Training and Placement Program	N/A	17.275	\$ 500,809	
Occupational Safety and Health Administration:				
Susan Harwood Training Grant Program	N/A	17.502	\$ 71,471	
Total Direct			\$ 13,441,492	\$ 11,810,868

See Accompanying Note to Schedule of Expenditures of Federal Awards

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2010

Grantor/Program	Agency or Pass-Through Number	Federal CFDA Number	Program Expenditures	New Loans and New Loan Guarantees
Indirect:				
U.S. Department of Health and Human Services:				
Indirect Through Iowa Workforce Development:				
Temporary Assistance for Needy Families	9-W-14-FN-0	93.558	\$ 299,632	
U.S. Department of Labor:				
Indirect Through Iowa Workforce Development:				
Workforce Investment Act (WIA) Cluster:				
WIA Adult Program	7-W-17-FR-0	17.258(c)	\$ 99,844	
ARRA - WIA Adult Program	7-W-17-FR-0	17.258(c)	44,537	
WIA Apprenticeship Integration	7-W-17-FR-0	17.258(c)	59,151	
WIA Youth Activities	7-W-17-FR-0	17.259(d)	136,081	
ARRA - WIA Youth Activities	7-W-17-FR-0	17.259(d)	113,171	
WIA Dislocated Workers	7-W-17-FR-0	17.260(e)	346,329	
ARRA - WIA Dislocated Workers	7-W-17-FR-0	17.260(e)	110,579	
WIA Incentive Grants	7-W-17-FR-0	17.267(f)	30,709	
			\$ 940,401	\$ -
U.S. Department of Education:				
Indirect Through the Iowa Department of Education:				
Adult Education - State Grant Program		84.002	\$ 242,387	
Vocational Education - Basic Grants to States	12-97-9912	84.048	\$ 382,011	
Tech Prep	12-97-9912	84.048A	77,993	
			\$ 460,004	\$ -
State Fiscal Stabilization Fund Cluster:				
ARRA - Education State Grants	FRRF979912	84.394	\$ 1,325,320	
ARRA - Government Services	8888979912	84.397	143,433	
			\$ 1,468,753	\$ -
Adult Literacy Grant	G-ALW2-10-012	17.267(f)	\$ 13,881	
Indirect Through Youth Build:				
National Farmworker Jobs Program	YB-19263-09-60-A-19	17.274	\$ 46,188	
Indirect Through Regional Innovation Grant:				
WIA Dislocated Workers	8-W-FR-P7-0-03	17.260(e)	\$ 166,204	

See Accompanying Note to Schedule of Expenditures of Federal Awards

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDSFOR THE YEAR ENDED JUNE 30, 2010

<u>Grantor/Program</u>	<u>Agency or Pass-Through Number</u>	<u>Federal CFDA Number</u>	<u>Program Expenditures</u>	<u>New Loans and New Loan Guarantees</u>
Indirect (Cont.):				
Small Business Administration:				
Indirect Through Iowa State University:				
Small Business Development Centers	435-08-02; 435-08-69 109-08-65; 109-08-69	59.037	\$ 86,409	
U.S. Department of Commerce:				
Indirect Through the Siouxland Initiative:				
Economic Adjustment Implementation Grant		11.307	\$ 6,493	
Total Indirect			<u>\$ 3,730,352</u>	<u>-</u>
Total			<u>\$ 17,171,844</u>	<u>\$ 11,810,868</u>

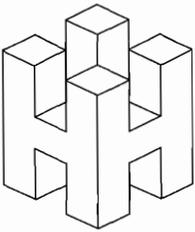
- (a) Total expenditures for CFDA Number 84.033 were \$173,585
- (b) Total expenditures for CFDA Number 84.063 were \$9,378,754
- (c) Total expenditures for CFDA Number 17.258 were \$203,532
- (d) Total expenditures for CFDA Number 17.259 were \$249,252
- (e) Total expenditures for CFDA Number 17.260 were \$623,112
- (f) Total expenditures for CFDA Number 17.267 were \$44,590

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2010

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 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.

This Page Intentionally Left Blank



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

CERTIFIED PUBLIC ACCOUNTANTS

800 FRANCES BUILDING
505 FIFTH STREET
P.O. BOX 1528
SIOUX CITY, IOWA 51102

PH. (712) 277-3931
(800) 274-3931
FAX (712) 233-3431

**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, 2010, which collectively comprise the Community College's basic financial statements listed in the table of contents, and have issued our report thereon dated October 28, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards, 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified.

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 a material misstatement of Western Iowa Tech Community College's financial statements will not be prevented or detected and corrected on a timely basis.

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.

Comments involving statutory and other legal matters about the Community College's operations for the year ended June 30, 2010 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Community College. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

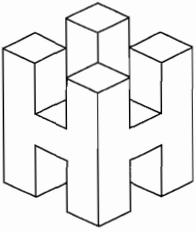
We noted certain matters that we reported to management of Western Iowa Tech Community College in a separate communication dated October 28, 2010.

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 and 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.

Hinge, Cramer & Williams, P.C.
Certified Public Accountants

Sioux City, Iowa
October 28, 2010



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

CERTIFIED PUBLIC ACCOUNTANTS

800 FRANCES BUILDING
505 FIFTH STREET
P.O. BOX 1528
SIOUX CITY, IOWA 51102

PH. (712) 277-3931
(800) 274-3931
FAX (712) 233-3431

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

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

Compliance

We have audited the compliance of WESTERN IOWA TECH COMMUNITY COLLEGE, SIOUX CITY, IOWA 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, 2010. 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 U.S. generally accepted auditing standards, 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 non-compliance 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 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, 2010.

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct non-compliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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, and is not intended to be and should not be used by anyone other than these specified parties.

Henjes, Cannon & Williams, P.C.
Certified Public Accountants

Sioux City, Iowa
October 28, 2010

WESTERN IOWA TECH COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2010

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
- TRiO Cluster, Including:
 - CFDA Number 84.042 Student Support Services
 - CFDA Number 84.044 Talent Search
 - CFDA Number 84.047 Upward Bound
- State Fiscal Stabilization Fund Cluster, Including:
 - CFDA Number 84.394 Education State Grants
 - CFDA Number 84.397 Government Services
- CFDA Number 17.261 Advanced Manufacturing Industry Project
- CFDA Number 17.269 Community Based Job Training Grant
- CFDA Number 17.275 Worker Training and Placement Programs
- CFDA Number 84.031 Higher Education – Institutional Aid – Title III
- 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, 2010

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, 2010

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, 2010

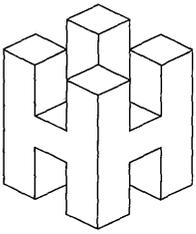
Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-10 Certified Budget - Expenditures in total for the year ended June 30, 2010, did not exceed the amounts budgeted.
- IV-B-10 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-10 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-10 Business Transactions - No business transactions between the Community College and Community College officials or employees were noted.
- IV-E-10 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 ensure the coverage is adequate for current operations.
- IV-F-10 Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-G-10 Publication - The Community College published a statement showing the receipts and disbursements of all funds, including the names of all persons, firms or corporations to which disbursements were made, as required by Section 260C.14(12) of the Code of Iowa.
- IV-H-10 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-10 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 &
WILLIAMS, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

800 FRANCES BUILDING
505 FIFTH STREET
P.O. BOX 1528
SIOUX CITY, IOWA 51102

PH. (712) 277-3931
(800) 274-3931
FAX (712) 233-3431

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, 2010, and have issued our report thereon dated October 28, 2010. 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 October 28, 2010. 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 June 14, 2010, 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 17, 2010.

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, 2010. 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.

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 7, Risk Pool in Note 12, and Commitments and Contingencies in Note 17 to the financial statements. The disclosures in the financial statements are neutral, consistent, and clear.

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. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, the following material misstatements detected as a result of audit procedures were corrected by management:

There were nine audit adjustments made to the original trial balance presented to us to begin our audit. One adjustment related to the health insurance reserve. 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 October 28, 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 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.

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

Sioux City, Iowa
October 28, 2010

PAJE No.	Account Description	W/P Ref	Account Number	Asset	Liability	Equity	Revenue Expense
201	BOOKSTORE - REQUIRED TEXTBOOKS : RE	D-1/1	03-5-7021-00-6510				
201	BOOKSTORE - REQUIRED TEXTBOOKS : AU		03-5-7021-00-1630	-2,377.37			2,377.37
To pass on adjustment for price testing projected error							
PAJE Totals By Classification				<u>-2,377.37</u>	<u>0.00</u>	<u>0.00</u>	<u>2,377.37</u>
Classification Totals Before PAJE				<u>115,189,145.77</u>	<u>-35,864,609.06</u>	<u>-75,311,660.16</u>	<u>-4,012,876.55</u>