



2010-2011

Comprehensive Annual Financial Report

For the year ended June 30, 2011



HAWKEYE
COMMUNITY COLLEGE

Iowa Area VII Community College

**HAWKEYE COMMUNITY COLLEGE
WATERLOO, IOWA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

PREPARED BY : BUSINESS SERVICES

**HAWKEYE COMMUNITY COLLEGE
1501 EAST ORANGE ROAD
WATERLOO, IA 50701
www.hawkeyecollege.edu**

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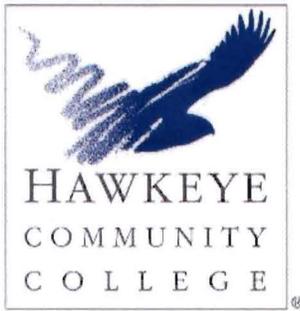
2010-2011

Introductory Section



HAWKEYE
COMMUNITY COLLEGE

Iowa Area VII Community College



December 15, 2011

To the Board of Trustees
Hawkeye Community College

We are pleased to provide you with the Comprehensive Annual Financial Report (CAFR) of Hawkeye Community College (the College) for the fiscal year ended June 30, 2011.

Iowa State law requires that all special-purpose local governments publish a complete set of financial statements presented in conformity with accounting principles generally accepted within the United States. Pursuant to that requirement, we hereby formally issue and transmit the comprehensive annual financial report to Hawkeye Community College for the fiscal year ended June 30, 2011.

This report consists of management's representations concerning the finances of Hawkeye Community College. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of Hawkeye Community College has established a comprehensive internal control framework that is designed both to protect the school's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Hawkeye Community College's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The cost of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Williams & Company, P.C., a firm of licensed certified public accountants, has audited the Hawkeye Community College's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of Hawkeye Community College for the fiscal year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Hawkeye Community College's financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Hawkeye Community College was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report, not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements involving the administration of federal awards. These reports are available in Hawkeye Community College's separately issued compliance report.

The CAFR is presented in three sections: Introductory, Financial, and Statistical. The introductory section includes this transmittal letter, the College's most recent Certificate of Achievement for Excellence in Financial Reporting, the College's organizational chart, and a list of principal officers. The financial section includes Management's Discussion and Analysis (MD&A), the Independent auditor's report, and the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction

with it. The statistical section includes selected unaudited financial and demographic information, generally presented on a multi-year basis.

Reporting Entity

The College is an independent reporting entity within the criteria established by generally accepted accounting principles (GAAP) and the Governmental Accounting Standards Board (GASB). In accordance with GASB Statement No. 14, the financial reporting entity consists of a primary government and a component unit. The College is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. In accordance with GASB Statement No.39, the financial activity of the College Foundation is presented as a component unit of the College. The College is not included in any other governmental financial reporting entity.

Profile of Hawkeye Community College

As a political subdivision of the State of Iowa, the College is subject to the oversight of the College's Governing Board of Trustees (the Board), which is comprised of nine elected members, representing each of the districts in Merged Area VII. Merged Area VII is comprised of all or portions of the following Iowa counties: Benton, Black Hawk, Bremer, Buchanan, Butler, Chickasaw, Fayette, Floyd, Grundy and Tama. The board members are volunteers elected in odd-numbered years for four-year terms on a staggered basis. The Board is granted full authority from the Statutes of the State of Iowa to manage the business and educational needs of the College. The administrative staff is responsible for the daily operation of the College.

State appropriations are received based on Full Time Equivalent Enrollment (FTEE) and formula funding. The College exercises primary property tax levy authority for generation of funds for operating expenses, special revenue and capital project funds.

The College is committed to offering quality educational programs and services at a reasonable cost. The College provides a wide range of programs, including general academic, technical-vocational, student development services, continuing education, and community services.

Budget

Hawkeye Community College maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. Activities of the general fund, special revenue funds, and capital projects fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level. For the year ended June 30, 2011, Hawkeye Community College met certified budget expectations in the general fund, special revenue funds, and capital projects fund.

Hawkeye Community College also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at the fiscal year's end. Hawkeye Community College is not required to use encumbrance accounting, and accordingly, commitments related to unperformed contracts for goods or services have not been recorded by Hawkeye Community College.

Annually, the Hawkeye Community College Board of Trustees adopts a certified budget and approves property tax rates in accordance with provisions outlined in the Statutes of the State of Iowa. The budgets are prepared on an accrual basis. During the fiscal year, monthly financial reports are prepared comparing the budget to actual receipts and disbursements of the various funds.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Hawkeye Community College operates.

Local Economy

Hawkeye Community College continues to take steps in anticipation of little or no funding increases from the State of Iowa in the immediate future. An increased reliance on adjunct faculty is occurring as well as the continuation of an early retirement plan in fiscal year 2011. These and other cost cutting measures have resulted in an improved financial situation for the College and will help position it to maintain fiscal sustainability during uncertain economic times ahead. Some challenges that are facing the College are:

- Due partly to a regional unemployment rate of approximately 5.3% in September 2011, which is down from over 6% the previous fall, the College has experienced an enrollment decline. The regional area served by the College is also experiencing a decline in both the general population as well as high school age students. The College is exploring avenues to better serve, and market to, our client base.
- Salaries, wages and fringe benefits comprise approximately 80% of annual Educational and Support expenditures. Providing competitive packages to attract and retain the best employees continues to be an issue facing the College.
- Facilities at the College require constant upkeep and maintenance at increasing costs.
- Technology continues to expand with current technology quickly becoming outdated. The College faces the challenge of maintaining and upgrading technology at a reasonable cost.
- Federal support for higher education in areas such as Carl Perkins funding and Pell Grants are under increased scrutiny as the Federal Government addresses its own budget challenges. The College may see reduced funding in these and other areas.

The College has begun experiencing enrollment declines and faces the likelihood of reduced funding at both the state and federal levels. However, the College has positioned itself to have the resources necessary to make well planned and thoughtful adjustments to its delivery of services in ways that maximize our client's return on their educational dollars spent.

Long-Term Financial Planning

The college is engaged in developing a new multi-year strategic plan. Included in this endeavor are efforts to enhance our enrollment management plan and to address the changing job market and increased interests of non-traditional students.

Hawkeye Community College Administrative offices are located in Black Hawk County. In 2003, voters in Area VII passed a 10-year bond referendum. Property tax receipts will repay \$25 million of bonded General Obligation debt over a 10-year period.

The first use of the money was for additions and repairs to classroom buildings and college infrastructure. The second phase of the project included construction of the Brock Student Center. Two outreach facilities financed by the bonds were opened in local communities (City of Waverly and Grundy County). Construction was completed for a Health Education and Services Center. Community input, as well as professional analysis, has been taken into consideration for the overall plan of construction and remodeling.

Financial Reporting

This CAFR for the College was formulated with data from various sources including College and Foundation records, and the County Treasurer's and County Auditor's Offices of Benton, Black Hawk, Bremer, Buchanan, Butler, Chickasaw, Fayette, Floyd, Grundy and Tama. The statements present information on the financial condition of the College and whether resources were adequate to cover the costs of providing services during the reporting period. The College's CAFR will be distributed to the Board of Trustees and executive administration, federal and state agencies, and financial institutions, as well as others throughout the general public. Internal management reports are customized and provided to meet the information and decision-making needs at all levels of the organization and to aid management in the allocation of resources.

The Notes to the Financial Statements are an integral part of this CAFR and should be read in conjunction with the Financial Statements for a full understanding of the information presented therein.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a "Certificate of Achievement for Excellence in Financial Reporting" to Hawkeye Community College for its Comprehensive Annual Financial Report for the year ended June 30, 2010. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

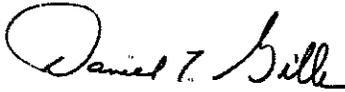
In order to be awarded a Certificate of Achievement, a college must publish an easily readable and efficiently organized annual financial report whose contents conform to program standards. Such reports must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

Acknowledgements

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated efforts of the Business Services staff of Hawkeye Community College. We would like to express our appreciation to all who assisted and contributed to this report with a special thanks to Williams & Company, P.C. Also, appreciation is expressed for the interest and support of the Board of Trustees in conducting the financial operation of the College in a most responsible and progressive manner.

Respectfully submitted,



Daniel L. Gillen
Vice President Administration and Finance

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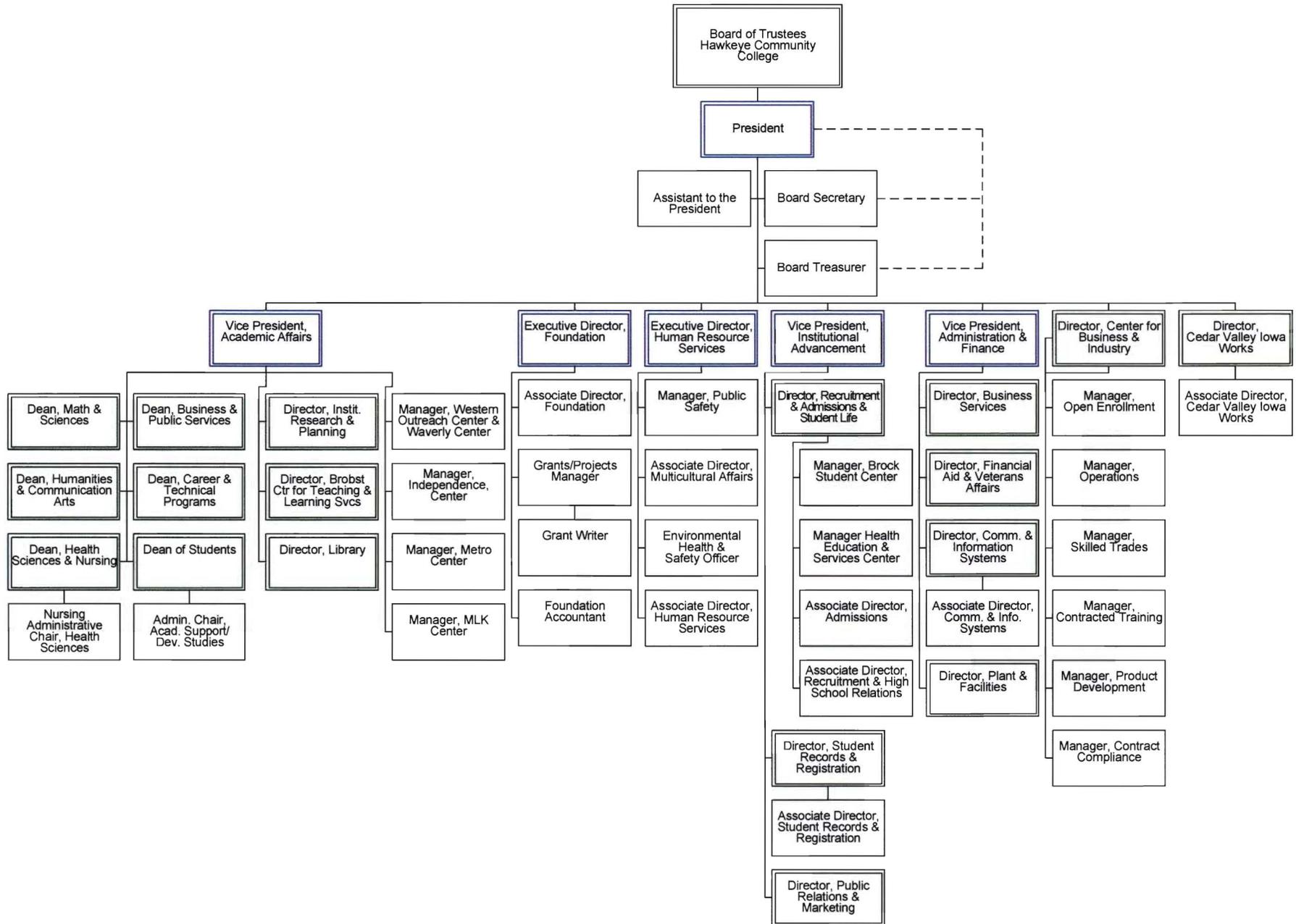
**HAWKEYE COMMUNITY COLLEGE
OFFICIALS**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Trustees		
Mark Birdnow	Chairperson	2013
Ruth Niemann	Vice Chairperson	2011
Ruth Cunningham	Member	2013
Dave Krejchi	Member	2013
Micaela Lorenz	Member	2011
Luane Lorenzen	Member	2013
Ronald McGregor	Member	2011
Casey McLaughlin	Member	2011
Donna Miller	Member	2013

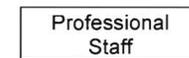
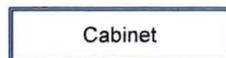
**Community College
(As of June 30, 2011)**

Linda Allen	President
Dan Gillen	Vice President, Administration and Finance
Denise Bouska	Board Treasurer
Donna McNulty	President Secretary
Denise Dunn	Board Secretary

Hawkeye Community College
July 1, 2011



Key:



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Hawkeye Community College
Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davison

President

Jeffrey R. Emer

Executive Director



2010-2011

Financial Section



HAWKEYE
COMMUNITY COLLEGE

Iowa Area VII Community College



Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Hawkeye Community College
Waterloo, Iowa

We have audited the accompanying financial statements, listed as the Basic Financial Statements in the table of contents of this report, of Hawkeye Community College, Waterloo, Iowa, as of and for the year ended June 30, 2011. 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 did not audit the financial statements of Hawkeye Community College Foundation (a discretely presented component unit of the Community College discussed in Note 1), which statements reflect total assets of \$5,032,373 and total revenues of \$1,149,647 for the year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to use and our opinion insofar as it relates to that unit is based on the report of the other auditor.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The financial statements of the Hawkeye Community College Foundation were not audited in accordance with *Government Auditing Standards*. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of Hawkeye Community College at June 30, 2011, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2011, on our consideration of Hawkeye 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedule of Funding Progress for the Retiree Health Plan on pages 10 through 15 and 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Hawkeye 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 four years ended June 30, 2010 (which is not presented herein) and expressed unqualified opinions on those financial statements. We did not previously audit, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2006. Other supplemental information included in Schedules 1 through 10, including the Schedule of Expenditures of Federal Awards, required by 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 are not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hawkeye Community College's basic financial statements. The Introductory and Statistical Sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on it.

Williams + Company P.C.

Certified Public Accountants

Spencer, Iowa
December 15, 2011

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

Management of Hawkeye Community College provides this Management's Discussion and Analysis of the College's annual financial statements. This narrative overview and analysis of the financial activities of Hawkeye Community College is for the fiscal year ended June 30, 2011. We are also discretely presenting financial information about the Hawkeye Community College Foundation (Foundation). We encourage readers to consider this information in conjunction with the College's financial statements, which follow.

FINANCIAL HIGHLIGHTS

- College operating revenues totaled \$30,563,256 for fiscal year 2011, and decreased \$2,194,076 as compared to fiscal year 2010 operating revenues of \$32,757,332. The decrease resulted from a significant decrease in Federal Appropriations, specifically the American Recovery and Reinvestment Act (Stimulus Fund) funding, Iowa Industrial New Jobs Training Program and non-governmental gifts and grants.
- College operating expenses totaled \$44,191,542 for fiscal year 2011 and decreased \$2,536,331, as compared to fiscal year 2010 operating expenses of \$46,727,873. The decrease resulted primarily from decreases in Cooperative Services and General Administrative expenses.
- The College's net assets increased 7.6%, or \$5,327,483, from the year ended June 30, 2010. The increase was reflected in the Invested in Capital Assets, Net of Related Debt and Unrestricted classifications.

USING THE ANNUAL REPORT

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

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

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

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

Required Supplementary Information presents a Schedule of Funding Progress for the Retiree Health Plan.

Other Supplementary Information provides detailed information about the individual funds. The Budgetary Comparison Schedule of Expenditures – Budget to Actual further explains and supports the financial statements with a comparison of the College's budget for the year. In addition, the Schedule of Expenditures of Federal Awards provides details of various programs benefiting the College.

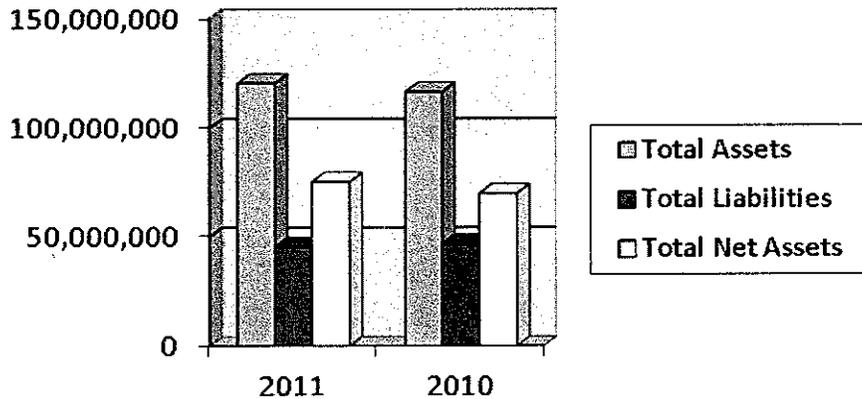
REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES

The Statement of Net Assets

The statement of net assets presents the assets, liabilities and net assets of the College as a whole, as of the end of the fiscal year June 30, 2011. 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 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 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 College owes to outside vendors and creditors. The statement also presents the available assets that can be used to satisfy those liabilities

Net Assets

	June 30, 2011	June 30, 2010
Current and Other Assets	\$ 70,785,009	\$ 73,125,362
Capital Assets, Net of Accumulated Depreciation	49,745,873	43,157,060
Total Assets	120,530,882	116,282,422
Current Liabilities	20,908,755	22,125,231
Non-current Liabilities	24,471,424	24,333,971
Total Liabilities	45,380,179	46,459,202
Net Assets:		
Invested in Capital Assets, Net of Related Debt	39,144,571	36,443,968
Restricted	13,413,053	17,871,870
Unrestricted	22,593,079	15,507,382
Total Net Assets	\$ 75,150,703	\$ 69,823,220



Comparison of Net Assets

A portion of the College's net assets (52.1%) is invested in capital assets (e.g., land, buildings and equipment), less the related debt. The debt related to the invested in capital assets is liquidated with resources other than capital assets. The restricted portion of the net assets (17.8%) includes resources that are subject to external restrictions. The remaining net assets (30.1%) are the unrestricted net assets that can be used to meet the 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 earned by the College, both operating and non-operating, and the expenses incurred by the College, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the College.

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

Changes in Net Assets

	Year Ended June 30, 2011	Year Ended June 30, 2010
Operating Revenues:		
Tuition and Fees	\$ 19,021,047	\$ 17,097,104
Less: Scholarship Allowances	(11,118,066)	(9,407,653)
Tuition and Fees, net of scholarship allowances	7,902,981	7,689,451
Federal Appropriations	15,210,266	16,573,673
Iowa Industrial New Jobs Training Program	2,868,437	3,294,700
Auxiliary Enterprises Revenue, net of scholarships	2,434,361	2,656,212
Gifts and Grants	60,359	386,593
Miscellaneous	2,086,852	2,156,703
Total Operating Revenues	<u>30,563,256</u>	<u>32,757,332</u>
Total Operating Expenses	<u>44,191,542</u>	<u>46,727,873</u>
Operating Loss	(13,628,286)	(13,970,541)
Non-Operating Revenues (Expenses)		
State Appropriations	12,435,369	12,927,107
Property Taxes	7,565,783	6,890,306
Interest Income from Investments	179,801	442,088
(Loss) on Sale of Capital Assets	(108,940)	(17,851)
Interest on Indebtedness	(1,116,244)	(1,251,226)
Net Non-Operating Revenues	<u>18,955,769</u>	<u>18,990,424</u>
Increase in Net Assets	5,327,483	5,019,883
Net assets Beginning of Year	<u>69,823,220</u>	<u>64,803,337</u>
Net Assets Ending of Year	<u>\$ 75,150,703</u>	<u>\$ 69,823,220</u>

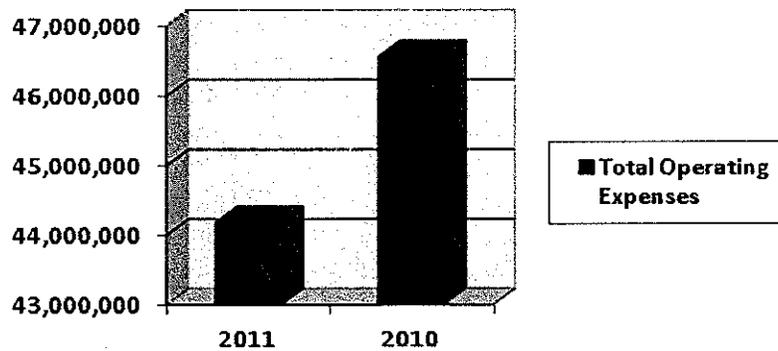
The statement of revenues, expenses and changes in net assets reflects a positive year, with increases in the net assets of \$5,327,483 for the current year.

In fiscal year 2011, the major fluctuations in revenues were a result of the following changes:

- Tuition and Fees, net of scholarship allowances, increased \$213,530 resulting from two positive factors. Tuition and Fees increased by \$1,923,943, this resulted from an increase in enrollment for all semesters coupled with a \$7.00 per credit hour increase in tuition and fees. The Scholarship Allowance increased by \$1,710,413 due to an increase in Pell grants for the higher enrollment.
- Federal Appropriations decreased \$1,363,407 due to a decrease in American Recovery and Reinvestment Act (Stimulus Fund) funding, completion of the Health Resources and Services Administration (HRSA)/ Health Care and Other Facilities (HCOF) Construction Award, final funding of the Department of Labor Disaster Grant, and other Federal support.
- Iowa Industrial New Jobs Program revenues decreased \$426,263 due to the timing of the projects and the variability of the revenue accounts. Overall revenue is influenced not only by the withholding revenues received from the companies, but also the amount of reimbursed expenses the company had throughout the year.

Operating Expenses

	Year Ended June 30, 2011	Year Ended June 30, 2010
Education and Support:		
Liberal Arts and Sciences	\$ 6,530,382	\$ 6,034,637
Vocational Technical	9,090,162	8,410,993
Adult Education	2,421,766	1,699,953
Cooperative Services	4,117,198	7,318,191
General Administration	2,549,778	4,767,847
Student Services	2,628,683	2,358,329
Learning Resources	713,523	759,102
Physical Plant	3,333,448	3,180,238
General Institution	7,246,308	7,507,517
Sub-total	38,631,248	42,036,807
Auxiliary Enterprises	2,554,299	2,018,905
Scholarships and Grants	769,879	690,250
Depreciation Expense	2,236,116	1,981,911
Total	\$ 44,191,542	\$ 46,727,873



In fiscal year 2011, the major fluctuations in operating expenses were a result of the following factors:

- General Administration expenses decreased \$2,218,069 partially due to classifying bad debt expense to other functions and decreased wages due to the Early Retirement Plan implemented in FY 2010.
- Instructional expenses increased by \$495,745, for Liberal Arts and Sciences and \$679,169 for Vocational Technical. The \$1,174,914 increase is attributable to increased enrollment and reclassifying bad debt expense to these functions.
- Cooperative expenses decreased \$3,200,993 due to fewer training dollars available for the issuance of New Jobs training certificates, the end of Department of Labor Disaster Grant.
- Adult Education expenses increased by \$721,813 due to increases in funding and enrollment.

Statement of Cash Flows

The statement of cash flows is an important tool in helping the users to assess the 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 financing and investing activities.

Cash Flows

	Year Ended June 30, 2011	Year Ended June 30, 2010
Cash and Cash Equivalents Provided (Used) by:		
Operating Activities	\$ (15,053,506)	\$ (11,756,637)
Non-Capital Financing Activities	20,239,927	19,817,413
Capital and Related Financing Activities	(6,204,567)	(10,295,396)
Investing Activities	233,383	964,747
Net (Decrease) in Cash and Cash Equivalents	<u>(784,763)</u>	<u>(1,269,873)</u>
Cash and Cash Equivalents at Beginning of Year	<u>942,196</u>	<u>2,212,069</u>
Cash and Cash Equivalents at End of Year	<u>\$ 157,433</u>	<u>\$ 942,196</u>

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2011, the College had \$49,745,873 invested in capital assets, which was net of accumulated depreciation of \$26,793,245. Depreciation expense totaled \$2,236,116 for fiscal year 2011. Details of the capital assets are shown below.

Capital Assets, Net, at Year-End

	June 30, 2011	June 30, 2010
Land	\$ 379,179	\$ 379,179
Construction in Progress	2,750,884	6,681,038
Capital Assets Not Depreciated	<u>3,130,063</u>	<u>7,060,217</u>
Buildings	29,806,060	22,638,487
Other Structures and Improvements	11,496,546	9,188,105
Furniture and Equipment	5,313,204	4,270,251
Capital Assets, Net of Depreciation	<u>46,615,810</u>	<u>36,096,843</u>
Total Capital Assets	<u>\$ 49,745,873</u>	<u>\$ 43,157,060</u>

Planned capital expenses for the fiscal year ended June 30, 2011 and beyond include: remodel of Bremer Hall and Buchanan Hall to improve technical training areas and classrooms and additional classroom equipment campus wide. Construction is underway for a Regional Transportation Training Center. Construction was completed of a Health Education and Services Center. More detailed information about the College's capital assets is presented in Note 5 to the basic financial statements.

Long-Term Debt

As of June 30, 2011, the College had \$28,900,000 in debt outstanding, a decrease of \$3,835,000 from June 30, 2010. The table below summarizes these amounts by type.

Outstanding Debt

	Year Ended June 30, 2011	Year Ended June 30, 2010
Certificate Payable	\$ 18,865,000	\$ 23,000,000
General Obligation Bonds	10,035,000	6,325,000
Total	<u>\$ 28,900,000</u>	<u>\$ 29,325,000</u>

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

ECONOMIC FACTORS

Hawkeye Community College continues to take steps in anticipation of little or no funding increases from the State of Iowa in the immediate future. An increased reliance on adjunct faculty is occurring as well as the continuation of an early retirement plan in fiscal year 2011. These and other cost cutting measures have resulted in an improved financial situation for the College and will help position it to maintain fiscal sustainability during uncertain economic times ahead. Some challenges that are facing the College are:

- Due partly to a regional unemployment rate of approximately 5.3% in September 2011, which is down from over 6% the previous fall, the College has experienced an enrollment decline. The regional area served by the College is also experiencing a decline in both the general population as well as high school age students. The College is exploring avenues to better serve, and market to, our client base.
- Salaries, wages and fringe benefits comprise approximately 80% of annual Educational and Support expenses. Providing competitive packages to attract and retain the best employees continues to be an issue facing the College.
- Facilities at the College require constant upkeep and maintenance at increasing costs.
- Technology continues to expand with current technology quickly becoming outdated. The College faces the challenge of maintaining and upgrading technology at a reasonable cost.
- Federal support for higher education in areas such as Carl Perkins funding and Pell Grants are under increased scrutiny as the Federal Government addresses its own budget challenges. The College may see reduced funding in these and other areas.

The College has begun experiencing enrollment declines and faces the likelihood of reduced funding at both the state and federal levels. However, the College has positioned itself to have the resources necessary to make well planned and thoughtful adjustments to its delivery of services in ways that maximize our client's return on their educational dollars spent.

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our customers, taxpayers in the community college, and our creditors with a general overview of the College's finances and to demonstrate the College's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Hawkeye Community College, 1501 E. Orange Road, P.O. Box 8015, Waterloo, Iowa 50704-8015.

Basic Financial Statements

HAWKEYE COMMUNITY COLLEGE
STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>Primary Government</u>	<u>Component Unit</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 157,433	\$ 765,440
Pooled Investments	49,720,012	1,928,958
Receivables:		
Due from Others, Net of Allowance for Uncollectible Accounts of \$4,055,615	1,966,553	20,342
Accrued Interest	47,625	12,067
Property Taxes - Succeeding Year	7,612,953	-
Student Loans	23,177	-
Loans Receivable, Net	-	60,199
Iowa Industrial New Jobs Training Program	684,523	-
Due From Other Governments	1,311,690	-
Prepaid Expenses	72,959	-
Inventories	169,492	-
Bond Issue Costs	11,365	-
Total Current Assets	<u>61,777,782</u>	<u>2,787,006</u>
Noncurrent Assets		
Pooled Investments	5,413,160	1,849,889
Receivables:		
Iowa Industrial New Jobs Training Program	3,546,186	-
Bond Issue Costs	47,881	-
Life Insurance Cash Value	-	19,637
Capital Assets:		
Land	379,179	375,841
Construction in Progress	2,750,884	-
Buildings	44,917,184	-
Other Structures and Improvements	15,765,319	-
Furniture and Equipment	12,726,552	-
Accumulated Depreciation	<u>(26,793,245)</u>	<u>-</u>
Total Noncurrent Assets	<u>58,753,100</u>	<u>2,245,367</u>
TOTAL ASSETS	<u>\$ 120,530,882</u>	<u>\$ 5,032,373</u>

HAWKEYE COMMUNITY COLLEGE
STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>Primary Government</u>	<u>Component Unit</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 1,372,566	\$ 370
Salaries and Benefits Payable	2,079,937	-
Accrued Interest Payable	89,361	128
Deferred Revenue:		
Succeeding Year Property Tax	7,612,953	-
Other	1,173,937	-
Compensated Absences	540,014	-
Early Retirement Payable	740,545	-
Assets Held in Custody for Others	1,526,495	-
Certificates Payable	3,143,102	-
General Obligation School Bonds	2,629,845	-
Notes Payable	-	16,947
Total Current Liabilities	<u>20,908,755</u>	<u>17,445</u>
Noncurrent Liabilities		
Deferred Revenue - Other	466,764	-
Compensated Absences	79,514	-
Early Retirement Payable	459,660	-
Certificates Payable	15,611,411	-
General Obligation School Bonds	7,583,365	-
Net Other Post-Employment Benefits Liability	270,710	-
Total Noncurrent Liabilities	<u>24,471,424</u>	<u>-</u>
TOTAL LIABILITIES	<u>45,380,179</u>	<u>17,445</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	39,144,571	358,928
Restricted:		
Nonexpendable:		
Endowment	-	1,864,583
Expendable:		
Economic Development	5,149,780	-
Property Tax Levies	3,163,044	-
Iowa New Jobs Training	1,459,280	-
Scholarships, Departmental Programs, and Loans	52,213	373,230
Loans	107,761	389,897
Debt Service	733,209	-
Cash Reserve	366,380	-
Other	2,381,386	1,269,543
Unrestricted	<u>22,593,079</u>	<u>758,747</u>
TOTAL NET ASSETS	<u>\$ 75,150,703</u>	<u>\$5,014,928</u>

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HAWKEYE COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2011

	Primary Government	Component Unit
REVENUES		
Operating Revenues:		
Tuition and Fees, net of scholarship allowances of \$11,118,066	\$ 7,902,981	\$ -
Federal Appropriations	15,210,266	-
Iowa Industrial New Jobs Training Program	2,868,437	-
Gifts and Grants	60,359	590,745
Auxiliary Enterprises Revenue, net of scholarship allowances of \$491,054	2,434,361	-
Miscellaneous	2,086,852	32,895
Total Operating Revenues	30,563,256	623,640
EXPENSES		
Operating Expenses:		
Education and Support:		
Liberal Arts and Sciences	6,530,382	-
Vocational Technical	9,090,162	-
Adult Education	2,421,766	-
Cooperative Services	4,117,198	-
General Administration	2,549,778	-
Student Services	2,628,683	-
Learning Resources	713,523	-
Physical Plant	3,333,448	-
General Institution	7,246,308	-
Auxiliary Enterprises	2,554,299	-
Scholarships and Grants	769,879	174,888
Loan Cancellations and Bad Debts	-	58,130
Administrative and Collection Costs	-	59,250
Program Costs	-	150,081
Fundraising Expenses	-	17,236
Depreciation Expense	2,236,116	-
Total Operating Expenses	44,191,542	459,585
Operating Income (Loss)	(13,628,286)	164,055
NON-OPERATING REVENUES (EXPENSES)		
State Appropriations	12,435,369	-
Property Taxes	7,565,783	-
Interest Income from Investments	179,801	526,007
Loss on Sale of Capital Assets	(108,940)	-
Interest on Indebtedness	(1,116,244)	-
Net Non-Operating Revenues	18,955,769	526,007
Increase in Net Assets	5,327,483	690,062
Net Assets Beginning of Year	69,823,220	4,324,866
Net Assets End of Year	\$ 75,150,703	\$ 5,014,928

See Accompanying Notes to Financial Statements

**HAWKEYE COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2011**

	Primary Government
Cash Flows from Operating Activities:	
Tuition and Fees	\$ 17,993,387
Grants and Contracts	16,467,842
Iowa Industrial New Jobs Training Program	(167,335)
Payments to Employees	(25,007,554)
Payments to Suppliers	(31,489,044)
Payments to NJTP Recipients	(1,140,551)
Collection of Loans to Students	(1,489)
Auxiliary Enterprise Net Activity	573,459
Other Receipts	7,717,779
	<u>7,717,779</u>
Net Cash (Used) by Operating Activities	<u>(15,053,506)</u>
Cash Flows from Non-Capital Financing Activities:	
State Appropriations	12,435,369
Property Taxes	7,565,783
Miscellaneous Agency Fund Receipts	4,458,844
Miscellaneous Agency Fund Disbursements	(4,220,069)
	<u>(4,220,069)</u>
Net Cash Provided from Non-Capital Financing Activities	<u>20,239,927</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from Sale of Capital Assets	1,930
Purchases of Capital Assets	(8,935,798)
Proceeds from New Debt Issued	5,490,754
Principal Paid on Debt and Leases	(1,840,000)
Interest Paid on Debt and Leases	(921,453)
	<u>(921,453)</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>(6,204,567)</u>
Cash Flows from Investing Activities:	
Proceeds from Sales and Maturities of Investments	22,386,685
Purchase of Investments	(22,323,822)
Interest on Investments	170,520
	<u>170,520</u>
Net Cash Provided by Investing Activities	<u>233,383</u>
Net (Decrease) in Cash	<u>(784,763)</u>
Cash at Beginning of Year	<u>942,196</u>
Cash at End of Year	<u>\$ 157,433</u>

**HAWKEYE COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2011**

Reconciliation of Operating Loss to Net Cash	
(Used) by Operating Activities:	
Operating (Loss)	\$ (13,628,286)
Adjustments to Reconcile Operating Loss to Net	
Cash (Used) by Operating Activities:	
Depreciation	2,236,116
Changes in Assets and Liabilities:	
Decrease in Due From Others	442,256
Increase in Notes Receivable	(1,489)
Decrease in Due From Other Governments	1,197,217
Decrease in Inventories	3,420
Increase in Prepaid Expenses	(5,173)
Increase in Accounts Payable	68,403
Decrease in Salaries and Benefits Payable	(42,147)
Decrease in Compensated Absences	(66,842)
Decrease in Deferred Revenue	(438,739)
Decrease in Early Retirement Payable	(751,450)
Decrease in NJTP Loans Payable	<u>(4,066,792)</u>
 Total Adjustments	 <u>(1,425,220)</u>
 Net Cash (Used) by Operating Activities	 \$ <u>(15,053,506)</u>

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hawkeye Community College is a publicly supported school established and operated by Merged Area VII under the provisions of Chapter 260C of the Code of Iowa. Hawkeye Community College may offer 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. Hawkeye Community College may also offer up to two years of vocational or technical education, training or retraining to persons who are preparing to enter the labor market. Hawkeye Community College maintains seven sites throughout Waterloo, Cedar Falls, and Independence, Iowa, and has its administrative offices in Waterloo. Hawkeye Community College is governed by a Board of Trustees whose members are elected from each trustee district within Merged Area VII.

The 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, Hawkeye Community College has included all funds, organizations, agencies, boards, commissions and authorities. Hawkeye 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 Hawkeye Community College are such that exclusion would cause Hawkeye 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 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 Hawkeye Community College.

These financial statements present Hawkeye Community College (the primary government) and its component unit. The component unit discussed below is included in Hawkeye Community College's reporting entity because of the significance of its operational or financial relationship with the Community College. Certain disclosures about the component unit has been audited separately and a report has been issued under a separate cover. The audited financial statements are available at the College.

Discretely Presented Component Unit

Hawkeye Community College Foundation is a non-profit corporation, whose purpose is to support the Community College through donations to provide scholarships to students, and for the enhancement and extension of facilities, equipment and services. The Foundation is governed by a Board of Trustees, two of which are appointed by the Board of Trustees of the Community College. The Foundation operates on a June 30 fiscal year end. The financial statements of Hawkeye Community College Foundation, Inc. can be obtained from: Business Services, Hawkeye Community College, 1501 E. Orange Road, P.O. Box 8015, Waterloo, IA 50704-8015.

B. Basis of Presentation

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

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Restricted Net Assets:

Nonexpendable – Net assets subject to externally imposed stipulations that they be maintained permanently by the College, including the College's permanent endowment funds.

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

Unrestricted Net Assets: Net assets that are not subject to externally imposed situations. Resources may be designated for specific purposes by action of management or by the Board of Trustees 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 College.

GASB Statement No. 35 requires the Statement 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 College. For the most part, the effect of interfund activity has been removed from these statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

For financial reporting purposes, Hawkeye 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 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 taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 or the Committee on Accounting Procedure.

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the balance sheets:

Cash and Pooled Investments -- Investments are stated at fair value.

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

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.

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 1 -- **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Inventories -- Inventories are valued at lower of cost (first-in, first-out method) or market, except for the livestock and grain from the farm operations, which is valued at market value. Inventories consist of supplies and materials held for consumption, livestock and merchandise held for resale. The cost is recorded as an expense at the time individual inventory items are consumed or sold.

Property Tax Receivable -- Property tax receivable is recognized on the levy or lien date, which is the date that the tax asking is certified by the Board of Trustees to the appropriate County Auditors. The succeeding year property tax receivable represents taxes certified by the Board of Trustees 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 Trustees 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.

Receivable for Iowa Industrial New Jobs Training Program (NJTP) -- This represents the amount to be remitted to the College for training projects entered into between the College and employers under the provisions of Chapter 260E of the Code of Iowa. The receivable amount is based on expenses incurred through June 30, 2011 on NJTP projects, including interest incurred on NJTP certificates, less revenues received to date.

Capital Assets -- Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the College), are reported. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Capital assets are defined by the College as assets with initial, individual costs in excess of the following thresholds and estimated useful life in excess of two years. The College defines reportable capital assets as individual assets above \$ 5,000.

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

<u>Assets</u>	<u>Years</u>
Buildings and Other Structures and Improvements	25 - 50
Furniture and Equipment	3 - 10

The 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.

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 1 -- **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Salaries and Benefits Payable -- Payroll and related expenses for instructors with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Deferred Revenue -- When assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for deferred revenue. Deferred revenue consists of succeeding year property tax receivable, tuition deposits, tuition and fees for a portion of summer classes, fees and registration for fall, unearned revenue on 260E projects, unearned revenue on federal funds.

Compensated Absences -- 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 plus related benefits are recorded as liabilities. These liabilities have been computed based on rates of pay in effect at June 30, 2011 and the first-in, first-out methodology.

Auxiliary Enterprise Revenues -- Auxiliary enterprise revenues primarily represent revenues generated by career education, adult education, farm operations, and food service.

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 summer session class schedule.

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

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

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 2 -- CASH AND POOLED INVESTMENTS

The College's deposits in banks at June 30, 2011, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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 Trustees; 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. The College's investment policy additionally limits investments in commercial paper to obligations that mature within 270 days and that is rated within the two highest classifications, as established by at least one of the standard rating services, with no more than five percent at the time of purchase placed in the second highest classification. At the time of purchase not more than ten percent of the investment portfolio can be in these investments and no more than five percent of the investment portfolio can be invested in the securities of a single issuer.

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

At June 30, 2011, the Community College had the following investments:

Current Pooled Investments	\$ 49,720,012
Noncurrent Pooled Investments	5,413,160
	<u>\$ 55,133,172</u>

Investment Type	Fair Value	Investment Maturities (in years)	
		Less than 1	1 to 5
Money Market Mutual Fund	\$ 44,312,998	\$ 44,312,998	\$ -
Certificates of Deposit	1,096,020	586,388	509,632
U.S Government Securities	9,724,154	4,820,626	4,903,528
	<u>\$ 55,133,172</u>	<u>\$ 49,720,012</u>	<u>\$ 5,413,160</u>

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) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the Community College.

Credit risk - The Community College's investments in Money Market Mutual Funds are unrated.

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 2 -- CASH AND POOLED INVESTMENTS (Continued)

Concentration of credit risk. The College's investment policy seeks to provide safety of the principal, maintain the necessary liquidity to match expected liabilities, and obtain a reasonable rate of return. The policy allows for investments of up to 100% in interest bearing savings, money market and checking accounts, certificates of deposits, repurchase agreements, money market mutual funds, bonds, notes, certificates of indebtedness, treasury bills or other securities issued by the United States of America, its agencies and allowable instrumentalities; up to 10% in prime bankers' acceptances; and up to 10% in commercial paper. The policy does not allow the College to invest in futures, options or reverse purchase agreements.

Component Unit Investments. Investments are managed by the Foundation and external managers, in accordance with Board policy, and are stated at fair value. Fair value of the investments has been determined as of June 30. Values have not been adjusted for market fluctuations subsequent to June 30. Accounting principles generally accepted in the United States of America require adjustment of year end values only when the value has been permanently impaired. Management does not feel market fluctuations after year end have caused permanent impairment to its investment portfolio. A summary of the securities held at June 30, 2011 follows:

	Fair Value
Common Stocks	\$ 652,435
Common Stocks - Foreign	49,390
Corporate Bonds	315,255
U.S. Government Agency Bonds	412,397
Mutual Equity Funds	1,119,467
Mutual Equity Funds - Foreign	249,285
Mutual Income Funds	980,618
	\$ 3,778,847

Note 3 – LOANS RECEIVABLE (Component Unit)

The Foundation, a component unit to the College, makes loans to students of the College to be used primarily for the cost of tuition and books. These loans generally become payable upon the student's completion of or withdrawal from higher education programs. The Tyson, Cedar Valley Corporation and John Deere loans become forgivable upon the completion of the program and two or three years of employment with the respective companies.

Loans receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible or forgivable amounts through a charge to expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to loans receivable. Interest rates and terms vary by program. Below is a summary of loans receivable:

	2011
Loans Receivable	\$ 425,672
Less Allowance for Uncollectible Loans	(5,220)
Less Allowance for Forgivable Loans	(360,253)
	\$ 60,199

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 4 -- INVENTORIES

The Community College's inventories at June 30, 2011 are as follows:

Type	Amount
Supplies and Materials	\$ 23,151
Farm Operations	100,708
Merchandise Held for Resale	45,633
Total	\$ 169,492

Note 5 -- CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Capital assets not being depreciated:				
Land	\$ 379,179	\$ -	\$ -	\$ 379,179
Construction in progress	6,681,038	6,498,675	10,428,829	2,750,884
Total capital assets not being depreciated	7,060,217	6,498,675	10,428,829	3,130,063
Capital assets being depreciated:				
Buildings	36,945,220	7,971,964	-	44,917,184
Other structures and improvements	12,949,992	2,815,327	-	15,765,319
Furniture and equipment	11,170,740	2,078,661	522,849	12,726,552
Total capital assets being depreciated	61,065,952	12,865,952	522,849	73,409,055
Less accumulated depreciation for:				
Buildings	14,306,733	804,391	-	15,111,124
Other structures and improvements	3,761,887	506,886	-	4,268,773
Furniture and equipment	6,900,489	924,839	411,980	7,413,348
Total accumulated depreciation	24,969,109	2,236,116	411,980	26,793,245
Total capital assets being depreciated, net	36,096,843	10,629,836	110,869	46,615,810
Capital assets, net	\$ 43,157,060	\$ 17,128,511	\$ 10,539,698	\$ 49,745,873

On June 30, 2011, the Community College had future construction commitments of \$3,814,623. Construction in Progress projects as of June 30, 2011 include: Regional Transportation & Training Center, Bremer Hall Remodel, Fenneman Center, Buchanan, Soccer Field Bubble, and Grundy Hall Remodel.

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 5 -- **CAPITAL ASSETS** (Continued)

Reconciliation of Investment in Capital Assets, Net of Related Debt:

Land	\$ 379,179
Buildings	44,917,184
Construction in Progress	2,750,884
Other Structures and Improvements	15,765,319
Furniture and Equipment	12,726,552
Accumulated Depreciation	<u>(26,793,245)</u>
Capital Assets (Net of Accumulated Depreciation)	49,745,873
Less: Capital Assets Held in Custody for Others	(388,092)
Less: Bonds Payable	<u>(10,213,210)</u>
 Investment in Capital Assets, Net of Related Debt	 <u><u>\$39,144,571</u></u>

Capital Assets for the College's Foundation, a component unit, for the year ended June 30, 2011 is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Capital assets not being depreciated:				
Land	\$ 375,841	\$ -	\$ -	\$ 375,841
Total capital assets not being depreciated	<u>\$ 375,841</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 375,841</u>

Note 6 -- **LONG-TERM LIABILITIES**

A summary of changes in long-term liabilities for the year ended June 30, 2011 is as follows:

	Balance Beginning of Year	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government:					
Compensated Absences	\$ 687,131	\$ 432,483	\$ (500,086)	\$ 619,528	\$ 540,014
Early Retirement Payable	1,951,655	60,000	(811,450)	1,200,205	740,545
Certificates Payable	23,000,000	1,520,000	(5,655,000)	18,865,000	3,165,000
Bonds Payable	6,325,000	5,550,000	(1,840,000)	10,035,000	2,585,000
Net OPEB Liability	270,090	620	-	270,710	-
Total Primary Government	<u>\$ 32,233,876</u>	<u>\$ 7,563,103</u>	<u>\$ (8,806,536)</u>	<u>\$ 30,990,443</u>	<u>\$ 7,030,559</u>
Component Unit:					
Notes Payable	\$ 33,757	\$ -	\$ (16,810)	\$ 16,947	\$ 16,947
Total Component Unit	<u>\$ 33,757</u>	<u>\$ -</u>	<u>\$ (16,810)</u>	<u>\$ 16,947</u>	<u>\$ 16,947</u>

Certificates Payable listed on the Statement of Net Assets include Unamortized Discount of \$110,487. Bonds Payable listed on the Statement of Net Assets include Unamortized Premium of \$192,997 and Unamortized Discount of \$14,787.

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 6 -- **LONG-TERM DEBT** (Continued)

Certificates Payable

In accordance with agreements dated between June 30, 1996 and June 30, 2011, the Community College issued certificates with a June 30, 2011 outstanding balance of \$18,865,000 with interest rates ranging from 1.20% to 6.15%. The debt was incurred to fund the development and training costs incurred relative to implementing Chapter 260E of the Code of Iowa, Iowa Industrial New Jobs Training Program (NJTP). NJTP's purpose is to provide tax-aided training for employees of industries which are new to or are expanding their operations within the State of Iowa. Interest is payable semi-annually, while principal payments are due annually. The certificates are to be retired by proceeds from anticipated job credits from withholding taxes, incremental property tax, budgeted reserves, and, in the case of default, from standby property taxes. During 2011, Hawkeye Community College recorded \$907,771 of interest expense from the certificates payable.

The certificates will mature as follows:

Year Ending June 30,	Principal	Interest	Total
2012	\$ 3,165,000	\$ 727,110	\$ 3,892,110
2013	2,935,000	639,768	3,574,768
2014	2,650,000	550,333	3,200,333
2015	2,655,000	502,563	3,157,563
2016	2,245,000	357,098	2,602,098
2017-2021	<u>5,215,000</u>	<u>542,063</u>	<u>5,757,063</u>
Total	<u>\$ 18,865,000</u>	<u>\$ 3,318,935</u>	<u>\$ 22,183,935</u>

Bonds Payable

On October 1, 2006, Hawkeye Community College issued \$6,100,000 in general obligation school bonds, to finance the improvement of its Main Campus and construct, remodel, erect and equip buildings thereon, and construct, lease, or acquire and improve and equip new or existing facilities. Annual principal payments began June 1, 2007. Interest payments are due semi-annually each June and December. The capital loan notes will mature June 2012. The balance of the general obligation school bonds at June 30, 2011, was \$1,000,000.

On May 1, 2008, Hawkeye Community College issued \$6,850,000 in general obligation school bonds, to finance the improvement of its Main Campus and construct, remodel, erect and equip buildings thereon, and construct, lease, or acquire and improve and equip new or existing facilities. Annual principal payments began June 1, 2009. Interest payments are due semi-annually each June and December. The capital loan notes will mature June 2014. The balance of the general obligation school bonds at June 30, 2011, was \$3,485,000.

On April 19, 2011, Hawkeye Community College issued \$5,550,000 in general obligation school bonds, to finance the improvement of its Main Campus and construct, remodel, erect and equip buildings thereon, and construct, lease, or acquire and improve and equip new or existing facilities. Annual principal payments began June 1, 2012. Interest payments are due semi-annually each June and December. The capital loan notes will mature June 2015. The balance of the general obligation school bonds at June 30, 2011, was \$5,550,000.

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 6 -- LONG-TERM DEBT (Continued)

Details of the Community College's June 30, 2011 bonded indebtedness maturities are as follows:

Year Ending June 30,	Principal	Interest	Total
2012	\$ 2,585,000	\$ 294,196	\$ 2,879,196
2013	2,680,000	201,670	2,881,670
2014	2,770,000	127,770	2,897,770
2015	2,000,000	50,000	2,050,000
Total	<u>\$ 10,035,000</u>	<u>\$ 673,636</u>	<u>\$ 10,708,636</u>

Notes Payable (Component Unit)

Notes payable in the College's Foundation, a component unit consists of:

Note payable to Community National Bank, with an interest rate of 3.99% during the first year and 4.96% thereafter until maturity. This note is unsecured with payments of \$9,075 due semi-annually on May and November, with the final payment due April 10, 2012.

Details of the Endowment's Notes Payable principal payments are as follows:

Year Ending June 30,	Principal
2012	<u>\$ 16,947</u>

Note 7 – OPERATING LEASES

The College has leased various facilities within the area to house different divisions of the College. These leases have been classified as operating leases and, accordingly, all rents are expensed as incurred. The leases expire between 2011 and 2015 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 the leases will be renewed or replaced by other leases.

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 7 – OPERATING LEASES (Continued)

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, 2011:

Year Ending June 30,	Amount
2012	\$ 261,656
2013	205,852
2014	205,852
2015	<u>11,216</u>
Total	<u>\$ 684,576</u>

Rents for the year ended June 30, 2011 for all operating leases, except those with terms of a month or less that were not renewed, totaled \$301,284.

Note 8 -- 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 4.50% of their annual covered salary and Hawkeye Community College is required to contribute 6.95% of annual covered salary. Contribution requirements are established by state statute. Hawkeye Community College's contributions to IPERS for the years ended June 30 2011, 2010, and 2009 were \$475,282, \$503,571, and \$537,200, respectively, equal to the required contribution for each year.

Note 9 -- 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 Hawkeye Community College. The defined contribution retirement plan provides individual annuities for each plan participant. As required by the Code of Iowa, all eligible 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 4.50% and Hawkeye Community College is required to contribute 6.95%. The Community College's and employees' required and actual contributions to TIAA-CREF for the year ended June 30, 2011, were \$732,120 and \$474,323, respectively.

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description- The College operates a single-employer retiree benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are 275 active and 15 retired members in the plan. The plan does not issue a publicly available financial report.

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

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

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

The following table shows the components of the College’s annual OPEB cost for the year ended June 30, 2011, the amount actually contributed to the plan and changes in the College’s net OPEB obligation:

Annual Required Contribution	\$ 57,851
Interest on Net OPEB Obligation	11,479
Adjustment to Annual Required Contribution	<u>(16,097)</u>
Annual OPEB Cost	53,233
Net OPEB Obligation Beginning of Year	270,090
Annual OPEB Cost	53,233
Employer Contributions Made	<u>(52,613)</u>
Expected Net OPEB Obligation End of Year	<u><u>\$ 270,710</u></u>

The College’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2011 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	\$135,045	0%	\$135,045
June 30, 2010	\$135,045	0%	\$270,090
June 30, 2011	\$ 53,233	98.8%	\$270,710

Funded Status and Funding Progress- As of July 1, 2010, the most recent actuarial valuation date for the period July 1, 2010 through June 30, 2011, the actuarial accrued liability was \$577,846, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$577,846. The covered payroll (annual payroll of active employees covered by the plan) was \$13,405,031 and the ratio of the UAAL to covered payroll was 4.3%. As of June 30, 2011, there were no trust fund assets.

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 10- OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Methods and Assumptions- Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumption about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

As of the July 1, 2010 actuarial valuation date, the Projected Unit Credit Actuarial Cost Method was used. The actuarial value of assets is to be equal to the fair market value of assets. The actuarial assumptions include a 4.25% investment return. The projected annual medical trend rate is 8%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 1% each year until reaching the 5% ultimate trend rate.

Mortality rates are from the RP 2000 Mortality Table, applied on a gender-specific basis. The salary increase rate was assumed to be 2.25% per year. The UAAL is being amortized as a level dollar amount on an open basis over 30 years.

Note 11 -- RISK MANAGEMENT

The Community College has secured insurance purchased from commercial insurance carriers to provide coverage and protection in the following categories: general liability, automobile liability, group excess liability, linebacker, pollution liability, professional services, property and inland marine, workers compensation and employers' liability, and crime insurance. There have been no reductions in insurance coverage from prior years. Settled claims resulting from the risks have not exceeded commercial insurance coverage in any of the past three years.

Note 12 -- NEW JOBS TRAINING PROGRAMS

Hawkeye Community College administers the Iowa Industrial New Jobs Training Program (NJTP) in Merged Area VII in accordance with Chapter 260E of the Code of Iowa. NJTP's purpose is to provide tax-aided training or retraining for employees of industries which are new to or are expanding their operations within the State of Iowa. Certificates are sold by the Community College to fund approved projects and are to be retired by proceeds from anticipated jobs credits from withholding taxes, incremental property taxes, budgeted reserves and in the case of default, from standby property tax. The Community College is currently administering 129 projects receiving project funding or in the repayment stage.

Hawkeye Community College also administers the Iowa Small Business New Jobs Training Program (SBNJTP) in Merged Area VII in accordance with Chapter 260F of the Code of Iowa. SBNJTP's purpose is to provide tax-aided training or retraining for employees of small businesses which are new to or are expanding their operations within the State of Iowa. Approved small businesses receive loans from the Iowa Employment Training Fund, a State administered fund. The Community College received funding for 20 projects during fiscal year 2011.

**HAWKEYE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 13 -- EARLY RETIREMENT PROGRAM

On February 23, 2010, the Board of Trustees passed a Voluntary Early Retirement Plan. All full-time staff that were 55 years of age by the end of the contract year and who had at least 10 years of full-time service with the Community College were eligible for early retirement remuneration. Early retirement was effective at the end of the employee's contract or the College's fiscal year, whichever period was applicable. The benefits were equal to the College making a payment of a total of \$60,000 to a VEBA Trust account. Payments will be made on the following schedule: \$10,000 on the 1st day of the month following the date of retirement; \$15,000 on February 1, 2011; \$20,000 on February 1, 2010; and \$15,000 on February 1, 2013. Eligible employees retiring before reaching 65 year of age are entitled to continue their participation in the College's health insurance program, at their own expense, until they reach 65 years of age.

The College had an early retirement plan which expired during the year ended June 30, 2006. Full-time and certain regular part-time staff, who were 55 or older and who had at least 10 years of continuous service with the College, were eligible to receive early retirement remuneration. Retirement was to begin at the earlier of the end of the employee's contract or when a suitable replacement is found, if so requested. A staff member who accepted early retirement had three options to choose from as to when the cash benefits were to be received. In addition the College will continue to contribute monthly amounts toward the employee's health insurance premiums.

At June 30, 2011, there were 22 participants receiving medical coverage and 30 participants expecting to receive payments under these plans, with a total liability of payments and medical coverage of \$1,200,205. The liability is calculated based on unadjusted premium amounts to be paid over the term of each employee's involvement in the plan. The Community College's early retirement expense for the year ended June 30, 2011 was \$130,909.

Required Supplementary Information

**HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
REQUIRED SUPPLEMENTARY INFORMATION**

(in thousands)

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
2009	July 1, 2008	\$ -	\$ 1,790	\$ 1,790	0.0%	\$ 15,164	11.8%
2010	July 1, 2008	\$ -	\$ 1,790	\$ 1,790	0.0%	\$ 15,164	11.8%
2011	July 1, 2010	\$ -	\$ 578	\$ 578	0.0%	\$ 13,405	4.3%

See Note 10 to the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, and the funded status and funding progress.

Other Supplementary Information

HAWKEYE COMMUNITY COLLEGE
NOTES TO OTHER SUPPLEMENTARY INFORMATION SCHEDULES
JUNE 30, 2011

Other supplementary information of the 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, revenues 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 for 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.

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

Unexpended -- This 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 to Actual provides a comparison of the budget to actual expenditures for those funds and/or levies required to be budgeted. Since the College uses the 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.

HAWKEYE COMMUNITY COLLEGE
BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES
BUDGET (NON-GAAP BASIS) AND ACTUAL - OTHER SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2011

Funds/Levy	Original Budget	Amended Budget	Actual	Variance between Actual and Budget
Unrestricted	<u>\$ 30,058,386</u>	<u>\$ 30,058,386</u>	<u>\$ 32,217,806</u>	<u>\$ (2,159,420)</u>
Restricted	16,750,000	16,750,000	5,325,554	11,424,446
Early Retirement	1,125,000	1,125,000	136,116	988,884
Unemployment	35,000	35,000	36,528	(1,528)
Tort Liability	154,760	154,760	112,133	42,627
Insurance	468,838	468,838	422,908	45,930
Equipment Replacement	1,325,000	1,325,000	341,270	983,730
Total Restricted	<u>19,858,598</u>	<u>19,858,598</u>	<u>6,374,509</u>	<u>13,484,089</u>
Plant	4,000,000	10,000,000	7,580,468	2,419,532
Bonds and Interest	<u>2,050,000</u>	<u>2,050,000</u>	<u>2,048,473</u>	<u>1,527</u>
 Total	 <u>\$ 55,966,984</u>	 <u>\$ 61,966,984</u>	 <u>\$ 48,221,256</u>	 <u>\$ 13,745,728</u>

**HAWKEYE COMMUNITY COLLEGE
NOTE TO OTHER SUPPLEMENTAL INFORMATION – BUDGETARY REPORTING
JUNE 30, 2011**

While the College reports financial position, results of operation and changes in net assets on the basis of generally accepted accounting principles (GAAP), the Board of Trustees annually prepares a budget designating the proposed expenditures for operation of the Community College on a budgetary basis that is accrual basis with the exception of capital outlay and debt service payments. Following required public notice and hearing, and in accordance with Chapter 260C of the Code of Iowa, the Board of Trustees 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, Scholarships and Grants Accounts, Workforce Act, Loan Funds, Endowment Funds and Agency Funds.

The major differences between the budget basis and GAAP are as follows:

Schedule of Expenditures

	<u>Total Funds</u>
Budget Basis	\$ 48,221,256
Adjustments:	
Capital Outlay	(8,179,817)
Debt Service Payments	(1,840,000)
Depreciation Expense	2,236,116
Loss on Sale of Asset	108,940
GAAP Basis	<u>\$ 40,546,495</u>

**HAWKEYE COMMUNITY COLLEGE
COMBINING BALANCE SHEET
JUNE 30, 2011**

	<u>Current Funds</u>	
	<u>Unrestricted</u>	<u>Restricted</u>
ASSETS:		
Cash and Investments	\$ 16,456,045	\$ 28,294,158
Receivables:		
Due From Others	1,803,981	162,572
Accrued Interest	34,034	13,564
Property Taxes - Succeeding Year	1,558,920	1,510,037
Student Loans	-	23,177
Iowa Industrial New Jobs Training Program	-	4,230,709
Due From Other Governments	530,917	719,829
Prepaid Expenses	72,959	-
Inventories	169,492	-
Bond Issue Costs	-	27,895
Capital Assets:		
Land	-	-
Buildings	-	-
Construction in Progress	-	-
Other Structures and Improvements	-	-
Furniture and Equipment	-	-
Accumulated Depreciation	-	-
	<u> </u>	<u> </u>
Total Assets	<u>\$ 20,626,348</u>	<u>\$ 34,981,941</u>
LIABILITIES AND FUND EQUITY:		
Liabilities:		
Accounts Payable	\$ 1,219,610	\$ 43,615
Salaries and Benefits Payable	2,042,434	16,363
Accrued Interest Payable	-	60,644
Deferred Revenue:		
Succeeding Year Property Tax	1,558,920	1,510,037
Other	1,010,534	630,167
Early Retirement Payable	235,101	965,104
Compensated Absences	548,213	50,944
Assets Held in Custody For Others	-	-
Certificates Payable	-	18,754,513
General Obligation School Bonds	-	-
Net OPEB Liability	-	270,710
	<u> </u>	<u> </u>
Total Liabilities	6,614,812	22,302,097
Fund Balance:		
Invested in Capital Assets, Net of Related Debt	-	-
Restricted:		
Expendable:		
Economic Development	-	5,149,780
Property Tax Levies	-	3,163,044
Iowa New Jobs Training	-	1,459,280
Scholarships	-	52,213
Loans	-	107,761
Debt Service	-	-
Cash Reserve	-	366,380
Other	-	2,381,386
Unrestricted	9,416,604	-
Auxiliary Enterprises	4,594,932	-
	<u> </u>	<u> </u>
Total Fund Balance	14,011,536	12,679,844
	<u> </u>	<u> </u>
Total Liabilities and Fund Balance	<u>\$ 20,626,348</u>	<u>\$ 34,981,941</u>

SCHEDULE 2

Unexpended	Plant Funds		Agency Funds	Adjustments	Total
	Retirement of Indebtedness	Investment in Plant			
\$ 8,627,279	\$ 733,209	\$ -	\$ 1,179,914	\$ -	\$ 55,290,605
-	-	-	-	-	1,966,553
27	-	-	-	-	47,625
1,558,920	2,985,076	-	-	-	7,612,953
-	-	-	-	-	23,177
-	-	-	-	-	4,230,709
60,944	-	-	-	-	1,311,690
-	-	-	-	-	72,959
-	-	-	-	-	169,492
31,351	-	-	-	-	59,246
-	-	379,179	-	-	379,179
-	-	44,917,184	-	-	44,917,184
-	-	2,750,884	-	-	2,750,884
-	-	15,765,319	-	-	15,765,319
-	-	12,338,460	388,092	-	12,726,552
-	-	-	-	(26,793,245)	(26,793,245)
<u>\$ 10,278,521</u>	<u>\$ 3,718,285</u>	<u>\$ 76,151,026</u>	<u>\$ 1,568,006</u>	<u>\$ (26,793,245)</u>	<u>\$ 120,530,882</u>
\$ 109,341	\$ -	\$ -	\$ -	\$ -	\$ 1,372,566
-	-	-	21,140	-	2,079,937
28,717	-	-	-	-	89,361
1,558,920	2,985,076	-	-	-	7,612,953
-	-	-	-	-	1,640,701
-	-	-	-	-	1,200,205
-	-	-	20,371	-	619,528
-	-	-	1,526,495	-	1,526,495
-	-	-	-	-	18,754,513
-	-	10,213,210	-	-	10,213,210
-	-	-	-	-	270,710
1,696,978	2,985,076	10,213,210	1,568,006	-	45,380,179
-	-	65,937,816	-	(26,793,245)	39,144,571
-	-	-	-	-	5,149,780
-	-	-	-	-	3,163,044
-	-	-	-	-	1,459,280
-	-	-	-	-	52,213
-	-	-	-	-	107,761
-	733,209	-	-	-	733,209
-	-	-	-	-	366,380
-	-	-	-	-	2,381,386
8,581,543	-	-	-	-	17,998,147
-	-	-	-	-	4,594,932
<u>8,581,543</u>	<u>733,209</u>	<u>65,937,816</u>	<u>-</u>	<u>(26,793,245)</u>	<u>75,150,703</u>
<u>\$ 10,278,521</u>	<u>\$ 3,718,285</u>	<u>\$ 76,151,026</u>	<u>\$ 1,568,006</u>	<u>\$ (26,793,245)</u>	<u>\$ 120,530,882</u>

**HAWKEYE COMMUNITY COLLEGE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
OTHER CHANGES IN FUND BALANCES (Continued)
YEAR ENDED JUNE 30, 2011**

	Current Funds	
	Unrestricted	Restricted
REVENUES AND OTHER ADDITIONS:		
General:		
State Appropriations	\$ 11,137,051	\$ 1,158,002
Tuition and Fees	19,021,047	-
Property Taxes	1,494,466	1,838,571
Federal Appropriations	1,367,820	13,817,169
Gifts and Grants	-	60,359
Investment Earnings	91,502	86,144
Iowa Industrial New Jobs Training Program	-	2,868,437
Expended for Plant Facilities (Including \$1,899,415 charged to current funds)	-	-
Principal Retired	-	-
Proceeds from Sale of Bonds	-	-
Miscellaneous	1,032,406	938,276
	<u>34,144,292</u>	<u>20,766,958</u>
Auxiliary Enterprises		
Tuition and Fees	954,296	-
Sales and Services	1,841,966	-
Miscellaneous	129,153	-
	<u>2,925,415</u>	<u>-</u>
Total Revenues and Other Additions	<u>\$ 37,069,707</u>	<u>\$ 20,766,958</u>

Plant Funds				
Unexpended	Retirement of Indebtedness	Investment in Plant	Adjustments	Total
\$ 140,316	\$ -	\$ -	\$ -	\$ 12,435,369
-	-	-	(11,118,066)	7,902,981
1,494,467	2,738,279	-	-	7,565,783
25,277	-	-	-	15,210,266
-	-	-	-	60,359
2,155	-	-	-	179,801
-	-	-	-	2,868,437
-	-	8,588,973	(8,588,973)	-
-	-	1,840,000	(1,840,000)	-
5,550,000	-	-	(5,550,000)	-
118,100	-	-	(1,930)	2,086,852
<u>7,330,315</u>	<u>2,738,279</u>	<u>10,428,973</u>	<u>(27,098,969)</u>	<u>48,309,848</u>
-	-	-	(491,054)	463,242
-	-	-	-	1,841,966
-	-	-	-	129,153
-	-	-	(491,054)	<u>2,434,361</u>
<u>\$ 7,330,315</u>	<u>\$ 2,738,279</u>	<u>\$ 10,428,973</u>	<u>\$ (27,590,023)</u>	<u>\$ 50,744,209</u>

HAWKEYE COMMUNITY COLLEGE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
OTHER CHANGES IN FUND BALANCES (Continued)
YEAR ENDED JUNE 30, 2011

	Current Funds	
	Unrestricted	Restricted
EXPENDITURES AND OTHER DEDUCTIONS:		
Educational and Support:		
Liberal Arts and Sciences	\$ 6,530,382	\$ -
Vocational Technical	9,557,818	-
Adult Education	2,429,625	-
Cooperative Services	-	4,117,198
General Administration	1,858,534	691,244
Student Services	2,633,091	-
Learning Resources	713,523	-
Physical Plant	3,207,032	340,653
General Institution	5,299,567	1,863,696
Total Education and Support	<u>32,229,572</u>	<u>7,012,791</u>
Auxiliary Enterprises	2,963,456	-
Scholarships and Grants	-	12,378,999
Plant Asset Acquisitions	-	-
Retirement of Indebtedness	-	-
Disposal of Plant Assets	-	-
Interest on Indebtedness	-	907,771
Issuance of Long-Term Debt	-	-
Depreciation	-	-
Loss on Sale of Capital Assets	-	-
Total Expenditures and Other Deductions	<u>35,193,028</u>	<u>20,299,561</u>
Excess of Revenues and Other Additions		
Over (Under) Expenditures and Other Deductions	1,876,679	467,397
TRANSFERS:		
Non-mandatory Transfers	<u>134,257</u>	<u>(5,616,020)</u>
Total Transfers	<u>134,257</u>	<u>(5,616,020)</u>
Net Increase (Decrease) for the Year	2,010,936	(5,148,623)
Fund Balance June 30, 2010	<u>12,000,600</u>	<u>17,828,467</u>
Fund Balance June 30, 2011	<u>\$ 14,011,536</u>	<u>\$ 12,679,844</u>

SCHEDULE 3

Plant Funds				
Unexpended	Retirement of Indebtedness	Investment in Plant	Adjustments	Total
\$ -	\$ -	\$ -	\$ -	\$ 6,530,382
-	-	-	(467,656)	9,090,162
-	-	-	(7,859)	2,421,766
-	-	-	-	4,117,198
-	-	-	-	2,549,778
-	-	-	(4,408)	2,628,683
-	-	-	-	713,523
-	-	-	(214,237)	3,333,448
879,144	-	-	(796,099)	7,246,308
879,144	-	-	(1,490,259)	38,631,248
-	-	-	(409,157)	2,554,299
-	-	-	(11,609,120)	769,879
6,689,558	-	-	(6,689,558)	-
-	1,840,000	-	(1,840,000)	-
-	-	522,849	(522,849)	-
-	208,473	-	-	1,116,244
-	-	5,550,000	(5,550,000)	-
-	-	-	2,236,116	2,236,116
-	-	-	108,940	108,940
<u>7,568,702</u>	<u>2,048,473</u>	<u>6,072,849</u>	<u>(25,765,887)</u>	<u>45,416,726</u>
(238,387)	689,806	4,356,124	(1,824,136)	5,327,483
<u>5,313,148</u>	-	<u>168,615</u>	-	-
<u>5,313,148</u>	-	<u>168,615</u>	-	-
5,074,761	689,806	4,524,739	(1,824,136)	5,327,483
<u>3,506,782</u>	<u>43,403</u>	<u>61,413,077</u>	<u>(24,969,109)</u>	<u>69,823,220</u>
<u>\$ 8,581,543</u>	<u>\$ 733,209</u>	<u>\$ 65,937,816</u>	<u>\$ (26,793,245)</u>	<u>\$ 75,150,703</u>

**HAWKEYE COMMUNITY COLLEGE
UNRESTRICTED FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCE
EDUCATION AND SUPPORT
YEAR ENDED JUNE 30, 2011**

	Education			
	Liberal Arts and Sciences	Vocational Technical	Adult Education	General Administration
REVENUES:				
State Appropriations	\$ -	\$ -	\$ 33,621	\$ -
Tuition and Fees	8,915,617	8,857,618	1,247,906	-
Property Taxes	-	-	-	1,494,466
Federal Appropriations	-	439,359	212,349	25,596
Investment Earnings	-	-	-	91,502
Miscellaneous	-	76,051	96,688	506,437
Total Revenues	8,915,617	9,373,028	1,590,564	2,118,001
EXPENDITURES:				
Salaries and Benefits	5,760,094	7,773,578	1,810,968	1,359,393
Services	260,531	255,098	563,068	275,684
Materials and Supplies	126,111	689,082	39,927	40,310
Travel	42,061	60,602	7,559	29,331
Expended for Plant Facilities	-	467,656	7,859	-
Miscellaneous	341,585	311,802	244	153,816
Total Expenditures	6,530,382	9,557,818	2,429,625	1,858,534
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,385,235	\$ (184,790)	\$ (839,061)	\$ 259,467
TRANSFERS:				
Non-mandatory Transfers	(155,699)	178,133	(27)	(36,224)
Total Transfers	(155,699)	178,133	(27)	(36,224)
Net Increase (Decrease) for the Year	\$ 2,229,536	\$ (6,657)	\$ (839,088)	\$ 223,243
Fund Balance June 30, 2010				
Fund Balance June 30, 2011				

SCHEDULE 4

<u>Support</u>				
<u>Student Services</u>	<u>Learning Resources</u>	<u>Physical Plant</u>	<u>General Institution</u>	<u>Total</u>
\$ -	\$ 748	\$ -	\$ 11,102,682	\$ 11,137,051
(94)	-	-	-	19,021,047
-	-	-	-	1,494,466
-	-	-	690,516	1,367,820
-	-	-	-	91,502
<u>12,595</u>	<u>188,658</u>	<u>1,495</u>	<u>150,482</u>	<u>1,032,406</u>
12,501	189,406	1,495	11,943,680	34,144,292
2,253,528	408,836	197,477	2,816,792	22,380,666
150,981	33,667	2,730,415	1,513,606	5,783,050
193,454	270,293	177,627	508,200	2,045,004
30,720	727	567	41,863	213,430
4,408	-	100,946	399,337	980,206
-	-	-	19,769	827,216
<u>2,633,091</u>	<u>713,523</u>	<u>3,207,032</u>	<u>5,299,567</u>	<u>32,229,572</u>
\$ (2,620,590)	\$ (524,117)	\$ (3,205,537)	\$ 6,644,113	1,914,720
<u>(53,620)</u>	<u>-</u>	<u>(6,485)</u>	<u>(8,204)</u>	<u>(82,126)</u>
<u>(53,620)</u>	<u>-</u>	<u>(6,485)</u>	<u>(8,204)</u>	<u>(82,126)</u>
<u>\$ (2,674,210)</u>	<u>\$ (524,117)</u>	<u>\$ (3,212,022)</u>	<u>\$ 6,635,909</u>	1,832,594
				<u>7,584,010</u>
				<u>\$ 9,416,604</u>

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**HAWKEYE COMMUNITY COLLEGE
CURRENT UNRESTRICTED FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCE
AUXILIARY ENTERPRISES
YEAR ENDED JUNE 30, 2011**

	Career Education	Adult Education	Farm Operations	Food Service	Other	Total
REVENUES:						
Sales and Services	\$ 1,359,460	\$ 20	\$ 181,735	\$ 28,992	\$ 271,759	\$ 1,841,966
Tuition and Fees	-	392,450	-	-	561,846	954,296
Miscellaneous	6,901	3,096	16,902	-	102,254	129,153
Total Revenues	1,366,361	395,566	198,637	28,992	935,859	2,925,415
EXPENDITURES:						
Salaries and Benefits	132,341	-	-	-	87,750	220,091
Services	39,086	106,284	43,222	110	382,051	570,753
Materials and Supplies	557,437	302,157	125,304	10,551	521,406	1,516,855
Cost of Goods Sold	229,516	-	1,820	-	2,018	233,354
Travel	6,242	6,792	157	-	55	13,246
Expended for Plant Facilities	314,900	9,380	32,426	-	52,451	409,157
Total Expenditures	1,279,522	424,613	202,929	10,661	1,045,731	2,963,456
Excess (Deficiency) of Revenues Over (Under) Expenditures	86,839	(29,047)	(4,292)	18,331	(109,872)	(38,041)
TRANSFERS:						
Non-mandatory Transfers	162,726	(6,067)	-	-	59,724	216,383
Total Transfers	162,726	(6,067)	-	-	59,724	216,383
Net Increase (Decrease) for the Year	249,565	(35,114)	(4,292)	18,331	(50,148)	178,342
Fund Balance June 30, 2010	1,897,833	494,931	73,392	155,853	1,794,581	4,416,590
Fund Balance June 30, 2011	<u>\$ 2,147,398</u>	<u>\$ 459,817</u>	<u>\$ 69,100</u>	<u>\$ 174,184</u>	<u>\$ 1,744,433</u>	<u>\$ 4,594,932</u>

**HAWKEYE COMMUNITY COLLEGE
CURRENT RESTRICTED FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2011**

	Scholarships and Grants	Early Retirement	Equipment Replacement	Insurance
REVENUES:				
State Appropriations	\$ 432,531	\$ -	\$ -	\$ -
Property Taxes	-	517,469	664,209	631,913
Federal Appropriations and Grants	11,297,845	-	-	-
Scholarships, Grants, and Gifts	-	-	-	-
Interest on Investments	-	3,711	440	29,606
Iowa Industrial New Jobs Training Program	-	-	-	-
Miscellaneous	516,518	-	-	10,742
Total Revenues	12,246,894	521,180	664,649	672,261
EXPENDITURES AND OTHER DEDUCTIONS:				
Salaries and Benefits	-	126,731	-	3,320
Services	-	4,178	9,614	511,698
Materials and Supplies	-	-	217,748	8,789
Travel	-	-	-	-
Expended for Plant Facilities	-	-	113,291	-
Interest on Indebtedness	-	-	-	-
Federal Pell Grant Program	10,991,762	-	-	-
Federal Supplemental Educational Opportunity Grant	121,257	-	-	-
Private Scholarships	1,265,980	-	-	-
Miscellaneous	-	-	-	-
Total Expenditures and Other Deductions	12,378,999	130,909	340,653	523,807
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Deductions	(132,105)	390,271	323,996	148,454
TRANSFERS:				
Non-mandatory Transfers	132,105	-	-	-
Total Transfers	132,105	-	-	-
Net Increase (Decrease) for the Year	-	390,271	323,996	148,454
Fund Balance June 30, 2010	52,213	654,948	805,347	755,939
Fund Balance June 30, 2011	<u>\$ 52,213</u>	<u>\$ 1,045,219</u>	<u>\$ 1,129,343</u>	<u>\$ 904,393</u>

Unemployment Compensation	Cash Reserve	Workforce Act and Other JTPA Programs	Iowa Industrial New Jobs Training Program	Economic Development	Miscellaneous	Total
\$ -	\$ -	\$ -	\$ -	\$ 599,031	\$ 126,440	\$ 1,158,002
24,980	-	-	-	-	-	1,838,571
-	-	1,575,535	-	-	943,789	13,817,169
-	-	7,126	-	-	53,233	60,359
-	-	-	8,703	32,769	10,915	86,144
-	-	-	2,498,123	479	369,835	2,868,437
-	-	-	-	349,547	61,469	938,276
24,980	-	1,582,661	2,506,826	981,826	1,565,681	20,766,958
36,528	-	970,340	-	867,690	513,286	2,517,895
-	-	435,203	1,140,551	51,469	616,853	2,769,566
-	-	50,013	105,925	25,695	229,057	637,227
-	-	89,411	62,523	25,504	49,886	227,324
-	-	-	-	-	396,762	510,053
-	-	-	907,771	-	-	907,771
-	-	-	-	-	-	10,991,762
-	-	-	-	-	-	121,257
-	-	-	-	-	51,898	1,317,878
-	-	1,086	281,352	10,436	5,954	298,828
36,528	-	1,546,053	2,498,122	980,794	1,863,696	20,299,561
(11,548)	-	36,608	8,704	1,032	(298,015)	467,397
-	-	-	-	(5,309,306)	(438,819)	(5,616,020)
-	-	-	-	(5,309,306)	(438,819)	(5,616,020)
(11,548)	-	36,608	8,704	(5,308,274)	(736,834)	(5,148,623)
95,637	366,380	(1,940)	1,450,576	10,458,054	3,191,313	17,828,467
\$ 84,089	\$ 366,380	\$ 34,668	\$ 1,459,280	\$ 5,149,780	\$ 2,454,479	\$ 12,679,844

**HAWKEYE COMMUNITY COLLEGE
AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN DEPOSITS HELD IN CUSTODY FOR OTHERS
YEAR ENDED JUNE 30, 2011**

	Student Organizations	Contracted Training	Miscellaneous	Total
Balance June 30, 2010	\$ 191,233	\$ 274,630	\$ 824,609	\$ 1,290,472
ADDITIONS:				
State Appropriations and Grants	-	220,000	69,920	289,920
Tuition and Fees	268,280	-	-	268,280
Sales and Services	34,015	-	3,641,048	3,675,063
Miscellaneous	39,683	174,173	11,725	225,581
Total Additions	341,978	394,173	3,722,693	4,458,844
DEDUCTIONS:				
Salaries and Benefits	76,215	-	414,262	490,477
Services	83,969	270,190	187,766	541,925
Materials and Supplies	73,954	-	3,043,195	3,117,149
Travel	6,987	-	6,072	13,059
Miscellaneous	60,211	-	-	60,211
Total Deductions	301,336	270,190	3,651,295	4,222,821
Balance June 30, 2011	\$ 231,875	\$ 398,613	\$ 896,007	\$ 1,526,495

HAWKEYE COMMUNITY COLLEGE
 SCHEDULE OF CREDIT/CONTACT HOUR ENROLLMENT
 YEAR ENDED JUNE 30, 2011

	Credit Hours			Contact Hours		
	Eligible for Aid	Not Eligible for Aid	Total	Eligible for Aid	Not Eligible for Aid	Total
Arts and Sciences	70,418	-	70,418			
Career Tech	74,617	-	74,617			
Non-Credit	-	-	-	245,219	15,637	260,856
Total	<u>145,035</u>	<u>-</u>	<u>145,035</u>	<u>245,219</u>	<u>15,637</u>	<u>260,856</u>

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**HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF TAX AND INTERGOVERNMENTAL REVENUES
FOR THE LAST EIGHT YEARS**

	Years Ended June 30,				
	2011	2010	2009	2008	2007
Local (Property Tax)	\$ 7,565,783	\$ 6,890,306	\$ 7,073,144	\$ 5,509,468	\$ 6,759,565
State	12,435,369	12,927,107	14,593,950	13,848,935	12,318,253
Federal	<u>15,210,266</u>	<u>16,573,673</u>	<u>9,600,696</u>	<u>8,585,768</u>	<u>7,900,156</u>
Total	<u>\$ 35,211,418</u>	<u>\$ 36,391,086</u>	<u>\$ 31,267,790</u>	<u>\$ 27,944,171</u>	<u>\$ 26,977,974</u>

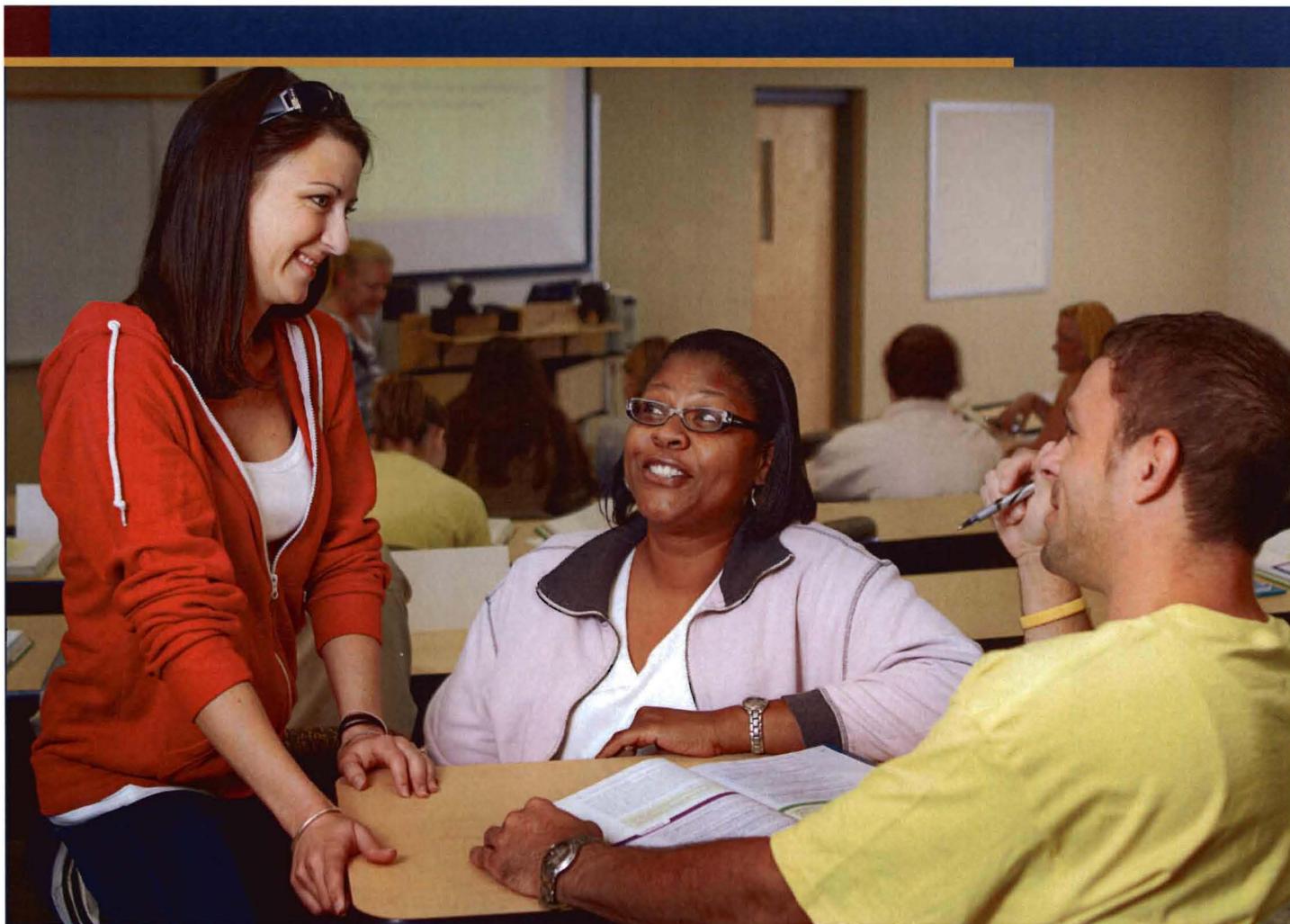
	Years Ended June 30,		
	2006	2005	2004
Local (Property Tax)	\$ 6,584,025	\$ 6,056,036	\$ 4,441,456
State	12,001,695	10,597,041	11,151,485
Federal	<u>8,640,955</u>	<u>8,785,557</u>	<u>9,215,730</u>
Total	<u>\$ 27,226,675</u>	<u>\$ 25,438,634</u>	<u>\$ 24,808,671</u>

**HAWKEYE COMMUNITY COLLEGE
CURRENT FUND REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
FOR THE LAST EIGHT YEARS**

	Years Ended June 30,				
	2011	2010	2009	2008	2007
Revenues:					
State Appropriations	\$ 12,295,053	\$ 12,268,793	\$ 14,345,543	\$ 13,707,374	\$ 12,175,824
Tuition and Fees	19,021,047	17,097,104	15,085,782	14,167,513	13,689,822
Property Tax	3,333,037	2,671,573	3,077,650	1,753,241	3,168,865
Federal Appropriations	15,184,989	16,008,293	9,600,696	8,585,768	7,900,156
Interest on Investments	177,646	432,153	535,904	1,483,132	1,956,956
Iowa Industrial New Jobs Training Program	2,868,437	3,294,700	4,154,074	3,529,935	3,090,789
Auxiliary Enterprises	2,925,415	3,132,030	3,300,806	3,236,020	2,779,109
Miscellaneous	<u>2,031,041</u>	<u>2,346,239</u>	<u>2,839,909</u>	<u>1,892,853</u>	<u>1,943,426</u>
Total	<u>\$ 57,836,665</u>	<u>\$ 57,250,885</u>	<u>\$ 52,940,364</u>	<u>\$ 48,355,836</u>	<u>\$ 46,704,947</u>
Expenditures:					
Liberal Arts and Sciences	\$ 6,530,382	\$ 6,034,637	\$ 6,539,305	\$ 5,850,308	\$ 6,041,749
Vocational Technical	9,557,818	8,571,867	8,746,126	8,225,880	7,942,304
Adult Education	2,429,625	1,705,003	2,232,503	2,121,382	2,366,688
Cooperative Services	4,117,198	7,318,191	6,456,505	4,992,297	4,728,957
Administration	2,549,778	4,767,847	3,046,212	3,060,923	2,770,850
Student Services	2,633,091	2,358,329	2,391,466	2,215,574	2,065,897
Learning Resources	713,523	762,633	799,826	801,075	786,252
Physical Plant	3,547,685	3,415,783	3,396,065	3,042,744	3,419,172
General Institution	7,163,263	6,415,669	6,225,230	5,742,150	4,308,703
Auxiliary Enterprises	2,963,456	2,314,838	3,002,400	1,989,728	3,070,686
Scholarships and Grants	12,378,999	10,573,721	6,834,454	6,259,914	5,541,916
Loan Cancellations & Bad Debts	-	-	-	-	-
Interest on Indebtedness	<u>907,771</u>	<u>990,577</u>	<u>951,985</u>	<u>920,862</u>	<u>871,687</u>
Total	<u>\$ 55,492,589</u>	<u>\$ 55,229,095</u>	<u>\$ 50,622,077</u>	<u>\$ 45,222,837</u>	<u>\$ 43,914,861</u>

	2006	2005	2004
\$	11,650,270	\$ 10,597,041	\$ 11,151,485
	13,120,651	12,378,473	11,859,508
	3,099,872	2,585,590	3,231,443
	8,640,955	8,785,557	9,215,730
	1,395,416	703,697	386,765
	5,405,079	3,309,867	2,109,670
	2,654,448	2,468,754	2,696,470
	1,462,271	1,170,881	994,822
\$	<u>47,428,962</u>	<u>\$ 41,999,860</u>	<u>\$ 41,645,893</u>
\$	5,057,359	\$ 5,292,260	\$ 5,050,798
	8,045,658	7,849,353	7,166,316
	3,106,555	3,095,073	2,700,478
	5,281,009	4,573,606	3,561,519
	2,387,875	1,627,592	1,563,024
	2,114,127	1,891,325	1,420,694
	777,156	873,833	725,935
	3,137,263	3,045,993	3,082,672
	4,911,479	4,789,014	6,168,548
	2,718,167	2,563,282	2,034,647
	5,788,459	6,065,625	6,364,625
	-	51,769	352,688
	-	-	-
\$	<u>43,325,107</u>	<u>\$ 41,718,725</u>	<u>\$ 40,191,944</u>

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2010-2011

Statistical Section



HAWKEYE
COMMUNITY COLLEGE

Iowa Area VII Community College

**HAWKEYE COMMUNITY COLLEGE
STATISTICAL SECTION**

This part of Hawkeye Community College's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health. This information has not been audited by the independent auditor.

<u>Contents</u>	<u>Pages</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the College's financial performance has changed over time.	56 - 60
Revenue Capacity	
These schedules contain information that may assist the reader in assessing the College's most significant local revenue source, the property tax.	61 - 64
Debt Capacity	
These schedules present information to help the reader assess the affordability of the College's current levels of outstanding debt and the government's ability to issue additional debt in the future.	65 - 66
Demographic & Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.	67 - 68
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the College provides and the activities it performs.	69 - 79

Source:

Unless otherwise noted, the information in these tables is derived from the annual financial report for the relevant year.

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**HAWKEYE COMMUNITY COLLEGE
NET ASSETS BY COMPONENT
FOR THE LAST NINE FISCAL YEARS (1)**

	2011	2010	2009	2008	2007
Primary government:					
Invested in capital assets, net of related debt	\$ 39,144,571	\$ 36,443,968	\$ 29,399,459	\$ 23,192,105	\$ 22,864,090
Restricted					
Scholarships, Departmental Programs, Loans	52,213	52,213	51,047	72,567	120,072
Loans	107,761	82,471	82,471	44,564	(395,097)
Debt Service	733,209	43,403	18,402	852	26,939
Cash Reserve	366,380	366,380	366,380	366,380	366,380
Other	12,153,490	17,602,034	19,558,988	18,154,793	17,722,196
Unrestricted	<u>22,593,079</u>	<u>15,507,382</u>	<u>15,601,221</u>	<u>19,195,406</u>	<u>13,603,728</u>
Total primary government net assets	<u>\$ 75,150,703</u>	<u>\$ 70,097,851</u>	<u>\$ 65,077,968</u>	<u>\$ 61,026,667</u>	<u>\$ 54,308,308</u>
	2006	2005	2004	2003	
Primary government:					
Invested in capital assets, net of related debt	\$ 24,667,357	\$ 20,039,435	\$ 13,019,753	\$ 18,965,975	
Restricted					
Scholarships, Departmental Programs, Loans	15,140,378	12,649,639	10,710,346	9,885,941	
Loans	-	-	-	-	
Debt Service	-	-	-	-	
Cash Reserve	-	-	-	-	
Economic Development	-	-	-	-	
Property Tax Levies	-	-	-	-	
Iowa New Jobs Training	-	-	-	-	
Other	-	-	-	-	
Unrestricted	<u>8,835,927</u>	<u>9,365,567</u>	<u>14,800,433</u>	<u>7,840,840</u>	
Total primary government net assets	<u>\$ 48,643,662</u>	<u>\$ 42,054,641</u>	<u>\$ 38,530,532</u>	<u>\$ 36,692,756</u>	

Source: Audited Financial Statements

Note (1): Beginning in fiscal year 2003, the College implemented the reporting requirements of GASB Statement No. 35. Since prior years' financial information has not been restated, only the past nine fiscal years are presented here.

**HAWKEYE COMMUNITY COLLEGE
CHANGES IN NET ASSETS
FOR THE LAST NINE FISCAL YEARS (1)**

	2011	2010	2009	2008
REVENUES				
Tuition and Fees,	\$ 19,021,047	\$ 17,097,104	\$ 15,085,782	\$ 14,167,513
Less: Scholarship Allowance	11,118,066	9,407,653	5,709,580	5,307,771
Net Tuition & Fees	7,902,981	7,689,451	9,376,202	8,859,742
Federal Appropriations	15,210,266	16,573,673	9,600,696	8,585,768
Iowa Industrial New Jobs Training Program	2,868,437	3,294,700	4,154,074	3,396,592
Auxiliary enterprises, net of allowances	2,434,361	2,656,212	2,984,506	2,925,066
Gifts and Grants	60,359	386,593	153,635	66,475
Miscellaneous	2,086,852	2,156,703	2,815,835	2,004,251
Total Operating Revenues	30,563,256	32,757,332	29,084,948	25,837,894
EXPENSES				
Operating Expenses				
Education and Support				
Liberal Arts and Sciences	6,530,382	6,034,637	6,539,305	5,835,808
Vocational Technical	9,090,162	8,410,993	8,517,331	7,973,474
Adult Education	2,421,766	1,699,953	2,232,503	2,121,382
Cooperative Services	4,117,198	7,318,191	6,456,505	4,992,297
General Administration	2,549,778	4,767,847	3,046,212	3,060,923
Student Services	2,628,683	2,358,329	2,391,466	2,215,574
Learning Resources	713,523	759,102	799,826	801,075
Physical Plant	3,333,448	3,180,238	3,284,948	2,991,807
General Institution	7,246,308	7,507,517	6,870,490	6,056,355
Auxiliary Enterprises	2,554,299	2,018,905	2,911,252	1,849,058
Scholarships and Grants	769,879	690,250	808,574	641,189
Workforce Investment Act	-	-	-	-
Loan Cancellations & Bad Debts	-	-	-	-
Depreciation Expense	2,236,116	1,981,911	1,960,025	1,664,583
Total Operating Expenses	44,191,542	46,727,873	45,818,437	40,203,525
Total Operating (Loss)	(13,628,286)	(13,970,541)	(16,733,489)	(14,365,631)
Nonoperating Revenues (Expenses)				
State appropriations	12,435,369	12,927,107	14,593,950	13,848,935
Property Taxes	7,565,783	6,890,306	7,073,144	5,509,468
Donated Capital Assets	-	-	-	9,260
Investment Earnings	179,801	442,088	650,205	1,777,915
Gain on Sales of Capital Assets	-	-	-	-
Transfer from Agency	-	-	-	-
Interest on indebtedness	(1,116,244)	(1,251,226)	(1,289,114)	(1,157,454)
Loss on disposal of plant assets	(108,940)	(17,851)	(1,534)	(15,452)
Net Nonoperating Revenues (Expenses)	18,955,769	18,990,424	21,026,651	19,972,672
Increase in Net Assets	5,327,483	5,019,883	4,293,162	5,607,041
Net Assets Beginning of Year	70,097,851	65,077,968	61,026,667	54,308,308
Prior Year Adjustments	(274,631)	-	(241,861)	1,111,318
Net Assets Beginning of Year - Restated	69,823,220	65,077,968	60,784,806	55,419,626
Net Assets End of Year	\$ 75,150,703	\$ 70,097,851	\$ 65,077,968	\$ 61,026,667

Source: Audited Financial Statements

Note (1):

Beginning in fiscal year 2003, the College implemented the reporting requirements of GASB Statement No. 35. Since prior years' financial information has not been restated, only the past nine fiscal years are presented here.

TABLE II

	2007	2006	2005	2004	2003
\$	13,689,822	\$ 13,120,651	\$ 12,378,473	\$ 11,859,508	\$ 10,735,110
	4,625,218	3,707,769	3,726,425	3,849,344	3,916,031
	9,064,604	9,412,882	8,652,048	8,010,164	6,819,079
	7,900,156	8,640,955	8,785,557	9,215,730	8,539,549
	3,090,789	5,405,079	3,309,867	2,109,670	2,224,455
	2,469,717	2,399,139	2,227,806	2,440,745	1,468,354
	29,973	-	-	-	-
	1,870,203	1,464,771	1,205,778	994,822	1,064,133
	24,425,442	27,322,826	24,181,056	22,771,131	20,115,570
	6,041,749	5,057,359	5,292,260	5,050,798	4,396,707
	7,778,343	7,699,195	7,399,237	7,054,069	7,200,078
	2,366,688	3,106,555	3,095,073	2,694,978	2,798,748
	4,690,637	3,592,712	2,889,926	1,823,461	1,770,518
	2,770,850	2,387,875	1,627,592	1,563,024	1,554,547
	2,065,897	2,114,127	1,891,325	1,420,694	1,250,281
	786,252	707,466	873,833	725,935	731,110
	3,241,463	3,608,232	3,107,385	3,030,479	2,878,966
	4,451,111	4,846,020	4,519,376	6,133,866	3,887,399
	2,747,075	2,591,077	2,303,069	1,976,122	1,907,388
	607,306	1,825,381	2,098,252	2,259,556	463,030
	-	1,678,086	1,683,680	1,738,058	2,231,896
	-	-	51,769	352,688	226,029
	1,547,584	1,556,827	1,129,346	1,101,460	1,291,749
	39,094,955	40,770,912	37,962,123	36,925,188	32,588,446
	(14,669,513)	(13,448,086)	(13,781,067)	(14,154,057)	(12,472,876)
	12,318,253	12,001,695	10,597,041	11,151,485	11,157,848
	6,759,565	6,584,025	6,056,036	4,441,456	4,637,770
	27,000	-	-	426,625	-
	2,290,173	1,512,019	804,686	57,769	624,911
	2,913	-	-	-	-
	-	45,792	10,232	-	-
	(1,063,745)	(66,625)	(132,400)	(30,049)	(112,416)
	-	(39,799)	(30,419)	(55,453)	-
	20,334,159	20,037,107	17,305,176	15,991,833	16,308,113
	5,664,646	6,589,021	3,524,109	1,837,776	3,835,237
	48,643,662	42,054,641	38,530,532	36,692,756	32,857,519
	-	-	-	-	-
	48,643,662	42,054,641	38,530,532	36,692,756	32,857,519
\$	54,308,308	\$ 48,643,662	\$ 42,054,641	\$ 38,530,532	\$ 36,692,756

**HAWKEYE COMMUNITY COLLEGE
FUND BALANCES
FOR THE LAST NINE FISCAL YEARS (1)**

	2011	2010	2009	2008
Current Funds				
Invested in Capital Assets, Net of Related Debt	\$ -	\$ -	\$ -	\$ -
Restricted	12,679,844	18,103,098	20,058,886	18,638,304
Unrestricted	14,011,536	12,000,600	8,523,022	7,943,006
Total Current Funds	<u>\$ 26,691,380</u>	<u>\$ 30,103,698</u>	<u>\$ 28,581,908</u>	<u>\$ 26,581,310</u>
Plant Funds				
Invested in Capital Assets, Net of Related Debt	\$ 39,144,571	\$ 36,443,968	\$ 29,370,588	\$ 23,192,105
Restricted	733,209	43,403	47,273	852
Unrestricted	8,581,543	3,506,782	7,078,199	11,252,400
Total Endowment Funds	<u>\$ 48,459,323</u>	<u>\$ 39,994,153</u>	<u>\$ 36,496,060</u>	<u>\$ 34,445,357</u>
Total				
Invested in Capital Assets, Net of Related Debt	\$ 39,144,571	\$ 36,443,968	\$ 29,370,588	\$ 23,192,105
Restricted	13,413,053	22,563,091	20,106,159	18,639,156
Unrestricted	22,593,079	11,090,792	15,601,221	19,195,406
Total Fund Balances	<u>\$ 75,150,703</u>	<u>\$ 70,097,851</u>	<u>\$ 65,077,968</u>	<u>\$ 61,026,667</u>

Source: Audited Financial Statements

Note (1): Beginning in fiscal year 2003, the College implemented the reporting requirements of GASB Statement No. 35. Since prior years' financial information has not been restated, only the past nine fiscal years are presented here.

TABLE III

2007	2006	2005	2004	2003
\$ -	\$ -	\$ -	\$ -	\$ -
17,813,551	15,140,378	12,649,639	10,710,346	9,885,941
6,519,093	6,402,180	4,783,667	6,431,593	5,802,049
<u>\$ 24,332,644</u>	<u>\$ 21,542,558</u>	<u>\$ 17,433,306</u>	<u>\$ 17,141,939</u>	<u>\$ 15,687,990</u>
\$ 22,864,090	\$ 24,667,357	\$ 20,039,435	\$ 13,019,753	\$ 18,965,975
26,939	-	-	-	-
7,084,635	2,433,747	4,581,900	8,368,840	2,038,791
<u>\$ 29,975,664</u>	<u>\$ 27,101,104</u>	<u>\$ 24,621,335</u>	<u>\$ 21,388,593</u>	<u>\$ 21,004,766</u>
\$ 22,864,090	\$ 24,667,357	\$ 20,039,435	\$ 13,019,753	\$ 18,965,975
17,840,490	15,140,378	12,649,639	10,710,346	9,885,941
13,603,728	8,835,927	9,365,567	14,800,433	7,840,840
<u>\$ 54,308,308</u>	<u>\$ 48,643,662</u>	<u>\$ 42,054,641</u>	<u>\$ 38,530,532</u>	<u>\$ 36,692,756</u>

**HAWKEYE COMMUNITY COLLEGE
REVENUES BY SOURCE
FOR THE LAST NINE FISCAL YEARS (1)**

	2011	2010	2009	2008	2007
Tuition and Fees	\$ 7,902,981	\$ 7,689,451	\$ 9,376,202	\$ 8,859,742	\$ 9,064,604
Property Taxes	7,565,783	6,890,306	7,073,144	5,509,468	6,759,565
State Appropriations	12,435,369	12,927,107	14,593,950	13,848,935	12,318,253
Federal Appropriations	15,210,266	16,573,673	9,600,696	8,585,768	7,900,156
Sales and Services	1,841,966	1,719,870	1,923,295	1,356,467	23,377
Investment Earnings	179,801	442,088	650,205	1,777,915	2,290,173
Iowa Industrial New Jobs Training Program	2,868,437	3,294,700	4,154,074	3,396,592	3,090,789
Increase in Plant Investment/Expenditures	-	-	-	9,260	-
Miscellaneous	2,739,606	3,479,638	4,030,681	3,639,325	4,376,429
	<u>\$ 50,744,209</u>	<u>\$ 53,016,833</u>	<u>\$ 51,402,247</u>	<u>\$ 46,983,472</u>	<u>\$ 45,823,346</u>

	2006	2005	2004	2003
Tuition and Fees	\$ 9,412,882	\$ 8,652,048	\$ 8,010,164	\$ 6,819,079
Property Taxes	6,584,025	6,056,036	4,441,456	4,637,770
State Appropriations	12,001,695	10,597,041	11,151,485	11,157,848
Federal Appropriations	8,640,955	8,785,557	9,215,730	8,539,549
Sales and Services	23,377	19,908	14,065	186,408
Investment Earnings	1,512,019	804,686	426,625	624,911
Iowa Industrial New Jobs Training Program	5,405,079	3,309,867	2,109,670	2,224,455
Increase in Plant Investment/Expenditures	-	-	57,769	-
Miscellaneous	3,840,533	3,413,676	3,421,502	2,346,079
	<u>\$ 47,420,565</u>	<u>\$ 41,638,819</u>	<u>\$ 38,848,466</u>	<u>\$ 36,536,099</u>

Source: Audited Financial Statements

Note (1): Beginning in fiscal year 2003, the College implemented the reporting requirements of GASB Statement No. 35. Since prior years' financial information has not been restated, only the past nine fiscal years are presented here.

**HAWKEYE COMMUNITY COLLEGE
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1000 OF TAXABLE VALUE)
LAST TEN FISCAL YEARS**

Valuation Year	Taxes Payable	Hawkeye Community College	Counties		Cities/Towns Special Districts		School Districts	
			From	To	From	To	From	To
2010	2011/2012	0.96115	6.10019	10.2007	0.00340	18.26406	11.83550	17.95220
2009	2010/2011	0.99660	6.12641	9.55347	0.00340	18.26406	11.83550	16.89800
2008	2009/2010	0.93153	5.01766	10.57952	0.00300	16.57469	11.58600	19.12540
2007	2008/2009	1.00130	6.66809	9.75096	0.00350	16.16437	10.56253	17.46765
2006	2007/2008	0.82788	7.10571	7.47225	0.10671	12.17670	10.88956	14.88988
2005	2006/2007	1.04032	6.94651	7.23624	0.09652	13.64637	10.99751	15.07787
2004	2005/2006	1.06691	6.79392	7.09449	0.07736	12.41947	10.94685	15.51692
2003	2004/2005	0.99535	5.96496	6.84755	0.14975	12.87200	10.28574	13.44386
2002	2003/2004	0.74560	5.47010	5.61982	0.25172	14.37589	10.51059	12.04904
2001	2002/2003	0.78418	5.23065	5.43898	1.05855	16.84925	10.08874	12.89465

Source: County Auditors from Iowa Counties: Benton, Black Hawk, Bremer, Buchanan, Butler, Chickasaw, Fayette, Floyd, Grundy and Tama

**HAWKEYE COMMUNITY COLLEGE
PRINCIPAL PROPERTY TAXPAYERS AND THEIR ASSESSED VALUATIONS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayers	Type of Business	2011			2002		
		2010 Taxable Value	2010 Taxes Levied	Percentage 2010 Taxable Value	2001 Taxable Value	2001 Taxes Levied	Percentage 2001 Taxable Value
Target Corporation	Retail/Warehouse	\$ 89,035,740	\$ 3,204,310	1.157%	\$ 6,171,342	\$ 257,236	0.10%
IOC Black Hawk County Inc	Gaming	73,670,230	3,150,198	0.957%	-	-	0.00%
GG and A Crossroads Center LP	Retail Mall	40,083,710	1,714,012	0.521%	-	-	0.00%
Solvay Animal Health, Inc	Animal Health	28,120,791	1,211,125	0.365%	-	-	0.00%
College Square Mall Partners LLC	Retail Mall	32,775,230	1,153,834	0.426%	28,685,209	1,044,160	0.49%
Deere and Company	Manufacturing	27,584,866	1,145,318	0.358%	39,698,410	1,654,724	0.67%
Qwest Corporation	Communications	30,452,624	1,082,134	0.396%	35,872,402	1,224,226	0.61%
Ferguson Enterprises Inc	Manufacturing	24,732,360	1,057,576	0.321%	-	-	0.00%
IBP Inc	Meat Processing	21,927,734	936,474	0.285%	20,710,640	883,036	0.35%
Con Agra (formerly Hunt Wesson)	Food Processing	20,081,730	858,712	0.261%	3,602,850	153,822	0.06%
Equitable Life Insurance Soc of US	Life Insurance	-	-	0.000%	25,204,663	1,076,100	0.43%
Northern Natural Gas Co	Energy Holding	-	-	0.000%	16,150,146	396,436	0.27%
Bertch Cabinet	Manufacturing	-	-	0.000%	11,813,722	504,380	0.20%
R and N Investments	Real Estate-Rental Service	-	-	0.000%	8,919,312	334,290	0.15%
		<u>\$ 388,465,015</u>	<u>\$ 15,513,693</u>	<u>5.046%</u>	<u>\$ 196,828,696</u>	<u>\$ 7,528,410</u>	<u>3.34%</u>
	Total valuation	\$ 7,698,372,810			\$ 5,900,923,020		

Source: County Auditors from Iowa Counties: Benton, Black Hawk, Bremer, Buchanan, Butler, Chickasaw, Fayette, Floyd, Grundy and Tama

**HAWKEYE COMMUNITY COLLEGE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Valuation Year</u>	<u>Tax Levies Valuation Year</u>	<u>Tax Collected Fiscal Year</u>	<u>Percentage Collected Levy Year</u>	<u>Tax Collections Subsequent Years</u>	<u>Total Collections</u>	<u>Total Percentage Collected</u>
2011	2009	\$ 7,548,375	\$ 7,541,487	99.91%	\$ -	\$ 7,541,487	99.91%
2010	2008	6,892,421	6,889,784	99.96%	-	6,889,784	99.96%
2009	2007	6,879,288	6,854,462	99.64%	2,473	6,856,935	99.68%
2008	2006	5,687,831	5,584,468	98.18%	103,363	5,687,831	100.00%
2007	2005	6,735,335	6,709,565	99.62%	25,770	6,735,335	100.00%
2006	2004	6,793,389	6,693,389	98.53%	100,000	6,793,389	100.00%
2005	2003	6,024,204	6,024,204	100.00%	-	6,024,204	100.00%
2004	2002	4,458,455	4,441,456	99.62%	16,999	4,458,455	100.00%
2003	2001	4,688,321	4,637,770	98.92%	50,551	4,688,321	100.00%
2002	2000	\$ 4,125,748	\$ 4,109,413	99.60%	\$ 16,335	\$ 4,125,748	100.00%

Source: County Auditors from Iowa Counties: Benton, Black Hawk, Bremer, Buchanan, Butler, Chickasaw, Fayette, Floyd, Grundy and Tama

TABLE VIII

**HAWKEYE COMMUNITY COLLEGE
LEGAL DEBT LIMIT
LAST TEN FISCAL YEARS**

	2010	2009	2008	2007	2006
Total assessed valuation, January 1	\$ 7,698,372,810	\$ 7,360,543,961	\$ 7,190,423,190	\$ 6,870,356,248	\$ 6,474,291,786
Debt limit 5% of total assessed value	384,918,641	368,027,198	359,521,160	343,517,812	323,714,589
Amount of debt applicable to debt limit, total general obligation bonded debt, June 30	10,035,000	6,325,000	8,820,000	6,340,000	2,240,509
Excess of debt limit over bonded debt outstanding, legal debt margin	374,883,641	361,702,198	350,701,160	337,177,812	321,474,080
	2005	2004	2003	2002	2001
Total assessed valuation, January 1	\$ 6,367,349,964	\$ 6,052,347,136	\$ 5,979,688,010	\$ 5,979,629,673	\$ 5,900,923,020
Debt limit 5% of total assessed value	318,367,498	302,617,357	298,984,401	298,981,484	295,046,151
Amount of debt applicable to debt limit, total general obligation bonded debt, June 30	4,421,427	7,296,324	1,450,000	2,100,000	2,735,000
Excess of debt limit over bonded debt outstanding, legal debt margin	313,946,071	295,321,033	297,534,401	296,881,484	292,311,151

Source: County Auditors from Iowa Counties: Benton, Black Hawk, Bremer, Buchanan, Butler, Chickasaw, Fayette, Floyd, Grundy and Tama and audited financial statements

TABLE IX

**HAWKEYE COMMUNITY COLLEGE
OUTSTANDING DEBT
LAST TEN FISCAL YEARS**

	2011	2010	2009	2008	2007
Governmental and Total					
Certificates Payable	\$ 18,865,000	\$ 23,000,000	\$ 24,340,000	\$ 16,660,000	\$ 15,745,000
General Obligations Bonds	10,035,000	6,325,000	8,820,000	10,975,000	6,340,000
Notes Payable	-	-	-	-	-
Total	\$ 28,900,000	\$ 29,325,000	\$ 33,160,000	\$ 27,635,000	\$ 22,085,000
Personal Income	*N/A	116,616,341	110,540,530	110,134,865	104,650,635
Ratio of Debt to Personal Income	*N/A	25.15%	30.00%	25.09%	21.10%
Ratio of Debt per Capita	*N/A	9.63	11.02	9.20	7.39
Ratio of Bonded Debt to Taxable Property Value	*N/A	0.38%	0.48%	0.40%	0.32%
	2006	2005	2004	2003	2002
Governmental and Total					
Certificates Payable	\$ 14,700,000	\$ 13,886,610	\$ 11,920,910	\$ 11,179,500	\$ 9,598,010
General Obligations Bonds	2,210,000	4,421,427	6,566,324	-	-
Notes Payable	-	-	730,000	1,450,000	2,100,000
Total	\$ 16,910,000	\$ 18,308,037	\$ 19,217,234	\$ 12,629,500	\$ 11,698,010
Personal Income	98,207,890	93,204,363	90,435,812	83,920,279	82,398,008
Ratio of Debt to Personal Income	17.22%	19.64%	21.25%	15.05%	14.20%
Ratio of Debt per Capita	5.69	6.19	6.52	4.30	3.99
Ratio of Bonded Debt to Taxable Property Value	0.26%	0.29%	0.28%	0.20%	0.18%

Source: County Auditors from Iowa Counties: Benton, Black Hawk, Bremer, Buchanan, Butler, Chickasaw, Fayette, Floyd, Grundy and Tama and audited financial statements

* Ratio not available

HAWKEYE COMMUNITY COLLEGE
STATE OF IOWA - TOTAL PERSONAL INCOME, POPULATION,
PER CAPITA PERSONAL INCOME PER CALENDAR YEAR, UNEMPLOYMENT PERCENTAGE
LAST TEN CALENDAR YEARS

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Personal Income	\$ 116,616,341	\$ 110,540,530	\$ 110,134,865	\$ 104,650,635	\$ 98,207,890
Population	3,046,355	3,007,856	3,002,555	2,988,046	2,972,566
Per Capita Personal Income	\$ 38,281	\$ 36,751	\$ 36,680	\$ 35,023	\$ 33,038
Unemployment Percentage	6.2%	6.3%	6.5%	3.8%	3.7%

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Total Personal Income	\$ 93,204,363	\$ 90,435,812	\$ 83,920,279	\$ 82,398,008	\$ 79,456,044
Population	2,955,587	2,946,009	2,935,991	2,931,084	2,930,031
Per Capita Personal Income	\$ 31,535	\$ 30,698	\$ 28,583	\$ 28,112	\$ 27,118
Unemployment Percentage	4.6%	4.5%	4.7%	3.1%	3.1%

Source: Iowa Workforce Development

Note: Information is presented pertaining to calendar years.

**HAWKEYE COMMUNITY COLLEGE
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Current Year		
Rank	Name	Product/Service
1	Deere & Co	Manufacturing
2	Wheaton Franciscan Healthcare (fka Covenant Medical Center)	Health Care
3	Tyson Fresh Meats (fka Iowa Beef Processor)	Meat Processing
4	Allen Memorial Hospital	Health Care
5	University of Northern Iowa	Higher Education
6	Waterloo Community Schools	Public School District K-12
7	Area 267 Education Agency	Educational Support
8	HyVee Food Stores (5)	Retail Trade
9	Target Distribution	Distribution Center
10	Bertch Cabinet Manufacturing Company	Manufacturing

Nine Years Ago		
Rank	Name	Product/Service
1	Deere & Co	Manufacturing
2	Covenant Medical Center	Health Care
3	Iowa Beef Processors	Meat Products
4	University of Northern Iowa	Higher Education
5	Allen Memorial Hospital	Health Care
6	Waterloo Community Schools	Public School District K-12
7	Bertch Cabinet Manufacturing Company	Manufacturing
8	Omega Cabinets	Manufacturing
9	GMAC Mortgage	Mortgage Finance/Service
10	Hy-Vee Food Stores	Retail Trade

Source: Current year information from Cedar Valley Alliance. Nine years ago information information from Black Hawk County fiscal year audit report.

Note: State of Iowa has ruled that information regarding the number of employees of a private employer is confidential so that information is not available.

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TABLE XII

**HAWKEYE COMMUNITY COLLEGE
EMPLOYEES BY FUNCTION AND STUDENTS PER FTE
LAST EIGHT FISCAL YEARS (1)**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Non-faculty								
Full-time	168	184	206	200	204	202	196	191
Part-time	243	220	230	141	263	250	303	263
Temporary	19	17	11	59	16	82	14	30
Total Administration	<u>430</u>	<u>421</u>	<u>447</u>	<u>400</u>	<u>483</u>	<u>534</u>	<u>513</u>	<u>484</u>
Faculty								
Full-time	118	119	125	120	119	115	114	114
Part-time	0	0	33	35	35	44	42	42
Adjunct	259 *	80	32	35	177	207	52	20
Total Faculty	<u>377</u>	<u>199</u>	<u>190</u>	<u>190</u>	<u>331</u>	<u>366</u>	<u>208</u>	<u>176</u>
Total Employees	<u>807</u>	<u>620</u>	<u>637</u>	<u>590</u>	<u>814</u>	<u>900</u>	<u>721</u>	<u>660</u>

* 2011 count includes all active adjuncts on Datatel employee base. 2010 count represents summer adjuncts only.

Source: College Reports

Note (1): The college converted to a new software system in 2004 so earlier information is not available.

**HAWKEYE COMMUNITY COLLEGE
CAPITAL ASSETS BY MAJOR CLASS LESS ACCUMULATED DEPRECIATION
FOR THE LAST TEN FISCAL YEARS**

	2011	2010	2009	2008
Land	\$ 379,179	\$ 379,179	\$ 379,179	\$ 379,179
Construction in Progress	2,750,884	6,681,038	3,779,036	1,631,722
Capital Assets Not Depreciated	<u>3,130,063</u>	<u>7,060,217</u>	<u>4,158,215</u>	<u>2,010,901</u>
Buildings	44,917,184	36,945,220	36,945,220	36,924,866
Other Structures & Improvements	15,765,319	12,949,992	10,262,207	7,661,384
Furniture and Equipment	12,726,552	11,170,740	10,353,541	9,300,611
Capital Assets Depreciated	<u>73,409,055</u>	<u>61,065,952</u>	<u>57,560,968</u>	<u>53,886,861</u>
Total Capital Assets	76,539,118	68,126,169	61,719,183	55,897,762
Less: Accumulated Depreciation	26,793,245	24,969,109	23,273,325	21,553,441
Net Book Value	<u>\$ 49,745,873</u>	<u>\$ 43,157,060</u>	<u>\$ 38,445,858</u>	<u>\$ 34,344,321</u>
ACCUMULATED DEPRECIATION				
Buildings	\$ 15,111,124	\$ 14,306,733	\$ 13,676,754	\$ 12,885,162
Other Structures & Improvements	4,268,773	3,761,887	3,194,386	2,956,605
Furniture and equipment	7,413,348	6,900,489	6,402,185	5,711,674
Total Accumulated Depreciation	<u>\$ 26,793,245</u>	<u>\$ 24,969,109</u>	<u>\$ 23,273,325</u>	<u>\$ 21,553,441</u>

Source: Audited financial statements

* Depreciation not reported until GASB 34 implementation.

TABLE XIII

2007	2006	2005	2004	2003	2002
\$ 379,179	\$ 379,179	\$ 379,179	\$ 287,173	\$ 287,173	\$ 287,173
1,500,299	767,484	4,775,060	693,679	-	-
<u>1,879,478</u>	<u>1,146,663</u>	<u>5,154,239</u>	<u>980,852</u>	<u>287,173</u>	<u>287,173</u>
32,064,780	32,064,780	26,882,181	26,882,181	26,882,181	26,698,701
6,994,100	4,770,755	3,310,894	3,316,813	3,316,813	3,261,730
8,633,510	7,883,978	7,006,035	6,371,892	6,514,137	11,699,062
<u>47,692,390</u>	<u>44,719,513</u>	<u>37,199,110</u>	<u>36,570,886</u>	<u>36,713,131</u>	<u>41,659,493</u>
49,571,868	45,866,176	42,353,349	37,551,738	37,000,304	41,946,666
20,123,267	18,958,310	17,892,487	17,235,661	16,584,329	- *
<u>\$ 29,448,601</u>	<u>\$ 26,907,866</u>	<u>\$ 24,460,862</u>	<u>\$ 20,316,077</u>	<u>\$ 20,415,975</u>	<u>\$ 41,946,666</u>
\$ 12,182,019	\$ 11,552,276	\$ 10,920,068	\$ 10,381,780	\$ 9,844,493	\$ - *
2,953,683	2,870,982	2,783,030	2,736,882	2,707,018	-
4,987,565	4,535,052	4,189,389	4,116,999	4,032,818	-
<u>\$ 20,123,267</u>	<u>\$ 18,958,310</u>	<u>\$ 17,892,487</u>	<u>\$ 17,235,661</u>	<u>\$ 16,584,329</u>	<u>\$ -</u>

**HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF CREDIT/CONTACT HOUR ENROLLMENT
FOR THE LAST TEN FISCAL YEARS**

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Arts and Sciences										
Credit Hours, Eligible for Aid	70,418	68,977	57,759	63,016	67,867	57,482	56,373	57,210	54,294	49,495
Contact Hours, Eligible for Aid	1,180,736	1,149,296	980,976	1,066,192	1,176,555	869,984	940,331	957,569	985,231	906,472
Total Arts and Sciences	<u>1,251,154</u>	<u>1,218,273</u>	<u>1,038,735</u>	<u>1,129,208</u>	<u>1,244,422</u>	<u>927,466</u>	<u>996,704</u>	<u>1,014,779</u>	<u>1,039,525</u>	<u>955,967</u>
Vocational Education										
Credit Hours, Eligible for Aid	74,617	72,666	60,943	63,206	59,237	63,477	65,754	66,995	64,693	56,959
Credit Hours, Not Eligible for Aid	-	-	-	-	-	-	-	-	-	-
Contact Hours, Eligible for Aid	1,597,712	1,557,392	1,313,520	1,355,616	1,274,997	1,252,416	1,417,031	1,438,653	1,530,744	1,377,975
Contact Hours, Not Eligible for Aid	-	-	-	-	-	-	-	-	-	-
Total Vocational Education	<u>1,672,329</u>	<u>1,630,058</u>	<u>1,374,463</u>	<u>1,418,822</u>	<u>1,334,234</u>	<u>1,315,893</u>	<u>1,482,785</u>	<u>1,505,648</u>	<u>1,595,437</u>	<u>1,434,934</u>
Adult/Continuing Education										
Contact Hours, Eligible for Aid	245,219	227,094	308,431	313,813	332,516	362,594	408,562	433,939	720,130	722,796
Contact Hours, Not Eligible for Aid	15,637	27,562	51,352	54,484	59,105	72,605	76,120	30,504	30,787	20,271
Total Vocational Education	<u>260,856</u>	<u>254,656</u>	<u>359,783</u>	<u>368,297</u>	<u>391,621</u>	<u>435,199</u>	<u>484,682</u>	<u>464,443</u>	<u>750,917</u>	<u>743,067</u>
Related Services and Activities										
Contact Hours, Eligible for Aid	-	-	-	-	-	-	-	-	29,400	-
Contact Hours, Not Eligible for Aid	15,130 *	10,455 *	16,320	17,520	18,480	24,720	-	2,400	60	10,680
Total Related Services and Activities	<u>15,130</u>	<u>10,455</u>	<u>16,320</u>	<u>17,520</u>	<u>18,480</u>	<u>24,720</u>	<u>-</u>	<u>2,400</u>	<u>29,460</u>	<u>10,680</u>
Total	<u><u>3,199,469</u></u>	<u><u>3,113,442</u></u>	<u><u>2,789,301</u></u>	<u><u>2,933,847</u></u>	<u><u>2,988,757</u></u>	<u><u>2,703,278</u></u>	<u><u>2,964,171</u></u>	<u><u>2,987,270</u></u>	<u><u>3,415,339</u></u>	<u><u>3,144,648</u></u>

Source: College Reports

* Discontinued including Academic Computer Support Lab counts in Continuing Ed

**HAWKEYE COMMUNITY COLLEGE
HIGHER EDUCATION PRICE INDEX (HEPI) FULL YEAR FTE
LAST TEN YEARS**

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Higher Education Price Index (1)	288.4	281.8	279.3	269.7	260.3	251.8	239.8	231.5	221.2	215.0
Normalized HEPI	1.023	1.009	1.036	1.036	1.034	1.050	1.036	1.047	1.029	1.041
Full Year FTE (2)	5,148	4,048	3,576	3,488	3,485	3,460	3,502	3,564	3,495	3,240

(1) HIGHER EDUCATION PRICE INDEX (HEPI). The HEPI deflates financial data to provide a Constant Dollar comparison. The HEPI has been applied to facilitate in the interpretation of certain financial information. The HEPI uses 1983 as a base year. The normalized HEPI

(2) FULL TIME EQUIVALENT STUDENT (FTE). Certain financial data in this section is presented per FTE student. The FTE is based on a weighted full year FTE.

Source: District Reports and Commonfund Institute - 2011 Higher Education Price Index

**HAWKEYE COMMUNITY COLLEGE
STUDENT ENROLLMENT BY PROGRAM
LAST TEN FISCAL YEARS**

Program/Major	2011	2010	2009	2008	2007
Arts and Sciences					
Liberal Arts AA	8,239	7,819	7,149	6,880	6,648
Liberal Arts AS	14	17	5	11	14
Applied Science and Technology					
Ag Business Management	138	110	114	108	82
Ag Food & Technology	-	-	-	-	-
Ag Science	27	35	35	38	37
Animal Science	106	136	111	82	69
Horticulture Science	136	131	107	104	119
Natural Resources Mgmt.	104	84	117	117	114
Vet Assisting	78	25	18	10	29
Sub-total	589	521	502	459	450
Accounting	141	123	101	112	121
Accounting Technician	1	-	-	-	1
Admin. Assistant	62	65	50	50	49
Business Administration	630	681	643	589	507
Computer and Network Tech.	66	61	63	67	62
Customer Service	-	1	1	2	2
Executive Assistant	50	42	50	44	51
Finance & Banking	-	-	-	-	-
Fire Science	18	17	20	21	28
General Business	37	57	56	56	50
Human Resource Management	34	-	-	-	-
Information Processor	-	-	-	-	-
Information Systems Management	38	29	19	25	32
Legal Office Assistant	68	78	53	60	69
Marketing Management	176	166	167	169	143
Medical Admin. Assistant	247	193	138	157	144
Medical Secretary	65	79	76	118	159
Medical Transcription	-	-	-	2	19
Network Admin & Engineering	109	124	93	70	74
Office Assistant	-	-	2	5	1
Office Specialist	53	33	34	34	56
Web Design & Develop.	71	72	71	61	36
Sub-total	1,866	1,821	1,637	1,642	1,604
Corrections	151	156	110	102	121
Early Childhood Education	172	155	138	118	147
Early Childhood Educ Apprent	13	42	63	74	62
Graphic Communications	167	168	154	150	171
Interior Design	58	70	72	69	66
Professional Photography	283	270	275	283	292
Police Science	471	459	407	361	333
Sub-total	1,315	1,320	1,219	1,157	1,192

TABLE XVI

Program/Major	2011	2010	2009	2008	2007
Associate Degree Nursing	318	296	277	277	335
Assoc Degree Nursing (Evening)	-	2	34	31	24
Dental Assisting	107	106	97	102	93
Dental Hygiene	202	220	214	184	228
Medical Lab Technology	143	139	143	146	147
Medical Lab Tech Consortium	59	51	30	11	25
Nursing Assistant	-	-	237	184	146
Occupational Therapy Asst.	1	-	-	-	-
Ophthalmic/Optometric Asst.	-	4	32	48	51
Practical Nursing	1,098	1,114	795	867	969
Practical Nursing (Evening)	-	9	42	38	46
Practical Nursing (EHC2)	20	46	43	39	44
Pre-Radiography	5	7	4	6	-
Pre-Surg Tech	39	20	28	19	8
Registered Nurse First Asst	-	-	-	-	-
Respiratory Care	182	140	75	100	99
Sub-total	2,174	2,154	2,051	2,052	2,215
Arch & Const Technology	16	14	57	80	81
Automated Systems Tech	28	7	8	27	17
Automated Systems Tech JD	4	19	37	17	3
Civil & Construc Engineering Tech	76	76	70	84	79
CNC Machining Tech	153	126	116	104	84
CNC Machinist - EMC2	67	83	122	110	117
CNC Machinist - John Deere	6	30	25	44	54
CNC Machinist - Hypro	4	-	-	-	-
Consumer Electronics Tech	-	-	-	-	-
Drafting & Design Tech	-	-	-	-	2
Electromechanical Maint. Tech.	108	139	96	131	22
Electronic Engineering Tech	143	137	97	50	152
Electronic Engineering Tech JD	41	22	57	77	47
Electromechanical Maint. Tech BPI	13	-	-	-	-
Electromechanical Maint. Tech ConAgra	16	-	-	-	-
Electromechanical Maint. Tech IBP	16	9	11	-	61
Electromechanical Maint. Appren.	-	6	-	12	18
General Technology	-	-	-	-	-
Heating & Air Conditioning	88	88	45	51	77
Interdisciplinary Studies	9	106	14	7	6
Mechanical Engineering Tech	-	-	-	-	-
Network Administrator	-	-	-	-	-
Tool & Die	17	35	38	31	41
Web Design	-	-	-	-	-
Welding	136	144	101	73	60
Welding JD	-	3	4	5	-
Sub-total	941	1,044	898	903	921
Ag Power Technology AAS	60	47	20	17	13
Auto Electronics Tech AAS	65	59	34	36	40
Automotive Technology AAS	163	143	106	128	86
Aviation Maintenance Tech	-	-	-	-	56
Collision Repair & Refinishing AAS	105	108	79	74	56
Diesel Truck Tech AAS	48	52	32	50	65
Truck Driving	83	59	67	46	47
Sub-total	524	468	338	351	363
Total Credit Enrollment	15,662	15,164	13,799	13,455	13,407

Source: College Reports

HAWKEYE COMMUNITY COLLEGE
STUDENT ENROLLMENT BY PROGRAM (Continued)
LAST TEN FISCAL YEARS

Program/Major	2006	2005	2004	2003	2002
Arts and Sciences					
Liberal Arts AA	5,888	6,022	5,929	5,519	5,074
Liberal Arts AS	-	-	-	-	-
Applied Science and Technology					
Ag Business Management	63	49	70	79	70
Ag Food & Technology	-	-	-	1	11
Ag Science	11	9	15	23	28
Animal Science	46	40	41	38	40
Horticulture Science	112	123	121	125	131
Natural Resources Mgmt.	100	102	97	111	63
Vet Assisting	1	-	-	-	-
Sub-total	<u>333</u>	<u>323</u>	<u>344</u>	<u>377</u>	<u>343</u>
Accounting	131	162	175	168	172
Accounting Technician	2	1	2	1	2
Admin. Assistant	55	60	65	63	42
Business Administration	432	392	395	388	315
Computer and Network Tech.	59	73	59	29	54
Customer Service	-	-	-	-	-
Executive Assistant	76	61	61	69	84
Finance & Banking	-	5	9	25	14
Fire Science	19	11	11	10	19
General Business	56	61	38	46	59
Human Resource Management	-	-	-	-	-
Information Processor	-	-	-	-	5
Information Systems Management	43	27	26	12	1
Legal Office Assistant	50	28	32	35	2
Marketing Management	105	108	159	132	127
Medical Admin. Assistant	146	162	158	138	131
Medical Secretary	141	108	119	100	54
Medical Transcription	9	1	-	-	-
Network Admin & Engineering	93	98	109	86	74
Office Assistant	-	1	5	3	10
Office Specialist	61	54	66	61	55
Web Design & Develop	36	33	48	28	26
Sub-total	<u>1,514</u>	<u>1,446</u>	<u>1,537</u>	<u>1,394</u>	<u>1,246</u>
Corrections	136	146	126	99	120
Early Childhood Education	151	80	96	156	157
Early Childhood Educ Apprent	68	70	36	-	-
Graphic Communications	205	191	220	199	239
Interior Design	84	39	42	62	28
Professional Photography	332	342	313	322	268
Police Science	318	362	402	384	349
Sub-total	<u>1,294</u>	<u>1,230</u>	<u>1,235</u>	<u>1,222</u>	<u>1,161</u>

TABLE XVI (Continued)

Program/Major	2006	2005	2004	2003	2002
Associate Degree Nursing	315	226	121	299	126
Assoc Degree Nursing (Evening)	26	16	14	-	-
Dental Assisting	98	89	106	118	73
Dental Hygiene	216	183	151	131	116
Medical Lab Technology	154	130	116	105	65
Medical Lab Tech Consortium	23	17	9	6	8
Nursing Assistant	211	184	177	141	108
Occupational Therapy Asst.	-	-	-	-	-
Ophthalmic/Optometric Asst.	67	82	93	54	48
Practical Nursing	1,001	1,119	1,040	1,012	815
Practical Nursing (Evening)	49	63	36	-	-
Practical Nursing (EHC2)	47	34	16	-	-
Pre-Radiography	-	-	-	-	-
Pre-Surg Tech	7	4	-	-	-
Registered Nurse First Asst	-	-	-	1	-
Respiratory Care	117	123	108	56	55
Sub-total	2,331	2,270	1,987	1,923	1,414
Arch & Const Technology	77	90	99	73	84
Automated Systems Tech	15	1	3	12	-
Automated Systems Tech JD	-	-	-	-	-
Civil & Construc Engineering Tech	83	58	60	62	74
CNC Machining Tech	95	103	85	94	69
CNC Machinist - EMC2	123	84	102	69	37
CNC Machinist - John Deere	93	72	57	78	66
CNC Machinist - Hypro	-	-	-	-	-
Consumer Electronics Tech	-	-	-	-	-
Drafting & Design Tech	1	19	26	136	-
Electromechanical Maint. Tech.	37	71	81	36	115
Electronic Engineering Tech	144	105	115	134	136
Electronic Engineering Tech JD	19	-	7	-	-
Electromechanical Maint. Tech BPI	-	-	-	-	-
Electromechanical Maint. Tech ConAgra	-	-	-	-	-
Electromechanical Maint. Tech IBP	64	18	27	46	23
Electromechanical Maint. Appren	15	17	19	24	-
General Technology	-	-	-	15	65
Heating & Air Conditioning	78	66	58	65	38
Interdisciplinary Studies	10	25	37	22	1
Mechanical Engineering Tech	-	-	-	20	12
Network Administrator	-	-	-	58	53
Tool & Die	32	24	43	82	141
Web Design	-	-	-	16	8
Welding	54	51	47	38	38
Welding JD	-	-	-	-	-
Sub-total	940	804	866	1,080	960
Ag Power Technology AAS	40	36	29	30	26
Auto Electronics Tech AAS	66	106	79	62	37
Automotive Technology AAS	131	149	126	112	112
Aviation Maintenance Tech	-	16	46	49	49
Collision Repair & Refinishing AAS	120	127	109	96	92
Diesel Truck Tech AAS	47	47	52	40	36
Truck Driving	24	27	28	21	31
Sub-total	428	508	469	410	383
Total Credit Enrollment	12,728	12,603	12,367	11,925	10,581

Source: College Reports

**HAWKEYE COMMUNITY COLLEGE
STUDENT STATISTICS
LAST TEN FISCAL YEARS**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Male	6,782	6,793	6,115	5,887	5,726	5,335	5,180	5,278	5,046	4,883
Female	8,880	8,371	7,684	7,568	7,681	7,393	7,620	7,432	6,879	5,884
Full-time	8,333	8,265	7,198	7,187	7,145	7,044	7,287	7,465	7,087	6,497
Part-time	7,329	6,899	6,601	14,755	14,826	14,437	14,907	14,897	13,966	12,381
Average Credit Hours per student Semester	10.02	10.10	10.01	10.20	10.19	10.52	10.91	11.05	11.25	11.35
Average Credit Hours per student Summer	5.25	5.39	5.04	4.97	4.90	4.85	5.00	5.00	5.00	5.00
Average Age of Student	23.83	22.58	22.51	22.96	23.36	23.98	23.80	24.03	23.57	24.30

Source: College Reports

**HAWKEYE COMMUNITY COLLEGE
STUDENT ETHNICITY
LAST TEN FISCAL YEARS**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
American Indian or Alaskan Native	54	60	66	53	46	48	45	53	56	58
Asian or Pacific Islander	201	212	154	168	175	146	147	121	130	114
Black, Non-Hispanic	1,465	1,345	944	863	954	983	1,037	1,076	964	784
Hispanic	310	286	216	215	225	212	178	186	144	98
International Student	60	92	40	28	20	18	82	96	104	95
No response	5	76	102	170	242	247	233	173	189	154
2 or More Races	76	21	-	-	-	-	-	-	-	-
White, Non-Hispanic	<u>13,551</u>	<u>13,164</u>	<u>12,277</u>	<u>11,958</u>	<u>11,745</u>	<u>11,073</u>	<u>11,089</u>	<u>11,072</u>	<u>10,641</u>	<u>9,844</u>
Total	<u><u>15,722</u></u>	<u><u>15,256</u></u>	<u><u>13,799</u></u>	<u><u>13,455</u></u>	<u><u>13,407</u></u>	<u><u>12,727</u></u>	<u><u>12,811</u></u>	<u><u>12,777</u></u>	<u><u>12,228</u></u>	<u><u>11,147</u></u>

Source: College Reports

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2010-2011

Single Audit Section



HAWKEYE
COMMUNITY COLLEGE

Iowa Area VII Community College

**HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2011**

Grantor/Program	CFDA Number	Program Expenditures	New Loans and New Loan Guarantees
DIRECT:			
U. S. Department of Education:			
Student Financial Aid – Cluster:			
Federal Supplemental Educational Opportunity Grants (FSEOG)	84 007	\$ 121,257	\$ -
Federal Work-Study Program (FWS)	84 033	149,398	-
Federal Pell Grant Program	84 063	10,991,762	-
Federal Direct Student Loans	84 268	-	24,365,900
Academic Competitiveness Grant	84 375	201,327	-
Total Student Financial Aid Cluster		11,463,744	24,365,900
C-Campis	84 335	49,672	-
TRIO - Student Support Services	84 042	248,198	-
Total Direct U.S. Department of Education		11,761,614	24,365,900
Corporation for National and Community Services:			
Senior Companion Program	94 016	356,849	-
U.S. Department of Health and Human Services:			
Health Care and Other Facilities	93 887	25,277	-
U.S. Department of Labor:			
WIA Pilots, Demonstrations, and Research Projects	17 261	227,843	-
Total Direct Expenditures		12,371,583	24,365,900
INDIRECT:			
U.S. Department of Education:			
Indirect Through the Iowa Department of Education:			
Adult Education - State Grant Program	84 002	220,301	-
Vocational Education - Basic Grants to States	84 048	362,696	-
Tech-Prep Education	84 243	76,663	-
Fund for the Improvement of Postsecondary Education	84 116	4,715	-
Fiscal Stabilization Cluster:			
ARRA - State Fiscal Stabilization Fund - Education State Grants	84 394	365,821	-
ARRA - State Fiscal Stabilization Fund - Government Services	84 397	175,297	-
		541,118	-
Total Indirect U.S. Department of Education		1,205,493	-
U.S. Department of Labor:			
Indirect Through Iowa Workforce Development:			
Employment Service Cluster:			
Employment Service	17 207	26,677	-
Reemployment Services	17 255	8,059	-
Disabled Veteran's Outreach Program	17 801	5,286	-
		40,022	-
Workforce Investment Act (WIA):			
WIA Adult Program	17 258	148,589	-
ARRA - WIA Adult Program	17 258	707	-
WIA Youth Program	17 259	228,292	-
ARRA - WIA Youth Program	17 259	266	-
WIA Dislocated Workers	17 260	184,913	-
ARRA - WIA Dislocated Workers	17 260	5,713	-
WIA National Emergency Grants	17 277	65,524	-
WIA Dislocated Workers	17 278	141,093	-
		775,097	-

**HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2011**

Grantor/Program	CFDA Number	Program Expenditures	New Loans and New Loan Guarantees
INDIRECT (Continued):			
U.S. Department of Labor (Continued):			
Indirect Through Iowa Workforce Development (Continued):			
Work Incentives Grant	17 266	27,098	-
Unemployment Insurance	17 225	54,855	-
Trade Adjustment Assistance	17 245	797	-
		897 869	-
Indirect Through the Iowa Department of Education:			
Incentive Grants - WIA Section 503	17 267	38,518	-
Total Indirect U.S. Department of Labor		936,387	-
U.S. Department of Health and Human Services:			
Indirect through Iowa Workforce Development:			
Temporary Assistance for Needy Families Cluster:			
Temporary Assistance for Needy Families	93 558	536,728	-
ARRA - Temporary Assistance for Needy Families	93 714	88,099	-
Total Indirect U.S. Department of Health and Human Services		624,827	-
U.S. Department of Agriculture:			
Indirect through Iowa Department of Education:			
Child and Adult Care Food Program	10 558	11 094	-
Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants	10 226	9,748	-
Total Indirect U.S. Department of Agriculture		20,842	-
Total Indirect Expenditures		2,787,549	-
Total Direct and Indirect Expenditures		\$ 15,159,132	\$ 24,365,900

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 -- BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Hawkeye 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 general purpose financial statements.

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

Board of Trustees
Hawkeye Community College
Waterloo, Iowa

We have audited the basic financial statements of Hawkeye Community College, Waterloo, Iowa, as of and for the year ended June 30, 2011, and have issued our report thereon dated December 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of Hawkeye Community College Foundation, as described in our report on Hawkeye Community College's financial statements. The financial statements of Hawkeye Community College Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs, II-A-11 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hawkeye 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 non-compliance that are required to be reported under *Government Auditing Standards*.

203 North Grand Avenue P.O. Box 908 Spencer, Iowa 51301-0908
712-262-1500 - 82AX 712-262-2920

Hawkeye Community College's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. While we expressed our conclusion on the College's response, we did not audit the Community College's response and, accordingly, we express no opinion on it.

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

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

Williams + Company, P.C.
Certified Public Accountants

Spencer, Iowa
December 15, 2011

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Trustees
Hawkeye Community College
Waterloo, Iowa

Compliance

We have audited Hawkeye Community College's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Hawkeye Community College's major federal programs for the year ended June 30, 2011. Hawkeye 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 Hawkeye Community College's management. Our responsibility is to express an opinion on Hawkeye Community College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether 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 Hawkeye Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Hawkeye Community College's compliance with those requirements.

In our opinion, Hawkeye Community College complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of Hawkeye 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 Hawkeye Community College's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to tests 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 Hawkeye Community College's internal control over compliance.

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 that 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.

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

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

Williams & Company, P.C.

Certified Public Accountants

Spencer, Iowa
December 15, 2011

**HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011**

PART I – SUMMARY OF AUDITORS' RESULTS

- (A) An unqualified opinion was issued on the financial statements.
- (B) A significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements, including a material weakness.
- (C) The audit did not disclose any non-compliance which is material to the financial statements.
- (D) No significant deficiencies in internal control over major programs were disclosed by the audit of the financial statements.
- (E) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (F) The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (G) Major programs were as follows:
 - Student Financial Aid Cluster:
 - CFDA Number 84.007 – Federal Supplemental Educational Opportunity Grant (FSEOG)
 - CFDA Number 84.033 – Federal Work-Study Program
 - CFDA Number 84.063 – Federal Pell Grant Program
 - CFDA Number 84.268 – Federal Direct Student Loans
 - CFDA Number 84.375 – Academic Competitiveness Grant
 - Workforce Investment Act Cluster:
 - CFDA Number 17.258 – WIA Adult Program
 - CFDA Number 17.258 – ARRA – WIA Adult Program
 - CFDA Number 17.259 – WIA Youth Program
 - CFDA Number 17.259 – ARRA – WIA Youth Program
 - CFDA Number 17.260 – WIA Dislocated Workers
 - CFDA Number 17.260 – ARRA – WIA Dislocated Workers
 - CFDA Number 17.277 – WIA National Emergency Grants
 - CFDA Number 17.278 – WIA Dislocated Workers
 - Temporary Assistance for Needy Families Cluster:
 - CFDA Number 93.558 – Temporary Assistance for Needy Families
 - CFDA Number 93.714 – ARRA – Temporary Assistance for Needy Families
 - Fiscal Stabilization Cluster:
 - CFDA Number 84.394 – ARRA – State Fiscal Stabilization Fund – Education State Grants
 - CFDA Number 84.397 – ARRA – State Fiscal Stabilization Fund – Government Services
- (H) The dollar threshold used to distinguish between Type A and Type B was \$454,774.
- (I) Hawkeye Community College did not qualify as a low-risk auditee.

**HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011**

PART II – FINDING RELATED TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

SIGNIFICANT DEFICIENCIES:

II-A-11 Financial Reporting – During the audit, we identified immaterial amounts of bond and certificate issuance costs, fixed assets, revenue and expenses related to 260F projects, and rental expense not recorded or not properly recorded in the College’s financial statements.

Recommendation – The College should continue to refine year-end closing processes that provide for reconciliation of certain account balances to ensure timely and accurate financial reporting. The College should also implement additional procedures to ensure all bond and certificate issuance costs, fixed assets, revenue and expenses related to 260F projects and rental expense are properly identified, classified, and included in the College’s financial statements.

Response – We will continue to improve closing processes and implement additional procedures to ensure the proper amounts are recorded in the financial statements in the future.

Conclusion - Response accepted.

INSTANCES OF NON-COMPLIANCE: No matters were reported.

PART III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

SIGNIFICANT DEFICIENCIES: No matters were reported.

INSTANCES OF NON-COMPLIANCE: No matters were reported.

PART IV – OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING

IV-A-11: Certified Budget – Expenditures for the year ended June 30, 2011, exceeded the amount budgeted, in total, for the Unrestricted Fund.

Recommendation – The budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures were allowed to exceed the budget.

Response – The College will amend future budgets before expenditures exceed the budget.

Conclusion – Response accepted.

IV-B-11: Questionable Disbursements – No expenditures we believe did not meet the requirement of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.

IV-C-11: Travel Expense – No expenditures of Hawkeye Community College money for travel expenses of spouses of College officials or employees were noted. No travel advances to College officials or employees were noted.

**HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011**

PART IV – OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING (Continued)

IV-D-11: Business Transactions – Business transactions between the Community College and the Community College officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Matthew Harris, Adjunct Professor Owner of Harris Firearms	Supplies	\$ 5,828
Dee Ulrich, Adjunct Professor, Spouse of owner of Ulrich Sales	Equipment	\$ 13,750

In accordance with the Code of Iowa, the above transactions may represent a conflict of interest since the total received during the fiscal year is greater than \$2,500. Per College management it was noted that the College did obtain competitive quotes/prices from websites or local stores.

- IV-E-11: Bond Coverage – Surety bond coverage of Community College officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- IV-F-11: Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-G-11: Publication – The Community College had published a statement showing the receipt and disbursement 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-11: Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the College's investment policy were noted.
- IV-I-11: Credit/Contact Hours – Eligible credit and contact hours reported to the Iowa Department of Education by the College were supported by detailed records maintained by the Community College.

**HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2011**

III-A-10 Finding – During testing of the expenditures for this grant, we identified instances where approval of pay authorizations for three employees were missing.

Recommendation – The College should improve controls in order to ensure that all pay authorizations are authorized by the appropriate personnel.

Current Status – All pay authorizations requested for testing were provided during current year, procedures appear to have been implemented.

III-B-10 Finding – During testing of the proper recording of payroll expense related to this grant, we identified an instance where the general ledger account specified on the pay authorization was not the account that the expenses were actually recorded.

Recommendation – The College should improve controls in order to ensure that all expenses are recorded where indicated on the pay authorization.

Current Status – No errors related to payroll were found during current year testing, procedures appear to have been implemented.

III-C-10 Eligibility Documentation – During the testing of eligibility, we found an instance where there was no documentation in the file providing that the applicant was unable to obtain grant assistance from other sources.

Recommendation – The Workforce Development Office should improve procedures to ensure that all necessary documentation supporting eligibility determination is found in the participant's file.

Current Status – All documentation requested for testing was provided during current year, procedures appear to have been implemented.



HAWKEYE
COMMUNITY COLLEGE

Business Services

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