



**OFFICE OF AUDITOR OF STATE
STATE OF IOWA**

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NEWS RELEASE

FOR RELEASE February 16, 2007

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Auditor of State David A. Vaudt today released an audit report on Kirkwood Community College in Cedar Rapids, Iowa.

The College's primary government operating revenues totaled \$67,809,483 for the year ended June 30, 2006, including \$28,319,606 from tuition and fees, \$22,090,755 from the federal government and \$10,548,213 from auxiliary enterprises.

Operating expenses for the year totaled \$101,496,279, including \$57,629,306 for salaries and benefits, \$19,201,186 for services and \$6,694,286 for materials and supplies.

The College reported an operating loss of \$33,686,796. In general, a public college, such as Kirkwood Community College, will report an operating loss since the financial reporting model classifies state appropriations and property tax as non-operating revenues. Non-operating revenues totaled \$40,289,783, including \$25,915,880 from the state, \$9,568,795 from property tax, \$2,724,981 of gifts and expense reimbursements from Kirkwood Community College Foundation and Kirkwood Facilities Foundation and \$1,272,131 from interest income on investments. Non-operating expenses totaled \$3,493,943, including interest on indebtedness of \$1,882,436 and \$1,611,507 for contributions and rent to Kirkwood Community College Foundation and Kirkwood Facilities Foundation. The College ended the year with an increase in net assets of \$3,109,024.

A copy of the audit report is available for review in the Board Secretary's office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/reports.htm>.

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KIRKWOOD COMMUNITY COLLEGE

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

JUNE 30, 2006

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Kirkwood Community College

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Directors (Before September 2005 Election)		
Lois Bartelme	President	2007
Mervin Cronbaugh	Vice President	2005
Karen Gorham	Member	2005
John Hall	Member	2005
Gregg Bosch	Member	2006
Elaine Harrington	Member	2006
Stacey Iben	Member	2006
Paul Glenn	Member	2007
James Mollenhauer	Member	2007

Board of Directors (After September 2005 Election)

Lois Bartelme	President	2007
Mervin Cronbaugh	Vice President	2008
Gregg Bosch	Member	2006
Elaine Harrington	Member	2006
Stacey Iben	Member	2006
Paul Glenn	Member	2007
James Mollenhauer	Member	2007
Karen Gorham	Member	2008
John Hall	Member	2008

Community College

Mick Starceвич	President
Bob Freeman	Director of Human Resources
Jim Choate	Board Treasurer and V. P. Administration
Sheryl Cook	Board Secretary
Rick Anderson	Executive Director of Business Services

Kirkwood Community College



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Independent Auditor's Report

To the Board of Directors of
Kirkwood Community College:

We have audited the accompanying financial statements of Kirkwood Community College, Cedar Rapids, Iowa, and its aggregate discretely presented component units as of and for the year ended June 30, 2006, which collectively comprise the College's basic financial statements listed in the table of contents. These financial statements are the responsibility of Kirkwood 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 the discretely presented component units, Kirkwood Facilities Foundation and Kirkwood Community College Foundation, discussed in note 1, which represent 100% of the assets and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based on the reports of the other auditors.

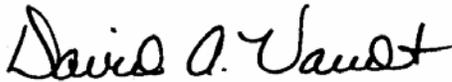
We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain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

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of Kirkwood Community College and its aggregate discretely presented component units at June 30, 2006, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated October 4, 2006 on our consideration of Kirkwood Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 7 through 12 and 34 through 35 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Kirkwood 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 six years ended June 30, 2005 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 9, 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 is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

October 4, 2006

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of Kirkwood 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 is for the fiscal year ended June 30, 2006. We encourage readers to consider this information in conjunction with the College's financial statements, which follow.

The financial statements of Kirkwood Community College's two foundations are discretely presented in these financial statements. Since the assets of the foundations are the exclusive property of the foundations and do not belong to the College, a discussion of these assets is not included in this Management's Discussion and Analysis.

FINANCIAL HIGHLIGHTS

- ◆ College operating revenues increased in fiscal year (FY) 2006m, primarily due to both an increase in tuition and fees as well as higher state general aid. Following a 6.8% increase over FY 2005, tuition and fees revenue now represents 54% of our unrestricted operating fund revenue. Even though state general aid increased by 10% over FY 2005, it still represents only 32% of the College's unrestricted operating fund revenue.
- ◆ College operating expenses were higher in FY 2006 due to increases in salaries and benefits, as well as College infrastructure improvements and maintenance. Salaries and benefits were higher due to moderate salary increases while infrastructure improvements helped strengthen and extend the capabilities of the College's data networks. The College also continues to experience increased maintenance costs with the expansion and natural aging of our facilities.

USING THIS ANNUAL REPORT

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

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the 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 further explains and supports the financial statements with a comparison of the College's budget for the year.

Other Supplementary Information provides detailed information about the individual funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various programs benefiting the College.

REPORTING THE COLLEGE AS A WHOLE

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. 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,	
	2006	2005
Current and other assets	\$ 75,855,308	61,923,121
Capital assets, net of accumulated depreciation	75,946,998	77,062,253
Total assets	<u>151,802,306</u>	<u>138,985,374</u>
Current liabilities	33,527,457	28,794,752
Noncurrent liabilities	43,385,645	38,410,442
Total liabilities	<u>76,913,102</u>	<u>67,205,194</u>
Net assets:		
Invested in capital assets, net of related debt	63,816,998	62,892,253
Restricted	1,603,733	945,608
Unrestricted	9,468,473	7,942,319
Total net assets	<u>\$ 74,889,204</u>	<u>71,780,180</u>

The largest portion of the College's net assets (85%) is invested in capital assets (e.g., land, buildings, and equipment), less the related debt. The debt related to the capital assets is liquidated with resources other than capital assets. The restricted portion of the net assets (2%) includes resources subject to external restrictions. The remaining net assets (13%) are the unrestricted net assets 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 in the Statement of Net Assets are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Assets. The purpose of the statement is to present the revenues received by the College, both operating and nonoperating, and the expenses paid by the College, operating and nonoperating, and any other revenues, expenses, gains and losses received or spent by the College.

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

Changes in Net Assets

	Year ended June 30,	
	2006	2005
Operating revenues:		
Tuition and fees	\$ 28,319,606	26,520,470
Federal appropriations	22,090,755	23,091,673
Iowa Industrial New Jobs Training Program	3,862,336	3,769,596
Auxiliary enterprises	10,548,213	9,139,993
Miscellaneous	2,988,573	2,992,732
Total operating revenues	67,809,483	65,514,464
 Total operating expenses	 101,496,279	 95,022,761
Operating loss	(33,686,796)	(29,508,297)
 Non-operating revenues (expenses):		
State appropriations	25,915,880	22,453,115
Property tax	9,568,795	9,680,332
Interest income on investments	1,272,131	988,882
Interest income on student loans	31,069	40,206
Net gifts from Kirkwood Community College		
Foundation and Kirkwood Facilities Foundation	1,113,474	2,236,846
Gain(loss) on disposal of capital assets	776,907	(33,959)
Interest expense	(1,882,436)	(2,077,321)
Net non-operating revenues	36,795,820	33,288,101
 Increase in net assets	 3,109,024	 3,779,804
Net assets beginning of year	71,780,180	68,000,376
 Net assets end of year	 \$ 74,889,204	 71,780,180

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

Total Revenue by Source

In fiscal year 2006, operating revenues increased as a result of the following changes:

- ◆ Tuition and fees increased primarily due to a tuition rate increase from \$89/credit hour in FY 2005 to \$95/credit hour in FY 2006.
- ◆ Kirkwood received \$1,951,991 more in state general aid in FY 2006 over what was appropriated in FY 2005.
- ◆ Auxiliary enterprises revenue comes mostly from the College's bookstore operation.

Operating Expenses

	Year ended June 30,	
	2006	2005
Education and support:		
Liberal arts and sciences	\$ 17,622,544	16,195,205
Vocational technical	19,309,812	17,372,067
Adult education	11,078,307	10,782,365
Cooperative services	3,121,111	2,546,749
Administration	5,538,178	5,781,683
Student services	4,337,390	3,798,678
Learning resources	3,222,339	2,510,556
Physical plant	8,210,364	8,218,996
General institution	10,439,559	10,354,810
Auxiliary enterprises	9,975,781	9,708,748
Scholarships and grants	4,713,233	3,479,881
Loan cancellations and bad debts	62,554	48,046
Administrative and collection costs	129,199	166,943
Depreciation	3,735,908	4,058,034
	\$ 101,496,279	95,022,761

Total Expenses

In FY 2006, operating expenses increased as a result of the following changes:

- ◆ Salary increases for faculty and staff, coupled with the related increase in fringe benefits and the College's health insurance program.
- ◆ Beginning a campus wide wireless project led to higher expenditures in technology and service improvements in both Student Services and Learning Resources.

Statement of Cash Flows

A statement included in Kirkwood Community College's basic financial statements is the Statement of Cash Flows. The Statement of Cash Flows is an important tool in helping readers 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,	
	2006	2005
Cash provided (used) by:		
Operating activities	\$ (27,458,903)	(21,314,708)
Non-capital financing activities	29,390,338	30,467,937
Capital and related financing activities	5,706,907	(10,118,065)
Investing activities	1,272,400	1,027,340
Net increase in cash	8,910,742	62,504
Cash beginning of the year	40,805,448	40,742,944
Cash end of the year	\$ 49,716,190	40,805,448

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, local property tax received by the College and the receipt and disbursement of the Federal Direct Loan program proceeds. 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 received.

CAPITAL ASSETS

At June 30, 2006, the College had \$75.9 million invested in capital assets, net of accumulated depreciation of \$47.2 million. Depreciation charges totaled \$3.7 million for FY 2006. Details of capital assets are shown below.

Capital Assets, Net, at Year-End

	June 30,	
	2006	2005
Land	\$ 3,231,762	3,869,478
Buildings	60,799,758	61,192,927
Other structures and improvements	9,837,524	9,838,822
Equipment and vehicles	2,077,954	2,161,026
Total	<u>\$ 75,946,998</u>	<u>77,062,253</u>

Kirkwood's infrastructure expenditures in FY 2006 included the beginning of a campus wide wireless project to improve the availability of wireless internet access around campus. The College also installed a new Energy Management System on the main campus, along with installing new energy efficient windows in our largest classroom building, Linn Hall. More detailed information about the College's capital assets is presented in Note 4 to the financial statements.

DEBT

At June 30, 2006, the College had \$44,925,000 in debt outstanding, an increase of \$4,890,000 over fiscal year 2005. The table below summarizes these amounts by type.

Outstanding Debt

	June 30,	
	2006	2005
Certificates payable	\$ 22,795,000	25,865,000
Bonds payable	10,000,000	-
Notes payable	12,130,000	14,170,000
Total	<u>\$ 44,925,000</u>	<u>40,035,000</u>

More detailed information about the College's outstanding debt is presented in Note 5 to the financial statements.

ECONOMIC FACTORS

For FY 2006, Kirkwood felt it necessary to increase the tuition rate by 6.7% over FY 2005 to adequately fund moderate salary and fringe benefit increases as well as maintenance and technology projects. These increases place a greater financial burden on the students and their families. As the State of Iowa's economic status improves, Kirkwood feels strongly the Iowa Legislature should make community colleges a high priority for funding to help hold tuition rate increases reasonable. Some of the financial challenges for the College are:

- ◆ While Kirkwood received an increase of \$1.9 million in appropriated state general aid for FY 2006, that revenue stream has not kept pace with enrollment growth over the last 5 years.
- ◆ Facilities at the College require constant maintenance and upkeep.
- ◆ Technology demands continue to expand and current technology quickly becomes outdated, presenting an ongoing challenge to maintain up to date technology.

The College has worked to structure its budget favorably during the year and will maintain a close watch over resources to maintain the College's ability to react to unanticipated issues.

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our customers, taxpayers in the community college district and our creditors with a general overview of the 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 Kirkwood Community College, 6301 Kirkwood Blvd SW, Cedar Rapids, IA 52404.

Basic Financial Statements

Exhibit A

Kirkwood Community College

Statement of Net Assets

June 30, 2006

	Primary Government	Component Units
Assets		
Current assets:		
Cash and pooled investments	\$ 30,165,433	2,313,486
Receivables:		
Accounts	3,365,327	7,977
Succeeding year property tax	12,300,000	-
Pledges, net of allowance for doubtful pledges of \$15,000 and present value discount of \$12,000	-	163,385
Notes	719,255	-
Due from Kirkwood Community College	-	25,009
Due from Kirkwood Community College Foundation	576,501	-
Due from Kirkwood Facilities Foundation	300,098	-
Due from other governments	5,420,479	-
Inventories	1,874,342	-
Prepaid expenses	127,287	7,439
Total current assets	54,848,722	2,517,296
Noncurrent assets:		
Restricted pooled investments	19,550,757	-
Receivables:		
Pledges	-	13,560
Notes, net of allowance for uncollectible accounts of \$121,536	1,455,829	-
Long-term investment pool	-	13,073,624
Capital assets, net of accumulated depreciation	75,946,998	3,338,206
Total noncurrent assets	96,953,584	16,425,390
Total assets	151,802,306	18,942,686

Kirkwood Community College

Statement of Net Assets

June 30, 2006

	Primary Government	Component Units
Liabilities		
Current liabilities:		
Accounts payable	1,387,018	116,303
Salaries and benefits payable	2,306,946	-
Due to Kirkwood Community College	-	876,599
Due to Kirkwood Community College Foundation	25,009	-
Annuities payable	-	54,600
Interest payable	89,125	-
Deferred revenue:		
Succeeding year property tax	12,300,000	-
Other	5,563,662	-
Early retirement payable	486,221	-
Compensated absences	1,348,996	-
Certificates payable	4,225,000	-
Bonds payable	2,600,000	-
Notes payable	2,115,000	950,000
Deposits held in custody for others	1,080,480	-
Total current liabilities	<u>33,527,457</u>	<u>1,997,502</u>
Noncurrent liabilities:		
Annuities payable	-	268,200
Compensated absences	393,894	-
Deferred revenue - Iowa Industrial New Jobs Training Program	5,587,443	-
Certificates payable	18,570,000	-
Bonds payable	7,400,000	-
Notes payable	10,015,000	-
Refundable advances on student loans	1,419,308	-
Total noncurrent liabilities	<u>43,385,645</u>	<u>268,200</u>
Total liabilities	<u>76,913,102</u>	<u>2,265,702</u>
Net assets		
Invested in capital assets, net of related debt	63,816,998	2,388,206
Restricted:		
Nonexpendable:		
Scholarships and fellowships	-	8,666,463
Expendable:		
Scholarships and fellowships	24,316	2,682,798
Cash reserve	621,989	-
Instructional department uses	-	973,541
Capital projects	-	387,934
Other	957,428	686,634
Unrestricted	9,468,473	891,408
Total net assets	<u>\$ 74,889,204</u>	<u>16,676,984</u>

See notes to financial statements.

Exhibit B

Kirkwood Community College
Statement of Revenues, Expenses and
Changes in Net Assets

Year ended June 30, 2006

	<u>Primary Government</u>	<u>Component Units</u>
Operating revenues:		
Tuition and fees, net of scholarship allowances of \$8,355,007	\$ 28,319,606	-
Federal appropriations	22,090,755	-
Sales and services	1,278,269	-
Iowa Industrial New Jobs Training Program	3,862,336	-
Auxiliary enterprises	10,548,213	-
Contributions and pledges	-	1,348,573
Rental income and facility management	-	590,569
Royalties and commission	-	135,876
Miscellaneous	1,710,304	319,004
Total operating revenues	<u>67,809,483</u>	<u>2,394,022</u>
Operating expenses:		
Education and support:		
Liberal arts and sciences	17,622,544	-
Vocational technical	19,309,812	-
Adult education	11,078,307	-
Cooperative services	3,121,111	-
Administration	5,538,178	-
Student services	4,337,390	-
Learning resources	3,222,339	-
Physical plant	8,210,364	-
General institution	10,439,559	-
Auxiliary enterprises	9,975,781	-
Scholarships and grants	4,713,233	-
Loan cancellations and bad debts	62,554	-
Administrative and collection costs	129,199	-
Facility operations	-	247,245
Programs	-	242,437
Management and general	-	169,937
Fund raising	-	66,192
Depreciation	3,735,908	10,663
Total operating expenses	<u>101,496,279</u>	<u>736,474</u>
Operating income (loss)	<u>(33,686,796)</u>	<u>1,657,548</u>

Kirkwood Community College
Statement of Revenues, Expenses and
Changes in Net Assets

Year ended June 30, 2006

	Primary Government	Component Units
Non-operating revenues (expenses):		
State appropriations	25,915,880	-
Property tax	9,568,795	-
Interest income on investments	1,272,131	994,923
Actuarial adjustment of annuities payable	-	(27,228)
Interest income on student loans	31,069	-
Gifts and expense reimbursements from Kirkwood Community College Foundation and Kirkwood Facilities Foundation	2,724,981	-
Contributions and rent from Kirkwood Community College	-	1,611,507
Gifts and expense reimbursements to Kirkwood Community College	-	(2,724,981)
Contributions and rent to Kirkwood Community College Foundation and Kirkwood Facilities Foundation	(1,611,507)	-
Gain on disposal of plant assets	776,907	-
Contributions to other non-profit entities	-	(31,423)
Interest on indebtedness	(1,882,436)	(55,213)
Net non-operating revenues (expenses)	<u>36,795,820</u>	<u>(232,415)</u>
Income before additions to permanent endowments	3,109,024	1,425,133
Additions to permanent endowments	-	<u>1,882,751</u>
Change in net assets	3,109,024	3,307,884
Net assets beginning of year	<u>71,780,180</u>	<u>13,369,100</u>
Net assets end of year	<u>\$ 74,889,204</u>	<u>16,676,984</u>

See notes to financial statements.

Exhibit C

Kirkwood Community College

Statement of Cash Flows

Year ended June 30, 2006

Cash flows from operating activities:	
Tuition and fees	\$ 27,984,775
Federal appropriations	21,956,089
Iowa Industrial New Jobs Training Program	6,286,505
Payments to employees for salaries and benefits	(57,184,941)
Payments to suppliers for goods and services	(30,834,232)
Payments to NJTP recipients	(3,152,771)
Scholarships	(4,713,233)
Payments to subrecipients	(1,605,943)
Loans issued to students	(381,429)
Loan collections from students	805,559
Auxiliary enterprise receipts	10,808,632
Other receipts	2,572,086
Net cash used by operating activities	<u>(27,458,903)</u>
Cash flows from non-capital financing activities:	
State appropriations	25,697,066
Property tax	9,568,795
Federal direct lending receipts	23,611,828
Federal direct lending disbursements	(24,796,742)
Contributions and rent to Kirkwood Community College Foundation and Kirkwood Facilities Foundation	(1,661,306)
Gifts and expense reimbursements from Kirkwood Community College Foundation and Kirkwood Facilities Foundation	2,107,195
Principal paid on debt	(6,655,000)
Certificates issued	3,585,000
Interest paid on debt	(1,321,131)
Agency receipts	11,064,721
Agency disbursements	(11,810,088)
Net cash provided by non-capital financing activities	<u>29,390,338</u>
Cash flows from capital and related financing activities:	
Proceeds from sale of capital assets	1,000,000
Acquisition of capital assets	(2,677,479)
Principal paid on debt	(2,040,000)
Proceeds from issuance of debt	10,000,000
Interest paid on debt	(575,614)
Net cash provided by capital and related financing activities	<u>5,706,907</u>
Cash flows from investing activities:	
Interest on investments	<u>1,272,400</u>
Net increase in cash	8,910,742
Cash and cash equivalents beginning of year	<u>40,805,448</u>
Cash and cash equivalents end of year	<u>\$ 49,716,190</u>

Kirkwood Community College

Statement of Cash Flows

Year ended June 30, 2006

Reconciliation of operating loss to net cash
used by operating activities:

Operating loss	<u>\$ (33,686,796)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	3,735,908
Provision for doubtful accounts	62,554
Changes in assets and liabilities:	
(Increase) in accounts receivable	(977,023)
Decrease in notes receivable	420,020
(Increase) in due from other governments	(140,468)
(Increase) in inventories	(427,710)
Decrease in prepaid expenses	32,856
Increase in accounts payable	324,775
Increase in salaries payable	47,153
Increase in deferred revenue	352,185
Increase in NJTP deferred revenue	2,424,169
Increase in compensated absences	88,130
Increase in early retirement payable	309,081
(Decrease) in refundable advances on student loans	<u>(23,737)</u>
Total adjustments	<u>6,227,893</u>
Net cash used by operating activities	<u><u>\$ (27,458,903)</u></u>

Noncash operating activities:

Advances of \$13,841 were cancelled by the Federal government for the Federal Perkins Loan Program. Capital assets acquired through gifts were \$562,577 and an outstanding receivable from the sale of land was \$396,310. In addition, the trade-in value of equipment deleted was \$90,300.

See notes to financial statements.

Exhibit D

Kirkwood Community College

Statement of Net Assets
Component Units

June 30, 2006

	Kirkwood Facilities Foundation	Kirkwood Community College Foundation	Total
Assets			
Current assets:			
Cash and pooled investments	\$ 1,382,250	931,236	2,313,486
Receivables:			
Accounts	7,977	-	7,977
Pledges, net of allowance for doubtful pledges of \$15,000 and present value discount of \$12,000	-	163,385	163,385
Due from Kirkwood Community College	-	25,009	25,009
Prepaid expenses	6,200	1,239	7,439
Total current assets	1,396,427	1,120,869	2,517,296
Noncurrent assets:			
Pledges	-	13,560	13,560
Long-term investment pool	-	13,073,624	13,073,624
Capital assets, net of accumulated depreciation	3,338,206	-	3,338,206
Total noncurrent assets	3,338,206	13,087,184	16,425,390
Total assets	4,734,633	14,208,053	18,942,686
Liabilities			
Current liabilities:			
Accounts payable	106,067	10,236	116,303
Due to Kirkwood Community College	576,501	300,098	876,599
Annuities payable	-	54,600	54,600
Notes payable	950,000	-	950,000
Total current liabilities	1,632,568	364,934	1,997,502
Noncurrent liabilities:			
Annuities payable	-	268,200	268,200
Total liabilities	1,632,568	633,134	2,265,702
Net assets			
Invested in capital assets, net of related debt	2,388,206	-	2,388,206
Restricted:			
Nonexpendable:			
Scholarships and fellowships	-	8,666,463	8,666,463
Expendable:			
Scholarships and fellowships	-	2,682,798	2,682,798
Instructional department uses	-	973,541	973,541
Capital projects	-	387,934	387,934
General operating needs of the College	-	686,634	686,634
Unrestricted	713,859	177,549	891,408
Total net assets	\$ 3,102,065	13,574,919	16,676,984

See notes to financial statements.

Kirkwood Community College

Statement of Revenue, Expenses and
Changes in Net Assets
Component Units

Year ended June 30, 2006

	Kirkwood Facilities Foundation	Kirkwood Community College Foundation	Total
Operating revenues:			
Contributions and pledges	\$ -	1,348,573	1,348,573
Rental income and facility management	590,569	-	590,569
Royalties and commissions	135,876	-	135,876
Miscellaneous	12,381	306,623	319,004
Total operating revenues	<u>738,826</u>	<u>1,655,196</u>	<u>2,394,022</u>
Operating expenses:			
Facility operations	247,245	-	247,245
Programs	-	242,437	242,437
Management and general	87,507	82,430	169,937
Fund raising	-	66,192	66,192
Depreciation	10,663	-	10,663
Total operating expenses	<u>345,415</u>	<u>391,059</u>	<u>736,474</u>
Operating income	<u>393,411</u>	<u>1,264,137</u>	<u>1,657,548</u>
Non-operating revenues (expenses):			
Interest income on investments	74,418	920,505	994,923
Actuarial adjustment to annuities payable	-	(27,228)	(27,228)
Contributions and rent from Kirkwood Community College	1,056,390	555,117	1,611,507
Gifts and expense reimbursements to Kirkwood Community College	(655,144)	(2,069,837)	(2,724,981)
Contributions to other non-profit entities	(31,423)	-	(31,423)
Interest on indebtedness	(55,213)	-	(55,213)
Net non-operating expenses	<u>389,028</u>	<u>(621,443)</u>	<u>(232,415)</u>
Income before additions to permanent endowments	782,439	642,694	1,425,133
Additions to permanent endowments	-	1,882,751	1,882,751
Change in net assets	782,439	2,525,445	3,307,884
Net assets beginning of year	<u>2,319,626</u>	<u>11,049,474</u>	<u>13,369,100</u>
Net assets end of year	<u>\$ 3,102,065</u>	<u>13,574,919</u>	<u>16,676,984</u>

See notes to financial statements.

Kirkwood Community College

Notes to Financial Statements

June 30, 2006

(1) Summary of Significant Accounting Policies

Kirkwood Community College is a publicly supported school established and operated by Merged Area X under the provisions of Chapter 260C of the Code of Iowa. Kirkwood Community College offers programs of adult and continuing education, lifelong learning, community education and up to two years of liberal arts, pre-professional or occupational instruction partially fulfilling the requirements for a baccalaureate degree but confers no more than an associate degree. Kirkwood Community College also offers up to two years of vocational or technical education, training or retraining to persons who are preparing to enter the labor market. Kirkwood Community College maintains campuses in Cedar Rapids, Iowa City, Marion, Monticello, Tipton, Vinton, Washington and Williamsburg, Iowa, and has its administrative offices in Cedar Rapids, Iowa. Kirkwood Community College is governed by a Board of Directors whose members are elected from each director district within Merged Area X.

The College's financial statements are presented in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Kirkwood Community College has included all funds, organizations, agencies, boards, commissions and authorities. The College has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the College are such that exclusion would cause the 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 the College.

These financial statements present Kirkwood Community College (the primary government) and its component units. The component units discussed below are included in the College's reporting entity because of the significance of their operational or financial relationships with the College. Certain disclosures about the component units are not included because the component units have been audited separately and reports have been issued under separate cover. The audited financial statements are available at the College.

Discrete Component Units

Kirkwood Facilities Foundation is a legally separate not-for-profit foundation. The Facilities Foundation was established for the purpose of maintaining, developing and extending its facilities and services for the benefit of Kirkwood Community College. The Facilities Foundation is governed by a Board of Directors who are appointed by the College. Although the College does not control the timing or amount of receipts from the Facilities Foundation, the majority of the resources held by the Facilities Foundation are used for the benefit of Kirkwood Community College and its students.

Kirkwood Community College Foundation is a legally separate, tax-exempt foundation. The Foundation was established for the purpose of maintaining, developing and extending its facilities and services for the benefit of Kirkwood Community College. The Foundation is organized and operates exclusively for charitable, scientific and education purposes to provide broader educational service opportunities to the College's students, staff, faculty and residents of the geographic area it services. The Foundation is governed by a Board of Directors who are appointed by the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of the resources held by the Foundation are used for the benefit of Kirkwood Community College and its students.

B. Financial Statement 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:

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 they be maintained permanently by the College or its component units.

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

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

C. Measurement Focus and Basis of Accounting

For financial reporting purposes, Kirkwood 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 tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

D. Assets, Liabilities and Net Assets

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

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amount of cash and, at the day of purchase, 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.

Inventories – Inventories are valued at lower of cost (first-in, first-out method) or market. The cost is recorded as an expense at the time individual inventory items are consumed.

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

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

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

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

<u>Asset Class</u>	<u>Amount</u>
Land, buildings and improvements	\$25,000
Equipment and vehicles	5,000

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

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings and improvements	30
Equipment	5 or 10
Vehicles	5

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.

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

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collectible within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds as well as property tax receivable and other receivables not collected within sixty days after year end.

Deferred Revenue for Iowa Industrial New Jobs Training Program (NJTP) – The Iowa Industrial New Jobs Training Program reported net deferred revenue for the year ended June 30, 2006. This continues a trend dating back to the recession of 2001. Since that time, Kirkwood has generally issued less certificates each year at a lower interest rate than prior to the recession while collecting withholding tax on older higher cost projects. The withholding tax is reported as deferred revenue until the debt is paid.

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 are recorded as liabilities. These liabilities have been computed based on rates of pay in effect at June 30, 2006.

Early Retirement Payable – Employees electing to take early retirement are paid in two installments. Half of the early retirement benefit is paid at the time early retirement begins. The other half will be paid in the next fiscal year.

Refundable Advances on Student Loans – The Perkins Federal Loan program requires a return on federal capital contribution if the United States Government terminates the program.

Auxiliary Enterprise Revenues – Auxiliary enterprise revenues primarily represent revenues generated by the farm lab, bookstore, day care center, Equestrian Center and other auxiliary enterprises.

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

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

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

Use of Estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

E. Scholarship Allowances and Student Aid

Federal aid to students is reported in the financial statements under the alternative method, as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid (loans, funds provided to students as awarded by third parties and Federal Direct Lending) is accounted for as third party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expenses represents the portion of aid 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.

(2) Cash and Pooled Investments

The College's deposits in banks at June 30, 2006 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 College is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Directors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The College had investments in the Iowa Schools Joint Investment Trust which are valued at an amortized cost of \$34,688,344 pursuant to Rule 2a-7 under the Investment Company Act of 1940. The investment in the Iowa Schools Joint Investment Trust is unrated for purposes of credit risk.

(3) Inventories

The College's inventories at June 30, 2006 are as follows:

Type	Amount
Supplies and materials	\$ 281,829
Agricultural enterprises	229,987
Merchandise held for resale	<u>1,362,526</u>
Total	<u>\$ 1,874,342</u>

(4) Capital Assets

Capital assets activity for the year ended June 30, 2006 is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Capital assets not being depreciated:				
Land	\$ 3,869,478	-	637,716	3,231,762
Capital assets being depreciated:				
Buildings	93,722,395	2,177,119	-	95,899,514
Improvements other than buildings	13,680,156	408,380	-	14,088,536
Equipment and vehicles	9,500,084	744,857	331,293	9,913,648
Total capital assets being depreciated	<u>116,902,635</u>	<u>3,330,356</u>	<u>331,293</u>	<u>119,901,698</u>
Less accumulated depreciation for:				
Buildings	32,529,468	2,570,288	-	35,099,756
Improvements other than buildings	3,841,334	409,678	-	4,251,012
Equipment and vehicles	7,339,058	755,942	259,306	7,835,694
Total accumulated depreciation	<u>43,709,860</u>	<u>3,735,908</u>	<u>259,306</u>	<u>47,186,462</u>
Total capital assets being depreciated, net	<u>73,192,775</u>	<u>(405,552)</u>	<u>71,987</u>	<u>72,715,236</u>
Capital assets, net	<u>\$ 77,062,253</u>	<u>(405,552)</u>	<u>709,703</u>	<u>75,946,998</u>

(5) Changes in Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2006 is as follows:

	Certificates Payable	Notes Payable	Bonds Payable	Total
Balance beginning of year	\$ 25,865,000	14,170,000	-	40,035,000
Additions	3,585,000	-	10,000,000	13,585,000
Reductions	6,655,000	2,040,000	-	8,695,000
Balance end of year	<u>\$ 22,795,000</u>	<u>12,130,000</u>	<u>10,000,000</u>	<u>44,925,000</u>

Certificates Payable

In accordance with agreements dated between December 1, 1998 and November 1, 2005, the College issued certificates totaling \$44,680,000 with interest rates ranging from 3.2% to 7.25% per annum. The debt was issued 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 semiannually, while principal payments are due annually. The certificates are to be retired by proceeds from anticipated job credits from withholding taxes, incremental property tax, budgeted reserves and, in the case of default, from standby property tax.

The certificates will mature as follows:

Year Ending June 30,	Principal	Interest	Total
2007	\$ 4,225,000	1,069,503	5,294,503
2008	4,355,000	858,098	5,213,098
2009	4,190,000	643,565	4,833,565
2010	3,280,000	441,110	3,721,110
2011	2,400,000	292,417	2,692,417
2012-2015	4,345,000	385,494	4,730,494
Total	<u>\$22,795,000</u>	<u>3,690,187</u>	<u>26,485,187</u>

Notes Payable

The College has issued notes for the purchase and construction of College properties as allowed by Section 260C.19 of the Code of Iowa. Details of the College's June 30, 2006 notes payable indebtedness are as follows:

Year Ending June 30,	Note Issuance of December 1998			
	Interest Rates	Principal	Interest	Total
2007	4.00%	\$ 810,000	178,373	988,373
2008	4.00	840,000	145,973	985,973
2009	4.10	875,000	112,372	987,372
2010	4.10	910,000	76,497	986,497
2011	4.13	950,000	39,188	989,188
Total		<u>\$ 4,385,000</u>	<u>552,403</u>	<u>4,937,403</u>

Year Ending June 30,	Note Issuance of December 1999			
	Interest Rates	Principal	Interest	Total
2007	4.75%	\$ 705,000	190,827	895,827
2008	4.80	745,000	157,340	902,340
2009	4.85	780,000	121,580	901,580
2010	5.00	820,000	83,750	903,750
2011	5.00	855,000	42,750	897,750
Total		<u>\$ 3,905,000</u>	<u>596,247</u>	<u>4,501,247</u>

Year Ending June 30,	Note Issuance of August 2003			
	Interest Rates	Principal	Interest	Total
2007	1.88%	\$ 600,000	94,180	694,180
2008	2.20	615,000	81,790	696,790
2009	2.50	625,000	67,212	692,212
2010	2.80	645,000	50,370	695,370
2011	3.00	665,000	31,365	696,365
2012	3.10	690,000	10,695	700,695
Total		\$ 3,840,000	335,612	4,175,612
Total all notes		\$ 12,130,000	1,484,262	13,614,262

Bonds Payable

The College has also issued bonds for the construction and expansion of College facilities to accommodate anticipated enrollment growth. Details of the College's June 30, 2006 bonds payable indebtedness are as follows:

Year Ending June 30,	Bond Issuance of December 2005			
	Interest Rates	Principal	Interest	Total
2007	3.70%	\$ -	279,675	279,675
2008	3.70	-	186,450	186,450
2009	3.70	-	186,450	186,450
2010	3.70	-	186,450	186,450
2011	3.70	-	186,450	186,450
2012-2016	3.70-3.75	5,000,000	854,550	5,854,550
Total		\$ 5,000,000	1,880,025	6,880,025

Year Ending June 30,	Bond Issuance of January 2006			
	Interest Rates	Principal	Interest	Total
2007	3.70%	\$ 2,600,000	263,217	2,863,217
2008	3.70	100,000	89,600	189,600
2009	3.70	100,000	85,900	185,900
2010	3.70	100,000	82,200	182,200
2011	3.70	100,000	78,500	178,500
2012-2015	3.70-3.80	2,000,000	243,700	2,243,700
Total		\$ 5,000,000	843,117	5,843,117
Total all bonds		\$ 10,000,000	2,723,142	12,723,142

(6) 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 2006 and 2020 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. 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, 2006:

Year Ending June 30,	Amount
2007	\$ 51,949
2008	41,925
2009	41,931
2010	37,966
2011	36,633
2012-2020	335,464
Total	\$ 545,868

Rents for the year ended June 30, 2006 for all operating leases, except those with terms of a month or less that were not renewed, totaled \$51,001.

(7) Iowa Public Employees Retirement System (IPERS)

The 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 3.70% of their annual covered salary and the College is required to contribute 5.75% of annual covered payroll for the years ended June 30, 2006, 2005 and 2004. Contribution requirements are established by state statute. The College's contributions to IPERS for the years ended June 30, 2006, 2005 and 2004 were \$800,783, \$785,251 and \$743,513, respectively, equal to the required contributions for each year.

(8) Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF)

The College contributes to the TIAA-CREF retirement program, which is a defined contribution plan. TIAA administers the retirement plan for the 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 3.70% of their annual covered salary and the College is required to contribute 5.75% of annual covered payroll. The College's and employees' required and actual contributions to TIAA-CREF for the year ended June 30, 2006 were \$1,372,157 and \$882,953, respectively.

(9) Risk Pool

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

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

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

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

The Program's intergovernmental contract with its members provides that in the event any claim or series of claims exceeds the amount of aggregate excess insurance, then payment of such claims shall be the obligation of the respective individual member. The College does not report a liability for losses in excess of reinsurance unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2006, no liability has been recorded in the College's financial statements. As of June 30, 2006, settled claims have not exceeded the risk pool or reinsurance coverage in any of the past three fiscal years.

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

The College also carries commercial insurance purchased from other insurers for coverage associated with catastrophic and accidental death and dismemberment. The College assumes liability for any deductibles and claims in excess of coverage limits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(10) New Jobs Training Programs

Kirkwood Community College administers the Iowa Industrial New Jobs Training Program (NJTP) in Area X 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 College to fund approved projects and are to be retired by proceeds from anticipated jobs credits from withholding taxes, incremental property tax, budgeted reserves and in the case of default, from standby property taxes. Since inception, the College has administered 301 projects, with 62 currently receiving project funding. The remaining 239 projects have been completed, of which 30 are in the repayment process and 209 have been fully repaid.

(11) Early Retirement and Contingent Liability

Full-time certified staff who will be at least 55 years of age and who have at least 10 years of service with Kirkwood Community College are eligible for early retirement remuneration. Retirement will begin at the end of the employee's contract.

The liability at June 30, 2006 for those employees who have elected early retirement was \$486,221. Early retirement is funded on a pay-as-you-go basis through property tax levies. The College's early retirement expense for the year ended June 30, 2006 was \$1,489,902.

At June 30, 2006, the potential liability, if all eligible employees accepted early retirement, is approximately \$10,463,022.

(12) Subsequent Event

In September 2005, Kirkwood Community College passed a \$25,000,000 bond issue for future expansion of facilities to accommodate anticipated enrollment growth. The bonds will be repaid with a property tax levy not to exceed 20 cents per \$1,000 of taxable valuation over the next 10 years. In order to comply with IRS arbitrage guidelines, the College sold \$5,000,000 of bonds in December 2005 and another \$5,000,000 in January 2006, with the remaining \$15,000,000 to be sold in January 2007. This timing allows the borrowing to be more closely aligned with the spending on construction contracts and holding interest expense on the bonds as low as possible. Plans for new construction have been finalized and will include education related buildings such as instructional facilities and library remodeling.

Required Supplementary Information

Kirkwood Community College
 Budgetary Comparison Schedule of Expenditures -
 Budget and Actual

Required Supplementary Information

Year ended June 30, 2006

Funds/Levy	Original/ Final Budget	Actual	Variance between Actual and Final Budget
Unrestricted	\$ 64,843,478	65,401,531	(558,053)
Less utilities transferred to Plant	1,933,441	1,933,441	-
Unrestricted, as adjusted	<u>62,910,037</u>	<u>63,468,090</u>	<u>(558,053)</u>
Restricted	34,315,162	15,617,305	18,697,857
Unemployment	60,000	53,381	6,619
Tort Liability	193,962	215,662	(21,700)
Insurance	913,593	1,069,697	(156,104)
Early Retirement	151,875	1,489,902	(1,338,027)
Equipment Replacement	1,346,000	1,408,077	(62,077)
Total Restricted	<u>36,980,592</u>	<u>19,854,024</u>	<u>17,126,568</u>
Plant	8,000,000	2,919,028	5,080,972
Plus utilities transferred from			
Unrestricted	1,933,441	1,933,441	-
Plant, as adjusted	<u>9,933,441</u>	<u>4,852,469</u>	<u>5,080,972</u>
Total	<u>\$ 109,824,070</u>	<u>88,174,583</u>	<u>21,649,487</u>

The variance in the Restricted Fund is due to the College budgeting an allowance for NJTP projects which may or may not come to fruition.

See accompanying independent auditor's report.

Kirkwood Community College

Note to Required Supplementary Information -
Budgetary Reporting

June 30, 2006

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

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

Other Supplementary Information

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, revenue and expenditures. The various fund groups and their designated purposes are as follows:

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

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

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

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

Loan Funds – The Loan Funds are used to account for loans to students and are financed primarily by the federal government.

Plant Funds – The Plant Funds are used to account for transactions relating to investment in College properties and consist of the following self-balancing accounts.

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

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

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

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

Statements presented as 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 Statement of Revenues, Expenditures and Changes in Fund Balances is a statement of financial activities related to the current reporting period. It does not purport to present the results of operations or net income or loss for the period as would a statement of income or a statement of revenues and expenses.

Kirkwood Community College

Schedule of Revenues, Expenditures and
Changes in Fund Balances
All Funds

Year ended June 30, 2006

	Current Funds		Loan Funds
	Unrestricted	Restricted	
Revenues:			
General:			
State appropriations	\$ 22,393,682	3,244,998	-
Tuition and fees	36,130,584	621,605	-
Property tax	2,985,100	3,598,597	-
Federal appropriations	2,329,497	19,761,258	-
Sales and services	745,141	1,128,252	-
Interest on investments	300,938	618,433	-
Interest on student loans	-	-	31,069
Iowa Industrial New Jobs Training Program	-	3,862,336	-
Increase in plant investment due to donated plant asse	-	-	-
Increase in plant investment due to plant expenditures (including \$1,341,251 in current fund expenditures)	-	-	-
Increase in plant investment due to retirement of debt	-	-	-
Gain on disposal of plant assets	-	-	-
Miscellaneous	1,670,595	2,090,467	98,106
	<u>66,555,537</u>	<u>34,925,946</u>	<u>129,175</u>
Auxiliary enterprises:			
Tuition and fees	27,950	-	-
Federal appropriations	25,761	-	-
Sales and services	10,158,617	-	-
Interest on investments	642,941	-	-
Miscellaneous	25,942	-	-
	<u>10,881,211</u>	<u>-</u>	<u>-</u>
Total revenues	<u>77,436,748</u>	<u>34,925,946</u>	<u>129,175</u>

Unex- pended	Plant Funds		Adjustments	Total
	Retirement of Indebtedness	Investment in Plant		
277,200	-	-	-	25,915,880
-	-	-	(8,432,583)	28,319,606
2,985,098	-	-	-	9,568,795
-	-	-	-	22,090,755
1,397,557	-	-	(1,980,681)	1,290,269
355,272	-	-	-	1,274,643
-	-	-	-	31,069
-	-	-	-	3,862,336
-	-	562,577	-	562,577
-	-	2,677,479	(2,677,479)	-
-	-	2,040,000	(2,040,000)	-
-	-	-	776,907	776,907
-	-	90,300	(91,271)	3,858,197
5,015,127	-	5,370,356	(14,445,107)	97,551,034
-	-	-	(5,005)	22,945
-	-	-	-	25,761
-	-	-	(327,145)	9,831,472
-	-	-	-	642,941
-	-	-	(848)	25,094
-	-	-	(332,998)	10,548,213
5,015,127	-	5,370,356	(14,778,105)	108,099,247

Kirkwood Community College

Schedule of Revenues, Expenditures and
Changes in Fund Balances
All Funds

Year ended June 30, 2006

	Current Funds		Loan Funds
	Unrestricted	Restricted	
Expenditures:			
Education and support:			
Liberal arts and sciences	17,787,225	159,747	-
Vocational technical	16,860,748	2,971,719	-
Adult education	7,359,685	4,145,752	-
Cooperative services	431,946	3,243,809	-
Administration	2,735,375	2,833,155	-
Student services	3,714,814	711,649	-
Learning resources	2,922,721	388,666	-
Physical plant	7,091,729	-	-
General institution	4,563,847	5,943,254	-
Total education and support	63,468,090	20,397,751	-
Auxiliary enterprises	9,983,281	-	-
Scholarships and grants	-	13,068,240	-
Loan cancellations and bad debts	-	-	62,555
Administrative and collection costs	-	-	129,199
Plant asset acquisitions	-	-	-
Retirement of indebtedness	-	-	-
Disposal of plant assets	-	-	-
Interest on indebtedness	-	1,321,131	-
Depreciation	-	-	-
Contribution to Kirkwood Facilities Foundation	-	-	-
Total expenditures	73,451,371	34,787,122	191,754
Excess (deficiency) of revenues over (under) expenditures	3,985,377	138,824	(62,579)
Transfers:			
Mandatory transfers	-	-	-
Non-mandatory transfers	(2,514,094)	519,301	62,579
Total transfers	(2,514,094)	519,301	62,579
Net	1,471,283	658,125	-
Fund balances beginning of year	2,268,751	945,608	-
Fund balances end of year	\$ 3,740,034	1,603,733	-

See accompanying independent auditor's report.

Plant Funds				
Unex- pended	Retirement of Indebtedness	Investment in Plant	Adjustments	Total
-	-	-	(47,835)	17,899,137
-	-	-	(264,744)	19,567,723
-	-	-	(426,123)	11,079,314
-	-	-	(550,073)	3,125,682
-	-	-	(29,532)	5,538,998
-	-	-	(76,741)	4,349,722
-	-	-	(85,473)	3,225,914
1,954,936	-	-	(836,301)	8,210,364
-	-	-	(12,844)	10,494,257
1,954,936	-	-	(2,329,666)	83,491,111
-	-	-	(7,500)	9,975,781
-	-	-	(8,355,007)	4,713,233
-	-	-	-	62,555
-	-	-	-	129,199
1,336,228	-	-	(1,336,228)	-
-	2,040,000	-	(2,040,000)	-
-	-	969,009	(969,009)	-
24,650	536,655	-	-	1,882,436
-	-	-	3,735,908	3,735,908
1,000,000	-	-	-	1,000,000
4,315,814	2,576,655	969,009	(11,301,502)	104,990,223
699,313	(2,576,655)	4,401,347	(3,476,603)	3,109,024
(2,576,655)	2,576,655	-	-	-
1,932,214	-	-	-	-
(644,441)	2,576,655	-	-	-
54,872	-	4,401,347	(3,476,603)	3,109,024
5,673,568	-	106,602,113	(43,709,860)	71,780,180
5,728,440	-	111,003,460	(47,186,463)	74,889,204

Kirkwood Community College

Schedule of Revenues, Expenditures and
Changes in Fund Balances
Education and Support

Year ended June 30, 2006

	Education			
	Liberal Arts and Sciences	Vocational Technical	Adult Education	Coopera- tive Services
Revenues:				
State appropriations	\$ 9,843,399	8,850,221	3,560,454	-
Tuition and fees	19,618,157	10,391,940	5,705,177	413,350
Property tax	-	-	-	-
Federal appropriations	14,467	1,100,004	478,904	-
Sales and services	158,613	70,734	77,206	-
Interest on investments	-	-	-	-
Miscellaneous	-	545,905	18,079	-
	<u>29,634,636</u>	<u>20,958,804</u>	<u>9,839,820</u>	<u>413,350</u>
Allocation of support services	2,590,846	2,304,588	813,493	-
Total revenues	<u>32,225,482</u>	<u>23,263,392</u>	<u>10,653,313</u>	<u>413,350</u>
Expenditures:				
Salaries and benefits	16,844,727	15,467,436	5,252,913	349,265
Services	140,832	334,831	1,140,787	14,248
Materials and supplies	335,137	630,889	735,180	66,038
Travel	306,529	256,018	113,942	2,395
Plant asset acquisitions	-	10,930	113,952	-
Miscellaneous	160,000	160,644	2,911	-
	<u>17,787,225</u>	<u>16,860,748</u>	<u>7,359,685</u>	<u>431,946</u>
Allocation of support services	9,543,223	8,488,812	2,996,451	-
Total expenditures	<u>27,330,448</u>	<u>25,349,560</u>	<u>10,356,136</u>	<u>431,946</u>
Excess (deficiency) of revenues over (under) expenditures	4,895,034	(2,086,168)	297,177	(18,596)
Transfers:				
Non-mandatory transfers	-	-	-	-
Net	<u>\$ 4,895,034</u>	<u>(2,086,168)</u>	<u>297,177</u>	<u>(18,596)</u>

Fund balances beginning of year

Fund balances end of year

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

See accompanying independent auditor's report.

General Adminis- tration	Support				Education and Support Total
	Student Services	Learning Resources	Physical Plant	General Institution	
27,270	111,392	946	-	-	22,393,682
-	1,960	-	-	-	36,130,584
2,985,100	-	-	-	-	2,985,100
487,092	230,575	18,455	-	-	2,329,497
12,614	20,624	45,670	164,615	195,065	745,141
300,938	-	-	-	-	300,938
50,203	35,653	314,664	705,395	696	1,670,595
3,863,217	400,204	379,735	870,010	195,761	66,555,537
(3,863,217)	(400,204)	(379,735)	(870,010)	(195,761)	-
-	-	-	-	-	66,555,537
1,614,800	2,996,654	1,664,047	2,599,979	2,297,384	49,087,205
996,392	255,433	198,546	2,509,940	1,961,565	7,552,574
27,794	238,172	950,145	1,104,039	173,249	4,260,643
72,580	32,819	27,323	2,525	118,804	932,935
9,190	-	82,660	875,246	9,496	1,101,474
14,619	191,736	-	-	3,349	533,259
2,735,375	3,714,814	2,922,721	7,091,729	4,563,847	63,468,090
(2,735,375)	(3,714,814)	(2,922,721)	(7,091,729)	(4,563,847)	-
-	-	-	-	-	63,468,090
-	-	-	-	-	3,087,447
699,436	(414,165)	-	(1,933,441)	-	(1,648,170)
699,436	(414,165)	-	(1,933,441)	-	1,439,277
					1,759,088
					<u>\$ 3,198,365</u>

Kirkwood Community College

Schedule of Revenues, Expenditures and
Changes in Fund Balances
Auxiliary Enterprises

Year ended June 30, 2006

	Farm Lab	Bookstore	Day Care Center	Other Vocational
Revenues:				
Tuition and fees	\$ -	-	-	-
Federal appropriations	-	-	25,761	-
Sales and services	451,052	7,544,610	448,666	822,302
Interest on investments	-	17,930	-	-
Miscellaneous	2,439	-	-	150
Total revenues	453,491	7,562,540	474,427	822,452
Expenditures:				
Salaries and benefits	43,858	689,774	489,712	343,194
Services	112,495	93,986	38,133	13,584
Materials and supplies	306,490	42,480	13,317	148,013
Travel	1,743	5,755	1,363	118
Plant asset acquisitions	-	-	-	-
Cost of goods sold	-	5,706,701	-	424,003
Miscellaneous	-	31,793	-	-
Total expenditures	464,586	6,570,489	542,525	928,912
Excess (deficiency) of revenues over (under) expenditures	(11,095)	992,051	(68,098)	(106,460)
Transfers:				
Non-mandatory transfers	-	(1,038,062)	214,608	-
Net	(11,095)	(46,011)	146,510	(106,460)
Fund balances beginning of year	109,055	(1,733)	(144,344)	114,806
Fund balances end of year	\$ 97,960	(47,744)	2,166	8,346

See accompanying independent auditor's report.

Equestrian Center	Miscellaneous	Total
-	27,950	27,950
-	-	25,761
322,121	569,866	10,158,617
-	625,011	642,941
-	23,353	25,942
<u>322,121</u>	<u>1,246,180</u>	<u>10,881,211</u>
199,978	388,634	2,155,150
12,193	330,704	601,095
32,617	137,150	680,067
2,111	162,206	173,296
-	7,500	7,500
90,326	100,077	6,321,107
-	13,273	45,066
<u>337,225</u>	<u>1,139,544</u>	<u>9,983,281</u>
(15,104)	106,636	897,930
-	(42,470)	(865,924)
(15,104)	64,166	32,006
67,249	364,630	509,663
<u>52,145</u>	<u>428,796</u>	<u>541,669</u>

Kirkwood Community College

Schedule of Revenues, Expenditures and
Changes in Fund Balances
Restricted Fund

Year ended June 30, 2006

	Scholarships and Grants	Iowa Industrial New Jobs Training Program	Workforce Investment Act	Heritage Agency on Aging	Other Federal
Revenues:					
State appropriations	\$ 543,715	-	-	1,083,641	-
Tuition and fees	-	-	-	-	-
Property tax	-	-	-	-	-
Federal appropriations	10,884,206	-	1,851,863	2,064,760	4,774,879
Sales and services	17,626	-	-	1,000,779	-
Interest on investments	-	611,566	-	408	-
Iowa Industrial New Jobs Training Program	-	3,862,336	-	-	-
Miscellaneous	1,611,604	-	-	53,465	-
Total revenues	<u>13,057,151</u>	<u>4,473,902</u>	<u>1,851,863</u>	<u>4,203,053</u>	<u>4,774,879</u>
Expenditures:					
Salaries and benefits	-	-	1,248,667	690,578	1,745,855
Services	-	3,152,771	444,333	3,382,283	1,946,882
Materials and supplies	-	-	16,690	26,015	309,950
Travel	-	-	37,439	37,945	671,101
Plant asset acquisitions	-	-	-	6,269	84,949
Interest on indebtedness	-	1,321,131	-	-	-
Miscellaneous	-	-	117,729	-	28,707
Federal Pell grant program	10,570,063	-	-	-	-
Federal supplemental educational opportunity grant	324,495	-	-	-	-
Iowa College Student Aid Commission	587,664	-	-	-	-
Private scholarships	1,586,018	-	-	-	-
Total expenditures	<u>13,068,240</u>	<u>4,473,902</u>	<u>1,864,858</u>	<u>4,143,090</u>	<u>4,787,444</u>
Excess (deficiency) of revenues over (under) expenditures	(11,089)	-	(12,995)	59,963	(12,565)
Transfers:					
Non-mandatory transfers	-	-	-	(68,507)	-
Net	(11,089)	-	(12,995)	(8,544)	(12,565)
Fund balances beginning of year	35,405	-	(66,350)	(27,962)	(98,886)
Fund balances end of year	<u>\$ 24,316</u>	<u>-</u>	<u>(79,345)</u>	<u>(36,506)</u>	<u>(111,451)</u>

See accompanying independent auditor's report.

State	Equipment Replacement	Tort Liability and Insurance	Early Retirement	Unemployment Compensation	Cash Reserve	Miscellaneous	Total
1,605,567	-	-	-	-	-	12,075	3,244,998
200	-	-	-	-	-	621,405	621,605
-	1,326,709	1,358,300	854,153	59,435	-	-	3,598,597
185,550	-	-	-	-	-	-	19,761,258
-	-	-	-	-	-	109,847	1,128,252
-	-	-	-	-	-	6,459	618,433
-	-	-	-	-	-	-	3,862,336
-	1,700	-	-	-	-	423,698	2,090,467
<u>1,791,317</u>	<u>1,328,409</u>	<u>1,358,300</u>	<u>854,153</u>	<u>59,435</u>	<u>-</u>	<u>1,173,484</u>	<u>34,925,946</u>
523,825	-	-	1,489,902	53,381	-	634,743	6,386,951
465,180	-	1,285,359	-	-	-	370,709	11,047,517
31,696	1,267,018	-	-	-	-	102,207	1,753,576
8,744	-	-	-	-	-	61,771	817,000
-	141,059	-	-	-	-	-	232,277
-	-	-	-	-	-	-	1,321,131
13,994	-	-	-	-	-	-	160,430
-	-	-	-	-	-	-	10,570,063
-	-	-	-	-	-	-	324,495
-	-	-	-	-	-	-	587,664
-	-	-	-	-	-	-	1,586,018
<u>1,043,439</u>	<u>1,408,077</u>	<u>1,285,359</u>	<u>1,489,902</u>	<u>53,381</u>	<u>-</u>	<u>1,169,430</u>	<u>34,787,122</u>
747,878	(79,668)	72,941	(635,749)	6,054	-	4,054	138,824
-	-	(72,941)	635,749	-	-	25,000	519,301
747,878	(79,668)	-	-	6,054	-	29,054	658,125
28,152	200,608	-	-	7,515	621,989	245,137	945,608
<u>776,030</u>	<u>120,940</u>	<u>-</u>	<u>-</u>	<u>13,569</u>	<u>621,989</u>	<u>274,191</u>	<u>1,603,733</u>

Kirkwood Community College

Schedule of Changes in Deposits Held in Custody for Others
Agency Funds

Year ended June 30, 2006

	Student Activities	Other Federal Programs	Other Agency Programs	Retraining Program
Balances beginning of year	\$ 134,360	-	380,529	368,787
Additions:				
State appropriations	-	-	-	406,890
Federal appropriations	-	-	-	-
Sales and services	-	-	671,561	-
Interest on investments	4,795	-	6,228	-
Flexible spending contributions	-	-	275,616	-
Partnership loan program	-	-	8,242,958	-
Miscellaneous	319,496	-	1,665	-
Total additions	324,291	-	9,198,028	406,890
Deductions:				
Salaries and benefits	61,955	-	51,851	-
Services	69,210	-	8,143,843	526,103
Materials and supplies	86,776	-	7,813	-
Travel	-	-	-	-
Cost of goods sold	-	-	33,726	-
Miscellaneous	106,202	1,977	468,517	-
Distribution to Colleges	-	-	-	-
Flexible spending claims	-	-	255,873	-
Total deductions	324,143	1,977	8,961,623	526,103
Balances end of year	\$ 134,508	(1,977)	616,934	249,574

See accompanying independent auditor's report.

ACCES	Direct Loan Program	Community Colleges for International Development, Inc.	Total
915,407	-	96,572	1,895,655
-	-	-	406,890
-	24,796,742	28,924	24,825,666
686,555	-	250,778	1,608,894
-	-	-	11,023
-	-	-	275,616
-	-	-	8,242,958
-	-	308,897	630,058
686,555	24,796,742	588,599	36,001,105
-	-	161,329	275,135
824,105	24,796,742	85,540	34,445,543
-	-	13,135	107,724
-	-	353,620	353,620
-	-	-	33,726
-	-	-	576,696
767,963	-	-	767,963
-	-	-	255,873
1,592,068	24,796,742	613,624	36,816,280
9,894	-	71,547	1,080,480

Schedule 6

Kirkwood Community College
Schedule of Credit and Contact Hours
Year ended June 30, 2006

Category	Credit Hours			Contact Hours		
	Eligible for Aid	Not Eligible for Aid	Total	Eligible for Aid	Not Eligible for Aid	Total
Arts and Sciences	188,013	-	188,013	3,116,222	-	3,116,222
Vocational Education	144,681	-	144,681	2,771,917	-	2,771,917
Adult Education/Continuing Education	-	-	-	978,454	226,691	1,205,145
Related Services and Activities	-	-	-	-	166,680	166,680
Total	<u>332,694</u>	<u>-</u>	<u>332,694</u>	<u>6,866,593</u>	<u>393,371</u>	<u>7,259,964</u>

See accompanying independent auditor's report

Kirkwood Community College
 Schedule of Tax and Intergovernmental Revenues
 For the Last Seven Years

	Years ended June 30,						
	2006	2005	2004	2003	2002	2001	2000
Local (property tax)	\$ 9,568,795	9,680,332	9,684,349	9,333,736	8,222,098	7,297,130	7,776,589
State	25,915,880	22,463,115	22,800,650	22,279,884	23,189,485	24,073,488	22,737,326
Federal	22,116,516	23,118,975	21,248,789	18,923,851	14,713,276	11,662,597	9,376,791
Total	\$ 57,601,191	55,262,422	53,733,788	50,537,471	46,124,859	43,033,215	39,890,706

See accompanying independent auditor's report.

Kirkwood Community College

Kirkwood Community College

Schedule of Current Fund Revenues by Source
and Expenditures by Function

For the Last Seven Years

	Years ended June 30,						
	2006	2005	2004	2003	2002	2001	2000
Revenues:							
State appropriations	\$ 25,638,680	22,463,115	22,183,697	21,995,627	22,466,332	24,073,488	22,709,588
Tuition and fees	36,752,189	35,721,127	32,848,006	29,911,209	26,563,675	22,542,285	20,935,265
Property tax	6,583,697	6,748,392	6,796,528	6,494,286	5,478,585	4,634,255	5,215,561
Federal appropriations	22,090,755	23,091,673	21,220,452	18,897,889	14,689,698	11,640,044	9,355,197
Sales and services	1,873,393	1,637,166	1,695,418	1,411,115	1,946,954	1,727,559	1,642,997
Interest on investments	919,371	225,142	232,394	300,033	542,812	531,493	1,008,071
Iowa Industrial New Jobs Training Program	3,862,336	3,769,596	6,113,743	7,503,336	7,410,910	7,887,905	9,088,161
Auxiliary enterprises	10,881,211	10,795,368	9,861,698	8,953,745	8,003,548	9,094,790	6,359,475
Miscellaneous	3,761,062	4,433,201	3,454,293	3,316,778	2,467,016	2,304,935	2,286,463
Total	\$ 112,362,694	108,884,780	104,406,229	98,784,018	89,569,530	84,436,754	78,600,778
Expenditures:							
Liberal arts and sciences	\$ 17,946,972	16,473,191	15,116,294	13,098,399	12,078,393	11,558,091	10,589,520
Vocational technical	19,832,467	17,749,248	18,785,712	16,593,964	15,249,527	13,475,822	13,864,501
Adult education	11,505,437	11,021,620	8,659,955	7,793,787	7,950,952	8,003,366	7,597,940
Cooperative services	3,675,755	3,036,589	6,262,188	8,011,395	7,790,315	7,659,102	10,546,809
Administration	5,568,530	5,799,867	4,562,206	4,506,549	7,247,323	3,695,904	3,820,518
Student services	4,426,463	3,951,657	3,682,512	3,893,243	3,065,359	2,984,127	2,946,426
Learning resources	3,311,387	2,784,817	2,368,509	2,704,787	2,328,594	2,408,505	2,196,659
Physical plant	7,091,729	7,410,386	7,005,425	7,540,545	7,891,631	5,159,266	5,080,163
General institution	10,507,101	10,476,619	8,875,303	8,864,895	8,551,203	8,071,915	7,579,227
Auxiliary enterprises	9,983,281	10,086,115	12,779,711	8,222,550	7,772,127	9,201,280	6,191,561
Scholarships and grants	13,068,240	14,141,826	13,448,214	11,893,670	9,155,009	7,471,812	6,354,654
Interest on indebtedness	1,321,131	1,472,513	1,791,281	2,000,563	2,269,568	2,416,969	-
Total	\$ 108,238,493	104,404,448	103,337,310	95,124,347	91,350,001	82,106,159	76,767,978

Kirkwood Community College
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2006

Grantor/Program	CFDA Number
Direct:	
U.S. Department of Agriculture:	
Cooperative State Research, Education and Extension Service:	
Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants	10.226
U.S. Department of Justice:	
Edward Byrne Memorial State and Local Law Enforcement Assistance	
Discretionary Grants Program	16.580
U.S. Department of Labor:	
WIA Pilots, Demonstrations, and Research Projects	17.261
Occupational Safety and Health - Susan Harwood Training Grants	17.502
Office of the Assistant Secretary for Veterans Employment and Training:	
Local Veterans' Employment Representative Program	17.804
National Science Foundation:	
Education and Human Resources	47.076
U.S. Department of Small Business Administration	
Mass Fatalities Response Training for Funeral Service Directors	59.000
Environmental Protection Agency:	
Wastewater Operator Training Grant Program (Technical Assistance)	66.467
Protection of Children and Older Adults (Elderly) from Environmental Health Risks	66.609
U.S. Department of Education:	
Federal Supplemental Educational Opportunity Grants	84.007
Federal Work-Study Program	84.033
Federal Perkins Loan - Federal Capital Contribution	84.038
Federal Pell Grant Program	84.063
Federal Direct Student Loans	84.268
TRIO - Student Support Services	84.042
Child Care Access Means Parents in School	84.335
U.S. Department of Health and Human Services:	
Agency for Health Care Policy and Research:	
Research on Healthcare Costs, Quality and Outcome	93.226
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283
U.S. Department of Homeland Security:	
Competitive Training Grants	97.068
Total direct	

Agency or Pass-through Number	Program Expenditures	New Loans and New Loan Guarantees	Amounts Provided to Subrecipients
	\$ 10,274	-	-
	139,721	-	-
	141,309	-	-
	134,536	-	-
	3,213	-	-
	1,086,363	-	-
	70,873	-	-
	43,723	-	-
	17,722	-	-
	314,143	-	-
	414,213	-	-
	-	356,297	-
	10,595,478	-	-
	-	24,796,742	-
	11,323,834	25,153,039	-
	226,238	-	-
	69,439	-	-
	208,509	-	-
	189,842	-	-
	772,968	-	-
	14,438,564	25,153,039	-

Kirkwood Community College
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2006

Grantor/Program	CFDA Number
Indirect:	
U.S. Department of Agriculture: Indirect through Iowa Department of Education: Child and Adult Care Food Program	10.558
U.S. Department of Housing and Urban Development: Indirect through Linn County: Community Development Block Grants/Entitlement Grants	14.218
U.S. Department of Labor: Indirect through Iowa Department of Elder Affairs: Senior Community Service Employment Program	17.235
Indirect through Iowa Workforce Development:	
Employment Service	17.207
Unemployment Insurance	17.225
Trade Adjustment Assistance	17.245
WIA Pilots, Demonstrations, and Research Projects	17.261
Work Incentives Grant	17.266
Disabled Veterans' Outreach Program (DVOP)	17.801
Local Veterans' Employment Representative Program	17.804
Workforce Investment Act (WIA):	
Adult Program	17.258
Youth Activities	17.259
Dislocated Workers	17.260
Indirect through Iowa Department of Education: Incentive Grants - WIA Section 503	17.267
Federal Mediation and Conciliation Service: Indirect through Iowa Workforce Development: Labor Management Cooperation	34.002
National Endowment for the Humanities: Indirect through Iowa Humanities: Promotion of the Humanities - Federal/State Partnership	45.129
U.S. Small Business Administration: Indirect through Iowa State University: Small Business Development Center	59.037
U.S. Department of Education: Indirect through Iowa Department of Education:	
Adult Education - State Grant Program	84.002
Title I Program for Neglected and Delinquent Children	84.013
Vocational Education - Basic Grants to States	84.048
Safe and Drug-Free Schools and Communities-National Program	84.184
Tech-Prep Education	84.243

Agency or Pass-through Number	Program Expenditures	New Loans and New Loan Guarantees	Amounts Provided to Subrecipients
	25,761	-	-
	192,312	-	-
	276,471	-	276,471
1-W-10-FR-0	70,752	-	-
1-W-10-FR-0	58,297	-	-
1-W-10-FR-0	1,983	-	-
1-W-10-FR-0	1,182	-	-
1-W-10-FR-0	3,421	-	-
1-W-10-FR-0	5,466	-	-
1-W-10-FR-0	5,398	-	-
1-W-10-FR-0	208,298	-	-
1-W-10-FR-0	366,352	-	-
1-W-10-FR-0	568,033	-	-
	1,142,683	-	-
	10,132	-	-
1-W-10-FR-0	7,040	-	-
	5,787	-	-
	51,619	-	-
	425,035	-	-
	29,675	-	-
57-9910	927,069	-	-
	56,520	-	-
57-9910	89,346	-	-

Kirkwood Community College
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2006

Grantor/Program	CFDA Number
Indirect (continued):	
U.S. Department of Health and Human Services:	
Indirect through Iowa Department of Elder Affairs:	
Special Programs for the Aging-Title III Part D - Disease Prevention and Health Promotion Services	93.043
Special Programs for the Aging Cluster:	
Title III Part B - Grants for Supportive Services and Senior Centers	93.044
Title III Part C - Nutrition Services	93.045
Nutrition Services Incentive Program	93.053
National Family Caregiver Support	
Medical Assistance Program	93.052 93.778
Indirect through Hawkeye Valley Area Agency on Aging:	
Special Programs for the Aging - Title IV and Title II Discretionary Projects	93.048
Indirect through University of Iowa:	
Alzheimer's Disease Demonstration Grants to States	93.051
Indirect through National Institute of Environmental Health Sciences:	
Applied Toxicological Research and Testing	93.114
NIEHS Hazardous Waste Worker Health and Safety Training	93.142
Indirect through Iowa Workforce Development:	
Temporary Assistance for Needy Families	93.558
Total indirect	
Total	

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

See accompanying independent auditor's report.

Agency or Pass-through Number	Program Expenditures	New Loans and New Loan Guarantees	Amounts Provided to Subrecipients
	8,026	-	8,026
	427,696	-	175,894
	690,198	-	690,198
	300,731	-	300,731
	1,418,625	-	1,166,823
	181,966	-	98,700
	55,924	-	55,924
	11,000	-	-
	105,883	-	-
	1,183,479	-	-
	529,511	-	-
1-W-10-FR-0	792,540	-	-
	7,672,903	-	1,605,944
	\$ 22,111,467	25,153,039	1,605,944

Kirkwood Community College



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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Independent Auditor's Report on Internal Control
over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Board of Directors of
Kirkwood Community College:

We have audited the accompanying financial statements of Kirkwood Community College, Cedar Rapids, Iowa, and the aggregate discretely presented component units as of and for the year ended June 30, 2006, which collectively comprise the College's basic financial statements listed in the table of contents, and have issued our report thereon dated October 4, 2006. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Kirkwood Community College's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

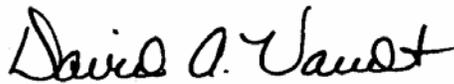
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kirkwood 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, non-compliance 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 or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the College's operations for the year ended June 30, 2006 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the College. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

This report, a public record by law, is intended solely for the information and use of the officials, employees and constituents of Kirkwood Community College and other parties to whom Kirkwood 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 Kirkwood Community College during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

October 4, 2006



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control over Compliance
in Accordance with OMB Circular A-133

To the Board of Directors of
Kirkwood Community College:

Compliance

We have audited the compliance of Kirkwood Community College, Cedar Rapids, Iowa, with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2006. Kirkwood 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 grant agreements applicable to each of its major federal programs is the responsibility of Kirkwood Community College's management. Our responsibility is to express an opinion on Kirkwood Community College's compliance based on our audit.

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

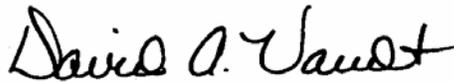
In our opinion, Kirkwood Community College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control Over Compliance

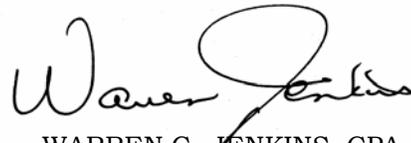
The management of Kirkwood Community College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered Kirkwood Community College's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that non-compliance with applicable requirements of laws, regulations, contracts and grant agreements caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operations that we consider to be material weaknesses.

This report, a public record by law, is intended solely for the information and use of the officials, employees and constituents of Kirkwood Community College and other parties to whom Kirkwood 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.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

October 4, 2006

Kirkwood Community College
Schedule of Findings and Questioned Costs
Year ended June 30, 2006

Part I: Summary of the Independent Auditor's Results:

- (a) An unqualified opinion was issued on the financial statements.
- (b) No material weaknesses in internal control over financial reporting were noted.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were noted.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit did not disclose any audit findings which are 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 Grants
 - CFDA Number – 84.033 Federal Work-Study Program
 - CFDA Number – 84.038 Federal Perkins Loan – Federal Capital Contribution
 - CFDA Number – 84.063 Federal Pell Grant Program
 - CFDA Number – 84.268 Federal Direct Student Loans
 - CFDA Number – 93.114 Applied Toxicological Research and Testing
 - CFDA Number – 93.558 Temporary Assistance for Needy Families
- (h) The dollar threshold used to distinguish between Type A and Type B was \$657,000.
- (i) Kirkwood Community College did qualify as a low-risk auditee.

Kirkwood Community College
Schedule of Findings and Questioned Costs
Year ended June 30, 2006

Part II: Findings Related to the Financial Statements:

REPORTABLE CONDITIONS:

No material weaknesses in internal control over financial reporting were noted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

REPORTABLE CONDITIONS:

No material weaknesses in internal control over compliance were noted.

Kirkwood Community College
Schedule of Findings and Questioned Costs
Year ended June 30, 2006

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-06 Certified Budget – Expenditures for the year ended June 30, 2006 did not exceed the amounts budgeted.
- IV-B-06 Questionable Disbursements – No expenditures we believe did not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- IV-C-06 Travel Expense – No expenditures of College money for travel expenses of spouses of College officials or employees were noted. No travel advances to College officials or employees were noted.
- IV-D-06 Business Transactions – No business transactions between the College and College officials or employees were noted.
- IV-E-06 Bond Coverage – Surety bond coverage of College officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure the coverage is adequate for current operations.
- IV-F-06 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-G-06 Publication – The College 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-06 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-06 Credit and 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 College except for the contact hours for nine programs within Adult/Continuing Education. The Motorcycle Riding program was overstated by 0.2 hours, the Iowa Course for Drinking Drivers program was overstated by 0.1 hours, the Environmental Engineering program was understated by 0.2 hours, the Fire Science/Firefighter program was understated by 1.2 hours, the PHCC Plumbing Apprenticeship program was understated by 6 hours, the HVAC Recertification program was understated by 1.8 hours, the Dental Sciences program was understated by 8.4 hours, the Allied Health and Diagnostic program was understated by 3.2 hours and the Nursing and Health Care Provider program was understated by 0.3 hours.

Recommendation – The College should develop procedures to ensure the report submitted to the Iowa Department of Education reconciles to the supporting detailed records.

Response – Kirkwood just completed the first year of student records under new management software and is currently refining the procedures for reporting more accurately from the new system. We concur with the Auditors recommendation.

Conclusion – Response accepted.

Kirkwood Community College

Schedule of Findings and Questioned Costs

Year ended June 30, 2006

IV-J-06 Land Sale – In May 2006, the College sold approximately 70 acres of land for \$1,396,310. \$1,000,000 of the proceeds was paid directly to the Kirkwood Facilities Foundation (Foundation) and the remaining \$396,310 due from the property buyer was reported as a receivable by the College. The Foundation applied the funds received to a note payable used to purchase other property known as the Jansa property adjacent to the College campus. In addition, the College advanced \$310,000 to the seller of the Jansa property and recorded a receivable from the Foundation which is to be repaid within one year.

Iowa Code section 260C.35 provides proceeds from the sale of land may be used for any of the purposes stated in section 260C.22 of the Code, in addition to any authority under other provisions of law. We are unaware of any authorization under Iowa law for a community college to transfer funds not owed to a foundation.

Recommendation – The College should consult legal counsel regarding the disposition of this matter.

Response – The Kirkwood Facilities Foundation is a component unit of Kirkwood Community College and exists solely to help support the acquisition and management of the College’s property assets. The College transacted the sale of this property through the Kirkwood Facilities Foundation in order to help offset the purchase of the new tract of land. While completion of the sale and transfer of property is not yet complete, the College will be consulting legal counsel to assure all transactions are conducted properly.

Conclusion – Response accepted.

Kirkwood Community College

Staff

This audit was performed by:

Michelle B. Meyer, CPA, Manager
Tammy A. Wolterman, Senior Auditor II
Kip M. Druecker, Senior Auditor
Donald J. Lewis, Staff Auditor
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Andrew J. Muff, Staff Auditor
Brian P. Schenkelberg, Assistant Auditor
Kurt D. Goldsmith, Auditor Intern

A handwritten signature in black ink that reads "Andrew E. Nielsen". The signature is written in a cursive style with a large initial 'A' and 'N'.

Andrew E. Nielsen, CPA
Deputy Auditor of State