



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE February 1, 2008

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Auditor of State David A. Vaudt today released an audit report on Indian Hills Community College in Ottumwa, Iowa.

The College's primary government operating revenues totaled \$28,714,817 for the year ended June 30, 2007, including \$10,105,889 from tuition and fees, \$9,098,488 from the federal government and \$5,294,235 from auxiliary enterprises.

Operating expenses for the year totaled \$44,962,709, and included \$26,651,641 for salaries and benefits, \$6,426,242 for services and \$2,035,097 for materials and supplies.

The College reported an operating loss of \$16,247,892. In general, a public college, such as Indian Hills Community College, will report an operating loss as the financial reporting model classifies state appropriations and property tax as non-operating revenues. Non-operating revenues totaled \$20,157,032, and included \$14,812,393 from state appropriations, \$3,011,282 from property tax and \$756,278 from gifts from the Indian Hills Community College Foundation. Non-operating expenses totaled \$1,210,534, and included \$704,786 for interest on indebtedness. The College ended the year with an increase in net assets of \$2,698,606.

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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INDIAN HILLS COMMUNITY COLLEGE
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2007

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Indian Hills Community College

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Trustees (Before September 2006 Election)		
Dr. Donald Berg	President	2008
Robert L. Pitsch	Vice President	2009
Sharon Kline	Member	2007
Kevin M. Kness	Member	2007
John Pothoven	Member	2007
James Dorothy	Member	2008
H. Roy Lamansky	Member	2008
Tom Keck	Member	2009
Richard C. Sharp	Member	2009

Board of Trustees (After September 2006 Election)

Dr. Donald Berg	President	2008
Robert L. Pitsch	Vice President	2009
James Dorothy	Member	2008
H. Roy Lamansky	Member	2008
Tom Keck	Member	2009
Richard C. Sharp	Member	2009
Sharon Kline	Member	2010
Kevin M. Kness	Member	2010
John Pothoven	Member	2010

Community College

Dr. Jim Lindenmayer	President
Susan Pixley	Chief Financial Officer and Board Treasurer
Anne Leathers	College Accountant
Kathy Pink	Grants Accountant

Indian Hills Community College



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Independent Auditor's Report

To the Board of Trustees of
Indian Hills Community College:

We have audited the accompanying financial statements of Indian Hills Community College, Ottumwa, Iowa, and its aggregate discretely presented component units as of and for the year ended June 30, 2007, which collectively comprise the College's basic financial statements listed in the table of contents. These financial statements are the responsibility of Indian Hills 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, Indian Hills Community College Development Corporation, Inc. and Indian Hills Community College Foundation, Inc., 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 those units, is based on the reports of the other auditors.

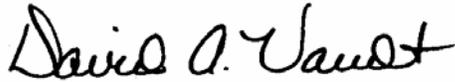
We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the component units were not audited in accordance with Government Auditing Standards. 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 Indian Hills Community College and its aggregate discretely presented component units at June 30, 2007, 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.

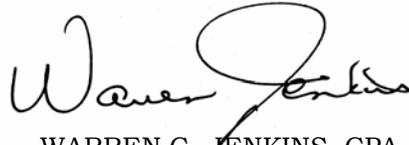
In accordance with Government Auditing Standards, we have also issued our report dated December 20, 2007 on our consideration of Indian Hills Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 8 through 14 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Indian Hills 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, 2006 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 11, including the Schedule of Expenditures of Federal Awards required by 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

December 20, 2007

Indian Hills Community College

MANAGEMENT'S DISCUSSION AND ANALYSIS

Indian Hills Community College provides this Management's Discussion and Analysis of the College's financial statements for the fiscal year ended June 30, 2007. We encourage readers to consider this information in conjunction with the financial statements that follow.

2007 FINANCIAL HIGHLIGHTS

- College operating revenues increased over \$2.5 million, or 9.5%, from fiscal year 2006 to fiscal year 2007. Tuition and fees accounted for approximately \$1.56 million of the increase, which is attributable to a tuition rate increase and enrollment growth. Credit hours increased by 7% over the previous fiscal year.
- Iowa Industrial New Jobs Training Program revenues also increased approximately \$345,000, or 16.8%.
- A 5.33% increase in state aid allocation contributed to an overall 10% increase in non-operating revenues.
- Net assets of the College increased by \$2.7 million, or 5.6%.
- Construction and furnishing of the new instructional facility for health programs on the Ottumwa Campus at a cost of approximately \$5 million was completed during fiscal year 2007 and was available to serve students in late May 2007.

USING THIS ANNUAL REPORT

This discussion and analysis are intended to serve as an introduction to Indian Hills Community College's basic financial statements and provide an analytical overview of the College's financial activities. The annual report consists of a series of financial statements, as follows: The Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Net Assets and the Statement of Cash Flows. These statements provide information about the activities of the College as a whole and present an overall view of the College's finances. The Notes to Financial Statements provide a narrative of accounting policies and further explanation essential to understanding the data provided in the 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 schedules provide detailed information about the individual funds, including the Schedule of Expenditures of Federal Awards that provides details of various programs benefiting the College.

REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES

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. This point-in-time statement distinguishes current and non-current assets and identifies the categories and amounts of current and non-current liabilities. The statement presents the available assets that can be used to satisfy liabilities owed to outside vendors and creditors.

	Net Assets	
	June 30,	
	2007	2006
Current and other assets	\$ 34,773,855	33,716,663
Capital assets, net of accumulated depreciation	38,922,265	36,000,651
Total assets	<u>73,696,120</u>	<u>69,717,314</u>
Current liabilities	10,454,463	9,791,096
Noncurrent liabilities	12,732,869	12,116,036
Total liabilities	<u>23,187,332</u>	<u>21,907,132</u>
Net assets:		
Invested in capital assets, net of related debt	35,427,265	32,300,651
Restricted	992,377	913,584
Unrestricted	14,089,146	14,595,947
Total net assets	<u>\$ 50,508,788</u>	<u>47,810,182</u>

The largest portion of the College's net assets (70%) is in the category of 'Invested in Capital Assets' (land, buildings and equipment), less the related debt. The restricted portion of net assets represents resources subject to external restrictions. The remaining net assets are unrestricted and may be used to meet the College's operating obligations as they become 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 College's revenues earned and expenses incurred, classified by operating and non-operating, and any other revenues, expenses, gains and losses incurred during the fiscal year just ended.

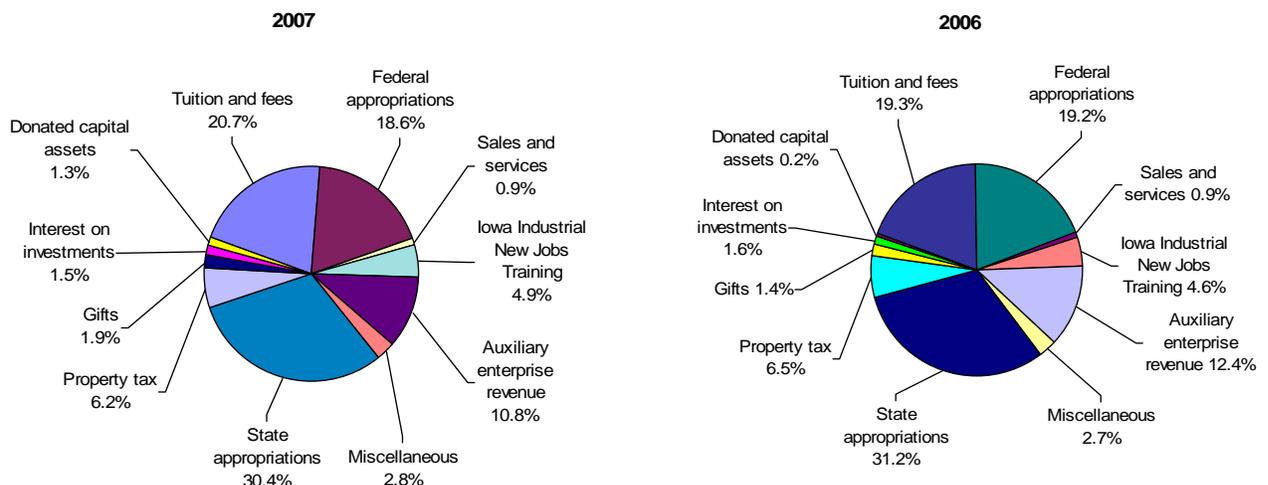
Generally, a public, state supported college such as Indian Hills will report an operating loss as the financial reporting model required by GASB 34/35 classifies state appropriations and property taxes as non-operating revenues. Operating revenue is defined to include only revenues received for providing goods and services to the various students, customers and constituencies of the College. Operating expenses are those expenses paid to acquire and produce the goods and services (perform the mission of the College) in return for the operating revenues. Non-operating revenues are revenues received for which goods and services are not provided. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life.

Changes in Net Assets

	Year ended June 30,	
	2007	2006
Operating revenues:		
Tuition and fees	\$ 10,105,889	8,543,022
Federal appropriations	9,098,488	8,496,721
Sales and services	461,727	419,646
Iowa Industrial New Jobs Training	2,403,017	2,058,203
Auxiliary enterprise revenue	5,294,235	5,495,946
Miscellaneous	1,351,461	1,195,017
Total operating revenues	28,714,817	26,208,555
 Total operating expenses	 44,962,709	 40,961,740
Operating loss	(16,247,892)	(14,753,185)
 Non-operating revenues (expenses):		
State appropriations	14,812,393	13,848,936
Property tax	3,011,282	2,888,099
Gifts	951,069	622,100
Interest on investments	756,278	711,964
Donated capital assets	626,010	75,000
Gain (loss) on disposal of capital assets	(49,900)	174,007
Amortization of bond issue costs	(455,848)	(458,371)
Interest on indebtedness	(704,786)	(738,735)
Net non-operating revenues	18,946,498	17,123,000
 Increase in net assets	 2,698,606	 2,369,815
Net assets beginning of year	47,810,182	45,440,367
 Net assets end of year	 \$ 50,508,788	 47,810,182

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

Total Revenue by Source



In fiscal year 2007 operating revenues totaled approximately \$28.7 million and net non-operating revenues totaled \$18.9 million. Observations regarding the changes in operating and non-operating revenues follow:

- Tuition and fee income increased by approximately \$1.56 million. The increase was a result of the 6% tuition increase effective fall term 2006 and a 7% growth in credit hour enrollment.
- Iowa Industrial New Jobs Training Program revenues showed an increase of 16.8% over the previous fiscal year.
- The change in net non-operating revenues was a 10.6% increase. This increase, offset by a net operating loss, combined to increase the College's net assets by \$2.7 million, a 5.6% increase of net assets.
- State revenues improved approximately \$963,000 over fiscal year 2006 funding levels. This increase was due to the 5.33% increase in the state aid allocation and additional state funds received through the Accelerated Career Education and Physical Infrastructure Assistance Grants for funding of the instructional facility for health programs.
- Interest revenue on investments continued to increase with improved interest rates.

Operating Expenses

	Year ended June 30,	
	2007	2006
Education and support:		
Liberal arts and sciences	\$ 4,800,722	4,283,997
Vocational technical	9,628,162	9,076,062
Adult education	2,450,257	2,551,786
Cooperative services	1,140,520	1,024,585
Administration	1,660,311	1,748,047
Student services	2,923,624	2,936,287
Learning resources	839,493	949,677
Physical plant	3,686,333	3,391,178
General institution	4,890,527	3,425,346
Auxiliary enterprises	5,740,181	5,350,620
Scholarships and grants	3,333,837	3,167,002
Workforce Investment Act	1,677,808	1,231,398
Plant operations	631,563	286,328
Depreciation	1,559,371	1,539,427
Total	\$ 44,962,709	40,961,740

The following factors address some expense issues:

- Expenses for salaries and wages increased in all functional categories due to a 4.60% increase in salaries and benefits for fiscal year 2007 and additional employment relating to increased enrollments and services provided to students.
- The increased expense in the category of Education and Support, General Institution is attributable to the accrual at June 30, 2007 for the cost of the new early retirement plan offered to qualifying employees during the fiscal year.
- Expense categories were carefully budgeted and monitored to maintain an excess of revenue over expenses.

Statement of Cash Flows

The Statement of Cash Flows is an important tool in helping users assess the College's ability to generate future cash flows, meet obligations as they come due and the need for external financing. The Statement of Cash Flows presents information related to cash inflows and outflows and is summarized by operating, non-capital financing, capital and related financing and investing activities.

Cash Flows

	Year ended June 30,	
	2007	2006
Cash provided (used) by:		
Operating activities	\$ (14,103,107)	(12,940,586)
Non-capital financing activities	18,097,638	15,073,129
Capital and related financing activities	(4,300,425)	(1,966,891)
Investing activities	869,552	639,909
Net increase in cash	563,658	805,561
Cash beginning of the year	21,085,274	20,279,713
Cash and cash equivalents end of the year	\$ 21,648,932	21,085,274

Cash provided by operating activities includes revenues from tuition and fees, grants, contracts and auxiliary enterprise receipts. Cash used for operating activities includes payments for salaries and benefits, goods and services, scholarships and auxiliary enterprise payments. Cash provided by non-capital financing activities includes state appropriations, property tax, the receipt and disbursement of federal direct loan program proceeds and the issuance of debt for the New Jobs Training Programs. Cash used for capital and related financing activities represents the principal and interest payments on debt and the proceeds from sales of capital assets offset by the purchase of capital assets. Cash provided by investing activities includes interest earnings.

CAPITAL ASSETS

At June 30, 2007, the College had \$38.9 million invested in capital assets, net of accumulated depreciation of approximately \$19.9 million. Depreciation charges totaled \$1,559,371 for the 2007 fiscal year. A summary of capital assets, net of accumulated depreciation, is shown below.

Net Capital Assets

	June 30,	
	2007	2006
Land	\$ 368,285	368,285
Construction in progress	24,582	1,402,202
Capital assets not depreciated	392,867	1,770,487
Buildings	35,092,038	31,279,313
Improvements	1,720,586	1,811,351
Equipment and vehicles	1,716,774	1,139,500
Total	\$ 38,922,265	36,000,651

The Rural Health Education Center on the Ottumwa campus was completed and furnished in fiscal year 2007. Capital projects in progress include the road resurfacing, curb/gutter/sidewalk construction and storm sewer installation on the Ottumwa Campus to be completed during fiscal year 2008. The funding of the six-cent instructional equipment levy has assisted with equipment upgrades to keep pace with technology and student demand. A five-year replacement schedule is in place to maintain computer technology equipment at required levels. Facility maintenance is scheduled to meet needs and budgetary constraints. Additional information is provided in Note 4 to the financial statements.

LONG-TERM DEBT

Outstanding debt at June 30, 2007 was \$14,130,000. Current debt consists of certificates issued for Iowa New Jobs Training projects and dormitory revenue bonds. Detailed information is presented in Note 5 to the financial statements.

Outstanding Debt

	June 30,	
	2007	2006
Certificates payable	\$ 10,635,000	10,175,000
Bonds payable	3,495,000	3,700,000
Total	\$ 14,130,000	13,875,000

ECONOMIC FACTORS

Indian Hills Community College improved its financial position during the current fiscal year. The economic position of the College remains closely tied to that of the State of Iowa, with the State’s overall economy, educational funding and allocation a priority to College officials. Like many state assisted colleges, Indian Hills faces the following potential financial challenges:

- State aid dollars increased 5.33% in fiscal year 2007, while state aid as a percentage of overall operating revenues stayed consistent with fiscal year 2006. Tuition income, from rate increases and/or enrollment growth, must continue to balance any decrease in state funding levels.
- Higher tuition is followed by an increased need for financial aid and scholarship support.
- Labor and operational expenses continue to rise, challenging the College to meet the increasing expenses through budget planning.
- The College must continue to offer additional student services to attract and retain the diverse population the institution serves.
- College facilities and infrastructure require continual maintenance and update.
- Technology continues to advance rapidly, challenging the College to provide instructional equipment and conduct operations at current technological levels.

The College continues close monitoring of expenses, the continued pursuit of new revenue resources, and maintaining some budget flexibility to react to unexpected opportunities or challenges. Our emphasis is to fulfill the mission of Indian Hills while maintaining high quality instructional programs and services.

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 is provided. If you have questions about this report or need additional financial information, please contact Indian Hills Community College, 525 Grandview Avenue, Building #1, Ottumwa, Iowa 52501.

Basic Financial Statements

Exhibit A

Indian Hills Community College

Statement of Net Assets

June 30, 2007

	Primary Government	Component Units
Assets		
Current assets:		
Cash and investments:		
Cash and pooled investments	\$ 12,855,384	13,235,102
Restricted cash and investments	-	6,113,099
Receivables:		
Accounts, net of allowance for uncollectible accounts of \$321,443	2,679,855	82,417
Succeeding year property tax	2,960,800	-
Iowa Industrial New Jobs Training Program	46,066	-
Due from other governments	1,469,375	-
Prepaid expense	525	-
Unamortized bond issue expense	417,002	-
Inventories	1,067,695	-
Cash surrender value of life insurance	-	65,600
Total current assets	<u>21,496,702</u>	<u>19,496,218</u>
Noncurrent assets:		
Cash and pooled investments	8,793,548	-
Receivable for Iowa Industrial New Jobs Training Program	3,066,686	-
Unamortized bond issue expense	1,416,919	-
Capital assets, net of accumulated depreciation	38,922,265	2,898
Total noncurrent assets	<u>52,199,418</u>	<u>2,898</u>
Total assets	<u>73,696,120</u>	<u>19,499,116</u>

Indian Hills Community College

Statement of Net Assets

June 30, 2007

	Primary Government	Component Units
Liabilities		
Current liabilities:		
Accounts payable	814,464	135,643
Salaries and benefits payable	979,793	-
Interest payable	61,066	-
Deferred revenue:		
Succeeding year property tax	2,960,800	-
Other	2,599,949	-
Early retirement payable	785,684	-
Compensated absences payable	553,158	-
Deposits held in custody for others	84,549	-
Certificates payable	1,400,000	-
Bonds payable	215,000	-
Total current liabilities	10,454,463	135,643
Noncurrent liabilities:		
Early retirement payable	217,869	-
Certificates payable	9,235,000	-
Bonds payable	3,280,000	-
Total noncurrent liabilities	12,732,869	-
Total liabilities	23,187,332	135,643
Net assets		
Invested in capital assets, net of related debt	35,427,265	2,898
Restricted:		
Nonexpendable:		
Other	-	1,264,461
Expendable:		
Scholarships and fellowships	55,061	-
Debt service	527,373	-
Cash reserve	288,745	-
Other	121,198	8,691,855
Unrestricted	14,089,146	9,404,259
Total net assets	\$ 50,508,788	19,363,473

See notes to financial statements.

Exhibit B

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

Year ended June 30, 2007

	Primary Government	Component Units
Operating revenues:		
Tuition and fees, net of scholarship allowances of \$2,100,397	\$ 10,105,889	-
Federal appropriations	9,098,488	-
Sales and services	461,727	-
Iowa Industrial New Jobs Training Program	2,403,017	-
Auxiliary enterprises revenue, net of scholarship allowances of \$663,283	5,294,235	-
Contributions	-	5,327,136
Rental income and facility management	-	527,381
Fines, damages and forfeitures	-	30,059
Miscellaneous	1,351,461	96,468
Total operating revenues	28,714,817	5,981,044
Operating expenses:		
Education and support:		
Liberal arts and sciences	4,800,722	-
Vocational technical	9,628,162	-
Adult education	2,450,257	-
Cooperative services	1,140,520	-
Administration	1,660,311	-
Student services	2,923,624	-
Learning resources	839,493	-
Physical plant	3,686,333	-
General institution	4,890,527	-
Auxiliary enterprises	5,740,181	-
Scholarships and grants	3,333,837	-
Workforce Investment Act	1,677,808	-
Plant operations	631,563	-
General and administrative	-	88,378
Programs	-	398,562
Fund raising	-	10,443
Depreciation	1,559,371	-
Total operating expenses	44,962,709	497,383
Operating income (loss)	(16,247,892)	5,483,661

Indian Hills Community College
 Statement of Revenues, Expenses and
 Changes in Net Assets
 Year ended June 30, 2007

	Primary Government	Component Units
Non-operating revenues (expenses):		
State appropriations	14,812,393	-
Property tax	3,011,282	-
Gifts from Indian Hills Community College Foundation	756,278	-
Interest on investments	951,069	1,358,015
Donated capital assets	626,010	-
Loss on disposal of capital assets	(49,900)	-
Gifts to Indian Hills Community College	-	(756,278)
Change in cash surrender value of life insurance	-	11,055
Interest on indebtedness	(704,786)	-
Amortization of bond issue costs	(455,848)	-
Net non-operating revenues	<u>18,946,498</u>	<u>612,792</u>
Change in net assets	2,698,606	6,096,453
Net assets beginning of year	<u>47,810,182</u>	<u>13,267,020</u>
Net assets end of year	<u>\$ 50,508,788</u>	<u>19,363,473</u>

See notes to financial statements.

Indian Hills Community College

Statement of Cash Flows

Year ended June 30, 2007

	Primary Government
Cash flows from operating activities:	
Tuition and fees	\$ 9,618,866
Federal appropriations	9,361,445
Iowa Industrial New Jobs Training Program	2,576,951
Payments to employees for salaries and benefits	(25,484,489)
Payments to suppliers for goods and services	(12,179,500)
Payments to NJTP recipients	(927,502)
Scholarships	(3,333,837)
Payments to subrecipients	(622,772)
Auxiliary enterprise receipts	5,291,688
Other receipts	1,596,043
	(14,103,107)
Cash flows from non-capital financing activities:	
State appropriations	15,171,181
Property tax	3,011,282
Gifts	756,278
Federal direct lending receipts	9,276,116
Federal direct lending disbursements	(9,276,116)
Proceeds from issuance of debt	3,005,000
Principal paid on debt	(2,545,000)
Interest paid on debt	(511,690)
Bond issue costs	(655,328)
Agency receipts	3,146,175
Agency disbursements	(3,280,260)
	18,097,638
Cash flows from capital and related financing activities:	
Proceeds from sale of capital assets	29,390
Acquisition of capital assets	(3,934,265)
Principal paid on debt	(205,000)
Interest paid on debt	(190,550)
	(4,300,425)
Cash flows from investing activities:	
Interest on investments	869,552
Net increase in cash and cash equivalents	563,658
Cash and cash equivalents beginning of year	21,085,274
Cash and cash equivalents end of year	\$ 21,648,932

Indian Hills Community College

Statement of Cash Flows

Year ended June 30, 2007

	Primary Government
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (16,247,892)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	1,559,371
Provisions for doubtful accounts	40,376
Changes in assets and liabilities:	
(Increase) in accounts receivable	(836,756)
Decrease in NJTP receivable	55,908
Decrease in due from other governments	62,957
Decrease in prepaid expenses	41,711
(Increase) in inventories	(137,008)
(Decrease) Increase in accounts payable	(216,617)
Increase in salaries and benefits payable	297,827
Increase in deferred revenue	407,691
Increase in compensated absences	17,759
Increase in early retirement payable	851,566
	2,144,785
Total adjustments	2,144,785
Net cash used by operating activities	\$ (14,103,107)

Noncash capital and related financing activities:

The College received donated capital assets with a fair market value of \$626,010.

See notes to financial statements.

Indian Hills Community College

Statement of Net Assets
Component Units

June 30, 2007

	Indian Hills Community College Development Corp., Inc.	Indian Hills Community College Foundation, Inc.	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 438,374	181,221	619,595
Investments	-	12,615,507	12,615,507
Restricted cash and investments	-	6,113,099	6,113,099
Receivables:			
Accounts	220	73,655	73,875
Mortgages	-	8,542	8,542
Cash surrender value of life insurance	-	65,600	65,600
Total current assets	438,594	19,057,624	19,496,218
Noncurrent assets:			
Capital assets, net of accumulated depreciation	2,898	-	2,898
Total assets	441,492	19,057,624	19,499,116
Liabilities			
Current liabilities:			
Accounts payable	72,921	50,892	123,813
Liability under unitrust agreement	-	11,830	11,830
Total liabilities	72,921	62,722	135,643
Net assets			
Invested in capital assets	2,898	-	2,898
Restricted:			
Nonexpendable:			
Other	-	1,264,461	1,264,461
Expendable:			
Other	-	8,691,855	8,691,855
Unrestricted	365,673	9,038,586	9,404,259
Total net assets	\$ 368,571	18,994,902	19,363,473

See notes to financial statements.

Indian Hills Community College
Statement of Revenues, Expenses and
Changes of Net Assets
Component Units

Year ended June 30, 2007

	Indian Hills Community College Development Corp., Inc.	Indian Hills Community College Foundation, Inc.	Total
Operating revenues:			
Contributions	\$ -	5,327,136	5,327,136
Rental income and facility managemnt	527,381	-	527,381
Fines, damages and forfeitures	30,059	-	30,059
Grants	10,000	-	10,000
Miscellaneous	6,976	79,492	86,468
Total operating revenues	574,416	5,406,628	5,981,044
Operating expenses:			
General and administrative	76,702	11,676	88,378
Programs	398,562	-	398,562
Fund raising	-	10,443	10,443
Total operating expenses	475,264	22,119	497,383
Operating income	99,152	5,384,509	5,483,661
Non-operating revenues (expenses):			
Interest on investments, net of \$59,747 of investment expenses	18,368	1,339,647	1,358,015
Gifts to Indian Hills Community College	-	(756,278)	(756,278)
Change in cash surrender value of life insurance	-	11,055	11,055
Net non-operating revenues (expenses)	18,368	594,424	612,792
Change in net assets	117,520	5,978,933	6,096,453
Net assets beginning of year	251,051	13,015,969	13,267,020
Net assets end of year	\$ 368,571	18,994,902	19,363,473

See notes to financial statements.

Indian Hills Community College

Notes to Financial Statements

June 30, 2007

(1) Summary of Significant Accounting Policies

Indian Hills Community College is a publicly supported school established and operated by Merged Area XV under the provisions of Chapter 260C of the Code of Iowa. The 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. Indian Hills 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. Indian Hills Community College maintains campuses in Ottumwa and Centerville, Iowa and at the Ottumwa Industrial Airport and has its administrative offices in Ottumwa. Indian Hills Community College is governed by a Board of Trustees whose members are elected from each director district within Merged Area XV.

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

A. Reporting Entity

For financial reporting purposes, Indian Hills 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 Indian Hills 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 covers. The audited financial statements are available at the College.

Discrete Component Units

Indian Hills Community College Development Corporation, Inc. is a legally separate not-for-profit corporation established to operate the dormitories for Indian Hills Community College and assist in promoting the College. Although the College does not control the timing or amount of receipts from the Development Corporation, the majority of the resources held are used for the benefit of Indian Hills Community College.

Indian Hills Community College Foundation, Inc. is a legally separate not-for-profit organization established to solicit and receive gifts and grants and make contributions to or for the benefit of Indian Hills Community College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of the Foundation's resources are used for the benefit of Indian Hills Community College.

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 net asset categories:

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

Restricted Net Assets:

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

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

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

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 amounts 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. 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 Auditors by June 1 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied.

Receivable for Iowa Industrial New Jobs Training Program (NJTP) – This represents the amount to be remitted to the College for training projects entered into between the College and employers under the provisions of Chapter 260E of the Code of Iowa. The receivable amount is based on expenses incurred through June 30, 2007 on NJTP projects, including interest incurred on NJTP certificates, less revenues received to date.

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

The costs of normal maintenance and repair that do not add to the value of the assets or materially extend asset lives are not capitalized. 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	15-50
Equipment	3-5
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 – Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets have not been spent for their intended purpose. Deferred revenue consists of unspent grant proceeds, succeeding year property tax receivable, advanced student tuition and deferred administrative and training revenue for NJTP projects.

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, 2007.

Auxiliary Enterprise Revenues – Auxiliary enterprise revenues primarily represent revenues generated by the bookstore, food service, printing and central stores.

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 number of calendar days in a session.

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 resulting from exchange transactions, such as payments received for providing services and payments made for services or goods received. Non-operating activities include state appropriations, property tax and interest income.

E. Scholarship Allowances and Student Aid

Financial aid to students is reported in the financial statements under the alternative method, as prescribed by the National Association of College and University Business 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 that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a total College basis by allocating the cash payments to students, excluding payments for services, on the ratio of all aid to the aid not considered to be third party aid.

(2) Cash and Pooled Investments

The College's deposits in banks at June 30, 2007 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.

At June 30, 2007, the College had investments in the Iowa Schools Joint Investment Trust, as follows:

	<u>Amortized Cost</u>
Diversified Portfolio	\$ 10,336,484
Fixed Term Investments	<u>2,800,000</u>
Total	<u>\$ 13,136,484</u>

The investments are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Credit risk. The College's investments in the Iowa Schools Joint Investment Trust were all rated Aaa by Moody's Investors Service.

(3) Inventories

The College's inventories at June 30, 2007 are as follows:

<u>Type</u>	<u>Amount</u>
Supplies and materials	\$ 377,200
Work in progress	501,046
Merchandise held for resale	<u>189,449</u>
Total	<u>\$ 1,067,695</u>

(4) Capital Assets

Capital assets activity for the year ended June 30, 2007 is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Capital assets not being depreciated:				
Land	\$ 368,285	-	-	368,285
Construction in progress	1,402,202	3,491,112	4,868,732	24,582
Total capital assets not being depreciated	1,770,487	3,491,112	4,868,732	392,867
Capital assets being depreciated:				
Buildings	44,634,349	4,868,732	-	49,503,081
Improvements other than buildings	2,487,482	6,528	-	2,494,010
Equipment and vehicles	5,825,557	1,062,635	439,720	6,448,472
Total capital assets being depreciated	52,947,388	5,937,895	439,720	58,445,563
Less accumulated depreciation for:				
Buildings	13,355,036	1,056,007	-	14,411,043
Improvements other than buildings	676,131	97,293	-	773,424
Equipment and vehicles	4,686,057	406,071	360,430	4,731,698
Total accumulated depreciation	18,717,224	1,559,371	360,430	19,916,165
Total capital assets being depreciated, net	34,230,164	4,378,524	79,290	38,529,398
Capital assets, net	\$ 36,000,651	7,869,636	4,948,022	38,922,265

(5) Changes in Long-Term Debt

A summary of changes in long-term debt for the year ended June 30, 2007 is as follows:

	Certificates Payable	Bonds Payable	Total
Balance beginning of year	\$ 10,175,000	3,700,000	13,875,000
Additions	3,005,000	-	3,005,000
Reductions	2,545,000	205,000	2,750,000
Balance end of year	\$ 10,635,000	3,495,000	14,130,000

Certificates Payable

In accordance with agreements dated between June 13, 1995 and May 10, 2007, the College issued certificates totaling \$26,225,000 with interest rates ranging from 3.41% to 7.82%. The debt was incurred to fund the development and training costs incurred relative to implementing Chapter 260E of the Code of Iowa, Iowa Industrial New Jobs Training Program (NJTP). NJTP's purpose is to provide tax-aided training for employees of industries which are new to or are expanding their operations within the State of Iowa. Interest is payable 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
2008	\$ 1,400,000	540,463	1,940,463
2009	1,550,000	460,588	2,010,588
2010	1,575,000	384,555	1,959,555
2011	1,510,000	305,722	1,815,722
2012	1,005,000	229,315	1,234,315
2013-2016	3,595,000	435,385	4,030,385
Total	\$ 10,635,000	2,356,028	12,991,028

Dormitory Revenue Bonds

On March 1, 2000, the College issued revenue bonds of \$5,000,000 for the construction of a new dormitory as allowed by Section 260C.19 of the Code of Iowa and approved by the Iowa Department of Education. The interest rate is 5.15% and the College is required to make semiannual interest payments and annual principal payments with a final maturity date of June 2, 2019. The bonds are to be repaid with anticipated revenue from dormitory operations. In fiscal year 2007, principal payments totaled \$205,000.

Details of the College's June 30, 2007 dormitory revenue bonded indebtedness are as follows:

Year Ending June 30,	Bond Issue of March 1, 2000			
	Interest Rates	Principal	Interest	Total
2008	5.15%	\$ 215,000	179,993	394,993
2009	5.15	230,000	168,920	398,920
2010	5.15	240,000	157,075	397,075
2011	5.15	255,000	144,715	399,715
2012	5.15	265,000	131,583	396,583
2013-2017	5.15	1,550,000	437,750	1,987,750
2018-2019	5.15	740,000	57,680	797,680
Total		\$ 3,495,000	1,277,716	4,772,716

(6) Operating Leases

The College has leased two copiers for its printing division. These leases have been classified as operating leases and, accordingly, all rents are expensed as incurred. The leases expire in December 2009 and February 2010 and require a set monthly payment. The leases also include a per copy charge for copies made in excess of the maximums set in each lease. 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, 2007:

Year Ending June 30,	Cannon 7105	Cannon C5180	Total Payments
2008	\$ 49,692	13,680	63,372
2009	49,692	13,680	63,372
2010	24,846	9,120	33,966
Total	\$ 124,230	36,480	160,710

Rents for the year ended June 30, 2007 for the two operating leases totaled \$29,406.

(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 salary. Contribution requirements are established by state statute. The College's contributions to IPERS for the years ended June 30, 2007, 2006 and 2005 were \$666,837, \$639,751 and \$614,973, 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 payroll and the College is required to contribute 5.75%. The College's and employees' required and actual contributions to TIAA-CREF for the year ended June 30, 2007 were \$373,387 and \$240,267, 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 workers' compensation which has a retention of \$100,000. Excess insurance for all lines is \$800,000 per occurrence, except for errors and omissions which is \$900,000 and workers compensation which is \$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, 2007, no liability has been recorded in the College's financial statements. As of June 30, 2007, 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, 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) Employee Health Insurance Plan

The Indian Hills Community College Employee Group Health Fund was established to account for the partial self funding of the College's health insurance benefit plan. The plan is funded by both employee and College contributions and is administered through service agreements with Auxiant. The agreements are subject to automatic renewal provisions. The College assumes liability for claims up to the individual stop loss limitation of \$40,000 per person. Claims in excess of coverage are insured through purchase of stop loss insurance through commercial carriers.

Monthly payments of service fees and plan contributions to the College's Employee Group Health Fund, an account within the Unrestricted Fund, are recorded as expenses from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Auxiant from the Employee Group Health Fund. The College records the plan assets and related liabilities of the Employee Group Health Fund as an Unrestricted Current Fund. Total contributions to the fund from the operating funds for the year ended June 30, 2007 were \$1,825,683.

Amounts payable from the Employee Group Health Fund at June 30, 2007 total \$137,007, which is for claims incurred and not paid as of June 30, 2007. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in the past year. Information on changes in the aggregate liabilities for claims for the current year is as follows:

	Liability, Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Liability, End of Year
Year ended June 30, 2007	\$ 92,945	1,781,706	(1,737,644)	137,007

(11) New Jobs Training Programs

The College administers the Iowa Industrial New Jobs Training Program (NJTP) in Area XV 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 tax. Since inception, the College has administered 72 projects, with 21 currently receiving project funding. Of the remaining 51 projects, 47 projects have been completed, of which 31 have been fully repaid and 16 are in the repayment process. Four projects have defaulted, one of which was repaid by the guarantor bank and three are being paid by standby property tax. In cases where projects exceed the budgeted amounts, the College intends to obtain additional withholding revenue from the companies.

The College also administered the Iowa Small Business New Jobs Training Program (SBNJTP) in Area XV in accordance with Chapter 260F of the Code of Iowa. SBNJTP's purpose is to provide tax-aided training or retraining for employees of small businesses which are new to or are expanding their operations within the State of Iowa. Approved small businesses received loans from the Iowa Employment Training Fund, a State administered fund. Since inception, the College administered ten projects. Of the ten projects, four were completed and six defaulted.

(12) Early Retirement

On November 10, 2003 and December 11, 2006, the Board of Trustees passed Early Retirement Programs. The program enrollment periods ran from November 11, 2003 until January 15, 2004 and December 14, 2006 until January 15, 2007, respectively. Full-time staff who were between the ages of 55 and 65, had been employed by the College continually for the previous 10 years and were eligible for the College's group health plan during those 10 years were eligible.

Early retirement would begin at the end of the employee's contract or by June 30, 2004 and June 30, 2007, respectively. Employees who accepted early retirement would receive a cash payment equal to 5% of the employee's annualized salary for each full year of employment, up to 100%. The employee had the option to receive a one time payment or installments as approved by the employee and the College. Employees could also elect to receive single coverage health insurance paid by the College until the age of 65 or a cash payment made monthly for a maximum of 12 months or until age 65.

The liability at June 30, 2007 for those employees who elected early retirement under the two programs was \$100,573 and \$902,980, respectively. Early retirement is funded on a pay-as-you-go basis through property tax levies. During the year ended June 30, 2007, \$43,561 was paid for early retirement benefits.

(13) Segment Reporting

A segment is an identifiable activity reported as a stand-alone entity for which one or more revenue bond issues are outstanding. A segment has a specifically identifiable revenue stream pledged in support of revenue bonds and has related expenses, assets and liabilities required by an external party to be accounted for separately. The College has one segment meeting the reporting requirement of GASB Statement No. 35. The segment is the Residence System. The College is required to present the following condensed

statements: statement of net assets, statement of revenues, expenses and changes in net assets and statement of cash flows for the segment.

Dormitory revenue bonds were issued for the construction of a new residence hall. The bonds are payable from the net rents, profits and income derived from operation of the system. The primary source of revenue is dormitory room rental.

	<u>Residence System</u>
Condensed Statement of Net Assets	
Assets:	
Current assets	\$ 598,053
Capital assets, net of accumulated depreciation	8,275,410
Total assets	<u>8,873,463</u>
Liabilities:	
Current liabilities	312,951
Noncurrent liabilities	3,280,000
Total liabilities	<u>3,592,951</u>
Net assets:	
Invested in capital assets, net of related debt	4,780,410
Restricted	500,102
Total net assets	<u>\$ 5,280,512</u>
Condensed Statement of Revenues, Expenses and Changes in Net Assets	
Operating revenues:	
Sales and services	\$ 604,626
Operating expenses	(142,349)
Depreciation	(204,918)
Operating income	<u>257,359</u>
Nonoperating revenues (expenses):	
Investment income	32,079
Interest on indebtedness	(190,550)
Increase in net assets	98,888
Net assets beginning of year	5,181,624
Net assets end of year	<u>\$ 5,280,512</u>
Condensed Statement of Cash Flows	
Net cash flows provided by operating activities	\$ 449,938
Net cash flows provided by investing activities	32,079
Net cash flows used in capital and related financing activities	(395,550)
Net decrease in cash and cash equivalents	86,467
Cash and cash equivalents beginning of year	455,905
Cash and cash equivalents end of year	<u>\$ 542,372</u>

(14) Litigation

During the year ended June 30, 2007, the College was involved in a lawsuit brought against the College by an individual. On August 29, 2007, a judgment was made against the College. The judgment was subsequently settled for \$246,000, which will be paid by the College's insurance carrier.

Other Supplementary Information

Indian Hills Community College

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 funds and their designated purposes are as follows:

Current Funds – The Current Funds are utilized to account for the 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 which are 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.

Endowment Funds – The Endowment Funds are used to account for resources, the principal of which is maintained inviolate to conform with restrictions by donors or other outside agencies. Generally, only the income from these funds may be used.

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.

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

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

Indian Hills Community College

Indian Hills Community College
 Budgetary Comparison Schedule of Expenditures -
 Budget and Actual

Other Supplementary Information

Year ended June 30, 2007

Funds/Levy	Original/ Final Budget	Actual	Variance between Actual and Budget
Unrestricted	\$ 27,658,000	28,552,548	(894,548)
Restricted	6,965,232	3,350,329	3,614,903
Unemployment	30,000	12,970	17,030
Insurance	465,000	582,664	(117,664)
Tort Liability	217,000	308,498	(91,498)
Early Retirement	237,081	895,126	(658,045)
Equipment Replacement	355,621	356,197	(576)
Stand by	99,811	24,199	75,612
Total Restricted	8,369,745	5,529,983	2,839,762
Plant	7,755,830	4,129,203	3,626,627
Bonds and Interest	395,550	394,670	880
Total	\$ 44,179,125	38,606,404	5,572,721

Note to Budgetary Reporting:

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, Scholarships and Grants Accounts and Agency Funds.

For the year ended June 30, 2007, the College's total expenditures did not exceed the total amount budgeted.

See accompanying independent auditor's report.

Indian Hills Community College

Balance Sheet

All Funds

June 30, 2007

	Current Funds		Endowment
	Unrestricted	Restricted	Funds
Assets			
Cash and pooled investments	\$ 6,494,928	7,370,071	3,600,000
Receivables:			
Accounts (less allowance of \$321,443)	2,561,429	98,173	-
Succeeding year property tax	731,400	1,498,000	-
Iowa Industrial New Jobs Training Program	-	3,112,752	-
Due from other funds	1,521,730	1,399,257	-
Due from other governments	210,187	751,784	-
Prepaid expenses	525	-	-
Unamortized bond issue expense	-	1,833,921	-
Inventories	1,067,695	-	-
Capital assets:			
Land	-	-	-
Buildings	-	-	-
Construction in progress	-	-	-
Improvements other than buildings	-	-	-
Equipment and vehicles	-	-	-
Accumulated depreciation	-	-	-
Total assets	\$ 12,587,894	16,063,958	3,600,000

Plant Funds			Agency Funds	Adjustments	Total
Unex- pended	Retirement of Indebtedness	Investment in Plant			
3,557,478	542,372	-	84,083	-	21,648,932
12,240	-	-	8,013	-	2,679,855
731,400	-	-	-	-	2,960,800
-	-	-	-	-	3,112,752
-	-	-	-	(2,920,987)	-
470,301	-	-	37,103	-	1,469,375
-	-	-	-	-	525
-	-	-	-	-	1,833,921
-	-	-	-	-	1,067,695
-	-	368,285	-	-	368,285
-	-	49,503,081	-	-	49,503,081
-	-	24,582	-	-	24,582
-	-	2,494,010	-	-	2,494,010
-	-	6,448,472	-	-	6,448,472
-	-	-	-	(19,916,165)	(19,916,165)
4,771,419	542,372	58,838,430	129,199	(22,837,152)	73,696,120

Indian Hills Community College

Balance Sheet

All Funds

June 30, 2007

	Current Funds		Endowment
	Unrestricted	Restricted	Funds
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 760,430	16,495	-
Salaries and benefits payable	916,494	62,548	-
Interest payable	-	46,067	-
Due to other funds	1,894,154	723,132	-
Deferred revenue:			
Succeeding year property tax	731,400	1,498,000	-
Other	822,629	1,575,484	-
Early retirement payable	-	1,003,553	-
Compensated absences	514,483	38,675	-
Deposits held in custody for others	-	-	-
Certificates payable	-	10,635,000	-
Bonds payable	-	-	-
Total liabilities	5,639,590	15,598,954	-
Fund balances:			
Invested in capital assets, net of related debt	-	-	-
Fund balances:			
Restricted:			
Expendable:			
Scholarships and fellowships	-	55,061	-
Debt service	-	-	-
Cash reserve	-	288,745	-
Other	-	121,198	-
Unrestricted	2,992,163	-	3,600,000
Auxiliary enterprises	3,956,141	-	-
Total fund balance	6,948,304	465,004	3,600,000
Total liabilities and fund balances	\$ 12,587,894	16,063,958	3,600,000

See accompanying independent auditor's report.

Plant Funds			Agency Funds	Adjustments	Total
Unex- pended	Retirement of Indebtedness	Investment in Plant			
-	-	-	37,539	-	814,464
-	-	-	751	-	979,793
-	14,999	-	-	-	61,066
299,177	-	-	4,524	(2,920,987)	-
731,400	-	-	-	-	2,960,800
200,000	-	-	1,836	-	2,599,949
-	-	-	-	-	1,003,553
-	-	-	-	-	553,158
-	-	-	84,549	-	84,549
-	-	-	-	-	10,635,000
-	-	3,495,000	-	-	3,495,000
1,230,577	14,999	3,495,000	129,199	(2,920,987)	23,187,332
-	-	55,343,430	-	(19,916,165)	35,427,265
-	-	-	-	-	55,061
-	527,373	-	-	-	527,373
-	-	-	-	-	288,745
-	-	-	-	-	121,198
3,540,842	-	-	-	-	10,133,005
-	-	-	-	-	3,956,141
3,540,842	527,373	55,343,430	-	(19,916,165)	50,508,788
4,771,419	542,372	58,838,430	129,199	(22,837,152)	73,696,120

Indian Hills Community College

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

Year ended June 30, 2007

	Current Funds	
	Unrestricted	Restricted
Revenues:		
General:		
State appropriations	\$ 12,702,994	1,370,322
Tuition and fees	12,206,286	-
Property tax	801,447	1,408,388
Federal appropriations	853,868	7,486,707
Sales and services	165,304	-
Interest on investments	367,022	375,961
Iowa Industrial New Jobs Training Program	-	2,403,017
Increase in plant investment due to donated plant assets	-	-
Increase in plant investment due to plant expenditures (including \$407,235 in current fund expenditures and \$29,390 in trade-in value)	-	-
Increase in plant investment due to retirement of debt	-	-
Proceeds from sale of assets	-	-
Gain on sale of assets	-	-
Gifts from the Indian Hills Community College Foundation	-	-
Miscellaneous	942,093	1,092,148
	<u>28,039,014</u>	<u>14,136,543</u>
Auxiliary enterprises:		
Tuition and fees	163,877	-
Federal appropriations	33,275	-
Sales and services	6,170,514	-
Interest on investments	181,754	-
Reimbursement from operating funds for self funded health insurance	1,825,683	-
Miscellaneous	199,352	-
	<u>8,574,455</u>	<u>-</u>
Total revenues	<u>36,613,469</u>	<u>14,136,543</u>
Expenditures:		
Education and support:		
Liberal arts and sciences	4,670,055	247,294
Vocational technical	9,342,393	563,929
Adult education	2,022,511	543,930
Cooperative services	93,420	1,504,257
Administration	1,523,719	369,167
Student services	3,046,111	-
Learning resources	854,279	-
Physical plant	3,127,141	582,664
General institution	3,872,919	1,203,625
Total education and support	<u>28,552,548</u>	<u>5,014,866</u>

Endowment Funds	Plant Funds			Adjustments	Total
	Unex- pended	Retirement of Indebtedness	Investment in Plant		
-	739,077	-	-	-	14,812,393
-	-	-	-	(2,100,397)	10,105,889
-	801,447	-	-	-	3,011,282
-	757,913	-	-	-	9,098,488
-	296,423	-	-	-	461,727
-	176,007	32,079	-	-	951,069
-	-	-	-	-	2,403,017
-	-	-	626,010	-	626,010
-	-	-	3,934,265	(3,934,265)	-
-	-	-	205,000	(205,000)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	756,278	756,278
-	73,498	-	-	(756,278)	1,351,461
-	2,844,365	32,079	4,765,275	(6,239,662)	43,577,614
-	-	-	-	-	163,877
-	-	-	-	-	33,275
-	-	-	-	(1,454,537)	4,715,977
-	-	-	-	-	181,754
-	-	-	-	(1,825,683)	-
-	-	-	-	-	199,352
-	-	-	-	(3,280,220)	5,294,235
-	2,844,365	32,079	4,765,275	(9,519,882)	48,871,849
-	-	-	-	(116,627)	4,800,722
-	-	-	-	(278,160)	9,628,162
-	-	-	-	(116,184)	2,450,257
-	-	-	-	(1,309)	1,596,368
-	-	-	-	(232,575)	1,660,311
-	-	-	-	(122,487)	2,923,624
-	-	-	-	(14,786)	839,493
-	-	-	-	(23,472)	3,686,333
-	-	-	-	(186,017)	4,890,527
-	-	-	-	(1,091,617)	32,475,797

Indian Hills Community College
 Schedule of Revenues, Expenditures and
 Changes in Fund Balances
 All Funds

Year ended June 30, 2007

	Current Funds	
	Unrestricted	Restricted
Expenditures (continued):		
Auxiliary enterprises	7,665,202	-
Scholarships and grants	-	6,097,517
Workforce Investment Act	-	1,685,342
Plant operations	-	-
Plant asset acquisitions	-	-
Retirement of indebtedness	-	-
Disposal of plant assets	-	-
Interest on indebtedness	-	515,116
Loss on disposal of assets	-	-
Depreciation	-	-
Total expenditures	<u>36,217,750</u>	<u>13,312,841</u>
Excess (deficiency) of revenues over (under) expenditures	<u>395,719</u>	<u>823,702</u>
Transfers:		
Mandatory transfers	(449,938)	-
Non-mandatory transfers	(76,071)	(832,256)
Total transfers	<u>(526,009)</u>	<u>(832,256)</u>
Net	(130,290)	(8,554)
Fund balances beginning of year	<u>7,078,594</u>	<u>473,558</u>
Fund balances end of year	<u>\$ 6,948,304</u>	<u>465,004</u>

See accompanying independent auditor's report.

Endowment Funds	Plant Funds			Adjustments	Total
	Unex- pended	Retirement of Indebtedness	Investment in Plant		
-	-	-	-	(1,925,021)	5,740,181
-	-	-	-	(2,763,680)	3,333,837
-	-	-	-	(7,534)	1,677,808
-	631,563	-	-	-	631,563
-	3,497,640	-	-	(3,497,640)	-
-	-	205,000	-	(205,000)	-
-	-	-	439,720	(439,720)	-
-	-	189,670	-	-	704,786
-	-	-	-	49,900	49,900
-	-	-	-	1,559,371	1,559,371
-	4,129,203	394,670	439,720	(8,320,941)	46,173,243
-	(1,284,838)	(362,591)	4,325,555	(1,198,941)	2,698,606
-	-	449,938	-	-	-
-	908,327	-	-	-	-
-	908,327	449,938	-	-	-
-	(376,511)	87,347	4,325,555	(1,198,941)	2,698,606
3,600,000	3,917,353	440,026	51,017,875	(18,717,224)	47,810,182
3,600,000	3,540,842	527,373	55,343,430	(19,916,165)	50,508,788

Indian Hills Community College

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

Year ended June 30, 2007

	Education			
	Liberal Arts and Sciences	Vocational Technical	Adult Education	Coopera- tive Services
Revenues:				
State appropriations	\$ 4,457,549	6,762,261	1,393,631	-
Tuition and fees	4,477,639	6,757,218	885,168	65,906
Property tax	-	-	-	-
Federal appropriations	-	384,669	330,014	-
Sales and services	832	25,389	120,427	-
Interest on investments	347,139	-	-	-
Miscellaneous	-	251,083	2,277	-
	<u>9,283,159</u>	<u>14,180,620</u>	<u>2,731,517</u>	<u>65,906</u>
Allocation of support services	515,565	1,031,131	231,116	-
Total revenues	<u>9,798,724</u>	<u>15,211,751</u>	<u>2,962,633</u>	<u>65,906</u>
Expenditures:				
Salaries and benefits	4,308,207	8,466,567	1,500,625	89,697
Services	161,411	205,255	278,716	1,309
Materials and supplies	133,141	417,732	89,028	-
Travel	42,385	156,036	41,746	2,414
Loan cancellations and bad debts	-	-	-	-
Administrative and collections	-	-	360	-
Plant asset acquisitions	-	95,000	-	-
Cost of goods sold	5,993	90	108,797	-
Miscellaneous	18,918	1,713	3,239	-
	<u>4,670,055</u>	<u>9,342,393</u>	<u>2,022,511</u>	<u>93,420</u>
Allocation of support services	3,603,009	7,206,018	1,615,142	-
Total expenditures	<u>8,273,064</u>	<u>16,548,411</u>	<u>3,637,653</u>	<u>93,420</u>
Excess (deficiency) of revenues over (under) expenditures	1,525,660	(1,336,660)	(675,020)	(27,514)
Transfers:				
Non-mandatory transfers	-	-	346,916	-
Net	<u><u>\$ 1,525,660</u></u>	<u><u>(1,336,660)</u></u>	<u><u>(328,104)</u></u>	<u><u>(27,514)</u></u>
Fund balance beginning of year				
Fund balance end of year				

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

See accompanying independent auditor's report.

General Adminis- tration	Support				Education and Support Total
	Student Services	Learning Resources	Physical Plant	General Institution	
-	7,956	76,685	4,912	-	12,702,994
-	20,355	-	-	-	12,206,286
801,447	-	-	-	-	801,447
-	139,185	-	-	-	853,868
-	13,468	4,705	-	483	165,304
19,883	-	-	-	-	367,022
201,561	8,180	3,356	458,538	17,098	942,093
1,022,891	189,144	84,746	463,450	17,581	28,039,014
(1,022,891)	(189,144)	(84,746)	(463,450)	(17,581)	-
-	-	-	-	-	28,039,014
941,078	2,783,523	496,610	1,655,735	2,235,336	22,477,378
134,021	143,856	186,880	1,191,824	937,265	3,240,537
9,666	91,548	162,811	275,883	379,251	1,559,060
51,298	24,725	5,279	2,124	109,159	435,166
293,295	-	-	-	-	293,295
91,995	-	-	-	-	92,355
-	-	-	-	74,935	169,935
-	-	-	-	-	114,880
2,366	2,459	2,699	1,575	136,973	169,942
1,523,719	3,046,111	854,279	3,127,141	3,872,919	28,552,548
(1,523,719)	(3,046,111)	(854,279)	(3,127,141)	(3,872,919)	-
-	-	-	-	-	28,552,548
-	-	-	-	-	(513,534)
370,901	-	-	-	-	717,817
370,901	-	-	-	-	204,283
					2,787,880
					<u>\$ 2,992,163</u>

Indian Hills Community College

Indian Hills Community College

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

Year ended June 30, 2007

	Institutional Services	Education Program	Miscellaneous	Total
Revenues:				
Tuition and fees	\$ -	139,537	24,340	163,877
Federal appropriations	-	33,275	-	33,275
Sales and services	3,608,486	1,886,334	675,694	6,170,514
Interest on investments	11,814	-	169,940	181,754
Reimbursements from operating funds for self funded health insurance	1,825,683	-	-	1,825,683
Miscellaneous	108,374	79,809	11,169	199,352
Total revenues	5,554,357	2,138,955	881,143	8,574,455
Expenditures:				
Salaries and benefits	389,276	1,038,767	75,551	1,503,594
Services	325,884	99,096	102,183	527,163
Materials and supplies	101,181	70,880	11,248	183,309
Travel	21,975	1,901	1,883	25,759
Loan cancellations and bad debts	60,585	-	-	60,585
Plant asset acquisitions	12,565	8,159	-	20,724
Group health claims	1,781,706	-	-	1,781,706
Miscellaneous	267,000	175,258	509	442,767
Cost of goods sold	2,438,011	681,584	-	3,119,595
Total expenditures	5,398,183	2,075,645	191,374	7,665,202
Excess of revenues over expenditures	156,174	63,310	689,769	909,253
Transfers:				
Mandatory transfers	-	-	(449,938)	(449,938)
Non-mandatory transfers	(785,489)	-	(8,399)	(793,888)
Total transfers	(785,489)	-	(458,337)	(1,243,826)
Net	(629,315)	63,310	231,432	(334,573)
Fund balances beginning of year	3,181,985	54,987	1,053,742	4,290,714
Fund balances end of year	\$ 2,552,670	118,297	1,285,174	3,956,141

See accompanying independent auditor's report.

Indian Hills Community College

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

Year ended June 30, 2007

	Scholarships and Grants	Equipment Replacement	Tort Liability	Insurance
Revenues:				
State appropriations	\$ 372,976	-	-	-
Property tax	-	356,197	225,374	450,891
Federal appropriations	4,660,954	-	-	-
Interest on investments	-	-	-	-
Iowa Industrial New Jobs Training Program	-	-	-	-
Miscellaneous	1,066,854	-	6,031	10,982
Total revenues	6,100,784	356,197	231,405	461,873
Expenditures:				
Salaries and benefits	-	-	114,982	-
Services	11,200	-	193,516	582,664
Materials and supplies	-	140,873	-	-
Travel	-	-	-	-
Interest on indebtedness	-	-	-	-
Awards to subrecipients	-	-	-	-
Plant asset acquisitions	-	215,324	-	-
Miscellaneous	-	-	-	-
Federal Pell grant program	4,332,546	-	-	-
Federal supplemental educational opportunity grant	84,951	-	-	-
Health and Human Services Nursing	183,016	-	-	-
Iowa College Student Aid Commission	135,925	-	-	-
Private scholarships	1,349,879	-	-	-
Total expenditures	6,097,517	356,197	308,498	582,664
Excess (deficiency) of revenues over (under) expenditures	3,267	-	(77,093)	(120,791)
Transfers:				
Non-mandatory transfers	-	-	77,093	71,320
Net	3,267	-	-	(49,471)
Fund balances beginning of year	51,793	-	-	49,471
Fund balances end of year	\$ 55,060	-	-	-

See accompanying independent auditor's report.

Early Retirement	Unemployment Compensation	Workforce Investment Act	Iowa		Total
			Industrial New Jobs Training Program	Miscellaneous	
-	-	63,674	-	933,672	1,370,322
266,839	39,463	-	69,624	-	1,408,388
-	-	1,618,041	-	1,207,712	7,486,707
-	-	-	375,961	-	375,961
-	-	-	2,403,017	-	2,403,017
-	-	46	-	8,235	1,092,148
266,839	39,463	1,681,761	2,848,602	2,149,619	14,136,543
895,126	12,970	796,930	101,159	749,502	2,670,669
-	-	187,907	1,403,099	280,156	2,658,542
-	-	49,066	-	102,789	292,728
-	-	28,666	-	94,300	122,966
-	-	-	515,116	-	515,116
-	-	622,772	-	-	622,772
-	-	-	-	1,252	216,576
-	-	-	-	127,155	127,155
-	-	-	-	-	4,332,546
-	-	-	-	-	84,951
-	-	-	-	-	183,016
-	-	-	-	-	135,925
-	-	-	-	-	1,349,879
895,126	12,970	1,685,341	2,019,374	1,355,154	13,312,841
(628,287)	26,493	(3,580)	829,228	794,465	823,702
628,287	-	-	(829,228)	(779,728)	(832,256)
-	26,493	(3,580)	-	14,737	(8,554)
-	18,045	9,633	-	344,616	473,558
-	44,538	6,053	-	359,353	465,004

Schedule 7

Indian Hills Community College

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

Year ended June 30, 2007

	Athletics and Student Organizations	Federal Direct Student Loan Program	Retraining Program (HF 260F)	Miscel- laneous	Total
Balance beginning of year	\$ 34,388	-	134,459	57,375	226,222
Additions:					
State appropriations	-	-	114,494	-	114,494
Federal appropriations	-	9,276,116	-	-	9,276,116
Tuition and fees	276,000	-	-	-	276,000
Sales and services	233,969	-	-	65,949	299,918
Partnership loan program	-	-	-	2,250,883	2,250,883
Miscellaneous	15,089	-	-	136,399	151,488
Flexible spending contributions	-	-	-	10,127	10,127
Total additions	525,058	9,276,116	114,494	2,463,358	12,379,026
Deductions:					
Salaries and benefits	10,003	-	-	129,654	139,657
Services	162,651	-	164,870	2,320,786	2,648,307
Materials and supplies	73,763	-	-	793	74,556
Travel	234,922	-	-	177	235,099
Miscellaneous	61,379	-	-	5,783	67,162
Cost of goods sold	17,889	-	-	-	17,889
Direct student loans	-	9,276,116	-	-	9,276,116
Flexible spending disbursements	-	-	-	61,913	61,913
Total deductions	560,607	9,276,116	164,870	2,519,106	12,520,699
Balance end of year	\$ (1,161)	-	84,083	1,627	84,549

See accompanying independent auditor's report.

Indian Hills Community College
 Schedule of Credit and Contact Hours
 Year ended June 30, 2007

Category	Credit Hours			Contact Hours		
	Eligible for Aid	Not Eligible for Aid	Total	Eligible for Aid	Not Eligible for Aid	Total
Arts and Sciences	44,175	-	44,175	842,159	-	842,159
Vocational Education	63,561	-	63,561	1,856,307	-	1,856,307
Adult Education/Continuing Education	-	-	-	324,423	8,239	332,662
Total	107,736	-	107,736	3,022,889	8,239	3,031,128

See accompanying independent auditor's report.

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

	Years ended June 30,			
	2007	2006	2005	2004
Local (property tax)	\$ 3,011,282	2,888,099	2,875,524	3,179,361
State	14,812,393	13,848,936	12,292,751	11,593,825
Federal	9,131,763	8,496,721	9,123,246	8,944,834
Total	\$ 26,955,438	25,233,756	24,291,521	23,718,020

See accompanying independent auditor's report.

2003	2002	2001
3,163,315	3,039,503	3,046,900
11,740,024	12,569,921	12,983,480
8,563,371	7,753,398	6,195,634
23,466,710	23,362,822	22,226,014

Indian Hills Community College

Schedule of Current Fund Revenues by Source
and Expenditures by Function

For the Last Seven Years

	Years ended June 30,			
	2007	2006	2005	2004
Revenues:				
State appropriations	\$ 14,073,316	12,763,819	12,055,153	11,877,824
Tuition and fees	12,206,286	11,241,360	10,431,661	10,085,886
Property tax	2,209,835	2,101,756	2,082,575	1,464,791
Federal appropriations	8,340,575	8,254,634	9,095,078	8,925,246
Sales and services	165,304	134,153	107,876	702,491
Interest on investments	742,983	577,753	345,361	103,560
Iowa Industrial New Jobs Training Program	2,403,017	2,058,203	3,586,833	2,605,028
Auxiliary enterprises	8,574,455	7,424,262	7,211,806	6,801,482
Miscellaneous	2,034,241	1,745,273	1,623,025	964,840
Total	\$ 50,750,012	46,301,213	46,539,368	43,531,148
Expenditures:				
Liberal arts and sciences	\$ 4,917,349	4,373,871	3,913,839	3,910,501
Vocational technical	9,906,322	9,350,631	9,148,834	8,473,152
Adult education	2,566,441	2,663,422	2,584,709	3,048,487
Cooperative services	1,597,677	1,484,142	2,485,196	1,773,900
Administration	1,892,886	1,866,882	1,652,553	1,575,133
Student services	3,046,111	3,060,406	3,129,312	3,242,171
Learning resources	854,279	966,732	953,797	938,187
Physical plant	3,709,805	3,410,401	3,296,010	3,064,897
General institution	5,076,544	3,500,220	3,055,668	3,975,255
Auxiliary enterprises	7,665,202	6,790,798	6,450,441	5,781,303
Scholarships and grants	6,097,517	5,865,340	6,050,306	5,630,328
Workforce Investment Act	1,685,342	1,233,997	1,193,859	1,402,372
Interest on indebtedness	515,116	538,980	548,322	585,424
Total	\$ 49,530,591	45,105,822	44,462,846	43,401,110

See accompanying independent auditor's report.

2003	2002	2001
11,740,024	11,903,254	12,931,112
9,290,403	8,153,196	6,769,630
1,444,351	1,456,252	1,445,763
8,552,156	7,741,431	6,181,892
57,281	28,982	36,439
204,443	323,758	611,783
2,044,904	2,691,786	2,487,532
6,445,944	6,092,312	6,526,862
1,418,976	973,531	845,564
41,198,482	39,364,502	37,836,577
3,519,765	3,130,772	3,390,166
7,862,347	7,681,105	7,171,627
3,099,715	2,222,860	1,844,938
1,890,954	2,637,049	349,073
1,535,790	1,269,738	1,365,426
3,038,017	2,952,997	2,234,009
867,409	804,581	897,957
3,111,572	2,661,665	2,706,806
2,977,428	2,843,839	2,755,138
5,690,620	5,339,799	5,912,931
5,283,155	4,196,945	3,123,861
1,444,968	2,015,869	1,485,069
632,708	652,472	635,495
40,954,448	38,409,691	33,872,496

Schedule 11

Indian Hills Community College
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2007

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures	New Loans and New Loan Guarantees
Direct:				
U.S. Department of Commerce - Economic Development Administration:				
Investments for Public Works and Economic Development Facilities	11.300		\$ 757,913	-
U.S. Department of Labor:				
WIA Pilots, Demonstrations and Research Projects	17.261 **		213,654	-
National Science Foundation:				
Education and Human Resources	47.076		6,403	-
U.S. Department of Education:				
Federal Supplemental Educational Opportunity Grants	84.007 *		96,151	-
Federal Work-Study Program	84.033 *		139,185	-
Federal Pell Grant Program	84.063 *		4,332,546	-
Federal Direct Student Loans	84.268 *		-	9,276,116
Trio Cluster:				
TRIO-Student Support Services	84.042		247,295	-
TRIO-Upward Bound	84.047		247,984	-
TRIO-Educational Opportunity Centers	84.066		224,520	-
			719,799	-
Academic Competitiveness Grants	84.375		49,241	-
U.S. Department of Health and Human Services:				
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925 *		183,016	-
Total direct			6,497,908	9,276,116
Indirect:				
U.S. Department of Agriculture:				
Iowa Department of Education:				
Child and Adult Care Food Program	10.558		33,275	-
U.S. Department of Labor:				
Forsyth Technical Community College:				
WIA Pilots, Demonstrations and Research Projects	17.261 **		147,248	-
Iowa Department of Education:				
Mine Health and Safety Grants	17.600		1,265	-
Incentive Grants - WIA Section 503	17.267 ***		51,858	-
Iowa Department of Workforce Development:				
Trade Adjustment Assistance	17.245	1-W-15-FR	1,159	-
Work Incentive Grants	17.266	1-W-15-FR	88	-
Incentive Grants - WIA Section 503	17.267 ***	1-W-15-FR	17,632	-

Indian Hills Community College
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2007

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures	New Loans and New Loan Guarantees
Indirect (continued):				
U.S. Department of Labor:				
Iowa Department of Workforce Development:				
WIA Cluster:				
WIA Adult Program	17.258	1-W-15-FR	258,158	-
WIA Youth Activities	17.259	1-W-15-FR	132,133	-
WIA Dislocated Workers	17.260	1-W-15-FR	675,079	-
			1,065,370	-
Disabled Veterans' Outreach Program (DVOP)	17.801	1-W-15-FR	3,192	-
Small Business Administration:				
Iowa State University:				
Small Business Development Center	59.037		39,211	-
U.S. Department of Education:				
Iowa Department of Education:				
Adult Education - State Grant Program	84.002		266,891	-
Vocational Education - Basic Grants to States	84.048		472,467	-
U.S. Department of Health and Human Services:				
Iowa Department of Workforce Development:				
Temporary Assistance for Needy Families	93.558	1-W-15-FR	531,374	-
Iowa Department of Public Health:				
Specially Selected Health Projects	93.888		3,600	-
Total indirect			2,634,630	-
Total			\$ 9,132,538	9,276,116

* – Combined student financial assistance expenditures treated as major financial assistance program, Student Financial Assistance Cluster.

** – Total for CFDA number is \$360,902.

*** – Total for CFDA number is \$69,490.

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Indian Hills 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.

Indian Hills 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 Trustees of
Indian Hills Community College:

We have audited the accompanying financial statements of Indian Hills Community College, Ottumwa, Iowa, and the aggregate discretely presented component units as of and for the year ended June 30, 2007, which collectively comprise the College's basic financial statements listed in the table of contents, and have issued our report thereon dated December 20, 2007. 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 Indian Hills Community College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Indian Hills Community College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Indian Hills Community College's internal control over financial reporting.

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Indian Hills 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, 2007 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.

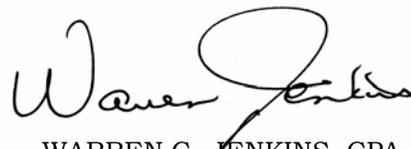
Indian Hills Community College's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we expressed our conclusions on the College's responses, we did not audit the College's responses and, accordingly, we express no opinion on them.

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

December 20, 2007



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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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 Trustees of
Indian Hills Community College:

Compliance

We have audited the compliance of Indian Hills Community College, Ottumwa, 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, 2007. Indian Hills 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 Indian Hills Community College's management. Our responsibility is to express an opinion on Indian Hills 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 Indian Hills 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 Indian Hills Community College's compliance with those requirements.

In our opinion, Indian Hills 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, 2007.

Internal Control Over Compliance

The management of Indian Hills 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 Indian Hills 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Indian Hills Community College's internal control over compliance.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the College's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A control deficiency in the College's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the College's ability to administer a federal program such that there is more than a remote likelihood noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the College's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items III-A-07 and III-B-07 to be significant deficiencies.

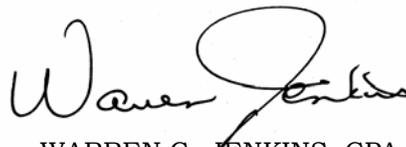
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the College's internal control. We consider the significant deficiencies in internal control described in the accompanying Schedule of Findings and Questioned Costs as items III-A-07 and III-B-07 to be material weaknesses.

Indian Hills Community College's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we expressed our conclusions on the College's responses, we did not audit Indian Hills Community College's responses and, accordingly, we express no opinion on them.

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

December 20, 2007

Indian Hills Community College
Schedule of Findings and Questioned Costs
Year ended June 30, 2007

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) Significant deficiencies in internal control over major programs were disclosed by the audit of the financial statements, including material weaknesses.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - CFDA Number – 11.300 Investments for Public Works and Economic Development Facilities
 - Clustered Program:
 - WIA Cluster:
 - CFDA Number 17.258 – WIA Adult Program
 - CFDA Number 17.259 – WIA Youth Activities
 - CFDA Number 17.260 – WIA Dislocated Workers
 - Student Financial Assistance Cluster:
 - CFDA Number – 84.007 - Federal Supplemental Educational Opportunity Grants
 - CFDA Number – 84.033 - Federal Work-Study Program
 - CFDA Number – 84.063 - Federal Pell Grant Program
 - CFDA Number – 84.268 – Federal Direct Student Loans
 - CFDA Number – 93.925 – Scholarships for Health Profession Students from Disadvantaged Backgrounds
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Indian Hills Community College did qualify as a low-risk auditee.

Indian Hills Community College
Schedule of Findings and Questioned Costs
Year ended June 30, 2007

Part II: Findings Related to the Financial Statements:

SIGNIFICANT DEFICIENCIES:

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.

SIGNIFICANT DEFICIENCIES:

CFDA Number 11.300: Investments for Public Works and Economic Development Facilities
Federal Award Year: 2006
U.S. Department of Commerce – Economic Development Administration

III-A-07 Davis-Bacon – The College delegated responsibility for compliance with federal requirements related to the Davis-Bacon Act to the architect firm for the rural health classroom building project. Certified payroll documents are sent to the architect by the subcontractors for each payroll period. The architect's review is then sent to the College for its review. In the case of one subcontractor, five of its ten employees tested did not receive the prevailing wage rate in accordance with the Wage Determination established by the U.S. Department of Labor. The College is working with the U.S. Department of Labor to resolve this issue.

Recommendation – The College should review its procedures to ensure adequate review is performed and documented for Davis-Bacon requirements.

Response – The College will review their procedures in regards to the Davis-Bacon requirements to ensure compliance. The identified issue has been resolved and the U.S. Department of Labor has determined the amount due. The College will remit this amount to the Wage and Hour Division for disbursement to the affected employees.

Conclusion – Response accepted.

Indian Hills Community College

Schedule of Findings and Questioned Costs

Year ended June 30, 2007

CFDA Number 17.258: WIA Adult Program
Federal Award Year: 2007
U.S. Department of Labor
Passed through Iowa Workforce Development

CFDA Number 17.259: WIA Youth Activities
Federal Award Year: 2007
U.S. Department of Labor
Passed through Iowa Workforce Development

CFDA Number 17.260: WIA Dislocated Workers
Federal Award Year: 2007
U.S. Department of Labor
Passed through Iowa Workforce Development

III-B-07 Participant Monitoring – The College’s monitoring procedures state monitoring will be performed on a quarterly basis for all contracts under \$25,000. Ten percent of all financial and nonfinancial contracts will be selected for monitoring. Ten percent of participant case files are also selected to determine if they are current and in compliance with program requirements. The College did not perform monitoring procedures for the third quarter of fiscal year 2007.

Recommendation – The College should ensure policies and procedures are followed and the required participant monitoring is completed timely.

Response – The policy states that monitoring will be completed by the end of the subsequent quarter. The January 1, 2007 to March 31, 2007 program monitoring was not completed in the allowed time frame. The College will comply with monitoring policies and procedures to ensure monitoring is completed in the required time frame.

Conclusion – Response accepted.

Indian Hills Community College
 Schedule of Findings and Questioned Costs
 Year ended June 30, 2007

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-03 Certified Budget – Total expenditures for the year ended June 30, 2007 did not exceed the total amount budgeted.
- IV-B-03 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-03 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-03 Business Transactions – Business transactions between the College and College officials are detailed as follows:

Name, Title, and Business Connection	Amount	Transaction Description
Tom Keck, Trustee, President of Winger Services	\$ 61,474	Maintenance and repair

In accordance with Chapter 279.7A of the Code of Iowa, the transactions may represent a conflict of interest since the total received during the fiscal year is greater than \$2,500 and written competitive bids were not obtained.

Recommendation – The Community College should consult legal counsel to determine the disposition of this matter.

Response – The College will review its processes and implement procedures to achieve compliance with Chapter 279.7A of the Code of Iowa.

Conclusion – Response accepted.

- IV-E-03 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-03 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-G-03 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-03 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-03 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.

Indian Hills Community College

Staff

This audit was performed by:

Pamela J. Bormann, CPA, Manager
James S. Cunningham, CPA, Senior Auditor II
Daniel L. Durbin, CPA, Staff Auditor
Michael P. Piehl, Staff Auditor
Joshua B. Ludwig, Assistant Auditor
Paula J. Smothers, Assistant Auditor



Andrew E. Nielsen, CPA
Deputy Auditor of State