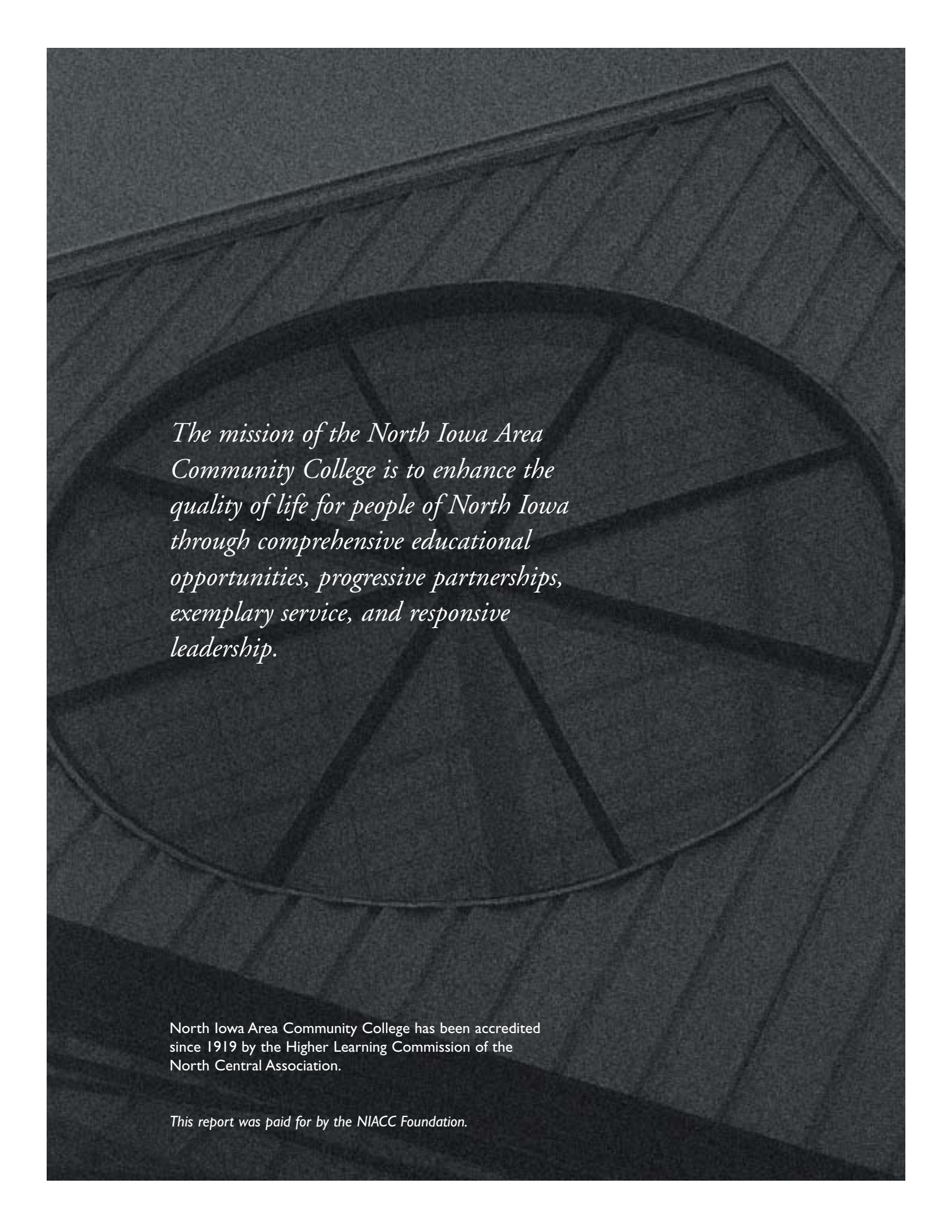


Report

to the Community



A proud past and vital future



*The mission of the North Iowa Area
Community College is to enhance the
quality of life for people of North Iowa
through comprehensive educational
opportunities, progressive partnerships,
exemplary service, and responsive
leadership.*

North Iowa Area Community College has been accredited since 1919 by the Higher Learning Commission of the North Central Association.

This report was paid for by the NIACC Foundation.

Dear Friends,

During a recent presentation about NIACC, an individual in the audience commented at the end of the event, "I didn't know that about NIACC. That's incredible information you just provided. You need to communicate this kind of information to the general public." That comment was the genesis of this "Report to the Community."

This report communicates NIACC's strategic impact for the people and communities we serve in 11 counties. North Iowans have long prided themselves as having a highly regarded Community College, and we hear overwhelming public support for their "people's college." A review of this report demonstrates that our progressive and strategic initiatives have made a positive difference in the lives of North Iowans. We are proud of our achievements, and we realize that NIACC is a strategic asset for all North Iowans. As a strategic asset, we recognize and affirm a high level of responsibility and accountability for all of our constituents.

As College personnel viewed this report, they reaffirmed that NIACC has a "proud past and vital future." We recognize the complex economic and social issues we face today. These challenges confirm the vital and pivotal role that NIACC must play in shaping a good quality of life for North Iowans and in determining worthy responses to present and future issues.

A mismatch currently exists between our strategic importance and impact, on one hand, and declining state financial support on the other hand. We view NIACC as part of the solution to the state's economic challenges. Indeed, as outlined later in this report, through an economic impact study, for every \$1 of state and local money invested in NIACC today, \$9.80 is returned. We hasten to add that NIACC's impact, as identified in this report, extends far beyond financial returns on investment. Given the College's social, economic, and educational impacts, we encourage your support of public policy issues supporting NIACC. After all, it is your Community College.

Sincerely,



Michael Morrison, Ph.D.
President



The Challenge:

The Challenge:

Lack of new program development to meet student and workforce needs

NIACC's Strategic Response:

The College has designed and launched 15 new career preparation programs since the early 1990s.

Agriculture - Ag Marketing and Finance; Ag Sales and Service; E-Agribusiness

Health - Medical Laboratory Technician; Medical Transcription; Physical Therapist Assistant

Business - E-Commerce, Web Design and Development; Financial Management/Insurance; Information Systems Technology; Software Applications Specialist; Sport and Fitness Management

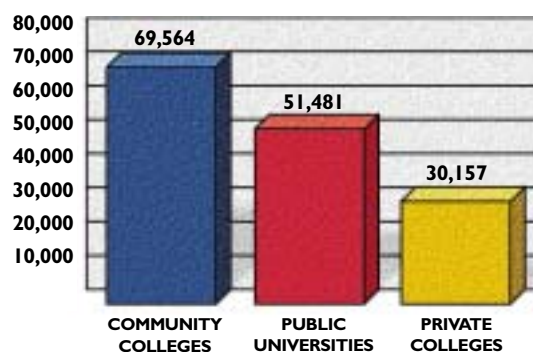
Industrial Service and Technology - Building Trades; Climate Control (2nd year); Electromechanical Systems Technology; Fire Science



Community Colleges are lowans first choice!

The 15 Community Colleges of Iowa enroll 69,564 Iowans compared to 51,481 for the 3 public universities (Iowa, ISU and UNI) and 30,157 for the 35 private colleges/universities in our state.

(Iowa College and University Enrollment Report, Fall 2002)



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The Challenge:

To engage, motivate and recognize academically-talented students

NIACC's Strategic Response:

The NIACC Honors Program, established in 1999, is designed to stimulate and challenge academically talented students. Eligible individuals earn honors credits for classes with an honors component, up to \$1,000 in honors scholarships, and receive other benefits like early registration for classes and free admittance to cultural opportunities on campus.

The Pathways to Success Program, sponsored by the NIACC Alumni Association, recognizes outstanding students for their scholarship, leadership and character.

Campus Life

23 clubs and organizations contribute to a complete college experience

Over 200 students are involved in intercollegiate athletics (volleyball, football, men's and women's soccer, men's and women's basketball, baseball, softball, and men's and women's golf).

Nearly 350 students live on campus in our lakeside student housing facilities, including residence halls and apartments.

High School Students

Approximately 400 area high school students a year get a head start on their college education and careers through partnerships with NIACC.

25-35% of area high school graduates enroll at NIACC the following fall. Within five years, 59% of them attend NIACC.

As part of the program, an accomplished NIACC graduate is invited back each year to share his or her "pathway to success" with the honored students and the general audience. Over 300 NIACC students have been recognized since the program began 13 years ago.

More than 400 NIACC students have been inducted into the Alpha Psi Beta chapter of Phi Theta Kappa, the largest honor society in higher education. Members have an opportunity to enroll in NIACC's new Leadership Development Seminar and are eligible for Guistwhite Scholarships offered by Phi Theta Kappa and special PTK transfer scholarships offered by many four-year colleges. Select members represent NIACC on the All-State Academic Team at a spring banquet in Des Moines and compete for the All-USA Academic Team sponsored by USA Today and the PTK international honor society.

Declining number of high school graduates interested in vocational/technical careers.

NIACC's Strategic Response:

In partnership with 18 local schools, NIACC offers the College Tech Prep Program which helps prepare students for fast-growing technical careers. Tech Prep opens the door to exciting career opportunities while giving students a head start on their college education and future. Without any charge to the student, they may complete a year of college by the time they graduate from high school. After graduation, students may choose to start their careers or continue their education. Many students complete their Associate Degree with only one additional year of classes. Others choose to pursue a four-year degree.

With increasing numbers of incoming students unsure about their career goals, NIACC offers a variety of career exploration opportunities throughout the year for high school students. New events this year included Wired Differently, Diva Tech, and Explore NIACC.



The Challenge:

Demand by parents and students for more rigorous academic College coursework during the students' high school career

NIACC's Strategic Response:

Through Regional Academies, hundreds of high school students complete advanced courses through NIACC at their school, over the Iowa Communications Network, and/or on the NIACC campus. The classes, known as Postsecondary Enrollment Options (PSEO) courses, keep top students challenged and give them an opportunity to take college classes typically unavailable otherwise.

The Challenge:

Lack of a seamless transition from high school to NIACC and then to four-year colleges and universities

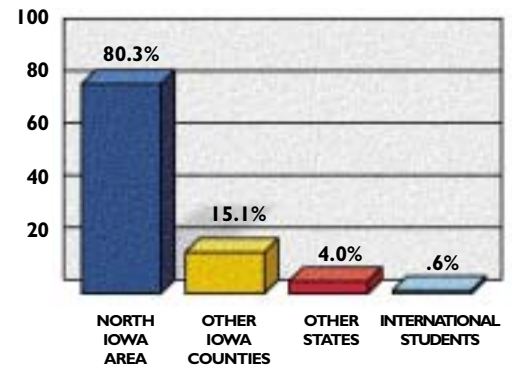
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NIACC's Strategic Response:

With the goal of creating a seamless educational delivery system, NIACC has aggressively pursued articulation agreements with local high schools and 4-year colleges and universities. NIACC currently has 256 articulation agreements with high schools in the North Iowa region. Over 55 agreements with Iowa's public universities and other senior institutions help ensure that NIACC graduates will experience a smooth transition as they transfer onto these schools to complete their 4-year degree. NIACC and Iowa State University, for example, announced articulation agreements in the past year which will benefit students in NIACC's Information Systems Technology, E-Commerce, and Sport and Fitness Management programs. In addition, NIACC recently finalized articulation agreements with Waldorf College and Simpson College.

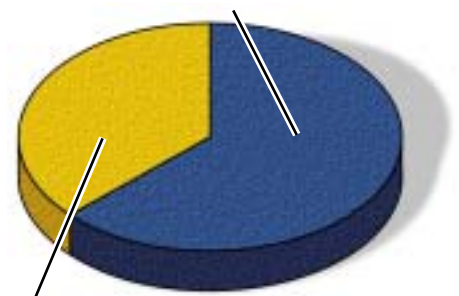
NIACC Student Body (credit students only)

Geographic Distribution



The faculty-student ratio is 13:1 and classes average 20-30 students.

63% are enrolled in Transfer (Arts & Science) Programs



37% are enrolled in Career (Vocational) Programs



Enrollment

NIACC served 29,745 students (credit and non-credit) last year.



Award-Winning Partnership

The Regional Health Education Center, a partnership with Mercy Medical Center-North Iowa, provides extensive educational opportunities to health care professionals and the general public.

Continuing Education Student

Survey (based on 10 years of data)

96.9% found their class(es) to be “critical to their educational needs” and “well worth the time and money invested”

98% said the “instructional content would be applied” or “the course improved their practical understanding of the subject”

97.7% gave the course(s) an “excellent” rating or considered it “very beneficial”

95.3% of employers are satisfied overall with contract training through NIACC

Increased workforce needs for lifelong education and training

NIACC’s Strategic Response:

The activity in NIACC’s Continuing Education Division has increased steadily. Almost 26,000 North Iowans took at least one non-credit class at NIACC last year for professional and/or personal enrichment. That’s impressive when you consider just 121,074 people live in the North Iowa area. In partnership with local schools, classes are offered in nearly every community throughout the region, including Charles City, Osage, Forest City, Lake Mills, Garner and Hampton, where Community Education Centers are located. The result is more than 80,000 enrollments in approximately 6,500 class offerings ranging from Computers 101 and EMT Training to Occupational Spanish and Pottery for Kids.

The Workforce Development Partnership is a joint venture of Iowa Workforce Development, the Iowa Department of Human Services, and North Iowa Area Community College. The Workforce Development Centers, with locations in Mason City, Charles City and Forest City, coordinate a variety of programs and services to assist job seekers as well as North Iowa businesses in obtaining, training and retaining their workforce. The local partnership was selected as the Showcase One-Stop Center in Iowa, which places the Center on a list of places for high-level Administration and Congressional officials to visit in the course of their travels throughout the country.

The NIACC Continuing Education Division works closely with local companies to assess their needs, then develop a customized training plan that involves classes on site, on campus, or even online to help employees and companies grow. Many local companies cover training costs through state funded training programs administered by NIACC. Over \$6.65 million in training through the

Iowa New Jobs Training (260E) program has helped to create 1,594 new jobs at 36 North Iowa companies in the last 5 years. In addition, 4,053 employees at 121 North Iowa companies have been involved in training within the last 5 years through the Iowa Jobs Training (260F) program.

Increasing numbers of disadvantaged students

NIACC's Strategic Response:

The Developmental Education Division at NIACC provides access to education for the citizens of North Iowa and supports students' academic success regardless of their educational backgrounds. Approximately 2,000 North Iowans participate in NIACC Adult Basic Education programs annually in communities throughout the North Iowa region. Over 100 people earn their GED from NIACC each year (92.7 percent of the individuals pass the test the first time.) In addition, NIACC serves nearly 300 people through English as a Second Language (ESL) classes, offers a host of career decision-making and job-seeking skills classes to various audiences, and makes education accessible to special audiences.

NIACC has assisted several high schools in the establishment of alternative high schools. The goal has been to help get them off the ground, then turn them over to the school district(s) involved.

NIACC's Student Support Services Project, funded through a federal grant, provides individualized support for students who may be at greater risk because they have a disability, are economically disadvantaged and/or are first-generation college students. Now in its tenth year at NIACC and an integral part of the institution, the program serves approximately 200 NIACC students annually through tutoring, counseling, seminars, and other support services.

The Library

Serves over 250 people per day

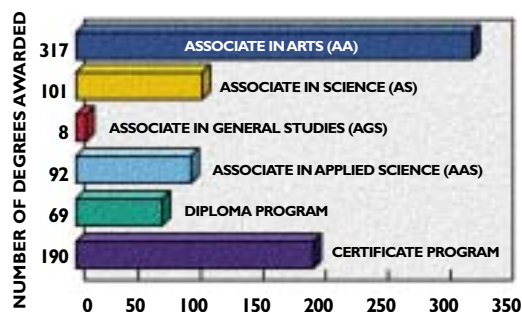
20,202 total circulation

All library items in 2002 (excluding subscriptions) equaled 46,005



Graduates by Degree

NIACC awarded nearly 900 degrees, diplomas and certificates last year.



Nursing Graduates

100% of our Practical Nursing students who took the Practical Nurse Licensure Exam were licensed

(the state benchmark is 92%)

96% of our Associate Degree Nursing students who took the Registered Nurse Licensure Exam were licensed

(the state benchmark is 86%)

Program Accreditation

College programs earning discipline-specific accreditations include Associate Degree Nursing, Automotive Service Technology, Emergency Medical Technician (Basic through Paramedic), Mechanical Design Technology, Medical Assistant, Physical Therapist Assistant, and Practical Nursing.

Placement

99% of the students completing NIACC Career Programs in 2002 are employed:
91% are employed in training-related area
92% are living and working in Iowa (68% in North Iowa)
32 Career Programs experienced 100% placement

NIACC's placement rate is consistently high, ranging from 96% to 99% over the last 5 years.

Limited educational opportunities for "seniors"

NIACC's Strategic Response:

NIACC NOW (New Opportunities for the Wise), a partnership with First Citizens National Bank, was designed specifically for people age 55 and better. The only prerequisites are an active mind and a desire to learn, and course topics are suggested by participants. Among the featured classes currently are Iowa and the Third Reich, World Literature, Classic Greek Cooking, Estate Planning, and Tai Chi.

Senior citizens from all over the United States, including Iowa, converge on the NIACC campus each summer to participate in the annual Elderhostel. The most popular themes include prairie school architecture and the music of Meredith Willson.

The NIACC Developmental Education Division partners in sponsoring classes for senior citizens in care centers, assisted living facilities, and retirement and nursing homes in 9 North Iowa communities. Nearly 300 individuals are served every year.

Degradation of diversified economy through the loss of manufacturing businesses and jobs

NIACC's Strategic Response:

Designed by industry and education leaders, the Murphy Manufacturing Technology Center at NIACC was created to positively impact the number of high performance technicians and provide North Iowa's manufacturing community with an elite workforce. The world-class learning facility is equipped with the latest technologies, allowing NIACC to respond to an increasingly sophisticated manufacturing environment. The General Machinist diploma program, which began with the opening of the Murphy Center, provides the



foundation for the Tool and Die Technology degree program, which involves an in-depth study of high precision industrial dies and die components, progressive dies and plastic industry molds.

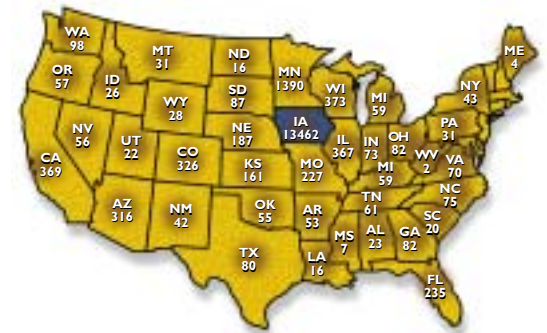
Local manufacturers are heavily involved in Lean Manufacturing training through NIACC. The focus is teaching employees to identify the waste or non-value added activities in the manufacturing process to increase profits and reduce manufacturing lead times. Local companies involved include Advanced Component Technologies, CURRIES, Fleetguard, Graham, IMI Cornelius, Iowa Mold Tooling, Kiefer Built, Metalcraft, Stellar Industries, Sukup Manufacturing, Suntron, TOPS, Wallace Computer and Winnebago Industries. According to the Iowa Manufacturing Extension Partnership, NIACC conducted approximately 40 percent of the Lean Manufacturing training in Iowa last year and is leading the nation.

NIACC Graduates

The Class of 2003 represented 11 states and 98 communities across Iowa.

More than 25,000 people have graduated from NIACC (or predecessor Mason City Junior College) and thousands more have benefited from the College's programs and services in our 85-year history.

Where Are Our Graduates Now?



Not listed on map:

| | |
|----------------------|----|
| Alaska | 27 |
| Connecticut | 18 |
| Delaware | 5 |
| District of Columbia | 8 |
| Hawaii | 12 |
| Maryland | 27 |
| Massachusetts | 16 |
| New Hampshire | 11 |
| New Jersey | 5 |
| Vermont | 3 |

“New economy” businesses and careers with insufficient numbers of skilled professionals to meet the sudden demand

NIACC's Strategic Response:

NIACC became the first community college in Iowa to launch a high tech program for the information age. The Information Systems Technology program quickly became the largest, in terms of enrollment, at the College. It was soon followed by the E-Commerce, Web Design and Development program and the E-Agribusiness program. The Clear Lake and Mason City Economic Development Corporations view these information technology (IT) programs as key assets to their strategic marketing plans.

89% of Iowa Community College graduates live and work in Iowa.



Student Satisfaction

(Credit Study Survey)

The following areas received a satisfaction rating of at least 4.0 on a 5.0 scale and exceeded national averages:



- Variety of courses offered
- Library/learning resources center facilities and services
- College-sponsored tutorial services
- General admissions/entry procedures
- Accuracy of college information received before enrolling
- Recreational and intramural programs and services
- Classroom facilities
- Computer services
- General condition and appearance of buildings and grounds
- Financial aid services
- Personal counseling services
- Student health services
- Student employment services

Market share threatened by online providers of higher education

NIACC's Strategic Response:

NIACC offered its first class over the Internet in 1997, and enrollments have more than doubled each year since 1999. Today, more than 1650 students have taken at least one of the more than 40 NIACC classes available online. A self-motivated student may actually earn his/her Associate Degree from NIACC entirely online. While online class rosters have included people from other states and even other parts of the world, the majority of online students are also taking classes on campus and appreciate the flexibility and convenience offered by online learning.

Unsatisfactory level of entrepreneurial business start-ups and successful new business outcomes in Iowa

NIACC's Strategic Response:

NIACC operates one of the few Pappajohn Entrepreneurial Centers in Iowa, which spurs economic growth by providing resources for aspiring and existing business owners. The Pappajohn Center touches the lives of nearly 300 adult North Iowans each year through a variety of programs and services. Nearly 1,000 North Iowans have learned how to start a business or grow an existing business through FastTrac programs, E-Commerce workshops, and other educational opportunities.

So far, over 100 businesses from 25 North Iowa communities have been launched after participating in a Center program. In addition, nearly 500 businesses have started across Iowa through a statewide collaborative effort known as the Iowa Entrepreneurial Consortium.

Since the implementation of entrepreneurship credit courses at NIACC, students may now earn an

Associate Degree in Entrepreneurship. In addition, entrepreneurial training has been embedded into a variety of courses across the NIACC campus so students from a variety of disciplines can learn the skills necessary to launch a business.

Recently, the Pappajohn Center began providing new businesses with direct access to venture capital. The North Iowa Business Angel Network, for instance, was developed to improve the flow of capital between entrepreneurs and individuals interested in making investments in private companies. The NIACC Pappajohn Center is also a partner in the Wellmark Community Ventures Fund, which will provide venture capital resources (\$1.25 million over the next 5 years) for new business start-ups.

The Pappajohn Center is encouraging entrepreneurial thinking among young people by offering a variety of activities for students from second grade through high school. Examples include the entrepreneurship summer camp, business plan writing contest, and young entrepreneur inventor workshop.



Financial Assistance

80% of students receive financial assistance (includes \$5.7 million a year in grants/loans and over \$500,000 a year in scholarships)

77% are employed while attending college (average hours per week is 18)

Academic Excellence

152 students from the Class of 2002 graduated with honors, including 89 with highest honors.

23 student athletes earned Academic All-Region honors last year; 2 were named Academic All-Americans.

Nearly 150 high school valedictorians salutatorians have attended NIACC in the past 10 years.

2,668 scholarships have been awarded to students through the NIACC Foundation in the last 5 years.

150 graduates have earned straight A's qualifying them for membership in the NIACC Hall of Fame.

Not enough cultural opportunities requiring little travel

NIACC's Strategic Response:

NIACC found an opportunity to improve and enrich the lives of North Iowans by creating the Performing Arts & Leadership Series. Made possible through the support of the Globe Gazette, Elizabeth Muse Norris Charitable Fund and other local sponsors, the series offers an exciting lineup each year at the North Iowa Community Auditorium from Broadway musicals and children's productions to hot new artists and Nobel Peace Prize winners. North Iowa has been graced by the presence of my outstanding guests including Dave Barry, Barbara Bush, Simon Estes, Lou Holtz, Marvin Hamlisch, President F.W. deKlerk, Lorie Line, Jim Lovell, Melissa Manchester, Tom Osbourne, Prime Minister Shimon Perez, Lou Rawls, President Lech Walesa, and more!

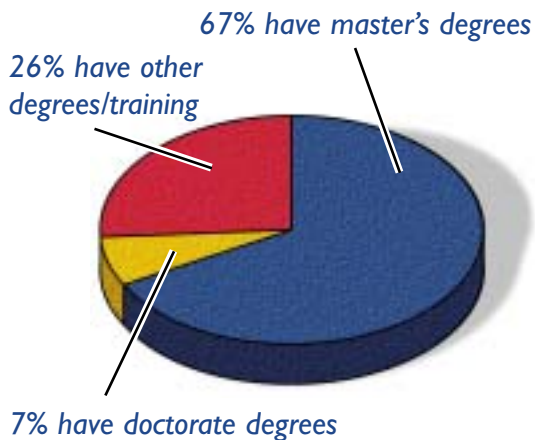
Transfer Success

84% of students graduating in 2000 who intended to transfer had done so by 2002.

Over 700 former NIACC students are currently completing their bachelor's degrees at Iowa's three public universities.

When comparing graduation rates, NIACC and other Iowa Community College transfer students actually beat native students at UNI and ISU.

Faculty Credentials



Veteran faculty have up to 35 years teaching experience

Full-time faculty instruct 70% of the courses



At least one event in the Performing Arts Series is arranged specifically for local elementary students at no charge to the schools. Other unique experiences (like 60 local ballerinas performing the Nutcracker with the Moscow Ballet) are made possible to children through the NIACC Performing Arts & Leadership Series.

A variety of other cultural opportunities are made available to North Iowans through the North Iowa Community Auditorium on the NIACC campus, which is heavily utilized during the year by local schools, businesses and organizations.

Opportunities to reveal NIACC's institutional effectiveness were not realized

NIACC's Strategic Response:

The College recently developed an "accountability" website to provide information about NIACC's effectiveness. Broken down by the nine college goals, it gives specific examples (including data and analysis for each) as to how NIACC is accomplishing its educational and other institutional purposes. To access the information, go to www.niacc.edu and click on "Explore the College" then "Institutional Effectiveness".

The Challenge:



Increased student demands for alternative on-campus living arrangements

NIACC's Strategic Response:

Student housing facilities at NIACC now include lakeside student apartments. Each unit, which accommodates 4 students, features 2 bedrooms, 2 bathrooms, a kitchen, living room and a deck or patio. Apartment residents may take advantage of the residence hall meal plan as well as sand volleyball, basketball and tennis courts on the premises and a recreation trail into town.

The Challenge:

Possible encroachment on property adjacent to campus

NIACC's Strategic Response:

The College's 500-acre countryside campus is situated on the east edge of Mason City because past NIACC trustees and administrators recognized the advantages of creating an aesthetically pleasing campus with room to grow. The NIACC Foundation purchased the land to the East of College Drive 10 years ago to prevent possible encroachment. The proactive acquisition significantly expanded the resources available to the NIACC Agriculture Technology department and will ultimately benefit future NIACC students.

Inadequate resources to fulfill the College mission

NIACC's Strategic Response:

Over a thousand NIACC friends contributed to the College's first major gifts campaign between 1998 and 2001, which raised over \$5 million for student scholarships, new advanced technology programs, the entrepreneurial center, endowment fund, and instructional equipment. Private gifts through the NIACC Foundation help to bridge the gap between what public funds support and what quality education and training demand.

NIACC Service Area

The North Iowa Area Community College service area (Area Two) encompasses all of Cerro Gordo, Floyd, Franklin, Hancock, Mitchell, Winnebago and Worth counties and parts of Butler, Chickasaw, Kossuth and Wright counties.



3,621 square miles

\$4,687,505,531 assessed valuation

121,074 citizens among nearly 60,000 households

Community School Districts

in the service area

Belmond-Klemme, CAL, Clear Lake, Charles City, Corwith-Wesley-LuVerne, Forest City, Garner-Hayfield, Greene, Hampton-Dumont, Lake Mills, Mason City, Mason City Newman, Nora Springs-Rock Falls, North Central, North Iowa, Northwood-Kensett, Osage, Rockwell-Swaledale, Rudd-Rockford-Marble Rock, St. Ansgar, Sheffield-Chapin/Meservey-Thornton, Ventura, West Hancock, Woden-Crystal Lake-Titonka

The image features a pair of glasses with dark frames and clear lenses, resting on a stack of papers. The papers have some faint, illegible markings. The entire scene is set against a dark, textured background. The text 'NIACC's Economic Impact' is overlaid on the lower half of the image in a light, serif font. 'NIACC's' is in a smaller font size than 'Economic', which is the largest word, and 'Impact' is in a medium font size below it.

NIACC's **Economic**
Impact

NIACC's Economic Impact

According to a recent study, NIACC's impact on creating a robust local economy translates into job and investment opportunities, increased business revenues, greater availability of public funds, and an eased tax burden. The researchers, M. Henry Robison, Ph.D. and Kjell A. Christopherson, Ph.D., utilized a sophisticated econometric model to estimate the social and economic impacts of NIACC on Area Two, or the northcentral Iowa region served by the College. The model has been used by over 1300 clients, including all 15 community colleges in Iowa.

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In order to validate the findings, the statewide study was reviewed by Harvey Siegelman, former State of Iowa economist and current adjunct professor of economics at Drake University, and Daniel Otto, professor of economics at Iowa State University. Siegelman and Otto determined that the results of the study were well established, accepted, and, if anything, understated the true impact of NIACC on the region by overestimating the number of students who left Iowa.



NIACC Stimulates the Local Economy

Business sales in North Iowa are \$288 million greater and labor income is \$107 million greater due to past and present operations of North Iowa Area Community College.

The economic impact of NIACC in terms of earnings is equivalent to 4,070 jobs.

The College is one of the region's top employers, with approximately 250 full-time and 290 part-time staff and faculty.

NIACC has an annual payroll of \$13 million. (For every dollar NIACC pays in salaries and benefits, there is an additional \$.27 in salaries and benefits generated off-campus in the regional economy. This is referred to as the multiplier effect.)



It Pays Back!

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The College spends over \$15 million yearly in North Iowa for supplies and salaries.

NIACC skills embodied in the present day workforce increase the output of area industries by \$147 million. Associated multiplier effects in other industries increase sales by an additional \$130 million.

NIACC skills from current and former students increased salaries and benefits in the region by \$49 million directly and \$40 million indirectly in fiscal year 2002.



It Pays to Invest

Investors Get More than Their Money's Worth from NIACC

NIACC has a substantial, positive return of 8.5% on state and local tax support – unlike most subsidized activities which have a negative return.

Broad Perspective

Every \$1 of state and local money invested in NIACC today returns a cumulative \$9.80 over the next 30 years (includes the impact of NIACC on student lifetime earnings and the social savings from lifestyle changes).

NIACC benefits the region through improved health and reduced welfare, unemployment and incarceration – saving the public some \$1.35 million per year.

Narrow Perspective

Every \$1 of state and local money invested in NIACC today returns \$1.59 to the North Iowa region (includes only increased tax collections from increased wages and salaries and lifestyle changes that translate into actual reductions in state and local expenditures).

Even using the conservative (narrow) perspective, state and local government support for NIACC in fiscal year 2002 will be fully recovered in just 12.4 years in the form of higher tax receipts (from increased student wages) and avoided costs.





Students Reap the Greatest Reward from NIACC

A NIACC education increases lifetime earnings by over \$300,000 for those leaving with a two-year Associate Degree.

Over their next 32 years in the workforce, the average NIACC student's discounted lifetime earnings will increase \$7.69 for every education dollar invested.

Students enjoy an attractive 32% rate of return on their NIACC educational investment and recover all costs (including wages foregone while attending the College) in 4.6 years.

NIACC fuels the economy year after year with 91 percent of its credit and non-credit students continuing to live and work in North Iowa.

It Pays to Learn

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Summary:

The benefits accruing to all NIACC constituents far outweigh the relatively low investments they make in the College.

North Iowa Area Community College...

- *Stimulates the local economy*
- *Leverages taxpayers dollars*
- *Provides an excellent return on investment (ROI)*
- *Enhances the quality of life of North Iowans*
- *Increases individuals' earning potential*

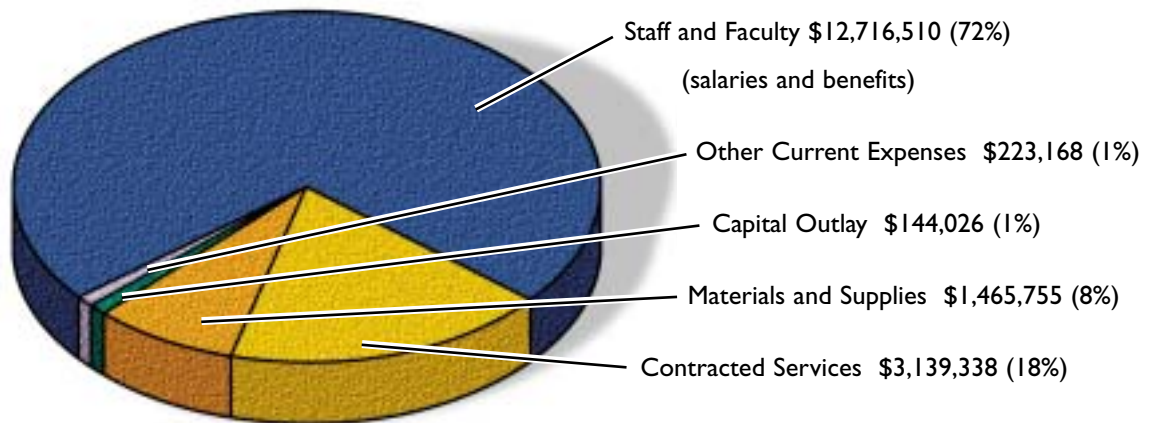


NIACC's operating budget in fiscal year 2002 was \$17.78 million. The College continued to maintain strong solvency and reserve ratios, despite financial challenges due to state budget cuts. The decrease in state general aid was offset by raising tuition modestly, offering an early retirement incentive, and leaving several positions unfilled. While state funding for fiscal year 2003 increased by \$52,000, it remains below the fiscal year 2001 level.

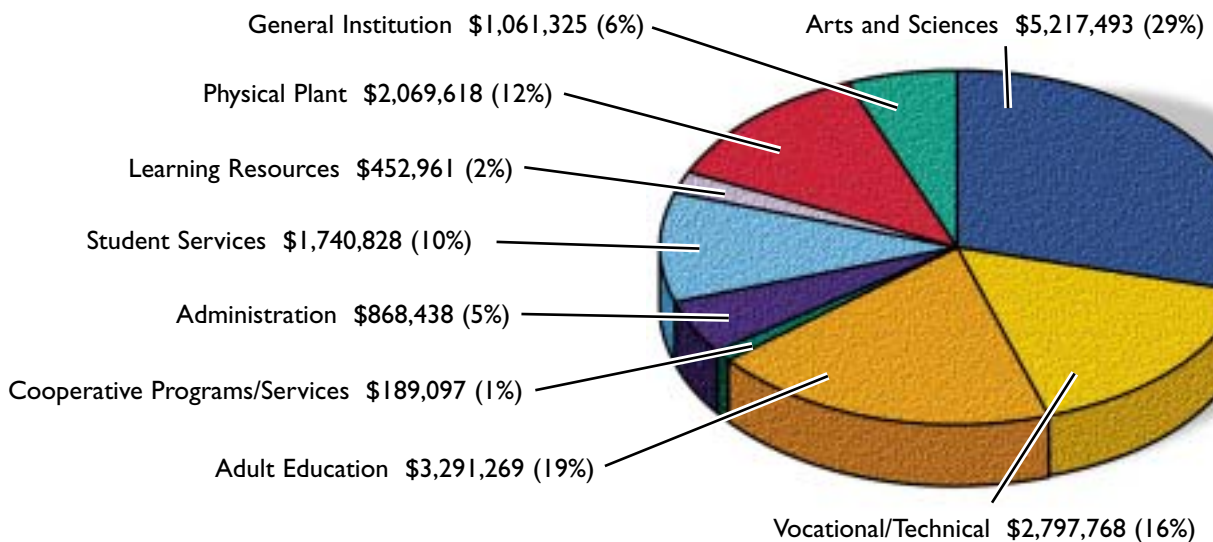
NIACC Financials

EXPENDITURES BY OBJECT (GENERAL FUND)

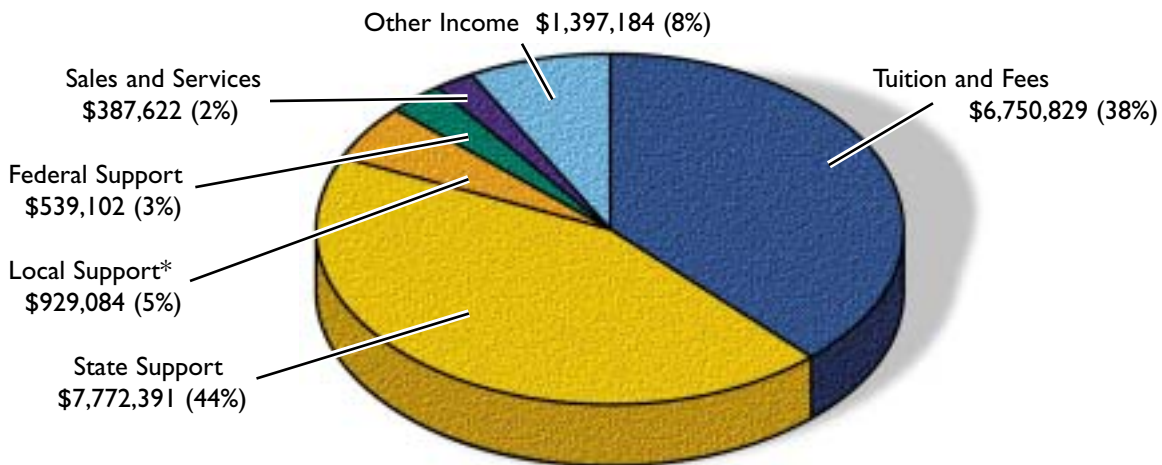
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EXPENDITURES BY ACTIVITY (GENERAL FUND)

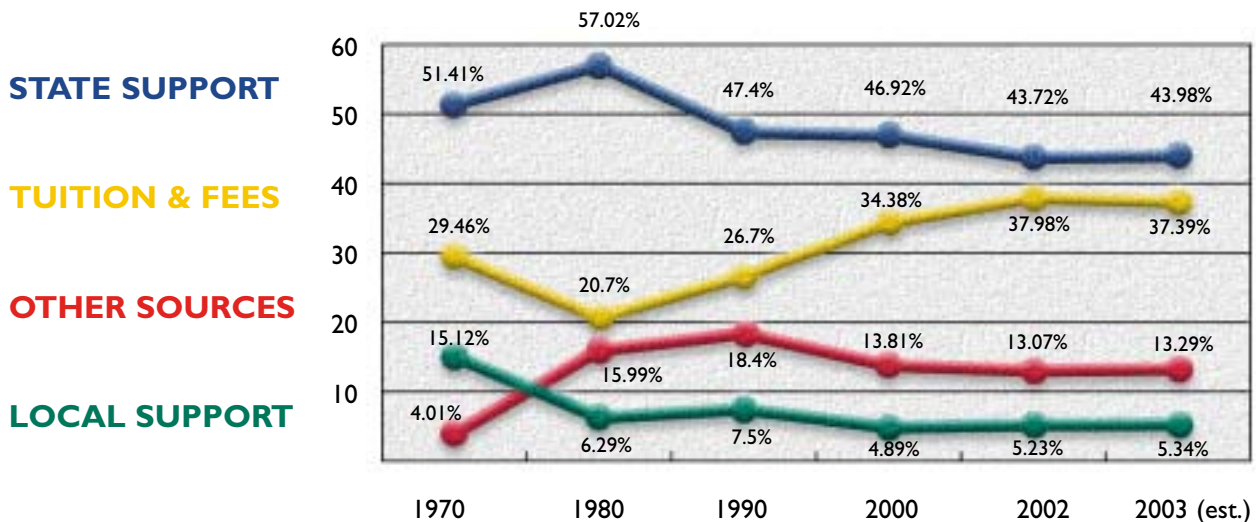


REVENUE (GENERAL FUND)



* NIACC's current tax rate, at 59 cents per \$1,000 of assessed valuation, is among the lowest of Iowa's 15 Community Colleges (the range is \$.54 to \$1.08).

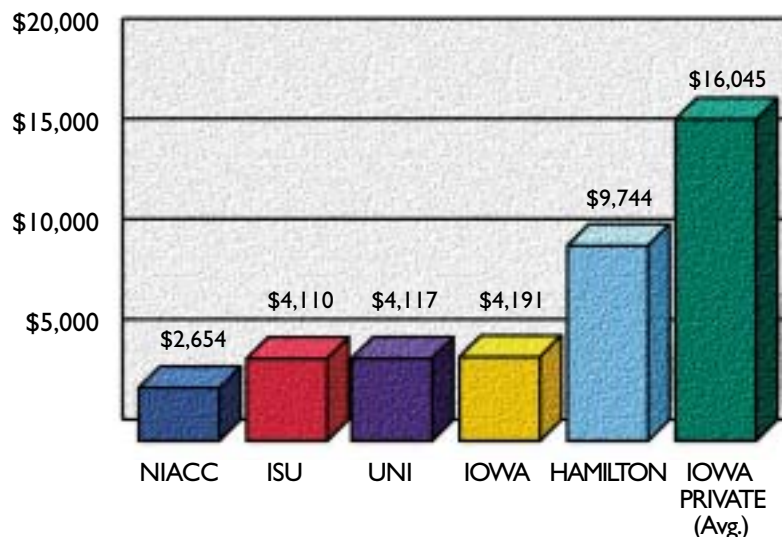
REVENUE SOURCES AS A PERCENTAGE OF THE OPERATING BUDGET



TUITION COMPARISON

Tuition at NIACC is approximately \$2,600 per year for a full-time in-state student – among the low end of Iowa's Community Colleges and more affordable than any public or private 4-year college or university in the state.

The Regents universities (ISU, UNI, Iowa) approved a tuition increase of 17.6% for 2003-04, bringing average tuition and fees to \$5,000. NIACC's proposed tuition and fees increase is 5.6% for next year.



NIACC Financials

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Independent Audit Summary

The College continued to receive an unqualified opinion, which reflects an operation of the highest integrity. Due to strong internal controls, no material weaknesses were disclosed during the audit, and NIACC continued to qualify as a low-risk auditee. Total expenditures for the year did not exceed the budgeted amount, and the institution remained financially solvent.

*McCoy & Company P.C.
Certified Public Accountants*

NIACC Foundation's Support of the College

The NIACC Foundation supports the mission of the College by serving as a financial resource in a variety of areas including program development, building construction, equipment acquisition, cultural opportunities, and student scholarships.



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