

IOWA CENTRAL COMMUNITY COLLEGE

FINANCIAL REPORT

June 30, 2022

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IOWA CENTRAL COMMUNITY COLLEGE

Officials

Year Ended June 30, 2022

	<u>Title</u>	<u>Term Expires</u>
Board of Directors		
Mark Crimmins	President	2025
Larry Hecht	Vice President	2025
Thomas Chelesvig	Member	2023
Darrell Determann	Member	2023
Deborah Loerch (resigned, April, 2022)	Member	2023
Andrea Oswald (appointed May, 2022)	Member	2023
Douglas McDermott	Member	2023
Bennett O'Connor	Member	2025
Connie Smith	Member	2023
Brandon Wessels	Member	2025

Community College

Dr. Jesse Ulrich	President
Thomas Beneke	Vice President
James Kersten	Vice President
Mary Ludwig	Executive Director
Angie Martin	Vice President
Dr. Stacy Mentzer	Vice President
Allyson Walter	Board Secretary/Treasurer

IOWA CENTRAL COMMUNITY COLLEGE



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Iowa Central Community College
Fort Dodge, Iowa

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business type activities and the fiduciary activities of Iowa Central Community College, Fort Dodge, Iowa, and its discretely presented component unit as of and for the year ended June 30, 2022, and the related notes to financial statements, which collectively comprise the College's basic financial statements listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business type activities and the fiduciary activities of Iowa Central Community College and its discretely presented component unit as of June 30, 2022 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Iowa Central Community College, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 14 to the financial statements, Iowa Central Community College adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Iowa Central Community College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Iowa Central Community College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Iowa Central Community College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of the College's Proportionate Share of the Net Pension Liability, the Schedule of College Contributions and the Schedule of Changes in the College's Total OPEB Liability, Related Ratios and Notes on pages 4 through 10 and 42 through 45 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Iowa Central Community College's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2021 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included on pages 45 through 62, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information on pages 46 through 63 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2022 on our consideration of Iowa Central Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Iowa Central Community College's internal control over financial reporting and compliance.

Schnell & Company, LLP

Fort Dodge, Iowa
December 19, 2022

IOWA CENTRAL COMMUNITY COLLEGE

IOWA CENTRAL COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

Iowa Central Community College provides this Management's Discussion and Analysis of its annual financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2022. We encourage readers to consider this information in conjunction with the College's financial statements, which follow.

2022 FINANCIAL HIGHLIGHTS

- The College implemented Governmental Accounting Standards Board Statement (GASBS) No. 87, Leases, during fiscal year 2022. The implementation of this standard revised certain asset and liability accounts related to leases, however, had no effect on the beginning net position.
- Operating revenues increased in fiscal year 2022. The increase in revenues is primarily attributable to increases in auxiliary enterprises, tuition and fees and Federal appropriations. The increase in auxiliary revenue is attributed to increases in bookstore, athletic and student organization, and housing revenue. Tuition and fees increased due to an enrollment increase and a tuition rate increase.
- Operating expenses increased in fiscal year 2022 primarily due to a reduction in scholarships and grants, auxiliary enterprises, general institutional, and cooperative services.

USING THIS ANNUAL REPORT

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

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

The Basic Financial Statements consist of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and a Statement of Cash Flows. These provide information about the activities of the College as a whole and present an overall view of the College's finances. The remaining financial statements provide information about activities for which the College acts solely as an agent or custodian for the benefit of those outside of College government (custodial funds).

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

Required Supplementary Information presents the College's proportionate share of the net pension liability and related contributions, as well as presenting the Changes in the College's total OPEB liability, related ratios and notes.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES

The Statement of Net Position

The Statement of Net Position presents financial information on all of the College's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. The Statement of Net Position is a point-in-time financial statement. The purpose of this statement is to present a fiscal snapshot of the College to the readers of the financial statements. The Statement of Net Position includes year-end information concerning current and non-current assets, deferred outflows of resources, current and non-current liabilities, deferred inflows of resources and net position. Over time, readers of the financial statements will be able to determine the College's financial position by analyzing the increases and decreases in net position. This statement is also a good source for readers to determine how much the College owes to outside vendors and creditors. The statement also presents the available assets that can be used to satisfy those liabilities.

	Net Position	
	June 30,	
	2022	Restated 2021
Current and other assets	\$ 89,992,523	\$ 73,133,526
Capital assets, net of accumulated depreciation/amortization	77,157,504	77,090,444
Total assets	167,150,027	150,223,970
Deferred outflows of resources	3,108,424	3,339,970
Current liabilities	19,344,378	13,415,423
Noncurrent liabilities	50,980,850	64,559,818
Total liabilities	70,325,228	77,975,241
Deferred inflows of resources	25,758,999	14,056,720
Net position:		
Net investment in capital assets	38,057,265	34,064,610
Restricted	7,727,510	7,798,599
Unrestricted	28,389,449	19,668,770
Total net position	\$ 74,174,224	\$ 61,531,979

Comparison of Net Position

Net position increased 20.5% or approximately \$12,643,000 over the prior year.

The largest portion of the College's net position (51.3%) is invested in capital assets (e.g., land, buildings, intangibles and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. The net investments in capital assets increased approximately \$3,993,000 over the prior year, primarily due to construction in progress related to building renovations.

The restricted portion of the net position (10.4 %) includes resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used.

The remaining net position (38.3%) is the unrestricted net position, which can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES (CONTINUED)

Comparison of Net Position (Continued)

Statement of Revenues, Expenses and Changes in Net Position

Changes in total net position presented in the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of the statement is to present the revenues earned by the College, both operating and non-operating, the expenses incurred by the College, both operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the College.

In general, a public college, such as Iowa Central Community College, will report an operating loss since the financial reporting model classifies state appropriations and property tax as non-operating revenues. Operating revenues are received for providing goods and services to the students, customers and constituencies of the College. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the College. 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/amortization, which allocates the cost of an asset over its expected useful life.

	Changes in Net Position	
	Year ended June 30,	
	2022	2021
Operating revenues:		
Tuition and fees	\$ 19,354,469	\$ 15,156,440
Federal appropriations	13,497,406	5,622,698
Iowa Industrial New Jobs Training Program	2,236,751	977,541
Auxiliary enterprises	20,206,750	17,125,109
Sales and services	1,341,821	946,060
Miscellaneous	518,976	586,707
Total operating revenue	57,156,173	40,414,555
Total operating expenses	79,831,661	68,241,859
Operating (loss)	(22,675,488)	(27,827,304)
Non-operating revenues (expenses):		
State appropriations	18,382,245	17,870,319
Pell grant	7,792,081	7,404,456
Property tax	10,231,450	10,224,590
Interest income on investments	190,817	37,079
Loss on sale of capital assets	(21,368)	(29,730)
Interest on indebtedness	(1,257,492)	(723,388)
Net non-operating revenues	35,317,733	34,783,326
Change in net position	12,642,245	6,956,022
Net position beginning of year	61,531,979	54,575,957
Net position end of year	\$ 74,174,224	\$ 61,531,979

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES (CONTINUED)

Comparison of Net Position (Continued)

Statement of Revenues, Expenses and Changes in Net Position (Continued)

The Statement of Revenues, Expenses and Changes in Net Position reflects an increase of 20.5%, or approximately \$12,643,000, in net position at the end of the fiscal year.

In fiscal year 2022, operating revenues increased as a result of the following:

- Tuition and fees revenue increased approximately \$4,198,000 due to a tuition rate and enrollment increase.
- Federal appropriations revenue increased approximately \$7,875,000 due the COVID-19 Federal appropriations.
- Auxiliary enterprises revenue increased approximately \$3,082,000 largely from increases in bookstore revenue and housing revenue because of the enrollment increase.

Operating Expenses

	Year ended June 30,	
	2022	2021
Education and support:		
Liberal arts and sciences	\$ 5,829,952	\$ 6,518,673
Career and technical	7,862,360	7,805,655
Adult education	3,102,911	3,061,164
Cooperative services	2,669,664	1,094,855
Administration	2,030,613	1,155,791
Student services	5,592,762	6,695,440
Learning resources	54,677	66,786
Physical plant	5,227,524	4,877,103
General institution	19,421,122	12,143,571
Auxiliary enterprises	17,003,254	15,319,382
Scholarships and grants	5,515,728	3,765,953
Administrative and collection costs	2,765,770	3,084,606
Depreciation/amortization	2,755,324	2,652,880
Total	\$ 79,831,661	\$ 68,241,859

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES (CONTINUED)

Comparison of Net Position (Continued)

Statement of Revenues, Expenses and Changes in Net Position (Continued)

In fiscal year 2022, operating expenses increased as a result of the following:

- Increase in scholarship and grants due to additional Federal appropriations as a result of the COVID-19 pandemic.
- Increase in athletic and student organizations expenses as activity involvement and competitions resumed to pre-pandemic levels.
- Increase in NJTP 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 net cash flows, its ability to meet its obligations as they come due, and its need for external financing. The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, non-capital financing, capital and related financing and investing activities.

Cash Flows

	<u>June 30,</u>	
	<u>2022</u>	<u>2021</u>
Cash provided by (used in):		
Operating activities	\$ (24,050,823)	\$ (24,237,629)
Non-capital financing activities	39,460,577	32,973,391
Capital and related financing activities	(7,767,717)	1,682,489
Investing activities	190,817	37,079
Net increase in cash	7,832,854	10,455,330
Cash beginning of year	56,803,615	46,348,285
Cash end of year	\$ 64,636,469	\$ 56,803,615

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, the College had approximately \$77.2 million invested in capital assets, net of accumulated depreciation/amortization of approximately \$47.2 million. Depreciation/amortization expense totaled \$2,755,324 for fiscal year 2022. Details of the capital assets are shown below:

	Capital Assets, Net, at Year-End	
	June 30,	
	2022	2021 (Restated)
Land	\$ 4,189,418	\$ 4,189,418
Buildings	57,508,675	55,644,663
Construction in progress	10,621,909	12,204,141
Improvements other than buildings	2,362,931	2,596,744
Equipment and vehicles	2,353,659	2,258,190
Right-to-use leased equipment	120,912	197,288
	<u>\$ 77,157,504</u>	<u>\$ 77,090,444</u>

Major capital expenditures for the fiscal year ending June 30, 2022 included Greehey Family Student Success Center, Industrial Training Center in Storm Lake, renovations to Art & Technology Building, Triton Circle Improvements, Center for Performing Arts remodel & addition, and safety improvements.

Planned capital expenditures for the fiscal year ending June 30, 2023 and beyond include Crimmins Building Exterior improvements, Center for Performing Arts remodel & addition, Triton Circle improvements, relocate of Fuel Testing Center, renovations to Art & Technology Building, Storm Lake Learning Center, Turf Field project, and Science Building renovations.

More detailed information about the College's capital assets is presented in Note 4 to the financial statements.

Debt

At June 30, 2022, the College had approximately \$50.6 million in debt outstanding, a decrease of approximately \$0.6 million from June 30, 2021. The table below summarizes these amounts by type.

	Outstanding Debt	
	June 30,	
	2022	2021 (Restated)
Certificates payable	\$ 11,489,233	\$ 8,195,000
Capital loan note payable	2,732,210	3,681,035
Bonds payable	36,004,250	39,147,511
Note payable	241,500	-
Lease agreements	122,279	197,288
	<u>\$ 50,589,472</u>	<u>\$ 51,220,834</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS

Iowa Central Community College continued to improve its financial position during the current fiscal year. However, the current condition of the economy in the state, as well as the nation, continues to be a concern for College officials. Some of the realities that may potentially become challenges for the College to meet are:

- State General Aid (SGA) increased from 2021-2022 to 2022-2023. In 2021-2022, State General Aid represented 30.4% of the general fund revenue. Changes in and adequate funding of state general aid are a concern in meeting and maintaining the education needs of our students.
- Anticipated increase in expenses for fiscal year 2023 will be due to salary and benefit increases and increases in costs of professional services and supplies due to inflation.
- The College will continue to look at ways to expand distance learning opportunities in fiscal year 2023 and beyond and is involved with a school district in the operation of a Charter School. Iowa Central is collaborating with High School Administration on initiatives for further Career Academy expansion at our three Career Academies located in Eagle Grove (North Central Career Academy), Jefferson (Greene County Career Academy, and Laurens (Northwest Career Academy).
- The College offered new programs in Digital Arts and Digital Media as well as a new Apple Swift certification course in 2021-2022. The College is exploring offering new programs/certificates in Medical Diagnostic Sonographer, Dental Assistant, and Plumbing. Additionally, the College will continue to explore the possible start of other new programs.
- As Iowa Central continues to grow the cost of new facilities and aging facilities at the College require constant maintenance and upkeep. The increase in the number of buildings creates increased utility costs, maintenance and upkeep expenses.
- Technology continues to expand and current technology becomes outdated, presenting an ongoing challenge to maintain up-to-date technology at a reasonable cost.
- Property tax revenue to support the College operating fund for 2022-2023 is anticipated to increase 6.6%.

The College anticipates the current fiscal year will be much like the last and will continue to monitor resources to maintain the College's ability to react to unknown issues.

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our customers, taxpayers in the community college district and our creditors with a general overview of the College's finances and to demonstrate the College's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Iowa Central Community College, One Triton Circle, Fort Dodge, IA 50501.

BASIC FINANCIAL STATEMENTS

IOWA CENTRAL COMMUNITY COLLEGE

STATEMENT OF NET POSITION

June 30, 2022

	Primary Government	Component Unit
Assets		
Current assets:		
Cash and pooled investments	\$ 64,636,469	\$ 658,059
Receivables:		
Accounts	2,055,613	5
Property tax:		
Delinquent	78,863	-
Succeeding year	12,374,216	-
Due from other governments	3,931,656	-
Inventories	473,029	-
Prepaid expenses	536,386	-
Total current assets	<u>84,086,232</u>	<u>658,064</u>
Noncurrent assets:		
Receivables:		
Iowa Industrial New Jobs Training Program	5,906,291	-
Investments	-	7,458,091
Land	4,189,418	1,971,500
Construction in progress	10,621,909	-
Capital assets, net of accumulated depreciation	62,346,177	487,884
Total noncurrent assets	<u>83,063,795</u>	<u>9,917,475</u>
Total assets	<u>167,150,027</u>	<u>10,575,539</u>
Deferred Outflows of Resources		
OPEB related deferred outflows	1,432,188	-
Pension related deferred outflows	1,676,236	-
Total deferred outflows of resources	<u>3,108,424</u>	<u>-</u>
Liabilities		
Current liabilities:		
Accounts payable	2,437,314	5,690
Salaries and benefits payable	1,452,888	-
Interest payable	117,954	-
Advances from others	8,638,952	-
Compensated absences payable	601,406	-
Certificates payable	1,930,000	-
Capital loan notes payable	930,000	-
Bonds payable	3,110,000	-
Note payable	50,250	-
Lease agreements payable	75,614	-
Total current liabilities	<u>19,344,378</u>	<u>5,690</u>

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE

STATEMENT OF NET POSITION (CONTINUED)

June 30, 2022

	Primary Government	Component Unit
Liabilities (Continued)		
Noncurrent liabilities:		
Certificates payable	\$ 9,559,233	\$ -
Capital loan notes payable	1,802,210	-
Bonds payable	32,894,250	-
Note payable	191,250	-
Lease agreements payable	46,665	-
Net pension liability	228,048	-
Total OPEB liability	6,259,194	-
Total noncurrent liabilities	50,980,850	-
Total liabilities	70,325,228	5,690
Deferred Inflows of Resources		
Unavailable property tax revenue	12,374,216	-
OPEB related deferred inflows	4,573,258	-
Pension related deferred inflows	8,811,525	-
Total deferred inflows of resources	25,758,999	-
Net position		
Net investment in capital assets	38,057,265	2,459,384
Restricted:		
Nonexpendable:		
Scholarships and fellowships	-	6,192,856
Expendable:		
Scholarships and fellowships	27,140	415,182
Cash reserve	319,603	-
Other	7,380,767	-
Unrestricted	28,389,449	1,502,427
Total net position	\$ 74,174,224	\$ 10,569,849

See Notes to Basic Financial Statements.

IOWA CENTRAL COMMUNITY COLLEGE

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended June 30, 2022**

	Primary Government	Component Unit
Operating revenues:		
Tuition and fees, net of scholarship allowances of \$4,273,665	\$ 19,354,469	\$ -
Federal appropriations	13,497,406	-
Iowa Industrial New Jobs Training Program	2,236,751	-
Auxiliary enterprises, net of scholarship allowances of \$1,646,525	20,206,750	-
Sales and services	1,341,821	-
Farm income	-	239,156
Miscellaneous	518,976	-
Contributions and pledges	-	883,347
	<hr/>	<hr/>
Total operating revenues	57,156,173	1,122,503
Operating expenses:		
Education and support:		
Liberal arts and sciences	5,829,952	-
Career and technical	7,862,360	-
Adult education	3,102,911	-
Cooperative services	2,669,664	-
Administration	2,030,613	-
Student services	5,592,762	-
Learning resources	54,677	-
Physical plant	5,227,524	-
General institution	19,421,122	-
Auxiliary enterprises	17,003,254	-
Scholarships and grants	5,515,728	342,654
Administrative and collection costs	2,765,770	-
Depreciation/amortization	2,755,324	14,912
Farm expenses	-	174,453
Management and general expenses	-	259,344
	<hr/>	<hr/>
Total operating expenses	79,831,661	791,363
	<hr/>	<hr/>
Operating income (loss)	(22,675,488)	331,140

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IOWA CENTRAL COMMUNITY COLLEGE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)
Year Ended June 30, 2022

	Primary Government	Component Unit
Non-operating revenues (expenses):		
State appropriations	\$ 18,382,245	\$ -
Pell grant	7,792,081	-
Property tax	10,231,450	-
Interest and dividend income from investments	190,817	136,822
Interest on indebtedness	(1,257,492)	-
(Loss) on sale of capital assets	(21,368)	-
Realized/unrealized (loss) on investments	-	(1,203,734)
	<hr/>	<hr/>
Net non-operating revenues	35,317,733	(1,066,912)
	<hr/>	<hr/>
Change in net position	12,642,245	(735,772)
Net position beginning of year	61,531,979	11,305,621
	<hr/>	<hr/>
Net position end of year	\$ 74,174,224	\$ 10,569,849
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See Notes to Basic Financial Statements.

IOWA CENTRAL COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS
Year Ended June 30, 2022

	Primary Government
<hr/>	
Cash flows from operating activities:	
Tuition and fees	\$ 18,777,692
Federal appropriations	12,668,192
Iowa Industrial New Jobs Training Program	678,740
Payments to employees for salaries and benefits	(34,280,204)
Payments to suppliers for goods and services	(33,783,527)
Payments to NJTP recipients	(2,395,732)
Scholarships	(7,783,531)
Auxiliary enterprises	20,206,750
Other receipts	1,860,797
Net cash (used by) operating activities	<u>(24,050,823)</u>
Cash flows from non-capital financing activities:	
State appropriations	18,382,245
Pell grant	7,792,081
Property tax	10,250,073
Interest paid on debt	(258,055)
Proceeds from issuance of debt	4,734,233
Principal paid on debt	(1,440,000)
Net cash provided by non-capital financing activities	<u>39,460,577</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(2,843,752)
Interest paid on debt	(998,370)
Proceeds from issuance of debt	255,000
Principal paid on debt	(4,180,595)
Net cash (used by) capital and related financing activities	<u>(7,767,717)</u>
Cash flows from investing activities:	
Interest on investments	190,817
Net cash provided by investing activities	<u>190,817</u>
Net increase in cash	7,832,854
Cash and pooled investments, beginning of year	<u>56,803,615</u>
Cash and pooled investments, end of year	<u>\$ 64,636,469</u>

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS (CONTINUED)

Year Ended June 30, 2022

	Primary Government
<hr/>	
Reconciliation of operating (loss) to net cash (used by) operating activities:	
Operating (loss)	\$ (22,675,488)
Adjustments to reconcile operating (loss) to net cash (used by) operating activities:	
Depreciation/amortization	2,755,324
Changes in assets and liabilities:	
Accounts receivable	(576,777)
Iowa Industrial New Jobs Training Program receivable	(3,953,743)
Due from other governments	(2,422,648)
Inventories	(1,426)
Prepaid expenses	55,694
Accounts payable	1,204,821
Salaries and benefits payable	69,846
Advances from others	3,989,166
Total OPEB liability	(620,765)
Compensated absences payable	(51,809)
Net pension liability	(11,610,977)
OPEB related deferred inflows	1,034,207
Pension related deferred inflows	8,522,206
OPEB related deferred outflows	(733,566)
Pension related deferred outflows	965,112
	<hr/>
Total adjustments	(1,375,335)
	<hr/>
Net cash (used by) operating activities	\$ (24,050,823)
	<hr/>

See Notes to Basic Financial Statements.

IOWA CENTRAL COMMUNITY COLLEGE

STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS

June 30, 2022

Assets	
Cash	\$ 1,141,398
Due from other governments	102,318
Total assets	<u>1,243,716</u>
Liabilities	
Due to other governments	228,828
Total liabilities	<u>228,828</u>
Net assets	
Restricted:	
Other	<u>\$ 1,014,888</u>

See Notes to Basic Financial Statements.

IOWA CENTRAL COMMUNITY COLLEGE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS
Year Ended June 30, 2022

Additions:	
Tuition and fees	\$ 32,877
Federal and state appropriations	10,477,461
Sales and services	408,954
Interest on investments	5,347
Miscellaneous	174,300
Total additions	<u>11,098,939</u>
Deductions:	
Services	10,270,846
Materials and supplies	527,646
Travel	117,399
Scholarships	51,307
Plant asset acquisitions	21,123
Miscellaneous	81,616
Total deductions	<u>11,069,937</u>
Change in net position	29,002
Net position beginning of year	<u>985,886</u>
Net position end of year	<u>\$ 1,014,888</u>

See Notes to Basic Financial Statements.

IOWA CENTRAL COMMUNITY COLLEGE

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Iowa Central Community College is a publicly supported school established and operated by Merged Area V 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. Iowa Central Community College also offers up to two years of career and technical education, training or retraining to persons who are preparing to enter the labor market. Iowa Central Community College maintains campuses in Fort Dodge, Webster City, and Storm Lake, Iowa, and has its administrative offices in Fort Dodge. Iowa Central Community College is governed by a Board of Directors whose members are elected from each director district within Merged Area V.

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

A. Reporting Entity

For financial reporting purposes, Iowa Central 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 Iowa Central Community College (the primary government) and its component unit. The component unit discussed below is included in the College's reporting entity because of the significance of its operational or financial relationship with the College. Certain disclosures about the component unit are not included because the component unit has been audited separately and a report has been issued under separate cover. The audited financial statements are available at the College.

Discrete Component Unit

Iowa Central Community College Foundation is a legally separate not-for-profit foundation. The Foundation was organized to receive and manage bequests, gifts, donations, and contributions made to or for the use of Iowa Central Community College. The Foundation is governed by a Board of Directors who are appointed by the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of the resources held are used for the benefit of Iowa Central Community College and its students. The address of the Foundation is One Triton Circle, Fort Dodge, Iowa.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Note 1. Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Discrete Component Unit (continued)

The Foundation is a non-profit organization which reports under accounting standards established by the Financial Accounting Standards Board (FASB). The Foundation's financial statements were prepared in accordance with the provisions of ASC Topic 958 – Not-for-Profit Entities. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting for these differences. The Foundation reports net assets, which is equivalent to net position reported by the College. Copies of the Foundation's financial statements may be obtained by contacting the Foundation.

B. Basis of Presentation

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

Net Investment in Capital Assets – Capital assets, net of accumulated depreciation/amortization and outstanding debt obligations attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position

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

Expendable – Net position 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 Position - Net position 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 position is designated for academic and general programs of the College.

GASB Statement No. 35 also requires the Statements of Net Position, Revenues, Expenses and Changes in Net Position, 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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

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

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 net realizable value. The cost is recorded as an expense at the time individual inventory items are consumed.

Property Tax Receivable – Property tax receivable is recognized on the levy or lien date, which is the date the tax asking is certified by the Board of Directors to the appropriate County Auditors. Delinquent property tax receivable represents unpaid taxes from the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Directors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Directors is required to certify its budget to the County Auditor prior to 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 reported as a deferred inflow of resources 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 expenditures incurred through June 30, 2022 on NJTP projects, including interest incurred on NJTP certificates, less revenues received to date.

Capital Assets – Capital assets, which include land, buildings and improvements, equipment and vehicles, are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under “Leases” below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized.

Reportable capital assets are defined by the College as assets with an initial, individual cost 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	\$ 5,000
Equipment and vehicles	5,000
Right-to-use leased assets	5,000

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

Capital Assets (continued) – Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Buildings and improvements	25-50
Equipment and vehicles	5-10
Right-to-use leased assets	2-5

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.

Leases – College as Lessee – Iowa Central Community College is the lessee for noncancellable leases of equipment. The College has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The College recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of the lease, the College initially measures the lease liability at the present value of payment expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how Iowa Central Community College determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

Iowa Central Community College uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the College generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and a purchase option price the College is reasonably certain to exercise.

The College monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which will not be recognized as an outflow of resources (expense) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense and contributions from the College after the measurement date but before the end of the College's reporting period.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

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.

Advances from Others – Advances from others represents fees and rental payments received in the current fiscal year which will not be earned until the following fiscal year.

Compensated Absences – College employees accumulate a limited amount of earned but unused vacation and sick leave 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, 2022.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Total OPEB Liability – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on Iowa Central Community College's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Deferred Inflows of Resources – Deferred inflows of resources represent an acquisition of net position applicable to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources in the Statement of Net Position consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied, the unamortized portion of the net difference between projected and actual earnings on pension plan assets, and unrecognized items not yet charged to pension and OPEB expenses.

Auxiliary Enterprise Revenues – Auxiliary enterprise revenues primarily represent revenues generated by the bookstore, dormitories, Fuel Lab, Willow Ridge Restaurant and Golf Course, Health and Fitness Center, self-insurance program and athletics.

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Note 1. Summary of Significant Accounting Policies (Continued)

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.

F. Subsequent Events

Subsequent events have been evaluated through December 19, 2022, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

Note 2. Cash and Pooled Investments

The College's deposits in banks at June 30, 2022 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, 2022, the College had the following investments:

<u>Investment</u>	<u>Fair Value</u>
Goldman Sachs Financial Square Government Fund	<u>\$ 942,959</u>

The College uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The recurring fair value measurement for the Goldman Sachs Financial Square Fund of \$942,959 was determined using the last reported sales price at current exchange rates. (Level 1 inputs)

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Note 2. Cash and Pooled Investments

Component Unit – The Iowa Central Community College Foundation (Foundation) categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Foundation has the following recurring fair value measurement as of June 30, 2022:

Investment	Fair Value	Level 1	Level 2
Cash and cash equivalents	\$ 325,159	\$ 325,159	\$ -
Equities	4,325,289	4,325,289	-
Real estate investment trusts and fund	772,015	772,015	-
Alternative investments	641,094	641,094	-
Fixed income	1,394,534	576,030	818,504
Total	\$ 7,458,091	\$ 6,639,587	\$ 818,504

Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

Interest rate risk – The College’s investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the College.

Custodial Credit Risk – The College has no policy in place regarding custodial credit risk and deposits with financial institutions, however, deposits are insured by the state sinking fund, which provides for additional assessments against depositories to avoid loss of public funds.

Note 3. Inventories

The College’s inventories at June 30, 2022 are as follows:

Type	Amount
Merchandise held for resale	\$ 473,029

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Note 4. Capital Assets

Capital assets activity for the year ended June 30, 2022 is as follows:

	Restated Balance Beginning of Year	Additions	Deletions	Balance End of Year
Capital assets not being depreciated/amortized:				
Land	\$ 4,189,418	\$ -	\$ -	\$ 4,189,418
Construction in progress	12,204,141	1,607,600	3,189,832	10,621,909
Total capital assets not being depreciated/amortized	16,393,559	1,607,600	3,189,832	14,811,327
Capital assets being depreciated/amortized:				
Buildings	82,387,924	3,444,832	-	85,832,756
Improvements other than buildings	7,293,798	-	-	7,293,798
Equipment and vehicles	15,420,873	981,152	202,885	16,199,140
Right-to-use leased equipment	197,288	-	-	197,288
Total capital assets being depreciated/amortized	105,299,883	4,425,984	202,885	109,522,982
Less accumulated depreciation/ amortization for:				
Buildings	26,743,261	1,580,820	-	28,324,081
Improvements other than buildings	4,697,054	233,813	-	4,930,867
Equipment and vehicles	13,162,683	864,315	181,517	13,845,481
Right-to-use leased equipment	-	76,376	-	76,376
Total accumulated depreciation/ amortization	44,602,998	2,755,324	181,517	47,176,805
Total capital assets being depreciated/amortized, net	60,696,885	1,670,660	21,368	62,346,177
Capital assets, net	\$ 77,090,444	\$ 3,278,260	\$ 3,211,200	\$ 77,157,504

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Note 5. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2022 is as follows:

	Restated Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Certificates payable	\$ 8,195,000	\$ 4,734,233	\$ (1,440,000)	\$ 11,489,233	\$ 1,930,000
Capital loan notes payable	3,681,035	-	(948,825)	2,732,210	930,000
Bonds payable	39,147,511	-	(3,143,261)	36,004,250	3,110,000
Note payable	-	255,000	(13,500)	241,500	50,250
Lease agreements	197,288	-	(75,009)	122,279	75,614
Net pension liability	11,839,025	-	(11,610,977)	228,048	-
Total OPEB liability	6,879,959	1,377,751	(1,998,516)	6,259,194	-
Total	\$ 69,939,818	\$ 6,366,984	\$(19,230,088)	\$ 57,076,714	\$ 6,095,864

Bonds payable listed on the Statement of Net Position include unamortized premium of \$857,884 and unamortized deferred charges of \$178,634. Capital loan notes payable listed on the Statement of Net Position include unamortized premium of \$146,261 and unamortized deferred charges of \$19,051. Certificates payable listed on the Statement of Net Position include unamortized deferred charges of \$10,767.

Certificates Payable:

In accordance with agreements dated between July 1, 2006 and June 29, 2022, the College issued certificates totaling \$22,915,000 with interest rates ranging from 0.50% to 5.55% per annum. The debt was incurred to fund the development and training costs related to implementing Chapter 260E of the Code of Iowa, Iowa Industrial New Jobs Training Program (NJTP). NJTP's purpose is to provide tax-aided training for employees of industries that are new to or are expanding their operations within the State of Iowa. Interest is payable semiannually, while principal payments are due annually. The certificates are to be retired by proceeds from anticipated job credits from withholding tax, incremental property tax, budgeted reserves and, in the case of default, from standby property tax. During the year ended June 30, 2022, principal and interest paid were \$1,440,000 and \$258,054, respectively.

The certificates will mature as follows:

Year Ending June 30	Principal	Interest	Total
2023	\$ 1,930,000	\$ 393,102	\$ 2,323,102
2024	1,830,000	344,652	2,174,652
2025	1,470,000	283,885	1,753,885
2026	1,500,000	233,630	1,733,630
2027	1,540,000	180,855	1,720,855
2028-2029	3,230,000	307,105	3,537,105
Total	\$ 11,500,000	\$ 1,743,229	\$ 13,243,229

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Note 5. Long-Term Liabilities (Continued)

Capital Loan Notes Payable:

The College has issued capital loan notes for the purchase and construction of College properties as allowed by Section 260C.19 of the Code of Iowa. During the year ended June 30, 2022, principal and interest paid were \$895,000 and \$140,000, respectively. Details of the College's outstanding capital loan notes payable at June 30, 2022 is as follows:

Note Issuance of December 6, 2018				
Year Ending June 30,	Interest			
	Rate	Principal	Interest	Total
2023	4.00%	\$ 135,000	\$ 42,400	\$ 177,400
2024	4.00	140,000	37,000	177,000
2025	4.00	145,000	31,400	176,400
2026	4.00	150,000	25,600	175,600
2027	4.00	155,000	19,600	174,600
2028-2029	4.00	335,000	20,200	355,200
Total		\$ 1,060,000	\$ 176,200	\$ 1,236,200

Note Issuance of November 22, 2019				
Year Ending June 30,	Interest			
	Rate	Principal	Interest	Total
2023	4.00	\$ 795,000	\$ 61,800	\$ 856,800
2024	4.00	750,000	30,000	780,000
Total		\$ 1,545,000	\$ 91,800	\$ 1,636,800

Bonds Payable:

The College issued bonds for the construction of College properties as allowed by Section 260C.19 of the Code of Iowa. During the year ended June 30, 2022, principal and interest paid were \$3,045,000 and \$1,004,597, respectively. Details of the College's June 30, 2022 bonded indebtedness are as follows:

Bond Refunding of June 30, 2016				
Year Ending June 30,	Interest			
	Rate	Principal	Interest	Total
2023	1.50	\$ 135,000	\$ 57,048	\$ 192,048
2024	2.00	140,000	55,023	195,023
2025	2.00	140,000	52,223	192,223
2026	2.25	145,000	49,423	194,423
2027	2.00	150,000	46,160	196,160
2028-2032	2.10-3.00	800,000	178,420	978,420
2033-2036	3.00	725,000	55,350	780,350
Total		\$ 2,235,000	\$ 493,647	\$ 2,728,647

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Note 5. Long-Term Liabilities (Continued)

Bonds Payable (continued):

Bond Issuance June 28, 2018				
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2023	3.00	\$ 715,000	\$ 470,569	\$ 1,185,569
2024	3.00	735,000	449,118	1,184,118
2025	3.00	755,000	427,069	1,182,069
2026	3.00	780,000	404,419	1,184,419
2027	3.00	805,000	381,019	1,186,019
2028-2032	3.00-3.25	4,390,000	1,524,744	5,914,744
2033-2037	3.38-3.50	5,160,000	756,981	5,916,981
2038	3.63	1,140,000	41,325	1,181,325
Total		\$ 14,480,000	\$ 4,455,244	\$ 18,935,244

Bond Refunding of November 8, 2019				
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2023	2.00	\$ 635,000	\$ 130,000	\$ 765,000
2024	2.00	650,000	117,300	767,300
2025	3.00	665,000	104,300	769,300
2026	3.00	690,000	84,350	774,350
2027	3.00	705,000	63,650	768,650
2028-2032	2.00-3.00	1,780,000	118,700	1,898,700
Total		\$ 5,125,000	\$ 618,300	\$ 5,743,300

Bond Refunding of February 24, 2020				
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2023	3.00	\$ 1,050,000	\$ 190,350	\$ 1,240,350
2024	3.00	1,080,000	158,850	1,238,850
2025	3.00	1,110,000	126,450	1,236,450
2026	3.00	1,145,000	93,150	1,238,150
2027	4.00	1,180,000	58,800	1,238,800
2028	4.00	290,000	11,600	301,600
Total		\$ 5,855,000	\$ 639,200	\$ 6,494,200

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Note 5. Long-Term Liabilities (Continued)

Bonds Payable (continued):

Year Ending June 30,	Bond Issuance December 8, 2020			
	Interest	Principal	Interest	Total
	Rate			
2023	1.00	\$ 385,000	\$ 67,385	\$ 452,385
2024	1.00	390,000	63,535	453,535
2025	1.00	410,000	59,635	469,635
2026	1.00	415,000	55,535	470,535
2027	1.00	420,000	51,385	471,385
2028-2032	1.00-1.20	2,640,000	189,760	2,829,760
2033-2034	1.30-1.40	1,390,000	28,570	1,418,570
Total		\$ 6,050,000	\$ 515,805	\$ 6,565,805

Year Ending June 30,	Bond Issuance December 8, 2020			
	Interest	Principal	Interest	Total
	Rate			
2023	1.00	\$ 190,000	\$ 17,570	\$ 207,570
2024	1.00	195,000	15,670	210,670
2025	1.00	195,000	13,720	208,720
2026	1.00	200,000	11,770	211,770
2027	1.00	200,000	9,770	209,770
2028-2030	1.15-1.45	600,000	15,865	615,865
Total		\$ 1,580,000	\$ 84,365	\$ 1,664,365

Note Payable:

The College issued a note payable dated June 30, 2022 for the purchase of real estate as allowed by Section 260C.19 of the Code of Iowa. During the year ended June 30, 2022, principal and interest paid were \$13,500 and \$0, respectively. Details of the College's note payable at June 30, 2022 is as follows:

Year Ending June 30,	Interest	Principal	Interest	Total
	Rate			
2023	0.00	\$ 50,250	\$ -	\$ 50,250
2024	0.00	63,750	-	63,750
2025	0.00	63,750	-	63,750
2026	0.00	63,750	-	63,750
Total		\$ 241,500	\$ -	\$ 241,500

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Note 5. Long-Term Liabilities (Continued)

Right-to-use Lease Agreements:

The College has entered into lease agreements for equipment. An initial lease liability was recorded in the amount of \$197,288 per Accounting Change/Restatement Note 14. The agreements require monthly payments between \$1,504 and \$5,011 with an implicit interest rate of 4.00% and final payments due between July, 2022 and July, 2026. During the year ended June 30, 2022, principal and interest paid were \$75,009 and \$5,861, respectively.

Year Ending June 30,	Equipment		Total
	Principal	Interest	
2023	\$ 75,614	\$ 3,512	\$ 79,126
2024	19,769	1,410	21,179
2025	15,125	800	15,925
2026	11,771	217	11,988
Total	\$ 122,279	\$ 5,939	\$ 128,218

Note 6. Iowa Public Employees Retirement System (IPERS)

Plan Description: IPERS membership is mandatory for employees of the College except for those covered by another retirement system. Employees of the College are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by IPERS. IPERS issues a stand-alone financial report which is available to the public by mail at P. O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits: A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member’s years of service plus the member’s age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member’s first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member’s monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member’s highest five-year average salary, except members with service before June 20, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

If a member retires before normal retirement age, the member’s monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month the member receives benefits before the member’s earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Note 6. Iowa Public Employees Retirement System (IPERS) (Continued)

Pension Benefits: Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits: A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions: Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2022, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the College contributed 9.44% of covered payroll, for a total rate of 15.73%.

The College's contributions to IPERS for the year ended June 30, 2022 were \$1,301,427.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2022, the College reported a net pension liability of \$228,048 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2021, the College's proportion was (0.066057)%, which was a decrease of 0.234590% from its proportion measured as of June 30, 2020.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Note 6. Iowa Public Employees Retirement System (IPERS) (Continued)

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued): For the year ended June 30, 2022, the College recognized pension expense of \$(824,222). At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 173,513	\$ 174,217
Changes of assumptions	149,163	-
Net difference between projected and actual earnings on IPERS' investments	-	8,262,547
Changes in proportion and differences between College contributions and the College's proportionate share of contributions	52,133	374,761
College contributions subsequent to the measurement date	1,301,427	-
Total	\$ 1,676,236	\$ 8,811,525

\$1,301,427 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Total
2023	\$ (2,063,325)
2024	(2,086,766)
2025	(1,946,842)
2026	(2,322,648)
2027	(17,135)
	<u>\$ (8,436,716)</u>

There were no non-employer contributing entities to IPERS.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Note 6. Iowa Public Employees Retirement System (IPERS) (Continued)

Actuarial Assumptions: The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2021 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-term Expected Real Rate of Return
Domestic equity	22.0 %	4.43 %
International equity	17.5	6.01
Global smart beta equity	6.0	5.10
Core plus fixed income	26.0	0.29
Public credit	4.0	2.08
Cash	1.0	(0.25)
Private equity	13.0	9.51
Private real assets	7.5	4.63
Private credit	3.0	2.87
	100.0 %	

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Note 6. Iowa Public Employees Retirement System (IPERS) (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the College will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS’ fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS’ investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the College’s proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the College’s proportionate share of the net pension liability would be if it were calculated using a discount rate 1.0% lower (6.00%) or 1.0% higher (8.00%) than the current rate.

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
College's proportionate share of the net pension liability	\$ 8,071,362	\$ 228,048	\$ (6,345,148)

IPERS Fiduciary Net Position: Detailed information about IPERS’ fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS’ website at www.ipers.org.

Payables to IPERS: At June 30, 2022, the College reported payables to IPERS of \$0 for legally required College contributions and \$0 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

Note 7. Teachers Insurance and Annuity Association (TIAA)

As required by Chapter 97B.42 of the Code of Iowa, all eligible College employees must participate in a retirement plan from the date they are employed. In lieu of participating in IPERS, eligible employees may participate in the Iowa Association of Community College Trustees 403(a) plan, which is a defined contribution pension plan administered by the Teachers Insurance and Annuity Association (TIAA). The defined contribution retirement plan provides individual annuities for each plan participant.

Benefit terms, including contribution requirements, for TIAA are established and specified by the plan with TIAA and in accordance with the Code of Iowa. For each employee in the pension plan, the College is required to contribute 9.44% of annual salary, including overtime pay, to an individual employee account. Each employee is required to contribute 6.29%. Contributions made by both the College and employees vest immediately. For the year ended June 30, 2022, employee contributions totaled \$402,743 and the College recognized pension expense of \$604,435.

At June 30, 2022, the College reported payables to the TIAA of \$0 for legally required College contributions and \$0 for legally required employee contributions, which had been withheld from employee wages but not yet remitted to TIAA.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Note 8. Other Postemployment Benefits (OPEB)

Plan Description - The College administers a single-employer health benefit plan, which provides medical and prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits: Individuals who are employed by the College are eligible to participate in the group health plan and are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for medical and prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	36
Active employees	326
	362

Total OPEB Liability: The College's total OPEB liability of \$6,259,194 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective July 1, 2021)	3.00% per annum.
Rates of salary increase (effective July 1, 2021)	3.00% per annum. including inflation.
Discount rate (effective July 1, 2021)	2.14% compounded annually, including inflation.
Healthcare cost trend rate (effective July 1, 2021)	7.00% initial rate decreasing by 0.50% annually to an ultimate rate of 5.00%.

Discount Rate: The discount rate used to measure the total OPEB liability was 2.14% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA as of the valuation date.

Mortality rates are from the RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2021 generational projection of future mortality improvement. Annual retirement probabilities are based on twice other early retirement rates except no more than other unreduced retirement rates of IPERS actuarial valuation.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Note 8. Other Postemployment Benefits (OPEB) (Continued)

Changes in the Total OPEB Liability:

	Total OPEB Liability
Total OPEB liability beginning of year	\$ 6,879,959
Changes for the year:	
Service cost	380,784
Interest	134,684
Difference between expected and actual experience	(1,660,266)
Changes of assumption	862,283
Benefit payments	(338,250)
Net changes	(620,765)
Total OPEB liability end of year	<u>\$ 6,259,194</u>

Changes of assumptions reflect a change in the discount rate from 3.50% in fiscal year 2021 to 2.14% in fiscal year 2022 and the mortality assumption changed to the RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2021 generational projection of future mortality improvement.

Sensitivity of the College's Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.14%) or 1% higher (3.14%) than the current discount rate.

	1% Decrease (1.14%)	Discount Rate (2.14%)	1% Increase (3.14%)
Total OPEB liability	\$ 6,822,673	\$ 6,259,194	\$ 5,739,996

Sensitivity of the College's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (6.00%) or 1% higher (8.00%) than the current healthcare cost trend rates.

	1% Decrease (6.00%)	Healthcare Cost Trend Rate (7.00%)	1% Increase (8.00%)
Total OPEB liability	\$ 5,546,810	\$ 6,259,194	\$ 7,114,237

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Note 8. Other Postemployment Benefits (OPEB) (Continued)

OPEB Expense, Deferred Outflows of Resources Related to OPEB and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2022, the College recognized OPEB expense of \$18,126. At June 30, 2022, the College reported deferred outflows of resources related to OEPB and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 159,815	\$ (1,586,791)
Changes of assumptions	1,272,373	(2,986,467)
Total	\$ 1,432,188	\$ (4,573,258)

The amount reported as deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ending June 30,	Total
2023	\$ (497,342)
2024	(497,342)
2025	(497,342)
2026	(497,342)
2027	(497,342)
Thereafter	(654,360)
	<u>\$ (3,141,070)</u>

Note 9. Risk Management

Iowa Central Community College carries commercial insurance purchased from insurers for coverage associated with torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 10. New Jobs Training Programs

The College administers the Iowa Industrial New Jobs Training Program (NJTP) in Area V 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 that 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 administered 116 projects, with 13 currently receiving project funding. The remaining 103 projects have been completed and the certificates have been paid. In cases where projects exceed the budgeted amounts, the college intends to obtain additional withholding revenue from the companies.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Note 11. Self-Funded Insurance Program

The College has a self-funded insurance program for hospitalization and medical coverage for its employees. The College limits its losses through the use of stop-loss policies from insurers. Specific individual losses for claims are limited to \$100,000 per year. The College's aggregate annual loss limitation is based on a formula that considers, among other things, the total number of employees and was limited to \$6,513,965 in claims as of June 30, 2022. For the year ended June 30, 2022, the College paid \$5,375,481 under the program, which includes health and dental claims, and administrative costs.

Note 12. Construction Commitments

The College has entered into contracts and other costs totaling \$25,886,594 for the Greehey Student Success Center, Storm Lake training center, Fuel lab improvements, Performing Arts center and improvement projects. As of June 30, 2022, costs of \$10,621,909 had been incurred against the contracts. The balance of \$15,264,685 remaining at June 30, 2022 will be paid as work on the project progresses.

Note 13. Tax Abatements

Governmental Accounting Standards Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

College Tax Abatements

The College provides tax abatements for industrial new jobs training projects with the tax increment financing as provided for in section 403.19 of the Code of Iowa and/or state income tax withholding as provided for in section 260E.5 of the Code of Iowa. For these types of projects, the College enters into agreements with employers which require the College, after employers meet the terms of the agreements, to pay the employers for the costs of on-the-job training not to exceed 50% of the annual gross payroll costs for up to one year of the new jobs. No other commitments were made by the College as part of these agreements.

For the year ended June 30, 2022, the College had no abatements of property tax and \$1,814,758 of state income tax withholding under the projects.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Note 13. Tax Abatements (Continued)

Tax Abatements of Other Entities

Other entities within the Community College also provide tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. Property tax revenues of the College were reduced by the following amounts for the year ended June 30, 2022 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Webster City	Urban renewal and economic development projects	\$ 5,375
City of Humboldt	Urban renewal and economic development projects	8,180
Ida County	Urban renewal and economic development projects	20,703
City of Fort Dodge	Urban renewal and economic development projects	15,919
Webster County	Urban renewal and economic development projects	54,759
City of Lorhville	Urban renewal and economic development projects	422
City of Jewell	Urban renewal and economic development projects	1,026
City of Eagle Grove	Urban renewal and economic development projects	432
City of Jefferson	Urban renewal and economic development projects	11,474
City of Gowrie	Urban renewal and economic development projects	1,052
City of Pocahontas	Urban renewal and economic development projects	22
City of Stratford	Urban renewal and economic development projects	996
Wright County	Urban renewal and economic development projects	18,494
Calhoun County	Urban renewal and economic development projects	991
Franklin Country	Urban renewal and economic development projects	8,052
City of Duncombe	Urban renewal and economic development projects	1,824
City of Renwick	Urban renewal and economic development projects	654
City of Livermore	Urban renewal and economic development projects	595

Note 14. Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 87, Leases, was implemented during fiscal year 2022. The new requirements require the reporting of certain lease liabilities which were previously not reported. The result of these changes had no effect on the beginning net position.:

	Capital Assets	Long-term Liabilities
	Right-to-use Leased Asset	Lease Agreement
Balances June 30, 2021, as previously reported	\$ -	\$ -
Change to implement GASBS No. 87	197,288	197,288
Balances July 1, 2021, as restated	\$ 197,288	\$ 197,288

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

Note 15. Subsequent Events

On December 16, 2022, Iowa Central Community College completed the sale of the Storm Lake Center Building to the Storm Lake Community School District for a sales price of \$600,000.

On December 20, 2022, the Iowa Central Community College Board of Directors approved the sale of approximately \$6,000,000 taxable general obligation bonds and approximately \$8,000,000 tax-exempt general obligation bonds. The sale date of the general obligation bonds is January 10, 2023. The general obligation bond proceeds will be used for funding building construction and improvements.

REQUIRED SUPPLEMENTARY INFORMATION

IOWA CENTRAL COMMUNITY COLLEGE

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF THE COLLEGE'S PROPORTIONATE

SHARE OF THE NET PENSION LIABILITY

Iowa Public Employees' Retirement System

For the Last Eight Years*

(In Thousands)

Required Supplementary Information

	2022	2021
College's proportion of the net pension liability	-0.066057%	0.168533%
College's proportionate share of the net pension liability	\$ 228	\$ 11,839
College's covered payroll	\$ 13,224	\$ 13,390
College's proportionate share of the net pension liability as a percentage of its covered payroll	1.72%	88.42%
IPERS' net position as a percentage of the total pension liability	100.81%	82.90%

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

NOTE: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10 year trend is compiled, the College will present information for those years for which information is available.

See Notes to Required Supplementary Information - Pension Liability.

	2020		2019		2018		2017		2016		2015
	0.171074%		0.168456%		0.166508%		0.163709%		0.162918%		0.165689%
\$	9,906	\$	10,660	\$	11,092	\$	10,303	\$	8,099	\$	6,706
\$	13,019	\$	12,661	\$	12,429	\$	11,743	\$	11,235	\$	11,082
	76.09%		84.20%		89.24%		87.74%		72.09%		60.51%
	85.45%		83.62%		82.21%		81.82%		85.19%		87.61%

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF COLLEGE CONTRIBUTIONS

Iowa Public Employees' Retirement System

For the Last Ten Years

(In Thousands)

Required Supplementary Information

	2022	2021	2020	2019
Statutorily required contribution	\$ 1,303	\$ 1,248	\$ 1,264	\$ 1,229
Contributions in relation to the statutorily required contribution	(1,303)	(1,248)	(1,264)	(1,229)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
College's covered payroll	\$ 13,804	\$ 13,224	\$ 13,390	\$ 13,019
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%

See Notes to Required Supplementary Information - Pension Liability.

2018	2017	2016	2015	2014	2013
\$ 1,131	\$ 1,110	\$ 1,049	\$ 1,003	\$ 990	\$ 973
(1,131)	(1,110)	(1,049)	(1,003)	(990)	(973)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 12,661	\$ 12,429	\$ 11,743	\$ 11,235	\$ 11,082	\$ 11,227
8.93%	8.93%	8.93%	8.93%	8.93%	8.67%

IOWA CENTRAL COMMUNITY COLLEGE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY Year ended June 30, 2022

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

IOWA CENTRAL COMMUNITY COLLEGE

**SCHEDULE OF CHANGES IN THE COLLEGE'S
TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES
For the Last Five Years**

Required Supplementary Information

	<u>2022</u>	<u>2021</u>
Service cost	\$ 380,784	\$ 364,712
Interest cost	134,684	240,049
Difference between expected and actual experience	(1,660,266)	-
Changes in assumptions	862,283	-
Benefit payments	(338,250)	(437,272)
Net change in total OPEB liability	(620,765)	167,489
Total OPEB liability beginning of year	6,879,959	6,712,470
Total OPEB liability end of year	<u>\$ 6,259,194</u>	<u>\$ 6,879,959</u>
Covered-employee payroll	\$ 18,108,654	\$ 19,380,367
Total OPEB liability as a percentage of covered-employee payroll	34.56%	35.50%

See accompanying independent auditor's report.

Notes to Schedule of Changes in the College's Total OPEB Liability and Related Ratios

No assets were accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

The 2022 valuation implemented the following refinements as a result of a new actuarial opinion dated June 30, 2022:

- * Changed the mortality assumption to the RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2021 generational projection of future mortality improvement.

The following are the discount rates used for each period.

Year ended June 30, 2022	2.14%	Year ended June 30, 2019	3.15%
Year ended June 30, 2021	3.50%	Year ended June 30, 2018	3.72%
Year ended June 30, 2020	3.50%	Year ended June 30, 2017	3.72%

NOTE: GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10 year trend is compiled, the College will present information for those years for which information is available.

	2020	2019	2018
\$	354,089	\$ 859,211	\$ 778,745
	233,781	330,124	338,052
	231,374	-	-
	(4,323,693)	473,603	(43,292)
	(401,510)	(257,646)	(326,310)
	(3,905,959)	1,405,292	747,195
	10,618,429	9,213,137	8,465,942
\$	6,712,470	\$ 10,618,429	\$ 9,213,137
\$	18,815,890	\$ 18,327,703	\$ 18,443,559
	35.67%	57.94%	49.95%

SUPPLEMENTARY INFORMATION

IOWA CENTRAL COMMUNITY COLLEGE

BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES -
BUDGET TO ACTUAL

Year Ended June 30, 2022

Funds/Levy	Original Budget	Amended Budget	Actual	Variance Between Actual and Amended Budget
Unrestricted	\$ 36,300,000	\$ 46,300,000	\$ 33,111,019	\$ 13,188,981
Restricted	15,199,372	19,932,073	19,228,902	703,171
Unemployment	40,000	40,000	(8,482)	48,482
Tort liability	800,000	800,000	734,242	65,758
Insurance	1,472,500	1,472,500	1,505,518	(33,018)
Early retirement	625,000	625,000	655,634	(30,634)
Equipment replacement	900,000	900,000	345,705	554,295
Total restricted	19,036,872	23,769,573	22,461,519	1,308,054
Plant	13,480,000	13,480,000	6,243,390	7,236,610
Bonds and interest	3,090,424	3,090,424	2,995,260	95,164
Total	\$ 71,907,296	\$ 86,639,997	\$ 64,811,188	\$ 21,828,809

See Notes to Supplementary Information.

IOWA CENTRAL COMMUNITY COLLEGE

COMBINING BALANCE SHEET - ALL FUNDS

June 30, 2022

	Current Funds	
	Unrestricted	Restricted
Assets and Deferred Outflows of Resources		
Assets:		
Cash and pooled investments	\$ 34,363,408	\$ 16,456,619
Receivables:		
Accounts	2,055,613	-
Property tax:		
Delinquent	14,573	26,641
Succeeding year	1,987,630	5,310,683
Iowa Industrial New Jobs Training	-	5,906,291
Due from other funds	-	370,924
Due from other governments	25,387	3,660,161
Inventories	473,029	-
Prepaid expenses	52,978	483,408
Capital assets:		
Land	-	-
Buildings	-	-
Construction in progress	-	-
Improvements other than buildings	-	-
Equipment and vehicles	-	-
Right-to-use leased equipment	-	-
Accumulated depreciation	-	-
Total assets	38,972,618	32,214,727
Deferred Outflows of Resources		
OPEB related deferred outflows	-	-
Pension related deferred outflows	-	-
Total deferred outflows of resources	-	-
Total assets and deferred outflows of resources	\$ 38,972,618	\$ 32,214,727

See Notes to Supplementary Information.

Plant Funds			
Unexpended	Investment in Plant	Adjustments	Total
\$ 13,816,442	\$ -	\$ -	\$ 64,636,469
-	-	-	2,055,613
37,649	-	-	78,863
5,075,903	-	-	12,374,216
-	-	-	5,906,291
3,155,326	-	(3,526,250)	-
34,513	-	211,595	3,931,656
-	-	-	473,029
-	-	-	536,386
-	4,189,418	-	4,189,418
-	85,832,756	-	85,832,756
-	10,621,909	-	10,621,909
-	7,293,798	-	7,293,798
-	16,199,140	-	16,199,140
-	-	197,288	197,288
-	-	(47,176,805)	(47,176,805)
22,119,833	124,137,021	(50,294,172)	167,150,027
-	-	1,432,188	1,432,188
-	-	1,676,236	1,676,236
-	-	3,108,424	3,108,424

\$ 22,119,833	\$ 124,137,021	\$ (47,185,748)	\$ 170,258,451
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IOWA CENTRAL COMMUNITY COLLEGE

BALANCE SHEET - ALL FUNDS

June 30, 2022

	Current Funds	
	Unrestricted	Restricted
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities:		
Accounts payable	\$ 2,437,314	\$ -
Salaries and benefits payable	1,400,969	51,919
Interest payable	20,737	31,528
Due to other funds	3,314,655	-
Advances from others	1,035,098	7,603,854
Compensated absences	601,406	-
Certificates payable	-	11,489,233
Capital loan notes payable	-	-
Bonds payable	-	-
Note payable	-	-
Lease agreements payable	-	-
Net pension liability	-	-
Total OPEB Liability	-	-
Total liabilities	8,810,179	19,176,534
Deferred inflows of resources		
Succeeding year property tax	1,987,630	5,310,683
OPEB related deferred inflows	-	-
Pension related deferred inflows	-	-
Total deferred inflows of resources	1,987,630	5,310,683
Fund balances:		
Net investment in capital assets	-	-
Restricted:		
Expendable:		
Scholarships and fellowships	-	27,140
Cash reserve	-	319,603
Other	-	7,380,767
Auxiliary enterprises	22,773,373	-
Unrestricted	5,401,436	-
Total fund balances	28,174,809	7,727,510
Total liabilities, deferred inflows of resources and fund balances	\$ 38,972,618	\$ 32,214,727

See Notes to Supplementary Information.

Plant Funds			
Unexpended	Investment in Plant	Adjustments	Total
\$ -	\$ -	\$ -	\$ 2,437,314
-	-	-	1,452,888
65,689	-	-	117,954
-	-	(3,314,655)	-
-	-	-	8,638,952
-	-	-	601,406
-	-	-	11,489,233
-	2,707,865	24,345	2,732,210
-	36,100,980	(96,730)	36,004,250
-	241,500	-	241,500
-	-	122,279	122,279
-	-	228,048	228,048
-	-	6,259,194	6,259,194
65,689	39,050,345	3,222,481	70,325,228
5,075,903	-	-	12,374,216
-	-	4,573,258	4,573,258
-	-	8,811,525	8,811,525
5,075,903	-	13,384,783	25,758,999
-	85,086,676	(47,029,411)	38,057,265
-	-	-	27,140
-	-	-	319,603
-	-	-	7,380,767
-	-	(447,770)	22,325,603
16,978,241	-	(16,315,831)	6,063,846
16,978,241	85,086,676	(63,793,012)	74,174,224
\$ 22,119,833	\$ 124,137,021	\$ (47,185,748)	\$ 170,258,451

IOWA CENTRAL COMMUNITY COLLEGE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL FUNDS

Year Ended June 30, 2022

	Current Funds	
	Unrestricted	Restricted
Revenues:		
General:		
State appropriations	\$ 12,343,080	\$ 5,512,176
Tuition and fees	23,628,134	-
Property tax	1,864,683	3,408,793
Federal appropriations	2,089	21,287,398
Sales and services	1,770,821	564,989
Interest on investments	110,635	34,449
Iowa Industrial New Jobs Training Program	-	2,236,751
Increase in plant investment due to plant expenditures, including \$988,221 of expenditures in current funds	-	-
Increase in plant investment due to retirement of debt	-	-
Miscellaneous	376,521	142,455
	<u>40,095,963</u>	<u>33,187,011</u>
Auxiliary enterprises:		
Tuition and fees	1,361,010	-
Sales and services	18,496,311	-
Miscellaneous	292,417	-
	<u>20,149,738</u>	<u>-</u>
Total revenues	<u>60,245,701</u>	<u>33,187,011</u>
Expenditures:		
Education and support:		
Liberal arts and sciences	6,164,241	-
Career and technical	7,642,305	917,796
Adult education	1,796,750	1,419,203
Cooperative services	-	2,937,743
Administration	1,798,987	404,315
Student services	6,086,462	-
Learning resources	54,677	-
Physical plant	4,249,295	1,505,518
General institution	5,318,302	15,276,944
Total education and support	<u>33,111,019</u>	<u>22,461,519</u>

Plant Funds			
Unexpended	Investment in Plant	Adjustments	Total
\$ 526,989	\$ -	\$ -	\$ 18,382,245
-	-	(4,273,665)	19,354,469
4,957,974	-	-	10,231,450
-	-	-	21,289,487
652,536	-	(1,646,525)	1,341,821
45,733	-	-	190,817
-	-	-	2,236,751
-	2,843,752	(2,843,752)	-
-	3,953,500	-	3,953,500
-	-	-	518,976
6,183,232	6,797,252	(8,763,942)	77,499,516
-	-	-	1,361,010
-	-	-	18,496,311
-	-	57,012	349,429
-	-	57,012	20,206,750
6,183,232	6,797,252	(8,706,930)	97,706,266
-	-	(334,289)	5,829,952
-	-	(697,741)	7,862,360
-	-	(113,042)	3,102,911
-	-	(268,079)	2,669,664
-	-	(172,689)	2,030,613
-	-	(493,700)	5,592,762
-	-	-	54,677
-	-	(527,289)	5,227,524
-	-	(1,174,124)	19,421,122
-	-	(3,780,953)	51,791,585

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IOWA CENTRAL COMMUNITY COLLEGE

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL FUNDS (CONTINUED)**

Year Ended June 30, 2022

	Current Funds	
	Unrestricted	Restricted
Expenditures (Continued):		
Auxiliary enterprises	\$ 17,220,043	\$ -
Scholarships and grants	-	11,435,918
Administrative and collection costs	-	-
Plant asset acquisitions	-	-
Retirement of indebtedness	-	-
Disposal of plant assets	-	-
Depreciation	-	-
Interest on indebtedness	-	-
	<hr/>	<hr/>
Total expenditures	50,331,062	33,897,437
	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	9,914,639	(710,426)
	<hr/>	<hr/>
Transfers:		
Non-mandatory transfers	(5,366,950)	639,337
Total transfers	(5,366,950)	639,337
	<hr/>	<hr/>
Net	4,547,689	(71,089)
	<hr/>	<hr/>
Fund balances, beginning of year	23,627,120	7,798,599
	<hr/>	<hr/>
Fund balances end of year	\$ 28,174,809	\$ 7,727,510
	<hr/> <hr/>	<hr/> <hr/>

See Notes to Supplementary Information.

Plant Funds			
Unexpended	Investment in Plant	Adjustments	Total
\$ -	\$ -	\$ (216,789)	\$ 17,003,254
-	-	(5,920,190)	5,515,728
2,765,770	-	-	2,765,770
1,855,531	-	(1,855,531)	-
3,953,500	-	-	3,953,500
-	202,885	(181,517)	21,368
-	-	2,755,324	2,755,324
663,849	88,577	505,066	1,257,492
9,238,650	291,462	(8,694,590)	85,064,021
(3,055,418)	6,505,790	(12,340)	12,642,245
4,784,625	-	(57,012)	-
4,784,625	-	(57,012)	-
1,729,207	6,505,790	(69,352)	12,642,245
15,249,034	78,580,886	(63,723,660)	61,531,979
\$ 16,978,241	\$ 85,086,676	\$ (63,793,012)	\$ 74,174,224

IOWA CENTRAL COMMUNITY COLLEGE

COMBINING UNRESTRICTED FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES --

EDUCATION AND SUPPORT

Year Ended June 30, 2022

	Education		
	Liberal Arts and Sciences	Career and Technical	Adult Education
Revenues:			
State appropriations	\$ 7,392,796	\$ 4,058,782	\$ 858,353
Tuition and fees	13,234,191	8,543,433	1,518,419
Property tax	-	-	-
Federal appropriations	-	-	-
Sales and services	24,813	32	1,430,262
Interest on investments	-	-	-
Miscellaneous	5,000	36,196	284,700
	20,656,800	12,638,443	4,091,734
Allocation of support services	1,518,122	896,898	293,966
Total revenues	22,174,922	13,535,341	4,385,700
Expenditures:			
Salaries and benefits	6,089,291	6,479,383	1,257,708
Services	11,896	127,042	207,934
Materials and supplies	53,692	997,829	318,808
Travel	9,362	27,112	7,840
Plant asset acquisitions	-	7,739	7,098
Loan cancellation and bad debts	-	-	(2,638)
Scholarships	-	-	-
Miscellaneous	-	3,200	-
	6,164,241	7,642,305	1,796,750
Allocation of support services	9,811,500	5,796,403	1,899,820
Total expenditures	15,975,741	13,438,708	3,696,570

Support					Education and Support Total
General Administration	Student Services	Learning Resources	Physical Plant	General Institution	
\$ 33,149	\$ -	\$ -	\$ -	\$ -	\$ 12,343,080
-	39,625	-	-	292,466	23,628,134
1,864,683	-	-	-	-	1,864,683
-	2,089	-	-	-	2,089
6,169	17,762	-	90,212	201,571	1,770,821
110,635	-	-	-	-	110,635
40,200	425	-	-	10,000	376,521
2,054,836	59,901	-	90,212	504,037	40,095,963
(2,054,836)	(59,901)	-	(90,212)	(504,037)	-
-	-	-	-	-	40,095,963
1,097,729	5,755,968	53,402	2,684,547	2,696,904	26,114,932
225,339	209,374	-	525,660	1,574,362	2,881,607
16,456	84,207	1,275	786,020	387,479	2,645,766
28,009	30,799	-	1,042	52,289	156,453
-	-	-	251,834	-	266,671
431,454	-	-	-	-	428,816
-	-	-	-	268,445	268,445
-	6,114	-	192	338,823	348,329
1,798,987	6,086,462	54,677	4,249,295	5,318,302	33,111,019
(1,798,987)	(6,086,462)	(54,677)	(4,249,295)	(5,318,302)	-
-	-	-	-	-	33,111,019

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IOWA CENTRAL COMMUNITY COLLEGE

**COMBINING UNRESTRICTED FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES --
EDUCATION AND SUPPORT (CONTINUED)
Year Ended June 30, 2022**

	Education		
	Liberal Arts and Sciences	Career and Technical	Adult Education
Excess (deficiency) of revenues over (under) expenditures	\$ 6,199,181	\$ 96,633	\$ 689,130
Transfers:			
Non-mandatory transfers	-	(43,740)	11,938
Total transfers	-	(43,740)	11,938
Net	\$ 6,199,181	\$ 52,893	\$ 701,068

Fund balance beginning of year

Fund balance end of year

See Notes to Supplementary Information.

General Adminis- tration	Support				Education and Support Total
	Student Services	Learning Resources	Physical Plant	General Institution	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,984,944
-	27,870	-	7,428	(6,864,034)	(6,860,538)
-	27,870	-	7,428	(6,864,034)	(6,860,538)
\$ -	\$ 27,870	\$ -	\$ 7,428	\$ (6,864,034)	124,406
					5,277,030
					<u>\$ 5,401,436</u>

IOWA CENTRAL COMMUNITY COLLEGE

COMBINING UNRESTRICTED FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES --
 AUXILIARY ENTERPRISES
 Year Ended June 30, 2022

	Bookstore	Career Education	Athletics and Student Organizations	Self- Insurance Program
Revenues:				
Tuition and fees	\$ -	\$ -	\$ 520,857	\$ -
Sales and services	1,577,976	169,542	273,896	5,873,338
Miscellaneous	-	-	122,125	-
Total revenues	1,577,976	169,542	916,878	5,873,338
Expenditures:				
Salaries and benefits	182,770	-	1,540	-
Services	20,420	35,299	609,152	5,609,449
Materials and supplies	138,626	63,232	722,050	-
Travel	90	136	740,375	-
Plant asset acquisitions	-	-	-	-
Interest on indebtedness	-	-	-	-
Cost of goods sold	794,703	114,615	-	-
Scholarships	-	-	1,386,517	-
Total expenditures	1,136,609	213,282	3,459,634	5,609,449
Excess (deficiency) of revenues over (under) expenditures	441,367	(43,740)	(2,542,756)	263,889
Transfers:				
Non-mandatory transfers	(84,148)	43,740	2,808,996	4,099
Net	357,219	-	266,240	267,988
Fund balances beginning of year	2,606,583	-	1,396,747	3,540,858
Fund balances end of year	\$ 2,963,802	\$ -	\$ 1,662,987	\$ 3,808,846

See Notes to Supplementary Information.

Dormitories	Miscellaneous	Total
\$ 110,425	\$ 729,728	\$ 1,361,010
8,522,639	2,078,920	18,496,311
42,287	128,005	292,417
<u>8,675,351</u>	<u>2,936,653</u>	<u>20,149,738</u>
844,418	945,249	1,973,977
2,458,069	895,006	9,627,395
270,271	403,383	1,597,562
-	3,831	744,432
11,033	18,196	29,229
216,789	-	216,789
-	121,983	1,031,301
612,841	-	1,999,358
<u>4,413,421</u>	<u>2,387,648</u>	<u>17,220,043</u>
4,261,930	549,005	2,929,695
<u>(1,525,000)</u>	<u>245,901</u>	<u>1,493,588</u>
2,736,930	794,906	4,423,283
<u>8,782,233</u>	<u>2,023,669</u>	<u>18,350,090</u>
<u>\$ 11,519,163</u>	<u>\$ 2,818,575</u>	<u>\$ 22,773,373</u>

IOWA CENTRAL COMMUNITY COLLEGE

RESTRICTED FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES

Year Ended June 30, 2022

	Scholarships and Grants	Equipment Replacement	Insurance	Early Retirement
Revenues:				
State appropriations	\$ 2,659,769	\$ 14,733	\$ 26,667	\$ 889
Property tax	-	828,730	1,499,757	49,988
Federal appropriations	7,983,678	-	-	-
Sales and services	-	-	-	-
Interest on investments	-	-	-	-
Iowa Industrial New Jobs Training Program	-	-	-	-
Miscellaneous	142,455	-	-	-
Total revenues	10,785,902	843,463	1,526,424	50,877
Expenditures:				
Salaries and benefits	-	-	-	655,634
Services	-	-	1,505,518	-
Materials and supplies	-	69,484	-	-
Travel	-	-	-	-
Plant asset acquisitions	-	276,221	-	-
Interest on indebtedness	-	-	-	-
Awards to subrecipients	-	-	-	-
Federal Pell Grant program	7,792,081	-	-	-
Federal Supplemental Educational Opportunity Grant	191,598	-	-	-
Iowa College Student Aid Commission	2,659,769	-	-	-
Miscellaneous	792,470	-	-	-
Total expenditures	11,435,918	345,705	1,505,518	655,634
Excess (deficiency) of revenues over (under) expenditures	(650,016)	497,758	20,906	(604,757)
Transfers:				
Non-mandatory transfers	651,275	-	-	-
Net	1,259	497,758	20,906	(604,757)
Fund balance beginning of year	25,880	2,087,265	1,186,871	643,444
Fund balance end of year	\$ 27,139	\$ 2,585,023	\$ 1,207,777	\$ 38,687

See Notes to Supplementary Information.

Unemployment Compensation	Cash Reserve	Tort Liability	Iowa Industrial New Jobs Training Program	Miscellaneous	Total
\$ 534	\$ -	\$ 17,778	\$ -	\$ 2,791,806	\$ 5,512,176
29,965	-	1,000,353	-	-	3,408,793
-	-	-	-	13,303,720	21,287,398
-	-	-	-	564,989	564,989
-	-	-	-	34,449	34,449
-	-	-	2,236,751	-	2,236,751
-	-	-	-	-	142,455
30,499	-	1,018,131	2,236,751	16,694,964	33,187,011
(8,482)	-	-	-	3,118,397	3,765,549
-	-	734,242	2,395,732	1,181,895	5,817,387
-	-	-	-	5,503,905	5,573,389
-	-	-	-	46,944	46,944
-	-	-	-	416,100	692,321
-	-	-	268,079	-	268,079
-	-	-	-	6,207,328	6,207,328
-	-	-	-	-	7,792,081
-	-	-	-	-	191,598
-	-	-	-	-	2,659,769
-	-	-	-	90,522	882,992
(8,482)	-	734,242	2,663,811	16,565,091	33,897,437
38,981	-	283,889	(427,060)	129,873	(710,426)
-	-	-	-	(11,938)	639,337
38,981	-	283,889	(427,060)	117,935	(71,089)
48,709	319,603	465,489	(24,628)	3,045,966	7,798,599
\$ 87,690	\$ 319,603	\$ 749,378	\$ (451,688)	\$ 3,163,901	\$ 7,727,510

IOWA CENTRAL COMMUNITY COLLEGE

**COMBINING SCHEDULE OF FIDUCIARY NET POSITION -
CUSTODIAL FUNDS**

June 30, 2022

	Athletics and Student Organizations	Federal Direct Student Loan Program	Miscellaneous	Total
Assets				
Cash	\$ 624,865	\$ -	\$ 516,533	\$ 1,141,398
Due from other governments	102,318	-	-	102,318
Total assets	727,183	-	516,533	1,243,716
Liabilities				
Due to other governments	228,828	-	-	228,828
Total liabilities	228,828	-	-	228,828
Net assets				
Restricted:				
Other	\$ 498,355	\$ -	\$ 516,533	\$ 1,014,888

See Notes to Supplementary Information.

IOWA CENTRAL COMMUNITY COLLEGE

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
 CUSTODIAL FUNDS
 Year Ended June 30, 2022

	Athletics and Student Organizations	Federal Direct Student Loan Program	Miscellaneous	Total
Additions:				
Tuition and fees	\$ 32,877	\$ -	\$ -	\$ 32,877
Federal and state appropriations	102,318	10,211,834	163,309	10,477,461
Sales and services	350,159	-	58,795	408,954
Interest on investments	-	-	5,347	5,347
Miscellaneous	174,300	-	-	174,300
Total additions	659,654	10,211,834	227,451	11,098,939
Deductions:				
Services	52,798	10,211,834	6,214	10,270,846
Materials and supplies	332,720	-	194,926	527,646
Travel	115,925	-	1,474	117,399
Scholarships	51,307	-	-	51,307
Plant asset acquisitions	21,123	-	-	21,123
Miscellaneous	81,616	-	-	81,616
Total deductions	655,489	10,211,834	202,614	11,069,937
Change in net position	4,165	-	24,837	29,002
Net position beginning of year	494,190	-	491,696	985,886
Net position end of year	\$ 498,355	\$ -	\$ 516,533	\$ 1,014,888

See Notes to Supplementary Information.

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF CREDIT AND CONTACT HOURS *
Period Ended August 19, 2022

Category	Credit Hours		Total
	Eligible for Aid	Not Eligible for Aid	
Arts and Sciences	65,497	-	65,497
Career and Technical Education	35,715	-	35,715
Adult Education/Continuing Education	-	-	-
Cooperative Programs/Services	-	-	-
	<u>101,212</u>	<u>-</u>	<u>101,212</u>

* The schedule of credit and contact hours is presented on an academic year basis rather than on the fiscal year in accordance with reporting requirements required by the Iowa Department of Education. The schedule includes 240 hour adjustment of 6,300 hours.

See Notes to Supplementary Information.

Contact Hours		
Eligible for Aid	Not Eligible for Aid	Total
1,303,674	-	1,303,674
880,223	-	880,223
235,677	131,885 *	367,562
-	2,287	2,287
2,419,574	134,172	2,553,746

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF TAX AND INTERGOVERNMENTAL REVENUES

For the Last Ten Years

	2022	2021	2020	2019
Local (property tax)	\$ 10,231,450	\$ 10,224,590	\$ 9,001,487	\$ 10,941,317
State	18,382,245	17,870,319	16,498,147	15,431,793
Federal	21,289,487	13,027,154	12,531,652	11,060,262
Total	\$ 49,903,182	\$ 41,122,063	\$ 38,031,286	\$ 37,433,372

See Notes to Supplementary Information.

Year Ended June 30,						
2018	2017	2016	2015	2014	2013	
\$ 7,903,930	\$ 8,653,885	\$ 6,193,931	\$ 6,518,778	\$ 6,309,581	\$ 5,647,340	
15,224,300	15,491,690	15,751,285	15,790,624	15,205,498	12,558,759	
11,042,143	11,642,495	11,691,978	13,461,596	13,063,176	13,262,726	
\$ 34,170,373	\$ 35,788,070	\$ 33,637,194	\$ 35,770,998	\$ 34,578,255	\$ 31,468,825	

IOWA CENTRAL COMMUNITY COLLEGE

**SCHEDULE OF CURRENT FUND REVENUES BY SOURCE
AND EXPENDITURES BY FUNCTION**

For the Last Ten Years

	2022	2021	2020	2019
Revenues:				
State appropriations	\$ 17,855,256	\$ 17,391,241	\$ 16,038,286	\$ 14,959,406
Tuition and fees	23,628,134	20,135,194	20,324,108	21,622,692
Property tax	5,273,476	4,545,121	5,723,747	7,570,030
Federal appropriations	21,289,487	13,027,154	12,532,214	11,060,262
Sales and services	2,335,810	719,997	934,621	1,051,026
Interest on investments	145,084	31,210	436,895	905,306
Iowa Industrial New Jobs Training Program	2,236,751	977,541	886,954	718,323
Auxiliary enterprises	20,149,738	19,089,561	19,512,441	19,187,990
Miscellaneous	518,976	586,707	405,550	303,081
Total	\$ 93,432,712	\$ 76,503,726	\$ 76,794,816	\$ 77,378,116
Expenditures:				
Liberal arts and sciences	\$ 6,164,241	\$ 6,410,576	\$ 6,496,434	\$ 6,989,823
Career and technical	8,560,101	7,881,050	8,725,360	8,958,052
Adult education	3,215,953	2,985,943	3,084,387	3,488,494
Cooperative services	2,937,743	1,094,855	1,320,810	1,206,369
Administration	2,203,302	1,126,196	2,138,880	2,142,738
Student services	6,086,462	6,515,403	5,982,584	5,831,416
Learning resources	54,677	66,786	62,819	94,617
Physical plant	5,754,813	4,831,196	5,326,467	5,104,873
General institution	20,595,246	12,594,643	11,175,272	10,781,979
Auxiliary enterprises	17,220,043	15,319,382	18,279,519	17,465,241
Scholarships and grants	11,435,918	10,732,094	10,894,991	10,837,114
Total	\$ 84,228,499	\$ 69,558,124	\$ 73,487,523	\$ 72,900,716

See Notes to Supplementary Information.

Year Ended June 30,						
	2018	2017	2016	2015	2014	2013
\$	14,768,725	\$ 15,008,128	\$ 15,180,753	\$ 15,336,180	\$ 14,105,499	\$ 11,868,116
	22,443,948	22,755,039	22,415,153	22,873,961	22,524,072	23,773,215
	5,305,908	5,801,741	3,374,607	3,758,608	3,623,819	2,946,266
	11,042,143	11,642,495	11,691,978	13,461,596	13,063,176	13,262,726
	2,451,502	1,048,482	814,194	962,129	518,801	558,397
	443,866	206,143	123,563	84,453	78,074	73,452
	2,932,879	1,057,007	253,817	386,073	1,109,189	484,668
	18,846,872	18,116,878	17,299,778	17,417,490	16,089,916	15,224,153
	603,698	453,929	348,604	749,628	348,322	418,760
\$	78,839,541	\$ 76,089,842	\$ 71,502,447	\$ 75,030,118	\$ 71,460,868	\$ 68,609,753
\$	7,843,271	\$ 8,202,147	\$ 8,517,433	\$ 9,096,736	\$ 9,220,044	\$ 9,406,584
	8,677,785	8,642,645	7,991,736	7,650,607	7,261,605	7,591,126
	3,261,116	2,972,615	3,444,414	3,162,936	2,670,432	2,509,545
	3,499,049	1,500,792	503,379	626,002	1,703,469	1,034,094
	2,399,983	2,273,121	1,733,202	1,926,478	1,797,246	1,501,064
	5,603,180	5,556,137	5,007,592	4,406,785	6,150,735	6,093,499
	93,487	113,557	124,000	449,395	527,686	562,775
	5,541,143	5,068,734	5,159,053	5,373,543	4,884,126	5,009,228
	8,049,262	9,621,551	8,621,133	9,538,064	7,841,983	7,490,520
	17,560,480	17,344,219	15,833,927	15,560,159	12,272,079	12,577,310
	10,772,728	11,103,065	11,434,318	13,203,316	12,518,203	12,507,525
\$	73,301,484	\$ 72,398,583	\$ 68,370,187	\$ 70,994,021	\$ 66,847,608	\$ 66,283,270

IOWA CENTRAL COMMUNITY COLLEGE

NOTES TO SUPPLEMENTARY INFORMATION

June 30, 2022

Note 1. Supplementary Information

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 that comprise its assets, liabilities, fund balance, revenue and expenditures. The various fund groups and their designated purposes are as follows:

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

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

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

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

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

Plant Funds – The Plant Funds are used to account for transactions relating to investment in the 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, and retirement of 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.

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

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

Schedules presented in supplementary information are reported using the current financial resources measurement focus and the accrual basis of accounting with modifications for depreciation/amortization 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.

NOTES TO SUPPLEMENTARY INFORMATION (CONTINUED)
June 30, 2022

Note 2. Budgets and Budgetary Information:

The Board of Directors annually prepares a budget designating the proposed expenditures for operation of the College on a basis consistent with accounting principles generally accepted in the United States of America. 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, Loan Funds, Endowment Funds and Custodial Funds.

For the year ended June 30, 2022, the College's expenditures did not exceed the amount budgeted.

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2022

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Program Expenditures	New Loans and New Loan Guarantees
Direct:				
U.S. Department of Education:				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants				
	84.007		\$ 191,598	\$ -
	84.268		-	10,211,834
	84.033		120,428	-
	84.063		7,792,081	-
	Total Student Financial Assistance Cluster		8,104,107	10,211,834
Education Stabilization Fund:				
COVID 19, Higher Education Emergency Relief Fund (HEERF)				
	84.425E	P425E200301	6,150,742	-
	84.425F	P425F200658	5,303,203	-
	84.425M	P425M200331	268,306	-
			11,722,251	-
	84.042A	P042A200733	313,666	-
U.S. Department of Agriculture:				
	10.351		100,023	-
Department of Homeland Security:				
	97.036		4,100	-
	Total Direct		20,244,147	10,211,834

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
 Year Ended June 30, 2022

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Program Expenditures	New Loans and New Loan Guarantees
Indirect:				
U.S. Department of Education:				
Passed through Iowa Department of Education:				
Adult Education -				
Basic Grants to States	84.002	V002A210015	\$ 305,799	\$ -
Career and Technical Education -				
Basic Grants to States	84.048		556,553	-
COVID-19, Governor's Emergency				
Education Relief (GEER) Fund	84.425C		128,751	-
Passed through Iowa Vocational Rehabilitation Services:				
Rehabilitation Services-				
Vocational Rehabilitation				
Grants to States	84.126	17-VRIN-05	87,332	-
Passed through Iowa Department of Corrections:				
Title I Corrections	84.013		75,334	-
Total Indirect			1,153,769	-
Total			\$ 21,397,916	\$ 10,211,834

Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Iowa Central Community College under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Iowa Central Community College, it is not intended to and does not present the financial position, changes in financial position or cash flows of Iowa Central Community College.

Summary of Significant Accounting Policies – Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Iowa Central Community College made no subrecipient payments. Pass-through entity identifying numbers are presented where available.

Indirect Cost Rate – Iowa Central Community College has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

IOWA CENTRAL COMMUNITY COLLEGE



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

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

To the Board of Directors of
Iowa Central Community College
Fort Dodge, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business type activities and the fiduciary activities of Iowa Central Community College and its discretely presented component unit as of and for the year ended June 30, 2022, and the related notes to financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 19, 2022. The financial statements of Iowa Central Community College Foundation were not audited in accordance with *Government Auditing Standards*. This report on internal control over financial reporting and compliance and other matters does not include the results of the Iowa Central Community College Foundation's audit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Iowa Central Community College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Iowa Central Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of Iowa Central College's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Iowa Central Community College's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Iowa Central Community College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters which are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about Iowa Central Community College's operations for the year ended June 30, 2022 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of Iowa Central Community College. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Iowa Central Community College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Iowa Central Community College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Schnue & Company, LLP

Fort Dodge, Iowa
December 19, 2022



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
Iowa Central Community College
Fort Dodge, Iowa

Report on Compliance for Each Major Federal Program

Opinion on each Major Federal Program

We have audited Iowa Central Community College's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Iowa Central Community College's major federal programs for the year ended June 30, 2022. Iowa Central Community College's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Iowa Central Community College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Iowa Central Community College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Iowa Central Community College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Iowa Central Community College's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Iowa Central Community College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about Iowa Central Community College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Iowa Central Community College's compliance with the compliance requirements referred to above and performing other such procedures as we considered necessary in the circumstances.
- Obtain an understanding of Iowa Central Community College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Iowa Central Community College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Schnue & Company, LLP

Fort Dodge, Iowa
December 19, 2022

IOWA CENTRAL COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

Part I: Summary of the Independent Auditor's Results

- (A) An unmodified opinion was issued on the financial statements prepared in accordance with accounting principles generally accepted in the United States of America.
- (B) No material weaknesses or significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements.
- (C) The audit did not disclose any non-compliance that is material to the financial statements.
- (D) No material weaknesses or significant deficiencies in internal control over major programs were disclosed by the audit of the financial statements.
- (E) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (F) The audit disclosed no audit findings that were required to be reported in accordance with the Uniform Guidance, Section 200.516.
- (G) Major programs were as follows:
 - Student Financial Assistance Cluster
 - Education Stabilization Fund:
 - ▲ 84.425C Covid-19, Governor's Emergency Education Rehab (GEER) Fund
 - ▲ 84.425E Covid-19, Higher Education Emergency Relief Fund (HEERF) Student Aid Portion
 - ▲ 84.425F Covid-19, HEERF Institutional Portion
 - ▲ 84.425M Covid-19, HEERF Strengthening Institutions Program (SIP)
- (H) The dollar threshold used to distinguish between Type A and Type B programs was \$948,293.
- (I) Iowa Central Community College qualified as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

INSTANCES OF NONCOMPLIANCE:

No matters were reported.

INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2022**

Part III: Findings and Questioned Costs for Federal Awards (Continued):

INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

Part IV: Other Findings Related to Required Statutory Reporting:

- 2022-A Certified Budget - Expenditures for the year ended June 30, 2022 did not exceed the amount budgeted.
- 2022-B Questionable Expenditures - 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.
- 2022-C 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.
- 2022-D Business Transactions – Business transactions between the College and College officials are detailed below:

<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Brandon Wessels, Board Member, President of Wessels Oil and shareholder of Byson Oil	Fuel purchases	\$ 208,052

In accordance with Chapter 279.70 of the Code of Iowa, the above transactions may represent a conflict of interest since the purchases were not competitively bid.

- 2022-E Restricted Donor Activity – No transactions were noted between the College, College officials, College employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- 2022-F 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 ensure the coverage is adequate for current operations.
- 2022-G Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.
- 2022-H Publication - The College published a statement showing the receipts and disbursements of all funds, including the names of all persons, firms or corporations to which disbursements were made, as required by Section 260C.14(12) of the Code of Iowa.
- 2022-I 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.