

**IOWA VALLEY
COMMUNITY COLLEGE DISTRICT**

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

June 30, 2020

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OFFICIALS

Name	Title	Term Expires
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Board of Directors

Larry Johnson	President	2023
Paul Pohlson	Vice President	2023
Clark Lawler	Member	2023
Deborah Jones	Member	2021
Delbert Kellogg	Member	2021
Joanna Hofer	Member	2021
Chris Brodin	Member	2023

Community College

Dr. Kristie Fisher	Chancellor
Kathleen Pink	Chief Financial Officer and Board Treasurer
Barbara Jennings	Board Secretary

**IOWA VALLEY
COMMUNITY COLLEGE DISTRICT**



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

Independent Auditor's Report

To the Board of Directors of
Iowa Valley Community College District
Marshalltown, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of Iowa Valley Community College District, Marshalltown, Iowa, as of and for the year ended June 30, 2020, its aggregate discretely presented component units as of and for the year ended December 31, 2019, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Marshalltown Community College District Foundation, one of the component units of the District discussed in Note 1. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to that component unit, is based solely on the report of other auditors. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the component units were not audited in accordance with Government Auditing Standards.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of Iowa Valley Community College District as of June 30, 2020, its aggregate discretely presented component units as of December 31, 2019, and the respective changes in financial position and, where applicable, its cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 5 through 12, 42 through 45, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which 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 U.S. generally accepted auditing standards, 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 Valley Community College District'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, 2019 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 11, 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.

The supplementary information is the responsibility of Iowa Valley Community College District's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 U.S. generally accepted auditing standards. In our opinion, based on our audit and the procedures performed as described above, the supplementary information 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 February 5, 2021 on our consideration of Iowa Valley Community College District'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 District'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 Valley Community College District's internal control over financial reporting and compliance.

Schnur & Company, LLP

Fort Dodge, Iowa
February 5, 2021

**IOWA VALLEY
COMMUNITY COLLEGE DISTRICT**

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of Iowa Valley Community College District (the District) provides this Management's Discussion and Analysis of the District's annual financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2020. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2020 FINANCIAL HIGHLIGHTS

- District operating revenues increased approximately \$368,000 compared to 2019. This occurred as a combination of increases in federal appropriations and Iowa Industrial New Jobs Training Program offset by decreases to Tuition and Fees and Auxiliary Enterprise revenues.
- District operating expenses increased 3.7%, or approximately \$1,262,000 compared to fiscal year 2019. The increase was primarily due to increases in Liberal Arts and Sciences and Cooperative Services; and decreases in Adult Education and Administrative Expenses.
- The District's net position decreased 0.2%, or approximately \$115,000 from fiscal year 2019.

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 District'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 District as a whole and present an overall view of the District's finances.

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

Required Supplementary Information presents the District's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Changes in the District'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 District's budget for the year. The Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the District.

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

The Statement of Net Position

The Statement of Net Position presents financial information on all of the District'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 District to the readers of the financial statements. The Statement of Net Position includes year-end information concerning current and noncurrent assets, deferred outflows of resources, current and noncurrent liabilities, deferred inflows of resources and net position. Over time, readers of the financial statements will be able to determine the District'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 District 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,	
	2020	2019
Current and other assets	\$ 36,101,353	\$ 26,132,469
Capital assets, net of accumulated depreciation	52,193,120	53,983,924
Total assets	88,294,473	80,116,393
Deferred outflows of resources	1,581,597	1,593,749
Current liabilities	7,879,827	5,866,036
Noncurrent liabilities	16,865,292	14,783,811
Total liabilities	24,745,119	20,649,847
Deferred inflows of resources	8,605,325	4,419,641
Net position:		
Net investment in capital assets	47,213,120	48,468,924
Restricted	2,868,191	2,605,797
Unrestricted	6,444,315	5,565,933
Total net position	\$ 56,525,626	\$ 56,640,654

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES (CONTINUED)

Comparison of Net Position

Net position decreased 0.2% or approximately \$115,000 from the prior year. The largest portion of the District's net position, 83.5%, is invested in capital assets (e.g., land, buildings, and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. The restricted portion of the net position, 5.1%, includes resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The remaining net position is the unrestricted net position that can be used to meet the District's obligations as they come due.

Fiscal Year 2020: The District made principal payments on certificates, bonds and notes payable totaling approximately \$1,790,000 during fiscal year 2020 and made additional borrowings of \$4,790,000 in certificates.

Fiscal Year 2019: The District made principal payments on certificates, bonds and notes payable totaling approximately \$6,520,750 during fiscal year 2019 and made additional borrowings of \$330,000 in New Jobs Training Bonds and \$3,992,000 in Revenue Refunding Bonds.

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 District, both operating and non-operating, the expenses incurred by the District, both operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the District.

In general, a public college, such as Iowa Valley Community College District 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 District. 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 District. Non-operating revenues are revenues received for which goods and services are not provided. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life.

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES (CONTINUED)

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

The Statement of Revenues, Expenses and Changes in Net Position reflects a decrease of 0.2% or approximately \$115,000, in net position at the end of the fiscal year.

Changes in Net Position

	Year Ended June 30,	
	2020	2019
Operating revenues:		
Tuition and fees	\$ 7,015,939	\$ 7,549,353
Federal appropriations	1,880,101	1,267,396
Iowa Industrial New Jobs Training Program	1,470,087	306,572
Auxiliary enterprises	4,526,334	5,261,122
Miscellaneous	1,897,732	2,037,351
Total operating revenues	16,790,193	16,421,794
Total operating expenses	35,548,809	34,286,489
Operating (loss)	(18,758,616)	(17,864,695)
Non-operating revenues (expenses):		
State appropriations	10,426,978	11,447,716
Pell grant	3,486,008	3,271,078
Property tax	4,729,809	5,179,621
Interest income from investments	194,944	170,265
Gain on sale of capital assets	-	90,541
Interest on indebtedness	(322,718)	(335,092)
Net non-operating revenues	18,515,021	19,824,129
Transfers from agency fund	128,567	132,677
Increase (decrease) in net position	(115,028)	2,092,111
Net position beginning of year	56,640,654	54,548,543
Net position end of year	\$ 56,525,626	\$ 56,640,654

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES (CONTINUED)

Total Revenue by Source

In fiscal year 2020, operating revenues increased by approximately \$368,000. The following factors represent the significant changes:

- Federal appropriations increased approximately \$613,000, NJTP increased approximately \$1,164,000, auxiliary enterprises revenue decreased approximately \$735,000, tuition and fees decreased approximately \$533,000, and miscellaneous revenue decreased approximately \$140,000.

Operating Expenses

	Year Ended June 30,	
	2020	2019
Education and Support:		
Liberal arts and sciences	\$ 7,502,855	\$ 6,957,125
Career and technical	3,290,214	3,251,833
Adult education	2,082,093	2,495,800
Cooperative services	1,348,975	200,447
Administration	3,713,151	4,118,084
Student services	3,156,434	2,358,134
Learning resources	263,793	250,769
Physical plant	3,619,271	3,653,880
General institution	3,116,143	3,117,932
Auxiliary enterprises	4,460,864	4,867,567
Loan cancellations and bad debt	218,962	246,355
Depreciation	2,776,054	2,768,563
	\$ 35,548,809	\$ 34,286,489

Total Expenses

In fiscal year 2020, operating expenses increased by approximately \$1,262,000. The following factors represent the significant changes:

- Liberal arts costs increased approximately \$546,000, and cooperative services increased approximately \$1,149,000.

Statement of Cash Flows

The Statement of Cash Flows is an important tool in helping users assess the District'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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES (CONTINUED)

Statement of Cash Flows (Continued)

	Cash Flows	
	Year Ended June 30,	
	2020	2019
Cash provided (used) by:		
Operating activities	\$ (16,167,245)	\$ (16,118,648)
Non-capital financing activities	18,465,644	21,050,527
Capital and related financing activities	1,694,317	(4,089,722)
Investing activities	1,708,956	159,937
Net increase in cash	5,701,672	1,002,094
Cash beginning of year	12,299,451	11,297,357
Cash end of year	\$ 18,001,123	\$ 12,299,451

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 District, 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.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2020, the District had approximately \$52 million invested in capital assets, net of accumulated depreciation of approximately \$45 million. Depreciation charges totaled \$2,776,054 for fiscal year 2020. Details of the capital assets are shown below:

	Capital Assets, Net, At Year-End	
	June 30,	
	2020	2019
Land	\$ 3,448,786	\$ 3,448,786
Construction in progress	-	259,257
Buildings	46,103,949	47,689,684
Improvements other than buildings	988,649	890,884
Equipment and vehicles	1,651,736	1,695,313
Totals	\$ 52,193,120	\$ 53,983,924

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Debt

At June 30, 2020, the District had \$11,845,000 in debt outstanding, an increase of approximately \$3,000,000 from fiscal year 2019. The table below summarizes these amounts by type.

Outstanding Debt

	June 30,	
	2020	2019
Certificates payable	\$ 6,865,000	\$ 3,330,000
Notes payable and revenue bonds	4,980,000	5,515,000
	\$ 11,845,000	\$ 8,845,000

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

ECONOMIC FACTORS

Iowa Valley Community College District experienced an increase in the unrestricted general operating fund net position of approximately \$72,000. This is an approximate decrease of \$191,000 from the previous fiscal year's increase in unrestricted general operating fund net position of approximately \$263,000.

Economic factors and trends that continue to draw a great deal of scrutiny by the District are:

- State general aid increased approximately \$242,000 in fiscal year 2020, an increase of approximately 2.7%.
- Property tax valuations increased approximately \$230,500,000 or 4.75% for the 2020 collection year.
- Property tax from the 0.2025 fixed-rate levy comprised 4.45% of general operating fund revenue in fiscal year 2020.
- Tuition and fee revenue collections in the general operating fund were consistent and are the largest source of revenue for the fund, representing 49.0% of the total general operating fund revenues. While it is a significant amount of revenue, it is difficult to predict and budget due to the many variables that impact actual enrollment and the tuition and fees generated. Continued tuition rate increases create hardships for individuals seeking a college education and access to life-long learning opportunities.
- Student enrollment for fiscal year 2020 had an increase of 0.35% in credit hours as compared to fiscal year 2019. In 2019 there was a decrease in credit hours of approximately 3.30%. The District must continue to be aggressive in recruiting and retaining students. The impact of enrollment on the fiscal condition of the District is significant and immediate.

MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS (CONTINUED)

- Industrial New Jobs Training (260E) Projects have provided valuable resources for area business and industry for the expansion and training of their labor forces. The District continually monitors these projects to ensure businesses maintain the ability to meet their long-term debt obligation commitments for the 260E projects.
- Labor costs to include health insurance represent 72.0% of expenditures in the unrestricted general operating fund. Labor costs increased as a result of the collective bargaining negotiated settlement and increase to non-bargaining employees.
- Utilities, custodial, and maintenance costs continue to rise. Utility costs are funded by the fixed rate Plant Fund levy and transfers from the Unrestricted General Operating Fund. Management is utilizing more of the unrestricted operating fund to pay for utilities, which allows for more of the plant fund levy to be used for necessary maintenance and infrastructure expenditures.

CONTACTING THE DISTRICT'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 District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Iowa Valley Community College District, 3702 South Center Street, Marshalltown, Iowa 50158.

BASIC FINANCIAL STATEMENTS

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

STATEMENT OF NET POSITION

June 30, 2020

Assets	Primary Government
Current Assets:	
Cash and cash equivalents	\$ 17,736,781
Restricted cash reserve	264,342
Certificates of deposit	3,272,000
Receivables:	
Accounts, net of allowance for doubtful accounts of \$6,546,812	2,737,901
Property tax:	
Delinquent	1,317,721
Succeeding year	7,385,662
Iowa Industrial New Jobs Training Program	842,100
Due from other governments	1,361,037
Inventories	389,113
Prepaid expenses	794,696
Total current assets	36,101,353
Noncurrent Assets:	
Capital assets, net of accumulated depreciation	52,193,120
Total noncurrent assets	52,193,120
Total assets	88,294,473
Deferred Outflows of Resources	
Pension related deferred outflows	1,291,049
OPEB related deferred outflows	290,548
Total deferred outflows of resources	1,581,597

(Continued on next page)

Exhibit A

Liabilities	Primary Government
Current Liabilities:	
Accounts payable	\$ 293,574
Salaries and benefits payable	1,380,426
Accrued interest payable	39,349
Advances from grantors	2,477,203
Early retirement payable	690,845
Compensated absences payable	342,052
Certificates payable	1,595,000
Revenue bonds payable	546,000
Deposits held in custody for others	515,378
Total current liabilities	7,879,827
Noncurrent Liabilities:	
Early retirement payable	947,551
Net pension liability	5,008,619
Total OPEB liability	1,205,122
Certificates payable	5,270,000
Revenue bonds payable	4,434,000
Total noncurrent liabilities	16,865,292
Total liabilities	24,745,119
Deferred Inflows of Resources	
Unavailable property tax revenue	7,385,662
Pension related deferred inflows	1,219,663
Total deferred inflows of resources	8,605,325
Net Position:	
Net investment in capital assets	47,213,120
Restricted for:	
Expendable:	
Scholarships and fellowships	49,554
Cash reserve	264,342
Iowa Industrial New Jobs Training Program	217,370
Other	2,336,925
Unrestricted	6,444,315
Total net position	\$ 56,525,626

See Notes to Basic Financial Statements.

IOWA VALLEY COMMUNITY COLLEGE DISTRICT**Exhibit B****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended June 30, 2020**

	Primary Government
Operating revenues:	
Tuition and fees, net of scholarship allowances of \$4,017,399	\$ 7,015,939
Federal appropriations	1,880,101
Iowa Industrial New Jobs Training Program	1,470,087
Auxiliary enterprises	4,526,334
Miscellaneous	1,897,732
Total operating revenues	16,790,193
Operating expenses:	
Education and support:	
Liberal arts and sciences	7,502,855
Career and technical	3,290,214
Adult education	2,082,093
Cooperative services	1,348,975
Administration	3,713,151
Student services	3,156,434
Learning resources	263,793
Physical plant	3,619,271
General institution	3,116,143
Auxiliary enterprises	4,460,864
Loan cancellations and bad debt	218,962
Depreciation	2,776,054
Total operating expenses	35,548,809
Operating (loss)	(18,758,616)

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IOWA VALLEY COMMUNITY COLLEGE DISTRICT**Exhibit B
(Continued)****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended June 30, 2020**

	Primary Government
Non-operating revenues (expenses):	
State appropriations	\$ 10,426,978
Pell grant	3,486,008
Property tax	4,729,809
Interest income from investments	194,944
Interest on indebtedness	(322,718)
	<hr/>
Net non-operating revenues	18,515,021
	<hr/>
	(243,595)
Transfers from agency fund	128,567
	<hr/>
Change in net position	(115,028)
Net position beginning of year	56,640,654
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Net position end of year	<u><u>\$ 56,525,626</u></u>

See Notes to Basic Financial Statements.

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

Exhibit C

STATEMENT OF CASH FLOWS

Year Ended June 30, 2020

	Primary Government
Cash Flows from Operating Activities:	
Cash received from tuition and fees	\$ 6,443,585
Cash received from federal appropriations	3,103,528
Cash received from Iowa Industrial New Jobs Training Program	643,695
Payments to employees for salaries and benefits	(18,759,184)
Payments to suppliers for goods and services	(14,125,493)
Auxiliary enterprises	4,526,334
Other receipts	2,000,290
Net cash (used by) operating activities	(16,167,245)
Cash Flows from Non-Capital Financing Activities:	
Transfers from agency funds	128,567
State appropriations	10,426,978
Pell grant	3,486,008
Property tax	4,435,967
Federal direct lending receipts	4,028,470
Federal direct lending disbursements	(4,028,470)
Miscellaneous Agency Fund receipts	1,095,315
Miscellaneous Agency Fund disbursements	(1,107,191)
Net cash provided by non-capital financing activities	18,465,644
Cash Flows from Capital and Related Financing Activities:	
Proceeds from issuance of debt	4,790,000
Acquisition of capital assets	(985,250)
Principal paid on debt	(1,790,000)
Interest paid on debt	(320,433)
Net cash provided by capital and related financing activities	1,694,317
Cash Flows from Investing Activities:	
Purchase of investments	(3,272,000)
Proceeds from sale of investments	4,786,012
Interest from investments	194,944
Net cash provided by investing activities	1,708,956
Net increase in cash	5,701,672
Cash and cash equivalents beginning of year	12,299,451
Cash and cash equivalents end of year	\$ 18,001,123

(Continued on next page)

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

**Exhibit C
(Continued)**

STATEMENT OF CASH FLOWS

Year Ended June 30, 2020

	Primary Government
Reconciliation of operating (loss) to net cash (used by)	
operating activities:	
Operating (loss)	<u>\$ (18,758,616)</u>
Adjustments to reconcile operating (loss) to net cash (used by) operating activities:	
Depreciation	2,776,054
Provision for doubtful accounts	379,597
Changes in assets and liabilities:	
(Increase) in accounts receivable	(818,054)
(Increase) in NJTP receivable	(826,392)
(Increase) in due from other governments	(79,117)
(Increase) in inventories	(95,762)
(Increase) in prepaid expenses	(129,782)
(Decrease) in accounts payable	(268,063)
(Decrease) in salaries and benefits payable	(15,931)
(Decrease) in net pension liability	(286,259)
Decrease in pension-related deferred outflows of resources	115,038
(Increase) in OPEB-related deferred outflows of resources	(102,886)
Increase in pension-related deferred inflows of resources	267,812
Increase in early retirement and net OPEB liability	424,468
(Decrease) in compensated absences	(20,557)
Increase in advances from grantors	<u>1,271,205</u>
Total adjustments	<u>2,591,371</u>
Net cash (used by) operating activities	<u><u>\$ (16,167,245)</u></u>
 Summary of Cash and Cash Equivalents as of June 30, 2020:	
Cash and cash equivalents	\$ 17,736,781
Cash reserve	<u>264,342</u>
	<u><u>\$ 18,001,123</u></u>

See Notes to Basic Financial Statements.

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

Exhibit D

STATEMENT OF NET ASSETS

Component Units
December 31, 2019

	Marshalltown Community College Foundation	Ellsworth Community College Foundation	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 987,175	\$ 793,941	\$ 1,781,116
Contributions receivable	-	28,488	28,488
Investment income receivable	4,042	-	4,042
	991,217	822,429	1,813,646
Noncurrent Assets:			
Investments	4,557,863	5,675,884	10,233,747
Art collection	-	430,500	430,500
	4,557,863	6,106,384	10,664,247
Total assets	5,549,080	6,928,813	12,477,893
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Cash deficit without donor restrictions	20,416	-	20,416
Accounts payable	155,682	220,829	376,511
Accrued expenses	5,829	-	5,829
	181,927	220,829	402,756
Net assets:			
Net assets without donor restrictions	625,613	655,485	1,281,098
Net assets with donor restrictions	4,741,540	6,052,499	10,794,039
Total net assets	5,367,153	6,707,984	12,075,137
Total liabilities and net assets	\$ 5,549,080	\$ 6,928,813	\$ 12,477,893

See Notes to Basic Financial Statements.

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

Exhibit E

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Component Units

Year Ended December 31, 2019

	Marshalltown Community College Foundation	Ellsworth Community College Foundation	Total
Revenues:			
Operating revenues:			
Contributions	\$ 617,545	\$ 387,089	\$ 1,004,634
Special events and grants	-	85,379	85,379
Total operating revenues	617,545	472,468	1,090,013
Expenses:			
Operating expenses:			
Program services	341,866	473,756	815,622
Management and general	55,880	77,774	133,654
Fundraising	83,737	60,439	144,176
Total operating expenses	481,483	611,969	1,093,452
Operating income (loss)	136,062	(139,501)	(3,439)
Non-operating revenue:			
Investment income, net of expense	527,788	975,919	1,503,707
Other	2,722	4,561	7,283
Total non-operating revenue	530,510	980,480	1,510,990
Increase in net assets	666,572	840,979	1,507,551
Net assets:			
Beginning	4,700,581	5,867,005	10,567,586
Ending	\$ 5,367,153	\$ 6,707,984	\$ 12,075,137

See Notes to Basic Financial Statements.

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Iowa Valley Community College District is a publicly supported school established and operated by Merged Area VI under the provisions of Chapter 260C of the Code of Iowa. The District 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. The District also offers up to two years of career and technical education, as well as training or retraining to persons who are preparing to enter the labor market. The District maintains campuses in Marshalltown, Iowa Falls and Grinnell, Iowa, and has its administrative offices in Marshalltown. The District is governed by a Board of Directors whose members are elected from each director district within Merged Area VI.

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

A. Reporting Entity

For financial reporting purposes, the District has included all funds, organizations, agencies, boards, commissions and authorities. The District 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 District are such that exclusion would cause the District'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 District 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 District.

These financial statements present the District (the primary government) and its component units. The component units discussed below are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. The component units year end is December 31, 2019. Certain disclosures about the component units are not included because the component units have been audited separately and a report has been issued under separate cover. The audited financial statements are available at the District.

Discrete Component Units

Marshalltown Community College District Foundation is a legally separate, not-for-profit foundation. The Foundation was established for the purpose of providing scholarships to students and other support for the benefit of Marshalltown Community College, a part of Iowa Valley Community College District. The Foundation is governed by a separate Board of Directors. Although the District does not control the timing or amount of receipts from the Foundation, the majority of the resources held are used for the benefit of Marshalltown Community College, and its students. The address of the Foundation is 3700 South Center Street, Marshalltown, Iowa 50158.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (continued)

Discrete Component Units (continued)

Ellsworth College Foundation is a legally separate, not-for-profit foundation. The Foundation was established for the purpose of providing scholarships to students and other support for the benefit of Ellsworth Community College, a part of Iowa Valley Community College District. The Foundation is governed by a separate Board of Directors. Although the District does not control the timing or amount of receipts from the Foundation, the majority of the resources held are used for the benefit of Ellsworth Community College and its students. The address of the Foundation is 1100 College Avenue, Iowa Falls, Iowa 50126.

The Foundations are non-profit organizations, which report under accounting standards established by the Financial Accounting Standards Board (FASB). The Foundations' 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 Foundations' financial information in the District's financial reporting for these differences. The Foundations' report net assets, which is equivalent to net position reported by the District. Copies of the Foundations' financial statements may be obtained by contacting the Foundations.

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 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 District, including the District's permanent endowment funds.

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

Unrestricted Net Position: Net position not subject to externally-imposed stipulations. Resources may be designated for specific purposes by action of management or by the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is designated for academic and general programs of the District.

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 District. For the most part, the effect of interfund activity has been removed from these statements.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting

For financial reporting purposes, the District 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 District have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Cash, Cash Equivalents and Pooled Investments: Investments are stated at their fair value, except for non-negotiable certificates of deposit which are stated at amortized cost.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the date 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 by June 1 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is 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 District for training projects entered into between the District and employers under the provisions of Chapter 260E of the Code of Iowa. The receivable amount is based on expenditures incurred through June 30, 2020 on NJTP projects, including interest incurred on NJTP certificates, less revenues received to date.

Capital Assets: Capital assets, which include land, buildings, improvements other than buildings, equipment and vehicles, are recorded at historical cost 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 assets or materially extend asset lives are not capitalized.

NOTES TO BASIC FINANCIAL STATEMENTS

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): Reportable capital assets are defined by the District as assets with initial, individual costs in excess of \$5,000 and estimated useful lives in excess of two years.

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

Asset Class	Estimated Useful Lives (in Years)
Buildings	40
Improvements other than buildings	20
Equipment	5 - 10
Vehicles	5

The District 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.

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 District after the measurement date but before the end of the District's reporting period.

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 Grantors: Grant proceeds which have been received by the District but will be spent in a succeeding fiscal year.

Compensated Absences: District 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, 2020.

Accrued Interest Payable: Interest on long-term indebtedness is recorded as a liability when the interest is incurred.

Deposits Held in Custody for Others: These deposits consist primarily of funds for student organizations and 260F agreements.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

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 related to OPEB and OPEB expense, information has been determined based on the District'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, unrecognized items not yet charged to pension expense and the unamortized portion of the net difference between projected and actual earnings on pension plan assets.

Auxiliary Enterprise Revenues and Expenses: Auxiliary enterprise revenues and expenses primarily represent revenues generated and expenses associated with the bookstore, cafeteria, athletics and housing. Revenues are recognized when goods or services are provided.

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

Income Taxes: The District is exempt from income tax as a local government unit. The Marshalltown Community College Foundation and the Ellsworth College Foundation have qualified for exemption from income tax under Section 501c (3) of the Internal Revenue Code.

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

Transfers: Transfers from District funds were primarily composed of amounts from student fees used in support of athletics.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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 Officials (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 Event

Subsequent events have been evaluated through February 5, 2021 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, Cash Equivalents and Pooled Investments

The District's deposits in banks at June 30, 2020 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 District 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.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 2. Cash, Cash Equivalents and Pooled Investments (Continued)

The District 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 June 30, 2020 fair value measurement of the District's investment in certificates of deposit of \$3,272,000 was determined using Level 2 inputs.

Interest Rate Risk: The District'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 District.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Concentration of Credit Risk: The District's general investment policy is to apply the prudent-person rule. Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. The District's investment policy seeks to provide safety of the principal, maintain the necessary liquidity to match expected liabilities and obtain a reasonable rate of return. The policy does not allow the District to invest in reverse purchase agreements, futures or options. The District did not have any investments in any one issuer that represents 5% or more of total District investments. Money market funds and mutual funds are excluded from this consideration given that the District does not "hold" the underlying investments.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. It is the District's policy to require that time deposits in excess of FDIC insurable limits be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default.

Component Units: The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The component units have the following recurring fair value measurements at June 30, 2020:

Investments	Fair Value	Level 1	Level 2
Money market accounts	\$ 102,339	\$ 102,339	\$ -
Certificates of deposit	326,025	-	326,025
Exchange traded and close-end funds	763,283	763,283	-
Mutual funds	2,979,609	2,979,609	-
Equity securities	3,404,693	3,404,693	-
Fixed income investments	2,657,798	2,657,798	-
	<u>\$ 10,233,747</u>	<u>\$ 9,907,722</u>	<u>\$ 326,025</u>

NOTES TO BASIC FINANCIAL STATEMENTS

Note 3. Inventories

The District's inventories at June 30, 2020 are as follows:

Type	Amount
Merchandise held for resale	\$ 389,113

Note 4. Capital Assets

Capital assets for the year ended June 30, 2020 is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Capital assets not being depreciated:				
Land	\$ 3,448,786	\$ -	\$ -	\$ 3,448,786
Construction in progress	259,257	432,028	691,285	-
Total capital assets not being depreciated	3,708,043	432,028	691,285	3,448,786
Capital assets being depreciated:				
Buildings	82,682,821	884,089	-	83,566,910
Improvements other than buildings	1,750,178	-	-	1,750,178
Equipment and vehicles	8,161,165	360,418	508,709	8,012,874
Total capital assets being depreciated	92,594,164	1,244,507	508,709	93,329,962
Less accumulated depreciation for:				
Buildings	35,145,755	2,317,206	-	37,462,961
Improvements other than buildings	706,676	54,853	-	761,529
Equipment and vehicles	6,465,852	403,995	508,709	6,361,138
Total accumulated depreciation	42,318,283	2,776,054	508,709	44,585,628
Total capital assets being depreciated, net	50,275,881	(1,531,547)	-	48,744,334
Capital assets, net	\$ 53,983,924	\$ (1,099,519)	\$ 691,285	\$ 52,193,120

NOTES TO BASIC FINANCIAL STATEMENTS

Note 5. Changes in Noncurrent Liabilities

A summary of changes in noncurrent liabilities for the year ended June 30, 2020 is as follows:

	Compensated Absences	Early Retirement Payable	Total OPEB Payable	Net Pension Liability	Certificates Payable	Revenue Bonds	Total
Balance, beginning of year	\$ 362,609	\$ 1,409,063	\$ 1,009,987	\$ 5,294,878	\$ 3,330,000	\$ 5,515,000	\$ 16,921,537
Additions	342,053	808,911	195,135	-	4,790,000	-	6,136,099
Reductions	362,610	579,578	-	286,259	1,255,000	535,000	3,018,447
Balance, end of year	<u>\$ 342,052</u>	<u>\$ 1,638,396</u>	<u>\$ 1,205,122</u>	<u>\$ 5,008,619</u>	<u>\$ 6,865,000</u>	<u>\$ 4,980,000</u>	<u>\$ 20,039,189</u>
Due within one year	\$ 342,052	\$ 690,845	\$ -	\$ -	\$ 1,595,000	\$ 546,000	\$ 3,173,897

Notes Payable, Revenue and General Obligation Bonds:

The District has issued notes payable, revenue and general obligation bonds for the purchase and construction of District properties as allowed by Section 260C.19 of the Code of Iowa. Details of scheduled maturities for the District's June 30, 2020 notes payable, revenue and general obligation bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2021	\$ 546,000	\$ 157,775	\$ 703,775
2022	568,000	140,580	708,580
2023	587,000	122,695	709,695
2024	599,000	104,218	703,218
2025	621,000	85,350	706,350
2026-2029	2,059,000	152,061	2,211,061
Total	<u>\$ 4,980,000</u>	<u>\$ 762,679</u>	<u>\$ 5,742,679</u>

Notes payable, revenue and general obligation bonds consisted of the following principal balances as of June 30, 2020:

Student housing revenue refund bonds dated January 2015, with an interest rate of 3.00%. Interest is payable semiannually, while principal payments in varying amounts are due annually, with a maturity date of May 1, 2027. The real estate, student housing facilities and related personal property are collateral for the debt.	\$ 1,630,000
Dormitory revenue bonds dated July 2, 2018, with an interest rate of 3.25%. Interest is payable semiannually, while principal payments in varying amounts are due annually, with a maturity date of May 1, 2029. All real estate, personal property, revenues, resources and credit of the District are collateral for the debt.	3,350,000
	<u>\$ 4,980,000</u>

NOTES TO BASIC FINANCIAL STATEMENTS

Note 5. Changes in Noncurrent Liabilities (Continued)

Certificates Payable:

Pursuant to agreements dated from July 2014 to October 2019, the District has outstanding certificates totaling \$6,865,000 as of June 30, 2020, with interest rates ranging from 1.80% to 3.50% per annum. The debt was issued to fund the development and training costs incurred relative to implementing Chapter 260E of the Code of Iowa, Iowa Industrial New Jobs Training Program (NJTP). NJTP's purpose is to provide tax-aided training for employees of industries that are new to or are expanding their operations within the State of Iowa. Interest is payable semiannually, while principal payments are due annually. Amounts due will be paid from anticipated job credits from withholding taxes, incremental property taxes, budgeted reserves and in the case of default, from standby property tax.

The certificates will mature as follows:

Year Ending June 30	Principal	Interest	Total
2021	\$ 1,595,000	\$ 156,640	\$ 1,751,640
2022	1,590,000	122,667	1,712,667
2023	1,585,000	87,335	1,672,335
2024	1,585,000	51,870	1,636,870
2025	175,000	14,437	189,437
2026-2029	335,000	21,925	356,925
	<u>\$ 6,865,000</u>	<u>\$ 454,874</u>	<u>\$ 7,319,874</u>

Since inception, the District has administered 125 projects, with 10 currently receiving project funding. Of the remaining projects, 115 have been completed and closed.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 6. Operating Leases

The District leases certain property within the area to house different divisions of the District and equipment under operating leases that expire from June 2022 through January 2025 and require various maximum annual rentals. Most of the operating leases provide the District with the option to renew the lease at a fair rental value at the end of the initial lease term. Generally, management expects that the leases will be renewed or replaced by other leases in the normal course of business. Minimum payments for operating leases having initial or remaining noncancelable terms in excess of one year are as follows:

Year Ending June 30	Amount
2021	\$ 217,843
2022	217,843
2023	183,530
2024	5,850
2025	2,925
	<u>\$ 627,991</u>

Total rent expense for all operating leases was \$323,745 for the year ended June 30, 2020.

Note 7. Iowa Public Employees Retirement System (IPERS)

Plan Description: IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District 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 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 7. Iowa Public Employees Retirement System (IPERS) (Continued)

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 that the member receives benefits before age 65.

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 2020, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the District contributed 9.44% of covered payroll, for a total rate of 15.73%.

The District's contributions to IPERS for the year ended June 30, 2020 were \$636,647.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2020, the District reported a liability of \$5,008,619 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the IPERS relative to the contributions of all IPERS participating employers. At June 30, 2019, the District's proportion was 0.086495%, which was an increase of 0.002824% from its proportion measured as of June 30, 2018.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 7. 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, 2020, the District recognized pension expense of \$732,925. At June 30, 2020, the District 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	\$ 13,885	\$ 180,084
Changes of assumptions	536,495	-
Net difference between projected and actual earnings on IPERS' investments	-	564,411
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	104,022	475,168
District contributions subsequent to the measurement date	636,647	-
Total	<u>\$ 1,291,049</u>	<u>\$ 1,219,663</u>

\$636,647 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. 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 Ended June 30,	
2021	\$ (72,184)
2022	(283,325)
2023	(136,051)
2024	(74,958)
2025	1,257
	<u>\$ (565,261)</u>

There were no non-employer contributing entities at IPERS.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 7. Iowa Public Employees Retirement System (IPERS) (Continued)

Actuarial Assumptions: The total pension liability in the June 30, 2019 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, 2019 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 June 30, 2019 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 %	5.60 %
International equity	15.0	6.08
Global smart beta equity	3.0	5.82
Core plus fixed income	27.0	1.71
Public credit	3.5	3.32
Public real assets	7.0	2.81
Cash	1.0	(0.21)
Private equity	11.0	10.13
Private real assets	7.5	4.76
Private credit	3.0	3.01
Total	100.0 %	

NOTES TO BASIC FINANCIAL STATEMENTS

Note 7. 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 that employee contributions will be made at the contractually required rate and contributions from the District 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 District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability	\$ 8,893,690	\$ 5,008,619	\$ 1,749,864

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, 2020, the District reported payables to IPERS of \$0 for legally required District contributions and \$0 for legally required employee contributions which had been withheld from employee wages which had not yet been remitted to IPERS.

Note 8. 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 District 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 District and employees vest immediately. For the year ended June 30, 2020, employee contributions totaled \$393,142 and the District recognized pension expense of \$590,025.

At June 30, 2020, the District reported payables to TIAA of \$0 for legally required District contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet been remitted to TIAA.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 9. Early Retirement

The District approved an Early Retirement Incentive Plan (ERIP) effective October 10, 2018. The plan expired on June 30, 2020.

To be eligible for ERIP, an employee must be employed at least half-time and be 55 years of age with 10 or more years of continuous service with the District. Retirement is to be effective June 30, 2020. Participation must be approved by the Chancellor.

An employee approved for participation in the program will receive the following incentives:

1. Early Retirement Incentive cash severance amount of the employee's annual salary during the year of the request, based upon the following schedule:

Years of Service	Percentage of Salary
20 or more	100%
15 - 19	90
10-14	80

2. Up to \$600 of the employee's single deductible health insurance premium shall be paid on a monthly basis until the retiree becomes eligible for Medicare.

The employees receive the cash benefits in 36 equal installments commencing on July 15, 2020. The lump-sum payment liability is \$1,554,883 and is recorded as early retirement payable.

The current year cost to the District was \$808,911 including 35 participants in the health insurance plan. The liability for the participation in the health plan is \$83,513 and is recorded as early retirement payable. This portion of the liability will be paid over the next eight years. The liability was calculated using the District's share of health premiums at the time of retirement to estimate costs.

Note 10. Insurance Management Program for Area Community Colleges (IMPACC)

The District is a member of the Insurance Management Program for Area Community Colleges (IMPACC), as allowed by Chapter 504A of the Code of Iowa. IMPACC (Program) is a group self-insurance program whose five members are Iowa Community Colleges. The Program was incorporated in May 1988 for the purpose of managing and funding insurance for its members. The Program provides coverage and protection in the following categories: general liability, employee benefits liability, automobile liability, automobile physical damage, property and inland marine, wrongful acts and educators' legal liability, workers compensation and employer's liability, crime and employee fidelity, equipment breakdown (boiler and machinery), foreign liability and cyber liability. There have been no reductions in insurance coverage from prior years.

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

NOTES TO BASIC FINANCIAL STATEMENTS

Note 10. Insurance Management Program for Area Community Colleges (IMPACC) (Continued)

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

The Program uses reinsurance to reduce its exposure to large losses. The Program has a self-insured retention of \$100,000 per occurrence for wrongful acts, employee benefits liability and educators' legal liability, \$250,000 per occurrence for workers' compensation and employer's liability and \$200,000 per occurrence for most other claims. First layer excess insurance is \$800,000 per occurrence for property, general and automobile liability, \$900,000 per occurrence for wrongful acts, employee benefits liability and educators' legal liability and \$250,000 per occurrence for workers' compensation. The Program's annual aggregate retention (loss fund) is \$1,200,000 with stop gap loss protection provided above the loss fund. There is additional excess insurance for workers' compensation to statutory limits and for liability claims to \$10,000,000 per occurrence. Property is insured with excess coverage over the self-insured retention and underlying layer of up to \$250,000,000 per occurrence. Flood and earthquake exposures are covered in the property program each having \$16,000,000 limits. Also covered is employee fidelity up to \$2,000,000 having a deductible of \$10,000 per member, boiler and machinery coverage up to \$250,000,000 with a deductible of \$10,000 per member loss, foreign travel coverage with limits of \$1,000,000, as well as cyber liability including identity theft protection up to \$1,000,000 annual aggregate per member with a deductible of \$50,000 per member loss.

The Program's intergovernmental contract with its members provides that in the event any claim or series of claims exceeds the amount of aggregate excess insurance, then payment of such claims shall be the obligation of the respective individual member. The District does not report a liability for losses in excess of reinsurance unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2020, no liability has been recorded in the District's financial statements. As of June 30, 2020, settled claims have not exceeded the Program's coverage in any of the past three fiscal years.

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (OPEB)

Plan Description: The District administers a single-employer 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 District 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, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	31
Active employees	<u>200</u>
Total	<u><u>231</u></u>

Total OPEB Liability: The District's total OPEB liability of \$1,205,122 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions: The total OPEB liability in the June 30, 2020 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 June 30, 2019)	3.00% per annum.
Rates of salary increase (effective June 30, 2019)	0.00% per annum.
Discount rate (effective June 30, 2019)	3.15% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2019)	6.00% per annum.

Discount Rate: The discount rate used to measure the total OPEB liability was 3.15% which reflects the index rate for 20-year municipal bonds with an average rating of AA per The Vanguard Group, Municipal Bond Index as of the valuation date.

Mortality rates are from the RP 2014 Annuity Mortality Table (2/3 female, 1/3 male). Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (OPEB) (Continued)

Changes in the Total OPEB Liability:

	Total OPEB Liability
Total OPEB liability beginning of year	
Changes for the year:	\$ 1,009,987
Service cost	
Interest	71,580
Changes in assumptions	42,134
Benefit payments	324,973
Net changes	(243,552)
	195,135
Total OPEB liability end of year	\$ 1,205,122

Note 11b

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.15%) or 1% higher (4.15%) than the current discount rate.

	1% Decrease (2.15%)	Discount Rate (3.15%)	1% Increase (4.15%)
Total OPEB liability	\$ 1,269,717	\$ 1,205,122	\$ 1,146,662

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (7.00%) or 1% higher (9.00%) than the current healthcare cost trend rates.

	1% Decrease (5.00%)	Healthcare Cost Trend Rate (6.00%)	1% Increase (7.00%)
Total OPEB liability	\$ 1,127,478	\$ 1,205,122	\$ 1,297,008

NOTES TO BASIC FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources Related to OPEB: For the year ended June 30, 2020, the District recognized OPEB expense of \$140,078. At June 30, 2020, the District reported deferred outflows of resources related to OEPB from the following resources:

	Deferred Outflows of Resources
Changes in assumptions	<u>\$ 290,548</u>

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

Year Ending June 30,	Total
2021	\$ 34,425
2022	34,425
2023	34,425
2024	34,425
2025	34,425
Thereafter	<u>118,423</u>
	<u>\$ 290,548</u>

Note 12. 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.

District Tax Abatements

The District 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 District enters into agreements with employers which require the District, 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 District as part of these agreements.

For the year ended June 30, 2020, the District had no abatements of property tax and \$1,470,087 of state income tax withholding under the projects.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 12. Tax Abatements (Continued)

Tax Abatements of Other Entities

Other entities within the District also provide tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 03 of the Code of Iowa.

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2020 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Ackley	Urban renewal and economic development projects	\$ 406
City of Brooklyn	Urban renewal and economic development projects	291
City of Conrad	Urban renewal and economic development projects	2,254
City of Eldora	Urban renewal and economic development projects	38
City of Grinnell	Urban renewal and economic development projects	9,786
City of Iowa Falls	Urban renewal and economic development projects	4,371
City of Marshalltown	Urban renewal and economic development projects	4,798
City of State Center	Urban renewal and economic development projects	192
City of Tama	Urban renewal and economic development projects	4,118
Franklin County	Urban renewal and economic development projects	35,711
Hardin County	Urban renewal and economic development projects	9,145
Marshall County	Urban renewal and economic development projects	1,538

Note 13. Significant Uncertainty

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. Actions taken around the world to help mitigate the spread of COVID-19 include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. It is unknown how long the adverse conditions associated with COVID-19 will last and what the complete financial effect will be to the District.

Note 14. Subsequent Events

On July 8, 2020, the District issued General Obligation Bonds, Series 2020 in the aggregate amount of \$17,000,000. The proceeds will be used for updates and renovations to infrastructure within the District. The debt will mature June 2028.

On August 10, 2020, various buildings and other structures on the Marshalltown Community College campus sustained significant damage from the derecho storm that impacted central Iowa. The District is currently repairing all structures with estimated costs of \$2.3 million to be paid through District insurance coverage.

REQUIRED SUPPLEMENTARY INFORMATION

**IOWA VALLEY
COMMUNITY COLLEGE DISTRICT**

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

**Iowa Public Employees' Retirement System
For the Last Six Years*
(In Thousands)**

Required Supplementary Information

	2020	2019
District's proportion of the net pension liability	0.086495 %	0.083671 %
District's proportionate share of the net pension liability	\$ 5,009	\$ 5,295
District's covered payroll	\$ 6,586	\$ 6,287
District's proportionate share of the net pension liability as a percentage of its covered payroll	76.06 %	84.22 %
IPERS' net position as a percentage of the total pension liability	85.45 %	83.62 %

* 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 ten-year trend is compiled, the District will present information for those years for which information is available.

See Notes to Required Supplementary Information - Pension Liability.

2018	2017	2016	2015
0.086049 %	0.100491 %	0.104584 %	0.106211 %
\$ 5,732	\$ 6,324	\$ 5,166	\$ 4,212
\$ 6,420	\$ 7,207	\$ 7,144	\$ 6,976
89.28 %	87.75 %	72.31 %	60.38 %
82.21 %	81.82 %	85.19 %	87.61 %

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS

Iowa Public Employees' Retirement System

For the Last Ten Years

(In Thousands)

Required Supplementary Information

	Year			
	2020	2019	2018	2017
Statutorily required contribution	\$ 637	\$ 622	\$ 561	\$ 573
Contributions in relation to the statutorily required contribution	(637)	(622)	(561)	(573)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 6,744	\$ 6,586	\$ 6,287	\$ 6,420
Contributions as a percentage of covered payroll	9.44%	9.44%	8.93%	8.93%

See Notes to Required Supplementary Information - Pension Liability.

Ended June 30,											
2016		2015		2014		2013		2012		2011	
\$	643	\$	638	\$	623	\$	590	\$	548	\$	432
(643)		(638)		(623)		(590)		(548)		(432)	
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	7,207	\$	7,144	\$	6,976	\$	6,805	\$	6,791	\$	6,216
8.93%		8.93%		8.93%		8.67%		8.07%		6.95%	

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

Notes to Required Supplementary Information – Pension Liability Year Ended June 30, 2020

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 assumptions.

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 VALLEY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES For the Last Three Years

Required Supplementary Information

	2020	2019	2018
Service cost	\$ 71,580	\$ 70,658	\$ 65,167
Interest cost	42,134	34,772	43,423
Changes in assumptions	324,973	(11,172)	(45,477)
Benefit payments	(243,552)	(153,873)	(175,998)
Net change in total OPEB liability	195,135	(59,615)	(112,885)
Total OPEB liability beginning of year	1,009,987	1,069,602	1,182,487
Total OPEB liability end of year	\$ 1,205,122	\$ 1,009,987	\$ 1,069,602
Covered-employee payroll	\$ 12,124,988	\$ 12,416,535	\$ 11,827,388
Total OPEB liability as a percentage of covered-employee payroll	9.94%	8.13%	9.04%

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended June 30, 2020	3.15%
Year ended June 30, 2019	3.15%
Year ended June 30, 2018	3.72%
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 ten-year trend is compiled, the District will present information for those years for which information is available.

**IOWA VALLEY
COMMUNITY COLLEGE DISTRICT**

SUPPLEMENTARY INFORMATION

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

Notes to Supplementary Information Year Ended June 30, 2020

Supplementary information of the District is presented on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenue and expenditures. The various fund groups and their designated purposes are as follows:

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

Unrestricted Fund: The Educational and Support subgroup of the Unrestricted Fund accounts for the general operations of the District.

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 District.

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.

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

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

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

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

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

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

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

Notes to Supplementary Information (Continued)
Year Ended June 30, 2020

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

**BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES -
BUDGET TO ACTUAL
Year Ended June 30, 2020**

Funds/Levy	Original and Final Budget	Actual	Variance Between Actual and Final Budget
Unrestricted	\$ 23,790,480	\$ 20,168,906	\$ 3,621,574
Restricted	8,192,210	4,190,797	4,001,413
Unemployment	20,000	34,938	(14,938)
Insurance	1,528,774	1,462,212	66,562
Early retirement	481,788	808,911	(327,123)
Equipment replacement	572,410	337,461	234,949
Total restricted	10,795,182	6,834,319	3,960,863
Plant	14,296,482	2,267,386	12,029,096
Bonds and interest	709,613	171,806	537,807
Total	\$ 49,591,757	\$ 29,442,417	\$ 20,149,340

Note to Budgetary Reporting:

The Board of Directors annually prepares a budget designating the proposed expenditures for operation of the District on a basis consistent with U.S. generally accepted accounting principles. Following required public notice and hearing, and in accordance with Chapter 260C of the Code of Iowa, the Board of Directors certifies the approved budget to the appropriate county auditors and then submits the budget to the State Board of Education for approval. The budget may be amended during the year utilizing similar statutory 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, Iowa Code 260F Jobs Training, Scholarships and Grants account, Loan Funds and Agency Funds.

For the year-ended June 30, 2020, the District's expenditures did not exceed the amount budgeted.

See Notes to Supplementary Information.

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

BALANCE SHEET - ALL FUNDS

June 30, 2020

	Current Funds	
	Unrestricted Funds	Restricted Funds
Assets and Deferred Outflows of Resources		
Assets		
Cash and cash equivalents	\$ 3,029,283	\$ 9,250,632
Restricted cash reserve	-	264,342
Certificates of deposit	3,272,000	-
Receivables:		
Accounts, net of allowance for doubtful accounts of \$6,546,812	1,376,510	1,026,577
Property tax:		
Delinquent	9,643	1,298,435
Succeeding year	1,077,734	1,249,844
Iowa Industrial New Jobs Training Program	-	842,100
Due from other governments	6,650	1,101,892
Inventories	389,113	-
Prepaid expenses	774,732	15,148
Capital assets:		
Nondepreciable:		
Land	-	-
Depreciable:		
Buildings	-	-
Improvements other than buildings	-	-
Equipment and vehicles	-	-
Accumulated depreciation	-	-
Total assets	9,935,665	15,048,970
Deferred outflows of resources:		
Pension related deferred outflows	-	-
OPEB related deferred outflows	246,651	39,309
Total deferred outflows	246,651	39,309
Total assets and deferred outflows of resources	\$ 10,182,316	\$ 15,088,279

See Notes to Supplementary Information.

Schedule 2

Non-operating Funds					
Loan Funds	Plant Funds	Agency Funds	Adjustments	Total	
\$ (210,613)	\$ 5,301,026	\$ 366,453	\$ -	\$ 17,736,781	
-	-	-	-	264,342	
-	-	-	-	3,272,000	
-	200,000	134,814	-	2,737,901	
-	9,643	-	-	1,317,721	
-	5,058,084	-	-	7,385,662	
-	-	-	-	842,100	
210,613	-	41,882	-	1,361,037	
-	-	-	-	389,113	
-	-	4,816	-	794,696	
-	3,448,786	-	-	3,448,786	
-	83,566,910	-	-	83,566,910	
-	1,750,178	-	-	1,750,178	
-	8,012,874	-	-	8,012,874	
-	-	-	(44,585,628)	(44,585,628)	
-	107,347,501	547,965	(44,585,628)	88,294,473	
-	-	-	1,291,049	1,291,049	
-	-	4,588	-	290,548	
-	-	4,588	1,291,049	1,581,597	
\$ -	\$ 107,347,501	\$ 552,553	\$ (43,294,579)	\$ 89,876,070	

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

BALANCE SHEET - ALL FUNDS

June 30, 2020

	Current Funds	
	Unrestricted Funds	Restricted Funds
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities:		
Accounts payable	\$ 209,215	\$ 32,747
Salaries and benefits payable	1,376,781	3,095
Accrued interest payable	-	13,053
Advances from grantors	222,295	2,254,908
Early retirement payable	-	1,638,396
Deposits held in custody for others	-	-
Net pension liability	-	-
Compensated absences payable	334,866	-
Total OPEB liability	1,023,047	163,045
Certificates payable	-	6,865,000
Notes payable, revenue and general obligation bonds payable	-	-
Total liabilities	3,166,204	10,970,244
Deferred inflows of resources:		
Succeeding year property tax	1,077,734	1,249,844
Pension related deferred inflows	-	-
Total deferred inflows of resources	1,077,734	1,249,844
Fund balances:		
Net investment in capital assets	-	-
Restricted:		
Expendable:		
Scholarships and fellowships	-	49,554
Cash reserve	-	264,342
Iowa Industrial New Jobs Training Program	-	217,370
Other	-	2,336,925
Auxiliary enterprises	2,667,865	-
Unrestricted	3,270,513	-
Total fund balances	5,938,378	2,868,191
Total liabilities, deferred inflows of resources and fund balances	\$ 10,182,316	\$ 15,088,279

See Notes to Supplementary Information.

**Schedule 2
(Continued)**

Non-operating Funds					
Loan Funds		Plant Funds	Agency Funds	Adjustments	Total
\$ -	\$	41,203	\$ 10,409	\$ -	\$ 293,574
-		-	550	-	1,380,426
-		26,296	-	-	39,349
-		-	-	-	2,477,203
-		-	-	-	1,638,396
-		-	515,378	-	515,378
-		-	-	5,008,619	5,008,619
-		-	7,186	-	342,052
-		-	19,030	-	1,205,122
-		-	-	-	6,865,000
-		4,980,000	-	-	4,980,000
-		5,047,499	552,553	5,008,619	24,745,119
-		5,058,084	-	-	7,385,662
-		-	-	1,219,663	1,219,663
-		5,058,084	-	1,219,663	8,605,325
-		91,798,748	-	(44,585,628)	47,213,120
-		-	-	-	49,554
-		-	-	-	264,342
-		-	-	-	217,370
-		-	-	-	2,336,925
-		-	-	-	2,667,865
-		5,443,170	-	(4,937,233)	3,776,450
-		97,241,918	-	(49,522,861)	56,525,626
\$ -	\$	107,347,501	\$ 552,553	\$ (43,294,579)	\$ 89,876,070

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

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

Year Ended June 30, 2020

	Current Funds		
	Unrestricted Funds	Restricted Funds	Total
Revenues:			
General:			
Tuition and fees	\$ 11,033,338	\$ -	\$ 11,033,338
Federal appropriations	-	5,366,109	5,366,109
Iowa Industrial New Jobs Training Program	-	1,470,087	1,470,087
State appropriations	9,280,359	1,121,491	10,401,850
Property tax	1,018,256	2,693,297	3,711,553
Interest income from investments	167,517	27,427	194,944
Increase in plant investment due to plant expenditures, including \$360,419 in current fund expenditures	-	-	-
Miscellaneous	1,033,517	645,253	1,678,770
	<u>22,532,987</u>	<u>11,323,664</u>	<u>33,856,651</u>
 Auxiliary enterprises revenue	 4,526,334	 -	 4,526,334
 Total revenues	 <u>27,059,321</u>	 <u>11,323,664</u>	 <u>38,382,985</u>
Expenditures:			
Education and support:			
Liberal arts and sciences	7,480,412	17,476	7,497,888
Career and technical	2,812,130	599,511	3,411,641
Adult education	1,164,286	909,250	2,073,536
Cooperative services	-	1,348,975	1,348,975
Administration	1,232,151	2,827,333	4,059,484
Student services	2,031,046	1,210,277	3,241,323
Learning resources	278,243	-	278,243
Physical plant	2,202,520	-	2,202,520
General institution	2,968,118	141,183	3,109,301
Scholarships and grants	-	4,017,399	4,017,399
	<u>20,168,906</u>	<u>11,071,404</u>	<u>31,240,310</u>
Total education and support	<u>20,168,906</u>	<u>11,071,404</u>	<u>31,240,310</u>

Schedule 3

Non-operating Funds			
Loan Funds	Plant Funds	Adjustments	Total
\$ -	\$ -	\$ (4,017,399)	\$ 7,015,939
-	-	-	5,366,109
-	-	-	1,470,087
-	25,128	-	10,426,978
-	1,018,256	-	4,729,809
-	-	-	194,944
-	985,250	(985,250)	-
218,962	-	-	1,897,732
218,962	2,028,634	(5,002,649)	31,101,598
-	-	-	4,526,334
218,962	2,028,634	(5,002,649)	35,627,932
-	-	4,967	7,502,855
-	-	(121,427)	3,290,214
-	-	8,557	2,082,093
-	-	-	1,348,975
-	-	(346,333)	3,713,151
-	-	(84,889)	3,156,434
-	-	(14,450)	263,793
-	1,142,851	273,900	3,619,271
-	-	6,842	3,116,143
-	-	(4,017,399)	-
-	1,142,851	(4,290,232)	28,092,929

(Continued on next page)

IOWA VALLEY COMMUNITY COLLEGE DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL FUNDS****Year Ended June 30, 2020**

	Current Funds		
	Unrestricted Funds	Restricted Funds	Total
Expenditures (Continued):			
Auxiliary enterprises	\$ 4,460,864	\$ -	\$ 4,460,864
Loan cancellations and bad debt	-	-	-
Depreciation	-	-	-
Interest on indebtedness	-	150,912	150,912
Plant asset acquisitions	-	-	-
Disposal of plant assets	-	-	-
Total expenditures	24,629,770	11,222,316	35,852,086
Transfers among funds, including \$128,567 from agency funds	(2,358,001)	161,046	(2,196,955)
Net increase (decrease) for the year	71,550	262,394	333,944
Fund balances beginning of year	5,866,828	2,605,797	8,472,625
Fund balances end of year	<u>\$ 5,938,378</u>	<u>\$ 2,868,191</u>	<u>\$ 8,806,569</u>

See Notes to Supplementary Information.

**Schedule 3
(Continued)**

Non-operating Funds				
	Loan Funds	Plant Funds	Adjustments	Total
\$	-	\$ -	\$ -	\$ 4,460,864
	218,962	-	-	218,962
	-	-	2,776,054	2,776,054
	-	171,806		322,718
	-	615,826	(615,826)	-
	-	508,709	(508,709)	-
	218,962	2,439,192	(2,638,713)	35,871,527
	-	2,325,522	-	128,567
	-	1,914,964	(2,363,936)	(115,028)
	-	95,326,954	(47,158,925)	56,640,654
\$	-	\$ 97,241,918	\$ (49,522,861)	\$ 56,525,626

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
UNRESTRICTED FUND
EDUCATION AND SUPPORT
Year Ended June 30, 2020**

	Education		
	Liberal Arts and Sciences	Career and Technical	Adult Education
Revenues:			
Tuition and fees	\$ 7,589,689	\$ 2,528,095	\$ 576,080
State appropriations	-	19,140	-
Property tax	-	-	-
Interest income from investments	-	-	-
Sales and services	9,900	1,200	67,068
Miscellaneous	300	2,236	61,106
Total revenues	7,599,889	2,550,671	704,254
Expenditures:			
Salaries and benefits	6,409,811	2,489,343	880,678
Services	225,872	130,459	242,811
Materials and supplies	56,985	178,699	27,775
Travel	27,759	8,351	7,424
Plant asset acquisitions	-	5,278	-
Miscellaneous	759,985	-	5,598
Total expenditures	7,480,412	2,812,130	1,164,286
Excess (deficiency) of revenues over (under) expenditures	119,477	(261,459)	(460,032)
Transfers, non-mandatory	(698,680)	-	3,195
Net change in fund balances	\$ (579,203)	\$ (261,459)	\$ (456,837)

Fund balance beginning of year

Fund balance end of year

See Notes to Supplementary Information.

Schedule 4

Support					Education and Support Total
General Adminis- tration	Student Services	Learning Resources	Physical Plant	General Institution	
\$ -	\$ 82,339	\$ -	\$ -	\$ 257,135	\$ 11,033,338
9,261,219	-	-	-	-	9,280,359
1,018,256	-	-	-	-	1,018,256
167,517	-	-	-	-	167,517
-	-	-	33,409	-	111,577
844,136	11,488	2,481	-	193	921,940
11,291,128	93,827	2,481	33,409	257,328	22,532,987
946,158	1,816,532	186,855	1,679,452	1,889,222	16,298,051
224,279	106,459	73,752	316,140	957,107	2,276,879
13,823	43,303	17,496	204,339	82,894	625,314
17,406	17,184	-	247	10,667	89,038
-	-	-	2,342	1,634	9,254
30,485	47,568	140	-	26,594	870,370
1,232,151	2,031,046	278,243	2,202,520	2,968,118	20,168,906
10,058,977	(1,937,219)	(275,762)	(2,169,111)	(2,710,790)	2,364,081
(40,000)	-	-	-	(1,556,272)	(2,291,757)
\$ 10,018,977	\$ (1,937,219)	\$ (275,762)	\$ (2,169,111)	\$ (4,267,062)	72,324
					3,198,189
					\$ 3,270,513

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

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

AUXILIARY ENTERPRISES

Year Ended June 30, 2020

	Bookstore	Cafeteria Vending	Athletics
Revenues:			
Tuition and fees	\$ -	\$ -	\$ 30,000
Sales and services	868,675	831,692	20,250
Miscellaneous	513	42,886	218,688
Total revenues	869,188	874,578	268,938
Expenditures:			
Salaries and benefits	118,925	-	515,557
Services	33,149	802,657	293,736
Materials and supplies	28,670	11,879	209,002
Travel	889	-	296,670
Plant asset acquisitions	-	40,434	5,842
Purchases for resale	565,020	-	8,587
Miscellaneous	2,305	26,920	6,088
Total expenditures	748,958	881,890	1,335,482
Excess (deficiency) of revenues over (under) expenditures	120,230	(7,312)	(1,066,544)
Transfers, non-mandatory	(102,000)	-	1,031,126
Net change in fund balances	18,230	(7,312)	(35,418)
Fund balances beginning of year	351,240	935,190	233,529
Fund balances end of year	\$ 369,470	\$ 927,878	\$ 198,111

See Notes to Supplementary Information.

Schedule 5

Housing	Other	Total
\$ 4,012	\$ 170,108	\$ 204,120
1,937,848	156,238	3,814,703
420	245,004	507,511
1,942,280	571,350	4,526,334
311,348	475,579	1,421,409
203,808	81,291	1,414,641
75,599	81,420	406,570
516	3,324	301,399
-	66,450	112,726
-	584	574,191
189,765	4,850	229,928
781,036	713,498	4,460,864
1,161,244	(142,148)	65,470
(998,238)	2,868	(66,244)
163,006	(139,280)	(774)
2,878,474	(1,729,794)	2,668,639
\$ 3,041,480	\$ (1,869,074)	\$ 2,667,865

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

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

Year Ended June 30, 2020

	Insurance	Unemployment Compensation	Early Retirement	Equipment Replacement
Revenues:				
Federal appropriations	\$ -	\$ -	\$ -	\$ -
Iowa Industrial New Jobs Training Program	-	-	-	-
State appropriations	26,816	92	9,614	8,448
Property tax	1,436,520	4,922	799,297	452,558
Interest on investments	-	-	-	-
Miscellaneous	226,300	-	-	-
Total revenues	1,689,636	5,014	808,911	461,006
Expenditures:				
Salaries and benefits	-	34,938	808,911	-
Services	1,514,036	-	-	-
Materials and supplies	42,210	-	-	234,662
Travel	78,999	-	-	-
Plant asset acquisitions	10,779	-	-	102,799
Interest on indebtedness	-	-	-	-
Scholarships and grants	-	-	-	-
Miscellaneous	-	-	-	-
Total expenditures	1,646,024	34,938	808,911	337,461
Excess (deficiency) of revenues over (under) expenditures	43,612	(29,924)	-	123,545
Transfers:				
Non-mandatory transfers in	-	-	-	-
Non-mandatory transfers (out)	-	-	-	-
Net change in fund balances	43,612	(29,924)	-	123,545
Fund balance beginning of year	287,168	134,412	-	391,724
Fund balance end of year	\$ 330,780	\$ 104,488	\$ -	\$ 515,269

See Notes to Supplementary Information.

Schedule 6

Cash Reserve	Iowa Industrial New Jobs Training Program	Workforce Investment Act and Promise Jobs	Scholarships	Other	Total
\$ -	\$ -	\$ 366,584	\$ 3,704,650	\$ 1,294,875	\$ 5,366,109
-	1,470,087	-	-	-	1,470,087
-	-	12,305	-	1,064,216	1,121,491
-	-	-	-	-	2,693,297
-	27,427	-	-	-	27,427
-	205,347	925	166,493	46,188	645,253
-	1,702,861	379,814	3,871,143	2,405,279	11,323,664
-	-	250,039	834	1,204,903	2,299,625
-	1,319,175	48,771	-	179,089	3,061,071
-	-	23,784	-	125,224	425,880
-	-	4,275	-	11,100	94,374
-	-	-	-	124,861	238,439
-	150,912	-	-	-	150,912
-	-	-	3,947,934	806,619	4,754,553
-	-	43,729	68,631	85,102	197,462
-	1,470,087	370,598	4,017,399	2,536,898	11,222,316
-	232,774	9,216	(146,256)	(131,619)	101,348
-	-	150	142,468	229,604	372,222
-	(205,347)	-	(4,829)	(1,000)	(211,176)
-	27,427	9,366	(8,617)	96,985	262,394
264,342	189,943	45,499	58,171	1,234,538	2,605,797
\$ 264,342	\$ 217,370	\$ 54,865	\$ 49,554	\$ 1,331,523	\$ 2,868,191

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF CHANGES IN DEPOSITS HELD IN CUSTODY FOR OTHERS

Year Ended June 30, 2020

	Student Clubs and Organizations	Iowa Small Business New Jobs Training Program	Federal Direct Student Loan Program
Balances, beginning of year	\$ 453,686	\$ 212,310	\$ -
Additions:			
Tuition and fees	232,587	-	-
Federal appropriations	-	-	4,028,470
State appropriations	-	110,966	-
Sales and service	590	-	-
Interest income from investments	746	-	-
Miscellaneous	87,152	-	-
Transfers in	241,100	-	-
Total additions	562,175	110,966	4,028,470
Deductions:			
Salaries and benefits	2,260	-	-
Services	36,323	122,245	4,028,470
Materials and supplies	22,260	-	-
Travel	38,555	-	-
Scholarships and grants	-	-	-
Miscellaneous	3,854	-	-
Transfers out	369,667	-	-
Total deductions	472,919	122,245	4,028,470
Net additions and deductions	89,256	(11,279)	-
Balances, end of year	\$ 542,942	\$ 201,031	\$ -

See Notes to Supplementary Information.

Schedule 7

Other	Total
\$ (138,742)	\$ 527,254
-	232,587
-	4,028,470
-	110,966
-	590
139	885
422,035	509,187
-	241,100
422,174	5,123,785
375,923	378,183
77,215	4,264,253
3,484	25,744
5,321	43,876
47,568	47,568
2,516	6,370
-	369,667
512,027	5,135,661
(89,853)	(11,876)
\$ (228,595)	\$ 515,378

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF CREDIT AND CONTACT HOURS *

Period Ended August 14, 2020

Category	Credit Hours		Total
	Eligible for Aid	Not Eligible for Aid	
Arts and Sciences	41,068	-	41,068
Career and Technical Education	13,114	-	13,114
Adult/Continuing Education	-	-	-
Cooperative Programs/Services	-	-	-
	54,182	-	54,182

* 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.

** Includes 240 hour adjustment of 13,229 hours.

Schedule 8

Contact Hours		
Eligible for Aid	Not Eligible for Aid	Total
777,008	-	777,008
313,204	-	313,204
107,740	11,614 **	119,354
-	-	-
1,197,952	47,127	1,209,566

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF TAX AND INTERGOVERNMENTAL REVENUES

For the Last Ten Years

	Year Ended			
	2020	2019	2018	2017
Local (property tax)	\$ 4,729,809	\$ 5,179,621	\$ 6,093,284	\$ 7,768,081
State	10,426,978	11,447,716	10,763,787	10,258,293
Federal	5,366,109	4,538,474	4,919,078	5,593,866
Total	\$ 20,522,896	\$ 21,165,811	\$ 21,776,149	\$ 23,620,240

Schedule 9

June 30,						
2016	2015	2014	2013	2012	2011	
\$ 8,955,930	\$ 7,554,817	\$ 7,643,989	\$ 7,940,965	\$ 7,819,243	\$ 8,158,905	
10,617,455	11,978,042	10,132,422	9,322,882	8,216,581	8,404,161	
5,757,840	6,569,644	6,604,255	7,442,415	8,534,320	10,537,603	
\$ 25,331,225	\$ 26,102,503	\$ 24,380,666	\$ 24,706,262	\$ 24,570,144	\$ 27,100,669	

IOWA VALLEY COMMUNITY COLLEGE DISTRICT**SCHEDULE OF CURRENT FUND REVENUES BY SOURCE
AND EXPENDITURES BY FUNCTION****For the Last Ten Years**

	2020	2019	2018	2017
Revenues:				
Tuition and fees	\$ 11,033,338	\$ 11,288,466	\$ 11,315,482	\$ 11,300,324
Federal appropriations	5,366,109	4,538,474	4,919,078	5,593,866
Iowa Industrial New Jobs				
Training Program	1,470,087	306,572	343,828	227,217
State appropriations	10,401,850	10,634,540	10,702,812	10,151,308
Property tax	3,711,553	3,681,867	3,306,674	2,825,694
Interest income on				
investments	194,944	170,265	93,830	75,785
Auxiliary enterprises	4,526,334	5,261,122	5,485,887	5,242,913
Sales and services	-	-	194,605	-
Miscellaneous	1,678,770	1,501,955	1,238,138	1,513,256
Total	\$ 38,382,985	\$ 37,383,261	\$ 37,600,334	\$ 36,930,363
Expenditures:				
Liberal arts and sciences	\$ 7,497,888	\$ 6,962,519	\$ 7,415,953	\$ 7,500,489
Career and technical	3,411,641	3,371,062	3,293,700	3,561,647
Adult education	2,073,536	2,512,211	2,621,004	2,987,789
Cooperative services	1,348,975	200,447	183,849	65,567
Administration	4,059,484	4,218,554	3,068,405	3,217,025
Student services	3,241,323	2,465,738	2,317,308	2,309,697
Learning resources	278,243	289,509	273,488	312,787
Physical plant	2,202,520	2,053,615	2,001,496	2,097,443
General institution	3,109,301	3,129,613	3,044,895	2,882,973
Auxiliary enterprises	4,460,864	4,867,567	4,992,285	4,730,310
Scholarships and grants	4,017,399	3,739,113	3,982,777	4,155,008
Interest on indebtedness	150,912	114,474	137,386	151,464
Total	\$ 35,852,086	\$ 33,924,422	\$ 33,332,546	\$ 33,972,199

Schedule 10

Year Ended June 30,					
2016	2015	2014	2013	2012	2011
\$ 11,087,247	\$ 11,690,583	\$ 12,072,785	\$ 12,878,517	\$ 12,568,466	\$ 12,415,322
5,757,840	6,569,644	6,604,255	7,442,415	8,534,320	10,272,918
1,448,910	2,866,008	191,781	355,490	187,996	734,179
10,508,713	11,732,929	9,621,103	8,752,513	7,802,779	7,600,479
3,905,788	2,484,304	2,600,044	2,919,367	2,869,835	3,352,247
47,721	20,420	7,816	22,903	25,589	29,730
4,935,545	4,960,778	5,200,291	5,480,533	4,940,960	5,300,121
-	-	-	-	-	-
1,752,641	1,753,319	1,672,299	1,724,202	1,968,213	2,017,103
\$ 39,444,405	\$ 42,077,985	\$ 37,970,374	\$ 39,575,940	\$ 38,898,158	\$ 41,722,099
\$ 7,768,224	\$ 8,155,821	\$ 8,248,314	\$ 8,035,736	\$ 7,362,342	\$ 7,039,930
3,893,658	4,153,170	3,433,801	3,206,456	3,267,483	4,062,416
3,596,413	3,827,531	3,727,980	3,883,853	3,910,942	4,005,771
1,305,891	2,677,046	124,136	232,393	116,148	139,859
4,245,886	3,098,039	3,047,019	2,947,224	3,254,711	3,760,728
2,352,882	2,252,800	2,046,400	1,942,928	2,125,020	1,898,797
335,859	373,034	344,221	340,683	362,148	308,779
2,285,758	2,290,254	2,320,602	2,276,583	2,013,582	2,416,501
2,896,531	2,976,277	2,815,296	2,749,662	2,699,167	3,287,024
4,859,821	5,322,457	5,229,251	5,581,531	5,237,646	5,889,583
4,240,755	5,058,242	5,277,670	5,948,672	6,069,431	6,708,968
168,004	178,701	88,609	129,520	169,266	213,873
\$ 37,949,682	\$ 40,363,372	\$ 36,703,299	\$ 37,275,241	\$ 36,587,886	\$ 39,732,229

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Name	Federal CFDA Number	Pass-Through	Federal Expenditures	New Loans
		Entity Identifying Number		
Direct:				
U.S. Department of Education:				
Student Financial Assistance Cluster:				
Federal Supplemental Educational				
Opportunity Grants	84.007		\$ 157,161	\$ -
Federal Direct Student Loans	84.268		-	4,028,470
Federal Work-Study Program	84.033		61,481	-
Federal Pell Grant Program	84.063		3,486,008	-
Total Student Financial Assistance Cluster			3,704,650	4,028,470
		P425E201022		
CARES Act - HEERF - IHEs (Student)	84.425	P425E201159	603,688	-
		P425F202056		
CARES Act - HEERF - IHEs (Institutional)	84.425	P425F202058	28,098	
			631,786	-
		PO42A150123		
TRIO Student Support Services	84.042	PO42A150010	424,387	-
Total direct			4,760,823	4,028,470
Indirect:				
U.S. Department of Education:				
Iowa Department of Education:				
Carl Perkins	84.048	80185	100,005	-
Iowa Adult Education and				
Family Literacy Act (AEFLA)	84.002	FY 20	61,646	-
AEFLA: State Leadership Funds	84.002	FY 20	4,767	-
			66,413	-
Iowa Vocational Rehabilitation				
Intermediary	84.126	17-VRIN-07	60,007	-
Total Iowa Department of Education			226,425	-

(Continued on next page)

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

Schedule 11
(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Name	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	New Loans
Indirect (Continued):				
U.S. Department of Labor:				
Iowa Workforce Development:				
Workforce Investment Act Cluster:				
Adult Formula and Statewide	17.258	17-W-06-WI-OA	\$ 81,715	\$ -
Youth and Statewide	17.259	17-W-06-WI-OA	152,278	-
National Dislocated Worker Grant	17.278	17-W-06-WI-OA	132,591	-
Total Workforce Investment Act Cluster			366,584	-
U.S. National Science Foundation:				
Iowa State University:				
Louis Stokes Alliances for				
Minority Participation (LSAMP)	47.076	4201809A	12,277	-
Total indirect			605,286	-
Total			\$ 5,366,109	\$ 4,028,470

Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Iowa Valley Community College District under programs of the federal government for the year ended June 30, 2020. 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 Valley Community College District, it is not intended to and does not present the financial position, changes in financial position or cash flows of Iowa Valley Community College District.

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 Valley Community College District made no subrecipient payments.

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

**IOWA VALLEY
COMMUNITY COLLEGE DISTRICT**



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 Valley Community College District:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Iowa Valley Community College District, Marshalltown, Iowa, as of and for the year ended June 30, 2020, its aggregate discretely presented component units as of and for the year ended December 31, 2019, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 5, 2021. Our report includes a reference to other auditors who audited the financial statements of Marshalltown Community College Foundation, a discrete component unit, as described in our report on Iowa Valley Community College District's financial statements. The financial statements of Marshalltown Community College Foundation and Ellsworth Community College Foundation were not audited in accordance with Governmental Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Iowa Valley Community College District's internal control over financial reporting to determine the audit procedures 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 Valley Community College District's internal control. Accordingly, we do not express an opinion on the effectiveness of Iowa Valley Community College District'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 a material misstatement of Iowa Valley Community College District'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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2020 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. 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 result of that testing and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Schnur & Company, LLP

Fort Dodge, Iowa
February 5, 2021



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 Valley Community College District:

Report on Compliance for Each Major Federal Program

We have audited Iowa Valley Community College District's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020. Iowa Valley Community College District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Iowa Valley Community College District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Iowa Valley Community College District's compliance.

Opinion on Each Major Federal Program

In our opinion, Iowa Valley Community College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

The management of Iowa Valley Community College District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Iowa Valley Community College District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the audit procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Iowa Valley Community College District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct non-compliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material non-compliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. 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 preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

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.

Schnum & Company, LLP

Fort Dodge, Iowa
February 5, 2021

IOWA VALLEY COMMUNITY COLLEGE DISTRICT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

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

- (a) An unmodified opinion was issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- (b) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were 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 did not disclose audit findings that are required to be reported in accordance with the Uniform Guidance, Section 200.516.
- (g) Major programs were as follows:
 - Student Financial Assistance Cluster
 - CFDA Number 84.425 Education Stabilization Fund
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Iowa Valley Community College District qualified as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

Internal Control Deficiencies

No matters were reported.

Instances of Non-compliance

No matters were reported.

**Schedule of Findings and Questioned Costs
(Continued)
Year Ended June 30, 2020**

Part III: Findings and Questioned Costs For Federal Awards:

Internal Control Deficiencies

No matters were reported.

Instances of Noncompliance

No matters were reported.

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-20 Certified Budget – Expenditures for the year ended June 30, 2020 did not exceed the amount budgeted.
- IV-B-20 Questionable Disbursements – No expenditures we believe did not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- IV-C-20 Travel Expense – No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- IV-D-20 Business Transactions – No business transactions between the District and District officials or employees were noted.
- IV-E-20 Restricted Donor Activity – No transactions were noted between the District, District officials, District employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- IV-F-20 Bond Coverage – Surety bond coverage of District 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.
- IV-G-20 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-H-20 Publication – The District published a statement showing the receipt and disbursement of all funds, including the names of all persons, firms or corporations to which disbursements were made, as required by Section 260C.14(12) of the Code of Iowa.
- IV-I-20 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 District’s investment policy were noted.
- IV-J-20 Credit and Contact Hours – Eligible credit and contact hours reported to the Iowa Department of Education by the District for the period ended August 14, 2020 were supported by detailed records maintained by the District.