

Des Moines Area Community College

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

June 30, 2022

TABLE OF CONTENTS

	<u>Page</u>
OFFICIALS	3
INDEPENDENT AUDITOR'S REPORT	4-6
MANAGEMENT'S DISCUSSION AND ANALYSIS	7-15
BASIC FINANCIAL STATEMENTS	
	<u>Exhibit</u>
Statement of net position	A 17-18
Statement of revenues, expenses, and changes in net position	B 19
Statement of cash flows	C 20-21
Statement of fiduciary net position – custodial funds	D 22
Statement of changes in fiduciary net position - custodial funds	E 23
Notes to financial statements	24-49
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the College's proportionate share of the net pension liability	51
Schedule of College contributions	52
Notes to required supplementary information-pension liability	53
Schedule of College's early retirement pension liability	54
Schedule of changes in College's total OPEB liability, related ratios and notes	55
OTHER SUPPLEMENTARY INFORMATION	
	<u>Schedule</u>
Budgetary comparison schedule of expenditures--budget to actual	1 57
Note to budgetary reporting	57
Assets, liabilities, and fund balances	2 58-59
Revenues, expenditures, and changes in fund balances	3 60
Revenues, expenditures, and changes in fund balances--unrestricted fund	4 61
Revenues, expenditures, and changes in fund balances--auxiliary enterprises	5 62
Revenues, expenditures, and changes in fund balances (deficit)--restricted funds	6 63
Statement of fiduciary net position – custodial funds	7 64
Schedule of changes in fiduciary net position – custodial funds	8 65
Credit and contact hours	9 66
Taxes and intergovernmental revenues	10 67
Current fund revenues by source and expenditures by function	11 68
Schedule of expenditures of federal awards	12 69-70
Notes to schedule of expenditures of federal awards	71
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	72-73
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	74-76
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	77-78

**Des Moines Area Community College
OFFICIALS**

<u>Name</u>	<u>Title</u>	<u>Term expires</u>
Board of Directors		
Joe Pugel	President	2025
Kevin Halterman	Vice President	2025
Fred Buie (resigned 7/25/22)	Member	2025
Angela Jackson (appointed 8/8/22)	Member	2025
James Knott (resigned 8/29/22)	Member	2025
Jim Gossett (appointed 9/13/22)	Member	2025
Felix Gallagher	Member	2023
Cheryl Langston	Member	2023
Denny Presnall	Member	2023
Fred Greiner	Member	2023
Madelyn Tursi	Member	2023
Community College		
Robert Denson	President/CEO	
MD Isley	Vice President, Academic Affairs	
Shelli Allen	Vice President, Enrollment Services	
Ben Voaklander	Controller	
Carolyn Farlow	Board Secretary	
Greg Martin	Board Treasurer	



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Des Moines Area Community College
Ankeny, Iowa

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Des Moines Area Community College, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the component unit Des Moines Area Community College Foundation were not audited in accordance with *Government Auditing Standards*.

Change in Accounting Principle

As discussed in Note 12 to the financial statements, Des Moines Area Community College adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 15, and the schedules of College's proportionate share of the net pension liability, College contributions, College's early retirement pension liability, and changes in College's total OPEB liability, related ratios and notes on pages 51 through 55 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2021 (which are not presented herein) and expressed unmodified opinions on those financial statements. The other supplementary information included in Schedules 1 through 12, 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 other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information in Schedules 1 through 12, including the schedule of expenditures of federal awards, 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 November 7, 2022, on our consideration of Des Moines Area Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.


DENMAN & COMPANY, LLP

West Des Moines, Iowa
November 7, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2022

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

FINANCIAL HIGHLIGHTS

- ◆ College operating revenues decreased approximately \$1.5 million or 1.7%. The decrease can be attributed to many factors. The College saw a 4.6% decrease in regular, non-concurrent enrollment for the academic year, which accounted for a \$2 million decrease in tuition revenues. The College also wrote-off \$2 million of student debt utilizing its institutional HEERF funding. Federal appropriations were up \$7.5 million due to the HEERF awards. Training revenues to the College under the Iowa Industrial New Jobs Training Program increased by \$4.5 million or 65%. Miscellaneous revenues decreased by \$5.6 million or 29%.
- ◆ College operating expenses increased by \$4.7 million or 3%. Liberal Arts, Career Education, and Adult Education decreased by \$1.4 million or 1.8%. Cooperative services increased \$3.3 million or 82%. The Cooperative services increase was related to the timing of training reimbursements made from the Iowa Industrial New Jobs Training Program. Physical Plant costs decreased by \$3 million or 12%. General Institution increased by \$3.5 million or 17.6%. Administration, Student Services, and Learning Resources saw small operating expense increases for the year. With all services and students returning to campus in early fiscal year 2022, the College saw increases in many of its operating expenses.
- ◆ The College's net position increased by approximately \$12.5 or 11%. The net investment in capital assets increased by \$7 million. The asset increase is related to the College completing several large construction projects. The unrestricted net position increased by \$2.1 million due primarily to a decrease in the pension liability. The College's restricted net position increased \$3.4 million.
- ◆ The College has received \$56.2 million of HEERF awards (Student & Institutional) in response to the COVID pandemic. As of June 30, the College has spent \$48.6 million. The HEERF awards grant period will end on June 30, 2023.
- ◆ Governmental Accounting Standard Board (GASB) Statement No. 87, **Leases** was implemented by the College during fiscal year 2022. The financial statements reflect this change.

USING THIS ANNUAL REPORT

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

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

The Basic Financial Statements consist of a statement of net position, a statement of revenues, expenses and changes in net position and a statement of cash flows. These provide information about the activities of the College as a whole and present an overall view of the College's finances.

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

Required Supplementary Information presents the College's proportionate share of the net pension liability and related contributions, the College's early retirement pension liability and the changes in total OPEB liability and related ratios and notes.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

REPORTING THE COLLEGE FINANCIAL ACTIVITIES

The Statement of Net Position

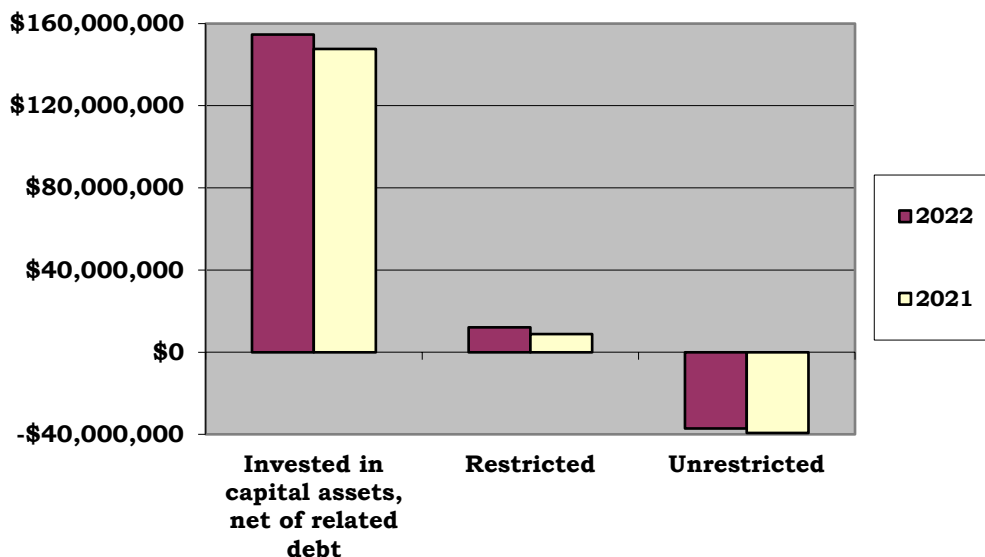
The Statement of Net Position presents financial information on all of the Colleges assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. The Statement of Net Position is a point-in-time financial statement. The purpose of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

	June 30	
	2022	2021
Current assets	\$ 163,340,614	\$ 151,204,472
Other assets	36,269,362	29,025,924
Capital assets, net of accumulated depreciation	192,910,495	193,090,325
Total assets	392,520,471	373,320,721
Deferred outflows of resources	13,623,050	17,449,316
Current liabilities	59,039,650	58,382,330
Noncurrent liabilities	151,511,967	178,186,566
Total liabilities	210,551,617	236,568,896
Deferred inflows of resources	65,938,324	37,072,014
Net position:		
Net investment in capital assets	154,660,495	147,665,325
Restricted	12,144,375	8,765,113
Unrestricted	(37,151,290)	(39,301,311)
Total net position	\$ 129,653,580	\$ 117,129,127

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2022

Comparison of Net Position



The largest portion of the College's net position is invested in capital assets (e.g., land, buildings, and equipment), less the related debt. The debt related to the capital assets is liquidated with resources (property tax receipts and rental revenue) other than capital assets. The restricted portion of the net position includes resources that are subject to external restrictions. The remaining net position is the unrestricted net position that can be used to meet the College's obligations as they come due. The unrestricted negative net position is the result of the following liabilities. Without these liabilities included in the net position the College would have a positive unrestricted net position.

Governmental Accounting Standards Board Statement No. 68, **Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27** was implemented during fiscal year 2015. The net pension liability as of June 30, 2022 was \$670,463. In the past, pension expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year. The negative net position as a result of the net pension liability is reported against the unrestricted net position.

Governmental Accounting Standards Board Statement No. 73 **Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB No. 68** was implemented during fiscal year 2017. The early retirement pension liability as of June 30, 2022 was \$20,063,912. The College provides a Retirement Cash Benefit Plan to retired employees meeting certain conditions, which is not within the scope of GASB No. 68. The Retirement Cash Benefit Plan is funded by a property tax levy. The negative net position as a result of the early retirement pension liability is reported against the unrestricted net position.

Governmental Accounting Standards Board Statement No. 75 **Accounting and Financial Reporting for Postemployment Benefits other than Pensions** was implemented during fiscal year 2018. The OPEB liability as of June 30, 2022 was \$24,278,206. The College operates a single-employer health benefit plan for employees, retirees and their dependents. The retiree portion of the liability is funded by a property tax levy. The negative net position as a result of the OPEB liability is reported against the unrestricted net position.

Statement of Revenues, Expenses and Changes in Net Position

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

In general, a public college, such as Des Moines Area Community College, will report an operating loss since the financial reporting model classifies state appropriations, Pell grants and property tax as non-operating revenues. Operating revenues are received for providing goods and services to the students, customers and constituencies of the College. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the College. Non-operating revenues are revenues received for which goods and services are not provided. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life.

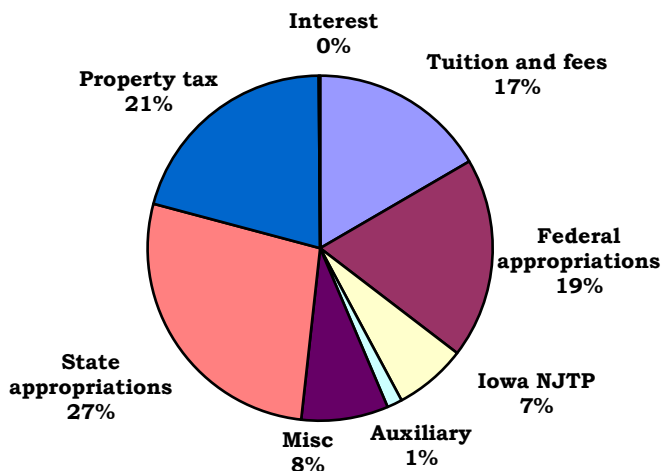
Changes in Net Position

	Year ended June 30	
	2022	2021
Operating revenues:		
Tuition and fees	\$ 27,986,038	\$ 36,316,929
Federal appropriations	31,651,172	24,199,896
Iowa Industrial New Jobs Training Program	11,423,195	6,892,730
Auxiliary enterprises revenue	2,402,810	1,856,549
Miscellaneous	13,703,083	19,370,320
Total operating revenues	87,166,298	88,636,424
Total operating expenses	168,516,888	163,828,864
Operating loss	(81,350,590)	(75,192,440)
Nonoperating revenues, (expenses) and transfers		
State appropriations	46,150,330	43,817,241
Pell grant	15,069,138	14,964,197
Property tax	34,904,382	31,634,444
Interest and investment income	223,151	316,950
Loss on disposition of capital assets	(8,062)	(166,231)
Interest on indebtedness	(2,433,364)	(2,727,390)
Transfers from agency funds	(30,528)	(52,618)
Net nonoperating revenues and transfers	93,875,047	87,786,593
Increase in net position	12,524,457	12,594,153
Net position beginning of year	117,129,123	104,534,970
Net position end of year	\$ 129,653,580	\$ 117,129,123

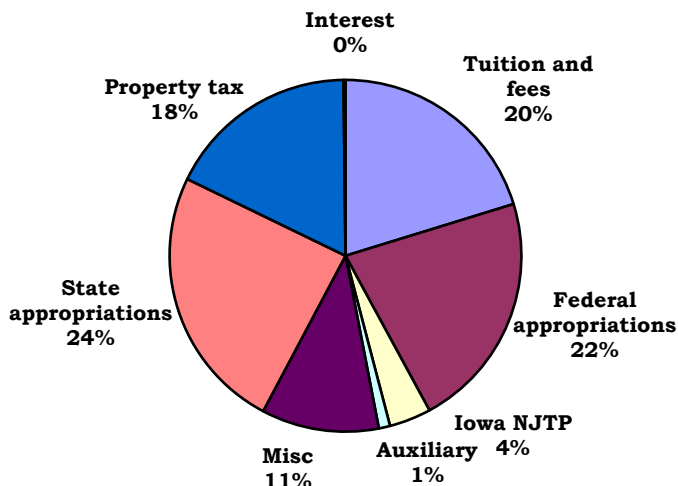
The Statement of Revenues, Expenses and Changes in Net Position reflects a positive year, with an increase in net position of \$12.5 million at the end of the fiscal year. This increase is the net result of a \$2.1 million increase in the general unrestricted funds, a \$3.4 million increase in the general restricted funds, and a \$7 million increase in capital assets net of related debt.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

Total Revenues by Source
2022



2021



In fiscal year 2022, operating revenues decreased by approximately \$1.5 million or 1.7%. The decrease was primarily a result of the following changes:

- ◆ Tuition and fees, net of scholarship allowances, decreased approximately \$8.3 million or 23%. The decrease can be attributed to a 4.6% enrollment decrease attributed to the ongoing effects of COVID. The College also wrote off \$2 million of student receivables using its institutional HEERF funds. Scholarship allowances that decrease the student's tuition and fees cost increased by \$6 million or 25.6%. The increase is attributable to the Higher Education Emergency Relief Fund (HEERF) awards made to students. For financial reporting purposes, scholarship allowances reduce tuition revenue.
- ◆ The College facilitates training to new employees of area businesses under the Iowa Industrial New Jobs Training Program. The revenue from these training projects increased \$4.5 million or 65%. The College sold \$16.85 million in New Jobs Training Certificates during the fiscal year. The College recognizes revenue as the training funds are drawn by the companies and the companies have three years to utilize the training funds. The revenue recognition can fluctuate due to the timing of the companies training plans.
- ◆ Miscellaneous revenue decreased \$5.6 million or 29%. The College had a large insurance claim for storm damage incurred at its Newton Legacy Plaza facility in fiscal year 2021.
- ◆ Federal appropriations increased approximately \$7.4 million or 30%. The College received several Higher Education Emergency Relief Fund (HEERF) awards during fiscal year 2020/2021, and spending on those awards continued during fiscal year 2022. The HEERF awards will end on June 30, 2023.
- ◆ Auxiliary revenues increased by \$546,000 or 29.6%. The increase in auxiliary revenue is related to the increased activity of auxiliary activities post-COVID.
- ◆ Interest income decreased by \$100,000 or 30%. The College continued to see low rates of return on investments during fiscal year 2022. The College began to see increased rates of return during late fiscal year 2022 and continues to see increasing rates in early fiscal year 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2022

Operating Expenses

Year ended June 30		
2022	2021	
\$ 27,731,611	\$ 29,298,352	Education and support:
36,812,257	37,499,847	Liberal arts and sciences
14,067,733	13,269,761	Career and technical
7,432,734	4,080,414	Adult education
3,488,884	3,408,457	Cooperative services
13,908,563	13,339,397	Administration
3,551,884	3,892,746	Student services
22,716,570	25,811,195	Learning resources
23,198,164	19,734,262	Physical plant
7,605,824	5,967,440	General institution
427,338	795,633	Auxiliary enterprises
57,192	114,081	Loan cancellations and bad debts
7,518,134	6,617,279	Administrative and collection costs
\$ 168,516,888	\$ 163,828,864	Depreciation
		Total

Total Expenses

- In fiscal year 2022, operating expenses increased by approximately \$4.7 million or 3%. The following factors explain some of the change:
- ◆ Faculty and staff received a 2.5% salary increase in FY2022.
 - ◆ Auxiliary enterprise expense increased by \$1.6 million or 27.5%. Many auxiliary activities were back to pre-COVID levels.
 - ◆ In early fiscal year 2022, the College began bringing more staff and students back on to campus. With the increased on-campus activity, the College saw increases in its operating expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

Statement of Cash Flows

A statement included in Des Moines Area Community College's basic financial statements is the Statement of Cash Flows. The Statement of Cash Flows is an important tool in helping users assess the College's ability to generate future net cash flows, its ability to meet its obligations as they come due, and its need for external financing. The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, noncapital financing, capital and related financing, and investing activities.

Cash Flows

	Year ended June 30	
	2022	2021
Cash provided by (used in):		
Operating activities	\$ (79,090,973)	\$ (62,006,800)
Noncapital financing activities	102,360,397	86,787,640
Capital and related financing activities	(16,322,491)	(34,208,540)
Investing activities	223,151	316,950
Net increase in cash	7,170,084	(9,110,750)
Cash and short-term pooled investments, beginning of the year	88,766,922	97,877,672
Cash and short-term pooled investments, end of the year	\$ 95,937,006	\$ 88,766,922

Cash used in operating activities includes tuition, fees, grants and contracts, net of payments to employees and to suppliers. Cash provided by noncapital financing activities includes state appropriations, Pell grants, local property tax receipts, the proceeds from New Jobs Training Programs debt, and the principal and interest payments on New Jobs Training Programs debt. Cash used in capital and related financing activities represents the proceeds from plant fund debt, the principal and interest payments on plant fund debt and the purchase of capital assets. Cash provided by investing activities includes investment income received and the purchase and sale of investments.

Cash used in operating activities increased by \$17 million. The Higher Education Emergency Relief Funds (HEERF) account for much of the increase.

Cash provided by noncapital financing activities increased by \$15.5 million. A larger New Jobs Training bond sale in fiscal year 2022 attributed to the increase.

Cash used in capital and related financing activities decreased by \$17.8 million. The College completed several construction projects that were financed with Plant Fund Notes.

The cash provided by investing activities decreased by \$94,000. Low rates of return during fiscal year 2022 accounted for this decrease.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

CAPITAL ASSETS

At June 30, 2022, the College had approximately \$300.3 million invested in capital assets, net of accumulated depreciation of \$107.3 million. Depreciation charges totaled \$7.5 million for fiscal year 2022. Details of capital assets are shown below.

Capital Assets, Net, at Year-End

	June 30	
	2022	2021
Land	\$ 8,914,819	\$ 8,892,253
Buildings	163,517,251	130,078,142
Construction in progress	6,918,522	40,525,026
Improvements other than buildings	6,959,171	7,358,038
Equipment and vehicles	6,600,752	6,236,866
Total	\$ 192,910,515	\$ 193,090,325

The College appropriates approximately \$1.78 million annually for computer equipment and technology upgrades for the computer labs, networks and classrooms. The College also plans to spend an estimated \$1.8 million annually for maintenance on the buildings and grounds.

The College has an approved \$.09 per thousand levy for instructional equipment. This levy results in the College receiving an additional \$5 million per year for instructional equipment.

DEBT

At June 30, 2022, the College had \$96.2 million in debt outstanding, an increase of \$1 million from fiscal year 2021. The table below summarizes these amounts by type.

Outstanding Debt

	June 30	
	2022	2021
Certificates payable	\$ 57,925,000	\$ 49,750,000
Plant fund capital notes payable	38,250,000	45,425,000
Total	\$ 96,175,000	\$ 95,175,000

The College sold an additional \$8.43 million of New Jobs Training Program certificates in late 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2022

ECONOMIC FACTORS

There are many economic factors and challenges that will affect the future operations of Des Moines Area Community College. Some of the issues that may impact the College are:

- ◆ In August of the current fiscal year, the College returned to pre-pandemic operations with all facilities open and in-person classes resuming. The College continues to recognize the challenges presented by COVID and has taken various actions intended to minimize the spread of COVID. The College continues to see enrollments and campus activities rebound to pre-pandemic levels.
- ◆ The Iowa Legislative support for Community Colleges did increase for the current fiscal year. For the fiscal year ending June 30, 2022, the College received \$36.4 million. For fiscal year 2023, the College will receive \$37.6 million in state general aid. For future budget years, the College does anticipate there will be modest increases in state general aid. Aggressive and prudent budget management and pre-planning for anticipated expense reductions have allowed the College to deal with revenue losses without significant impact on operations that would affect the student experience.
- ◆ During the fiscal year that ended on June 30, 2022, the College experienced an enrollment decrease of 4.6% in its regular, non-concurrent enrollment credits. The majority of the decrease is still being contributed to COVID, but the College is somewhat optimistic that enrollment is beginning to recover post-COVID. The College has received several federal HEERF awards associated with COVID that have allowed it to cover some of its revenue losses. The College has also reduced budgets to account for the decreased enrollments. For the current fall term, the College experienced a slight increase in enrollment and anticipates that spring enrollment may also be slightly up, or flat.
- ◆ There continues to be positive indicators for business and workforce growth in central Iowa and good prospects for job growth and interest from new industry; banking and financial services continue to expand the workforce as evidenced by the College's new jobs training activity; and there is potential to provide additional training to area business and industry. Iowa Industrial New Jobs Training projects totaled \$8.43 million for the 2022 bond sale.
- ◆ Facilities at the College require constant expansion, maintenance, and upkeep. The College has recently completed several major construction projects on four different campuses. The College is in current discussions to develop a Master Facilities Plan to address future growth and assess current space capacity. As the economy grows, the need for additional capacity is a major concern of the College. The College consistently informs business leaders and state legislators of this concern and will continue to address the facility issues.
- ◆ Technology continues to expand and current technology becomes outdated rapidly, presenting an ongoing challenge to maintain up-to-date technology at a reasonable cost. The College has partnered with Ellucian, the College's ERP solution provider, to move the ERP to the Cloud, and implement several new Ellucian solutions. The Cloud migration was completed in March 2022 and the new solutions implementation will be completed in late 2022. The College has also contracted with Solutions Management Group (SMG) to provide a computer lease solution, asset management, and help desk services.

The College anticipates the current fiscal year (Fiscal Year 2023) will be back to a more normal post-pandemic operation. The College will continue to monitor its financial situation and respond accordingly.

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our customers, taxpayers in the community college district and our creditors with a general overview of the College's finances and to demonstrate the College's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Des Moines Area Community College, 2006 South Ankeny Blvd., Ankeny, Iowa 50023.

BASIC FINANCIAL STATEMENTS

Exhibit A**DES MOINES AREA COMMUNITY COLLEGE**

Statement of Net Position

June 30, 2022

	<u>College</u>	<u>Foundation</u>
Assets		
Current assets:		
Cash and short-term pooled investments (Note 2)	\$ 95,236,739	\$ 3,103,187
Pooled investments (Note 2)	-	17,926,877
Receivables:		
Accounts, net of allowance of \$313,785	18,775,594	490,106
Succeeding year property tax	37,755,733	-
Iowa Industrial New Jobs Training Program	7,714,050	-
Due from other governments	2,746,210	-
Lease receivable	577,981	-
Inventories (Note 3)	291,241	-
Prepaid expenses	243,066	57,364
Total current assets	<u>163,340,614</u>	<u>21,577,534</u>
Noncurrent assets:		
Receivables		
Iowa Industrial New Jobs Training Program	35,273,688	-
Lease receivable	995,674	-
Capital assets, net of accumulated depreciation (Note 4)	<u>192,910,495</u>	<u>-</u>
Total noncurrent assets	<u>229,179,857</u>	<u>-</u>
Total assets	<u>392,520,471</u>	<u>21,577,534</u>
Deferred outflows of resources		
Pension related deferred outflows	10,858,674	
OPEB related deferred outflows	<u>2,764,376</u>	<u>-</u>
Total deferred outflows of resources	<u>13,623,050</u>	<u>-</u>

DES MOINES AREA COMMUNITY COLLEGE

Statement of Net Position (Continued)

June 30, 2022

	<u>College</u>	<u>Foundation</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 3,218,100	\$ -
Payable to Des Moines Area Community College	-	436,360
Salaries and benefits payable	4,694,483	-
Self-funded health claims payable	8,789,195	-
Accrued interest payable	223,652	-
Unearned revenue:		
Tuition	12,798,050	-
Iowa Industrial New Jobs Training Program	12,780,634	-
Net pension liability (Notes 5, 7 & 9)	826,243	-
OPEB liability payable (Notes 5 & 10)	696,335	-
Deposits held in custody for others	527,369	-
Certificates payable (Note 5)	6,522,579	-
Plant fund capital loan notes payable (Note 5)	7,963,010	-
Total current liabilities	<u>59,039,650</u>	<u>436,360</u>
Noncurrent liabilities (Note 5):		
Compensated absences	2,289,000	-
Unearned revenue, Iowa Industrial New Jobs Training Program	20,009,388	-
Net pension liability (Notes 7 & 9)	19,908,132	-
OPEB liability payable (Note 10)	23,581,871	-
Certificates payable (Note 5)	51,629,700	-
Plant fund capital loan notes payable (Note 5)	34,093,876	-
Total noncurrent liabilities	<u>151,511,967</u>	<u>-</u>
Total liabilities	<u>210,551,617</u>	<u>436,360</u>
Deferred inflows of resources		
Unavailable property tax revenue	37,755,733	-
Pension related deferred inflows	25,795,320	-
OPEB related deferred inflows	813,616	-
Lease related	1,573,655	-
Total deferred inflows of resources	<u>65,938,324</u>	<u>-</u>
Net position		
Net investment in capital assets	154,660,495	-
Restricted:		
Nonexpendable:		
Cash reserve	755,088	-
Scholarships and fellowships	-	6,661,025
Expendable:		
Scholarships and fellowships	558,282	-
Loans	63,007	-
Other	10,767,998	13,081,802
Unrestricted	(37,151,290)	1,398,347
Commitments (Note 4 & 6)		
Total net position	<u>\$ 129,653,580</u>	<u>\$ 21,141,174</u>

Exhibit B

DES MOINES AREA COMMUNITY COLLEGE
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2022

	<u>College</u>	<u>Foundation</u>
Operating revenues:		
Tuition and fees, net of scholarship allowances of \$29,813,059	\$ 27,986,038	\$ -
Federal appropriations	31,651,172	-
Iowa Industrial New Jobs Training Program	11,423,195	-
Auxiliary enterprises revenue	2,402,810	-
Contributions	-	2,782,599
Miscellaneous	13,703,083	-
Total operating revenues	<u>87,166,298</u>	<u>2,782,599</u>
Operating expenses:		
Education and support		
Liberal arts and sciences	27,731,611	-
Career and technical	36,812,257	-
Adult education	14,067,733	-
Cooperative services	7,432,734	-
Administration	3,488,884	144,327
Student services	13,908,563	-
Learning resources	3,551,884	-
Physical plant	22,716,570	-
General institution	23,198,164	-
Auxiliary enterprises	7,605,824	-
Scholarships and grants	-	2,151,371
Fund raising	-	-
Loan cancellations and bad debts	427,338	-
Administrative and collection costs	57,192	-
Depreciation	7,518,134	-
Total operating expenses	<u>168,516,888</u>	<u>2,295,698</u>
Operating income (loss)	<u>(81,350,590)</u>	<u>486,901</u>
Nonoperating revenues (expenses):		
State appropriations	46,150,330	-
Pell grant	15,069,138	-
Property tax	34,904,382	-
Interest and investment income	223,151	(3,504,458)
Loss on disposition of capital assets	(8,062)	-
Interest on indebtedness	(2,433,364)	-
Net nonoperating revenues (expenses)	<u>93,905,575</u>	<u>(3,504,458)</u>
Change in net position	12,554,985	(3,017,557)
Transfers from agency funds	(30,528)	-
Total change in net position	12,524,457	(3,017,557)
Net position, beginning of year	<u>117,129,123</u>	<u>24,158,731</u>
Net position, end of year	<u>\$ 129,653,580</u>	<u>\$ 21,141,174</u>

Exhibit C**DES MOINES AREA COMMUNITY COLLEGE**

Statement of Cash Flows

Year Ended June 30, 2022

Cash flows from operating activities:	
Tuition and fees	\$ 29,602,121
Federal appropriations	31,543,242
Iowa Industrial New Jobs Training Program	10,901,383
Payments to employees for salaries and benefits	(114,219,974)
Payments to suppliers for goods and services	(52,977,345)
Auxiliary enterprise receipts	2,402,810
Other receipts	13,656,790
Net cash used in operating activities	<u>(79,090,973)</u>
Cash flows from noncapital financing activities:	
State appropriations	45,994,391
Pell grant	15,069,138
Property tax	34,904,382
Net agency fund activity	(471,630)
Proceeds from certificates payable	16,850,000
Principal paid on debt	(8,675,000)
Interest paid	(1,310,884)
Net cash provided by noncapital financing activities	<u>102,360,397</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(7,346,366)
Principal paid on debt	(7,175,000)
Interest paid	(1,801,125)
Net cash provided by capital and related financing activities	<u>(16,322,491)</u>
Cash flows from investing activities	
Interest on investments	<u>223,151</u>
Net cash provided by investing activities	<u>223,151</u>
Net increase in cash and short-term pooled investments	7,170,084
Cash and short-term pooled investments at beginning of year	<u>88,766,922</u>
Cash and short-term pooled investments at end of year	<u><u>\$ 95,937,006</u></u>

Exhibit C**DES MOINES AREA COMMUNITY COLLEGE**

Statement of Cash Flows (Continued)

Year Ended June 30, 2022

Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ <u>(81,350,590)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	7,518,134
Changes in assets and liabilities:	
Increase in accounts receivable	(1,665,711)
Increase in Iowa Industrial New Jobs Training Program receivables	(6,608,355)
Increase in due from and due to other governments	(263,870)
Increase in lease receivable	(1,573,655)
Decrease in prepaid expenses	137,472
Increase in inventories	(21,227)
Decrease in accounts payable	(1,731,817)
Decrease in salaries and benefits payable	(266,491)
Increase in unearned revenues	9,368,337
Decrease in net pension liability	(33,119,925)
Increase in OPEB liability	598,924
Decrease in deferred outflows of resources	3,826,266
Increase in deferred inflows of resources	25,951,893
Decrease in deposits held in custody for others	109,642
Total Adjustments	<u>2,259,617</u>
Net cash used in operating activities	\$ <u><u>(79,090,973)</u></u>

Exhibit D

DES MOINES AREA COMMUNITY COLLEGE
Statement of Fiduciary Net Position - Custodial Funds
Year ended June 30, 2022

Assets

Cash and short-term pooled investments	\$ 700,269
--	------------

Total Assets	<u>700,269</u>
---------------------	----------------

Liabilities

Accounts payable	<u>60,976</u>
------------------	---------------

Total Liabilities	<u>60,976</u>
--------------------------	---------------

Net Assets

Restricted:

Other	\$ <u><u>639,293</u></u>
-------	--------------------------

Exhibit E

DES MOINES AREA COMMUNITY COLLEGE

Statement of Changes in Fiduciary Net Position - Custodial Funds

Year ended June 30, 2022

	<u>Total</u>
Additions:	
Federal appropriations	\$ 513,686
Sales and services	910
Other	1,130,482
Transfers in	<u>33,490</u>
Total additions	<u>1,678,568</u>
Deductions:	
Salaries and benefits	219,920
Services	567,810
Materials and supplies	135,096
Travel	191,478
Other	570,031
Transfers out	<u>2,962</u>
Total deductions	<u>1,687,297</u>
Changes in net position	(8,729)
Net position beginning of year	<u>648,022</u>
Net position end of year	<u><u>\$ 639,293</u></u>

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED MATTERS

Organization and Function

Des Moines Area Community College (the College) is a publicly supported, post-secondary, two-year institution established and operated as an area community college by Merged Area XI, as provided in Chapter 260C of the Code of Iowa. The College offers programs of adult and continuing education, lifelong learning, community education, and up to two years of liberal arts, pre-professional or occupational instruction partially fulfilling the requirements for a baccalaureate degree but confers no more than an associate degree. It also offers up to two years of vocational or technical education, training or retraining to persons who are preparing to enter the labor market. The College maintains campuses in Ankeny, Boone, Carroll, Des Moines, Newton, and West Des Moines and has its administrative offices in Ankeny. The College is governed by a Board of Directors whose members are elected from each director district within Merged Area XI.

In fulfilling the responsibilities assigned to it by law, the College offers a comprehensive educational program and support services to fulfill local and state needs. The College serves primarily students from the state of Iowa.

Reporting Entity

For financial reporting purposes, the College has included all funds, organizations, agencies, boards, commissions, and authorities. The College has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the College are such that exclusion would cause the College's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) 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 (a) the ability of the College to impose its will on that organization or (b) the potential for the organization to provide specific benefits to or impose specific financial burdens on the College.

The Des Moines Area Community College Foundation (the Foundation) qualifies as a component unit according to the Governmental Accounting Standards Board criteria. The Foundation is a nonprofit corporation controlled by a separate board of directors whose goal is to provide support to the College. Although the College does not control the timing or amount of the receipts from the Foundation, the majority of the resources that are held by the Foundation are used for the benefit of the College.

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

These financial statements present the College (the primary government) and the Foundation (its component unit). Certain disclosures about the Foundation are not included because the Foundation has been audited separately and a report has been issued under separate cover.

Financial Statement Presentation

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

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED MATTERS (continued)

Financial Statement Presentation (continued)

Restricted Net Position:

Nonexpendable – Net position subject to externally imposed stipulations that they be maintained permanently by the College.

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

Unrestricted Net Position: Net position not subject to externally imposed stipulations. Examples include: student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. Resources may be designated for specific purposes by action of management or by the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is designated for academic and general programs of the College.

The basic financial statements (i.e. the statement of net position, the statement of revenues, expenses and changes in net position, and the statement of cash flows) report information on all of the activities of the College. For the most part, the effect of interfund activity has been removed from these statements.

Other Supplementary Information

The other supplementary information of the College is presented on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues and expenditures. For reporting purposes, funds that have similar characteristics have been combined into fund groups. The various fund groups and their designated purposes are as follows:

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

Unrestricted Fund – The Education and Support subgroup of the Unrestricted Fund accounts for the general operations of the College. All property tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this subgroup. From this subgroup are paid the general operating expenses, the fixed charges and the expenditures for plant assets that are not paid from other funds.

The Auxiliary Enterprises subgroup accounts for activities which are intended to provide non-instructional services for sales to students, staff and/or institutional departments, and which are supplemental to the educational and general objectives of the College. In addition, it accounts for activities which provide instructional and laboratory experiences for students and which incidentally create goods and services that may be sold to students, faculty, staff and the general public.

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 student government.

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED MATTERS (continued)

Other Supplementary Information (continued)

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

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

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

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

Custodial Funds – The Custodial Funds are used to account for assets held by the College in a custodial capacity or as an agent for others. 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 College uses Business Type Activities reporting this budgetary comparison information is included as other supplementary information.

Measurement Focus and Basis of Accounting

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities as defined in GASB Statement No. 34. Accordingly, the basic financial statements of the College have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Schedules presented in the supplementary information are reported using the current financial resources measurement focus and the modified 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.

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

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

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to a known amount of cash and, at the day of purchase, have a maturity date no longer than three months.

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED MATTERS (continued)

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

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

Receivable for Iowa Industrial New Jobs Training Program (NJTP) – This represents the amount to be remitted to the College for training projects entered into between the College and employers under the provisions of Chapter 260E of the Code of Iowa. The receivable amount is based on expenditures incurred through June 30, 2022 on NJTP projects, including interest incurred on NJTP certificates, less revenues received to date.

Due from Other Governments – This represents state aid, grants and reimbursements due from the State of Iowa and grants and reimbursements due from the federal government.

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

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

The costs of normal maintenance and repair that do not add to the value of the assets or materially extend asset lives are not capitalized.

Capital assets are defined by the College as assets with initial, individual costs in excess of \$5,000 and estimated useful lives in excess of two years.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	15-40
Improvements other than buildings	10-40
Equipment and vehicles	4-10

The College does not capitalize or depreciate library books. The value of each book falls below the capital asset threshold and the balance was deemed immaterial to the financial statements.

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

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED MATTERS (continued)

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

Leases – College as Lessor – The College is a lessor for a non-cancellable lease of school buildings. The College recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the College initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the College determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

The College uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

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

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.

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED MATTERS (continued)

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

Unearned Revenue – Unearned revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets have not been spent for their intended purpose. Unearned revenue consists of unspent grant proceeds, the succeeding year property tax receivable, advanced student tuition, and deferred administrative and training revenue for NJTP projects.

Compensated Absences – College employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. Amounts representing the cost of compensated absences are recorded as liabilities. These liabilities have been computed based on rates of pay in effect at June 30, 2022.

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

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.

Deferred Inflows of Resources – Deferred inflows of resources represent an acquisition of net position applicable to a future year(s) and 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 investments.

Auxiliary Enterprise Revenues – Auxiliary enterprise revenues primarily represent revenues generated by the career education, central stores and athletics funds.

Income Taxes – The College is exempt from federal income taxes under the provisions of Section 115 of the Internal Revenue Code as a political subdivision of the State of Iowa. As such, the College is subject to federal income taxes only on any net unrelated business income under the provisions of Section 511 of the Internal Revenue Code.

Insurance Coverage – The College does not participate in a public entity risk pool. The College does carry commercial insurance coverage associated with all applicable risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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.

Scholarship Allowances and Student Aid – Financial aid to students is reported in the financial statements under the alternative method, as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid (loans, funds provided to students as awarded by third parties and Federal Direct Lending) is accounted for as third party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a total College basis by allocating the cash payments to students, excluding payments for services, on the ratio of all aid to the aid not considered to be third party aid.

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED MATTERS (continued)

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

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

NOTE 2 CASH AND POOLED INVESTMENTS

The College's cash and deposits (money market accounts and certificates of deposit) at June 30, 2022 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

As of June 30, 2022, the College's cash and short-term pooled investments are as follows:

Deposits	
Cash	\$ 48,634,559
Investments	
Nonnegotiable certificates of deposit, short term	2,000,000
Iowa Schools Joint Investment Trust	
Diversified Portfolio and Money Market	<u>45,302,447</u>
Total cash and short-term pooled investments	<u>\$ 95,937,006</u>

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

The investments in Iowa Schools Joint Investment Trust (ISJIT) are valued at an amortized cost. There were no limitations or restrictions on withdrawals for the ISJIT investments.

Foundation

The Foundation categorizes its fair value measurements within the fair value hierarchy established by the generally accepted accounting principles. The Foundation has the following recurring fair value measurements as of June 30, 2022:

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 2 CASH AND POOLED INVESTMENTS (continued)

Foundation (continued)

<u>Investments</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 3,103,187
Money market funds	631,076
Mutual funds	17,295,801
	<u>\$ 21,030,064</u>

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 investments listed above have quoted prices in active markets and are Level 1 inputs.

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

Credit risk. The College's investments in the Iowa Schools Joint Investment Trust were rated AAAm by Standard & Poor's Financial Services.

Concentration of credit risk. The College's investment policy limits the amount of prime eligible bankers acceptances and commercial paper that may be invested in any one issuer to 5% of the College's investment portfolio at the time of purchase. Investments other than prime eligible bankers acceptances and commercial paper are not subject to the 5% limitation.

NOTE 3 INVENTORIES

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

<u>Type</u>	<u>Amount</u>
Supplies and materials	\$ 45,671
Merchandise held for resale	<u>245,570</u>
Total	<u>\$ 291,241</u>

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 4 CAPITAL ASSETS

A summary of the change in capital assets for the year ended June 30, 2022 is as follows:

	<u>Balance</u> <u>beginning of year</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Balance end of</u> <u>year</u>
Capital assets not being depreciated					
Land	\$ 8,892,253	\$ 22,566	\$ -	\$ -	\$ 8,914,819
Construction in progress	40,525,026	5,138,869	(38,745,373)	-	6,918,522
Total capital assets not being depreciated	<u>49,417,279</u>	<u>5,161,435</u>	<u>(38,745,373)</u>	<u>-</u>	<u>15,833,341</u>
Capital assets being depreciated					
Buildings	202,907,221	39,048,048	-	-	241,955,269
Improvements other than buildings	20,582,577	-	-	-	20,582,577
Equipment and vehicles	20,428,864	1,882,256	-	421,737	21,889,383
Total capital assets being depreciated	<u>243,918,662</u>	<u>40,930,304</u>	<u>-</u>	<u>421,737</u>	<u>284,427,229</u>
Less accumulated depreciation for					
Buildings	72,829,079	5,608,939	-	-	78,438,018
Improvements other than buildings	13,224,519	398,887	-	-	13,623,406
Equipment and vehicles	14,191,998	1,510,308	-	413,675	15,288,631
Total accumulated depreciation	<u>100,245,596</u>	<u>7,518,134</u>	<u>-</u>	<u>413,675</u>	<u>107,350,055</u>
Total capital assets being depreciated, net	<u>143,673,066</u>	<u>33,412,170</u>	<u>-</u>	<u>8,062</u>	<u>177,077,174</u>
Capital assets, net	<u>\$ 193,090,345</u>	<u>\$ 38,573,605</u>	<u>\$ (38,745,373)</u>	<u>\$ 8,062</u>	<u>\$ 192,910,515</u>

Construction in progress at June 30, 2022 includes the Carroll Campus expansion as well as other miscellaneous smaller projects. The College has entered into agreements for these projects totaling approximately \$4,550,000 of which approximately \$4,300,000 has been completed.

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 5 CHANGES IN NONCURRENT LIABILITIES

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

	Compensated absences	Unearned revenue, NJTP and other	OPEB liability	Early Retirement and Net Pension Liability	Certificates Payable	Plant Fund Capital Loan Notes Payable	Total
Balance, beginning of year	\$ 2,359,000	\$ 26,703,478	\$ 23,679,282	\$ 53,854,300	\$ 49,750,000	\$ 45,425,000	\$ 201,771,060
Additions		18,784,611	2,059,085	-	16,850,000	-	37,693,696
Reductions	70,000	12,698,067	1,460,161	33,119,925	8,675,000	7,175,000	63,198,153
	<u>2,289,000</u>	<u>32,790,022</u>	<u>24,278,206</u>	<u>20,734,375</u>	<u>57,925,000</u>	<u>38,250,000</u>	<u>176,266,603</u>
Plus net unamortized premium	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>227,279</u>	<u>3,806,886</u>	<u>4,034,165</u>
Balance, end of year	2,289,000	32,790,022	24,278,206	20,734,375	58,152,279	42,056,886	180,300,768
Less current portion	<u>-</u>	<u>12,780,634</u>	<u>696,335</u>	<u>826,243</u>	<u>6,522,579</u>	<u>7,963,010</u>	<u>28,788,801</u>
Total noncurrent liabilities	<u>\$ 2,289,000</u>	<u>\$ 20,009,388</u>	<u>\$ 23,581,871</u>	<u>\$ 19,908,132</u>	<u>\$ 51,629,700</u>	<u>\$ 34,093,876</u>	<u>\$ 151,511,967</u>

Plant Fund Capital Loan Notes Payable

The College has issued revenue bonds and notes payable for the purchase and construction of College properties as allowed by Section 260C.19 and Section 260C.58 of the Code of Iowa. Details of the scheduled maturities for the College's revenue bonds and notes payable at June 30, 2022 are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 7,285,000	1,530,000	\$ 8,815,000
2024	7,415,000	1,238,600	8,653,600
2025	7,550,000	942,000	8,492,000
2026	4,000,000	640,000	4,640,000
2027	4,000,000	480,000	4,480,000
2028-2029	8,000,000	480,000	8,480,000
Total	<u>\$ 38,250,000</u>	<u>\$ 5,310,600</u>	<u>\$ 43,560,600</u>

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 5 CHANGES IN NONCURRENT LIABILITIES (continued)

Plant fund capital loan notes payable consisted of the following at June 30, 2022:

Plant fund capital loan notes payable dated July 30, 2015 and July 30, 2019 with interest rates between 2.00% and 4.00%	\$ 38,250,000
Total	\$ <u>38,250,000</u>

The plant fund capital loan notes totaling \$38,250,000 are payable over seven years. The proceeds of the notes were used to pay for the various costs of the building projects for the College. Interest on the notes payable is payable semiannually, while principal payments are due annually.

Total interest cost on the plant fund capital loan notes payable during the year ended June 30, 2022 was \$1,801,125.

Certificates Payable

Pursuant to agreements dated from 2015 to 2022, the College issued certificates totaling \$57,925,000 at June 30, 2022 with interest rates ranging from 1.01% 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's (NJTP's) purpose is to provide tax-aided training for employees of industries which are new 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, and, in the case of default, standby property taxes collected pursuant to Chapter 260E. The certificates will mature as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 6,465,000	1,249,050	\$ 7,714,050
2024	7,825,000	1,099,541	8,924,541
2025	8,515,000	926,334	9,441,334
2026	9,310,000	733,675	10,043,675
2027	7,600,000	519,955	8,119,955
2028-2031	18,210,000	704,755	18,914,755
Total	\$ <u>57,925,000</u>	\$ <u>5,233,310</u>	\$ <u>63,158,310</u>

Since inception, the College has administered 852 projects, with 140 currently receiving project funding. Of the remaining projects, 654 have been completed and closed and 58 have been completed with only repayment of the certificates left. In cases where projects exceed the budgeted amounts, the College intends to obtain additional withholding revenue from the companies.

Total interest costs on the certificates during the year ended June 30, 2022 was \$1,331,731.

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 6 OPERATING LEASES

The College leases certain property under operating leases which expire at varying dates. Most of the operating leases provide the College with the option after the initial lease term either to renew the lease at the then fair rental value for one additional five-year period or to purchase the property at the then fair value. 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 non-cancelable terms in excess of one year are as follows:

<u>Year ending June 30</u>	<u>Amount</u>
2023	\$ 67,040
2024	-
Thereafter	-
Total	<u>\$ 67,040</u>

NOTE 7 IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)

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

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

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

- A multiplier based on years of service.
- The member's highest five-year average salary. For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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 that the member receives benefits before the member's earliest normal retirement age. For service earned starting 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 a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

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

The College's contributions to IPERS for the year ended June 30, 2022 were \$3,933,747.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, the College reported a liability of \$670,463 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2021, the College's proportion was 0.478250%, which was a decrease of 0.012765% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the College recognized pension expense of \$2,483,689. At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 7 IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IPERS) (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 510,129	\$ 512,200
Changes of assumptions	438,540	
Net difference between projected and actual earnings on IPERS' investments		24,291,987
Changes in proportion and differences between College contributions and the College's proportionate share of contributions	1,480,683	669,718
College contributions subsequent to the measurement date	3,933,747	
Total	<u>\$ 6,363,099</u>	<u>\$ 25,473,905</u>

\$3,933,747 reported as deferred outflows of resources related to pensions resulting from the College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30</u>	<u>Amount</u>
2023	\$ (5,466,837)
2024	(5,585,804)
2025	(5,329,088)
2026	(6,648,372)
2027	(14,476)
Total	<u>\$ (23,044,577)</u>

There were no non-employer contributing entities to IPERS.

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

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

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 7 IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IPERS) (continued)

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

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

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

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	22.0%	4.43%
International equity	17.5	6.01
Global smart beta equity	6.0	5.1
Core plus fixed income	26.0	0.29
Public credit	4.0	2.08
Cash	1.0	(0.25)
Private equity	13.0	9.51
Private real assets	7.5	4.63
Private credit	3.0	2.87
Total	<u>100.0%</u>	

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 that contributions from the College will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1 % Decrease (6.00%)	Discount Rate (7.00%)	1 % Increase (8.00%)
College's proportionate share of the net pension liability	\$ 23,729,902	\$ 670,463	\$ (18,654,811)

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

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 8 TEACHERS INSURANCE AND ANNUITY ASSOCIATION

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

Benefit terms, including contribution requirements, for TIAA are established and specified by the plan with TIAA and in accordance with the Code of Iowa. For each employee in the pension plan, the College is required to contribute 9.44% of annual salary, including overtime pay, to an individual employee account. Each employee is required to contribute 6.29%. Contributions made by both the College and employees vest immediately. For the year ended June 30, 2022 employee contributions totaled \$1,903,593 and the College recognized pension expense of \$2,856,902.

NOTE 9 PENSION COSTS - EARLY RETIREMENT

Plan Administration – The College administers an Early Retirement Cash Benefit Plan (Plan) providing a one-time cash benefit to retired employees under certain conditions. The College does not issue a separate report that includes financial statements and required supplementary information for the Plan.

Benefits Provided – Individuals who are employed by Des Moines Area Community College are eligible to receive a one-time cash benefit upon retirement if they are at least 55 years old and have been employed for a minimum of ten years prior to retirement. Upon initial eligibility, the employee has an eligibility period that ends after seven years. The benefit is 70% of the employee's annual salary during the year of retirement, plus an additional 2% of salary for each year of service beyond ten.

Plan Membership – as of July 1, 2020, plan membership consisted of the following:

Inactive members currently receiving benefits	22
Active members	853
Total	<u>875</u>

Investment Policy – The College's obligation is unfunded at July 1, 2021. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73.

Sensitivity of the Total Pension Liability to Changes in the Discount Rate – The following presents the total pension liability, calculated using the current discount rate of 2.21%, as well as the total pension liability calculated using a discount rate that is 1% lower (1.21%) or 1% higher (3.21%) than the current rate:

	1 % Decrease	Current Discount Rate	1 % Increase
	1.21%	2.21%	3.21%
Total Pension Liability	\$ 21,008,028	\$ 20,063,912	\$ 19,168,858

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 9 PENSION COSTS - EARLY RETIREMENT(continued)

Pension Expense

Pension Expense	Measurement Period Ended June 30, 2021
Service Cost	\$ 1,423,621
Interest on Total Pension Liability	438,212
Recognition of Deferred (Inflows)/Outflows of Resources	
Economic/Demographic (Gains)/Losses	152,321
Assumption Changes	150,710
Pension Expense	<u>\$ 2,164,864</u>

Expected Remaining Service Lives – Under GASB 73, gains and losses which are amortized over future years are referred to as deferred inflows or gains, and deferred outflows or losses. Economic and demographic gains and losses and changes in the total Pension liability due to changes in assumptions are recognized over a closed period equal to the average expected remaining service lives of all covered active and inactive members, determined as of the beginning of the measurement period. The amortization period is calculated as the weighted average of expected remaining service lives assuming zero years for all inactive members.

The amortization period for the July 1, 2019 to June 30, 2020 measurement period was determined as follows:

	Number of	Expected Remaining
As of July 1, 2019	Members	Service Lives
Active Members	853	8.497
Inactive Members	22	0.000
Weighted Average Rounded to the Nearest Tenth		8.3

Deferred Inflows and Outflows of Resources – Under GASB 73, gains and losses which are amortized over future years are referred to as deferred inflows or gains, and deferred outflows or losses. Economic and demographic gains and losses and changes in the total Pension liability due to changes in assumptions are recognized over a closed period equal to the average expected remaining service lives of all covered active and inactive members, determined as of the beginning of the measurement period. As of June 30, 2021, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 816,956
Changes of assumptions	(321,415)	1,964,418
Total	<u>\$ (321,415)</u>	<u>\$ 2,781,374</u>

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 9 PENSION COSTS - EARLY RETIREMENT(continued)

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in future years' pension expense as follows:

Year ending June 30:	Annual Recognition
2022	\$ 303,031
2023	303,031
2024	315,591
2025	365,807
2026	365,807
Thereafter	<u>806,692</u>
Total	<u>\$ 2,459,959</u>

Schedule of Deferred Inflows and Outflows of Resources

	Original Amount	Date Established (Measurement Date)	Original Recognition Period *	Amount Recognized in Expense June 30, 2021	Balance of Deferred Inflows June 30, 2021	Balance of Deferred Outflows June 30, 2021
Economic/ Demographic (Gains)/Losses	\$ 727,043 353,711 195,712	6/30/2020 6/30/2018 6/30/2016	8.3 6.8 15.4	\$ 87,596 52,016 12,709	\$ - - -	\$ 551,851 145,647 119,458
				<u>\$ 152,321</u>	<u>\$ -</u>	<u>\$ 816,956</u>
Assumption Changes	\$ 1,422,508 (780,583) 1,449,374	6/30/2020 6/30/2018 6/30/2016	8.3 6.8 15.4	\$ 171,387 (114,792) 94,115	\$ - (321,415) -	\$ 1,079,734 - 884,684
				<u>\$ 150,710</u>	<u>\$ (321,415)</u>	<u>\$ 1,964,418</u>

*Economic/demographic (gains) and losses along with assumption changes are recognized over a closed period equal to the weighted average of expected remaining service lives for all active and inactive members.

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 10 OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Administration – The College administers an Other Postemployment Benefits (OPEB) plan providing medical, prescription drug, and dental benefits to retired employees and their dependents under certain conditions. The College does not issue a separate report that includes financial statements and required supplementary information for the OPEB plan.

Benefits Provided – Individuals who are employed by the College and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement if they are age 55 with 10 years of service or are eligible to receive IPERS or TIAA retirement benefits. Coverage during retirement continues in the group health and dental plans. Employees covered by the plan make contributions toward the plan premiums, but employees participating in the early retirement program may have a single premium paid by the College.

Plan Membership – as of July 1, 2020, plan membership consisted of the following:

Inactive members currently receiving benefits	113
Active members	<u>853</u>
Total	<u><u>966</u></u>

Investment Policy – The College's obligation is unfunded at July 1, 2021. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75.

Actuarial Assumptions – The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2021)	3.00% per annum.
Rate of salary increase (effective June 30, 2021)	3.50% per annum
Discount rate (effective June 30, 2021)	2.21% per annum
Healthcare cost trend rate (effective June 30, 2021)	5.00% for medical and dental for all years

Discount Rate – The discount rate used to measure the total OPEB liability was 2.21% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP-2014 annuitant distinct mortality table adjusted to 2006 with MP-2020 generational projection of future mortality improvement. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

Total OPEB Liability

	<u>As of July 1, 2020</u>
Actuarial Present Value of Future Benefits	
Retired - Employees	\$ 3,325,491
Retired - Spouses/Dependents	155,337
Actives - Employees	32,818,359
Actives - Spouses/Dependents	496,249
Total	<u><u>\$ 36,795,436</u></u>
 Total OPEB Liability	
Retired - Employees	\$ 3,325,491
Retired - Spouses/Dependents	155,337
Actives - Employees	19,268,919
Actives - Spouses/Dependents	290,171
Total	<u><u>\$ 23,039,918</u></u>

The Total OPEB Liability of the College at June 30, 2022 is projected to be \$24,278,206.

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, so the Net Fiduciary Position is \$0 and the Net OPEB Liability would be equal to the Total OPEB Liability.

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate – The following presents the total OPEB liability, calculated using the current healthcare cost trend rate of 5.0%, as well as the total OPEB liability calculated using a rate that is 1% lower (4.0%) or 1% higher (6.0%) than the current rate:

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 10 OTHER POST EMPLOYMENT BENEFITS (OPEB)(continued)

	1% Decrease to 4.0%	Current Healthcare Cost Trend Rate 5.0%	1% Increase to 6.0%
Total OPEB Liability	\$ 22,158,614	\$ 24,278,206	\$ 26,706,567

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability, calculated using the current discount rate of 2.21%, as well as the total OPEB liability calculated using a discount rate that is 1% lower (1.21%) or 1% higher (3.21%) than the current rate:

	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
Total OPEB Liability	\$ 25,977,918	\$ 24,278,206	\$ 22,712,155

OPEB Expense

OPEB Expense	Fiscal Year Ending June 30, 2022
Service Cost	\$ 1,518,352
Interest on Total OPEB Liability	540,733
Recognition of Deferred (Inflows)/Outflows of Resources	
Economic/Demographic (Gains)/Losses	(34,831)
Assumption Changes	499,873
OPEB Expense	<u>\$ 2,524,127</u>

Expected Remaining Service Lives – Under GASB 75, gains and losses which are amortized over future years are referred to as deferred inflows or gains, and deferred outflows or losses. Economic and demographic gains and losses and changes in the total OPEB liability due to changes in assumptions are recognized over a closed period equal to the average expected remaining service lives of all covered active and inactive members, determined as of the beginning of the measurement period. The amortization period is calculated as the weighted average of expected remaining service lives assuming zero years for all inactive members.

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 10 OTHER POST EMPLOYMENT BENEFITS (OPEB)(continued)

The amortization period for the July 1, 2020 to June 30, 2021 measurement period was determined as follows.

	Number of	Expected Remaining
As of July 1, 2020	Members	Service Lives
Active Members	853	8.497
Inactive Members	113	0.000
Weighted Average Rounded to the Nearest Tenth		7.5

Deferred Inflows and Deferred Outflows of Resources Related to OPEB – Under GASB 75, gains and losses which are amortized over future years are referred to as deferred inflows or gains, and deferred outflows or losses. Economic and demographic gains and losses and changes in the total OPEB liability due to changes in assumptions are recognized over a closed period equal to the average expected remaining service lives of all covered active and inactive members, determined as of the beginning of the measurement period. At June 30, 2022, the College reported deferred inflows and outflows of resources related to OPEB from the following resources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (604,273)	\$ 292,641
Changes of assumptions	(209,343)	2,471,735
Total	<u>\$ (813,616)</u>	<u>\$ 2,764,376</u>

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

Year ending	Annual
June 30:	Recognition
2023	\$ 465,042
2024	465,042
2025	403,670
2026	258,335
2027	239,114
Thereafter	<u>119,557</u>
Total	<u>\$ 1,950,760</u>

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 10 OTHER POST EMPLOYMENT BENEFITS (OPEB)(continued)

Schedule of Deferred Inflows and Outflows of Resources

	Original Amount	Date Established (Measurement Date)	Original Recognition Period *	Amount Recognized in Expense June 30, 2022	Balance of Deferred Inflows June 30, 2022	Balance of Deferred Outflows June 30, 2022
Economic/ Demographic (Gains)/Losses	\$ (824,009) 592,789	6/30/2021 6/30/2019	7.5 7.9	\$ (109,868) 75,037	\$ (604,273) -	\$ - 292,641
				<u>\$ (34,831)</u>	<u>\$ (604,273)</u>	<u>\$ 292,641</u>
Assumption Changes (Gains)/Losses	\$ 2,617,364 (424,055) 1,575,180	6/30/2021 6/30/2019 6/30/2018	7.5 7.9 7.7	\$ 348,982 (53,678) 204,569	\$ - (209,343) -	\$ 1,919,400 - 552,335
				<u>\$ 499,873</u>	<u>\$ (209,343)</u>	<u>\$ 2,471,735</u>

*Economic/demographic (gains) and losses along with assumption changes are recognized over a closed period equal to the weighted average of expected remaining service lives for all active and inactive members.

NOTE 11 TAX ABATEMENTS

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

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

For the year ended June 30, 2022, the College had no abatements of property tax and \$12,906,346 of state income tax withholding under the projects.

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 11 TAX ABATEMENTS (continued)

Tax Abatements of Other Entities – Property tax revenues of the College were reduced by the following amounts for the year ended June 30, 2022 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Altoona	Other tax abatement program	\$ 70,611
City of Altoona	Urban renewal and economic development projects	377,329
City of Ames	Other tax abatement program	54,644
City of Ankeny	Other tax abatement program	45,885
City of Ankeny	Urban renewal and economic development projects	2,235
City of Audubon	Other tax abatement program	3,663
City of Baxter	Other tax abatement program	430
City of Bondurant	Other tax abatement program	27,349
City of Boone	Other tax abatement program	2,304
City of Boone	Urban renewal and economic development projects	5,124
Boone County	Other tax abatement program	12,675
City of Cambridge	Other tax abatement program	11,815
City of Carlisle	Other tax abatement program	11,754
City of Carroll	Other tax abatement program	479
City of Clive	Other tax abatement program	9,451
City of Colfax	Other tax abatement program	60
City of Colo	Other tax abatement program	4,292
City of Coon Rapids	Other tax abatement program	3,010
City of Dallas Center	Urban renewal and economic development projects	1,319
City of De Soto	Other tax abatement program	1,476
City of Des Moines	Other tax abatement program	383,370
City of Earlham	Urban renewal and economic development projects	4,995
City of Granger	Other tax abatement program	5,497
City of Grimes	Other tax abatement program	66,877
City of Halbur	Other tax abatement program	399
City of Hartford	Urban renewal and economic development projects	215
City of Indianola	Other tax abatement program	32,343
City of Johnston	Other tax abatement program	21,865
City of Kellogg	Other tax abatement program	1,830
City of Knoxville	Other tax abatement program	20,686
City of Luther	Other tax abatement program	3,741
City of Madrid	Other tax abatement program	696
Mahaska County	Other tax abatement program	1,435
City of Manning	Other tax abatement program	639
City of Manning	Urban renewal and economic development projects	53

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 11 TAX ABATEMENTS (continued)

City of Nevada	Other tax abatement program	9,302
City of Newton	Other tax abatement program	6,552
City of Norwalk	Other tax abatement program	33,488
City of Panora	Other tax abatement program	315
City of Panora	Urban renewal and economic development projects	438
City of Pella	Other tax abatement program	674
City of Perry	Other tax abatement program	746
City of Perry	Urban renewal and economic development projects	2,130
City of Pleasant Hill	Other tax abatement program	65
City of Pleasantville	Other tax abatement program	1,620
City of Pleasantville	Urban renewal and economic development projects	289
City of Polk City	Other tax abatement program	15,025
Polk County	Other tax abatement program	25,467
City of Roland	Other tax abatement program	1,675
City of Story City	Other tax abatement program	3,065
City of Story City	Urban renewal and economic development projects	6,293
City of Stuart	Other tax abatement program	4,282
City of Sully	Other tax abatement program	2,573
City of Templeton	Other tax abatement program	4,958
City of Urbandale	Other tax abatement program	26,927
City of Waukee	Other tax abatement program	36,401
City of West Des Moines	Other tax abatement program	45,782
City of Winterset	Other tax abatement program	28,582

\$ 1,447,195

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 12 ACCOUNTING CHANGE

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

REQUIRED SUPPLEMENTARY INFORMATION

See accompanying independent auditor's report.

Des Moines Area Community College
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

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

Required Supplementary Information

	2022	2021	2020	2019	2018	2017	2016	2015
College's proportion of the net pension liability	0.478250%	0.491015%	0.475760%	0.447466%	0.435891%	0.436377%	0.434554%	0.413451%
College's proportionate share of the net pension liability	\$ 670	\$ 34,252	\$ 27,735	\$ 28,308	\$ 28,776	\$ 27,214	\$ 21,604	\$ 16,733
College's covered-employee payroll	\$ 42,004	\$ 38,842	\$ 38,662	\$ 36,408	\$ 33,654	\$ 32,243	\$ 31,037	\$ 29,980
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	1.60%	88.18%	71.74%	77.75%	85.51%	84.40%	69.61%	55.81%
IPERS' net position as a percentage of the total pension liability	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

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

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

DES MOINES AREA COMMUNITY COLLEGE

Schedule of College Contributions

Iowa Public Employee's Retirement System

For the Last Ten Years

(In Thousands)

Required Supplementary Information

	Years ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Statutory required contribution	\$ 3,965	3,667	3,650	3,437	3,005	2,879	2,772	2,677	2,466	2,377
Contributions in relation to the statutorily required contribution	<u>(3,965)</u>	<u>(3,667)</u>	<u>(3,650)</u>	<u>(3,437)</u>	<u>(3,005)</u>	<u>(2,879)</u>	<u>(2,772)</u>	<u>(2,677)</u>	<u>(2,466)</u>	<u>(2,377)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
College's covered-employee payroll	\$ 42,004	38,842	38,662	36,408	33,654	32,243	31,037	29,980	27,613	27,414
Contributions as a percentage of covered-employee payroll	9.44%	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%	8.93%	8.67%

Des Moines Area Community College
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY
Year Ended June 30, 2022

CHANGES OF BENEFIT TERMS:

There are no significant changes in benefit terms.

CHANGES OF ASSUMPTIONS:

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

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

The 2017 valuation implemented the following refinements as a result of a quadrennial 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.

**Des Moines Area Community College
Schedule of the College's Early Retirement Pension Liability**

**Early Retirement
For the Last Six Years *
(In Thousands)**

Required Supplementary Information

	2022	2021	2020	2019	2018	2017
Total pension liability	\$ 20,064	\$ 19,602	\$ 16,895	\$ 17,307	\$ 18,021	\$ 18,701
College's covered-employee payroll	\$ 60,773	\$ 58,718	\$ 55,460	\$ 53,585	\$ 53,765	\$ 51,947
Total pension liability as a percentage of the covered-employee payroll	33.01%	33.38%	30.46%	32.30%	33.52%	36.00%

* In accordance with GASB Statement No. 73, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

Note: GASB Statement No. 73 requires ten years of information to be presented in this table. However until a full 10 year trend is completed, the College will present information for those years for which information is available.

Des Moines Area Community College
Schedule of Changes in College's Total OPEB Liability, Related Ratios and Notes
For the Last Five Years

Required Supplementary Information

	2022	2021	2020	2019	2018
Service cost	\$ 1,518,352	\$ 1,467,007	\$ 1,175,058	\$ 1,135,322	\$ 1,157,330
Interest cost	540,733	526,639	820,167	802,774	723,101
Difference between expected and actual experiences	-	(824,009)	-	592,789	-
Changes in assumptions	-	2,617,364	-	(424,055)	1,575,180
Benefit payments	(1,460,161)	(1,354,282)	(1,533,125)	(1,523,618)	(1,440,371)
Net change in total OPEB liability	598,924	2,432,719	462,100	583,212	2,015,240
Total OPEB liability beginning of year	23,679,282	21,246,563	20,784,463	20,201,251	18,186,011
Total OPEB liability end of year	\$ 24,278,206	\$ 23,679,282	\$ 21,246,563	\$ 20,784,463	\$ 20,201,251
Covered-Employee payroll	\$ 60,773,286	\$ 58,718,151	\$ 55,460,366	\$ 53,584,895	\$ 53,765,153
Total OPEB liability as a percentage of the covered-employee	39.95%	40.33%	38.31%	38.79%	37.57%

CHANGES OF BENEFIT TERMS:

There were no significant changes in benefit terms.

CHANGES OF 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, 2022	2.21%
Year ended June 30, 2021	2.21%
Year ended June 30, 2020	3.87%
Year ended June 30, 2019	3.87%
Year ended June 30, 2018	3.58%
Year ended June 30, 2017	5.00%

OTHER SUPPLEMENTARY INFORMATION

Schedule 1

Des Moines Area Community College
BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL
Year ended June 30, 2022

Funds/Levy	Original budget	Actual	Variance between actual and budget
Unrestricted	\$ 115,390,938	\$ 110,844,921	\$ 4,546,017
Restricted			
Unemployment	120,000	113,682	6,318
Insurance	11,375,000	7,736,798	3,638,202
Early retirement	2,662,273	1,876,476	785,797
Equipment replacement	4,625,694	3,283,003	1,342,691
Other	76,810,263	55,799,325	21,010,938
Total restricted	<u>95,593,230</u>	<u>68,809,284</u>	<u>26,783,946</u>
Total unrestricted/restricted	210,984,168	179,654,205	31,329,963
Plant	<u>22,936,102</u>	<u>20,933,395</u>	<u>2,002,707</u>
Total	<u>\$ 233,920,270</u>	<u>\$ 200,587,600</u>	<u>\$ 33,332,670</u>

Note to Budgetary Reporting:

The Board of Directors annually prepares a budget designating the proposed expenditures for operation of the College on a basis consistent with U.S. generally 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 statutorily prescribed procedures. Formal and legal budgetary control is based on total operating expenditures.

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

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

DES MOINES AREA COMMUNITY COLLEGE

Assets, Liabilities and Fund Balances

June 30, 2022

Assets	Current funds		Nonoperating funds				
	General unrestricted funds	General restricted funds	Loan funds	Plant Funds		Adjustments	Totals
				Unexpended	Investment in plant		
Cash and short-term pooled investments	\$ 18,283,874	\$ 68,543,194	\$ 58,976	\$ 8,350,695	\$ -	\$ -	\$ 95,236,739
Receivables:							
Accounts, net of allowance of \$313,785	16,542,512	1,379,917	4,031	849,134	-	-	18,775,594
Succeeding year property tax	11,008,936	15,737,861		11,008,936	-	-	37,755,733
Iowa Industrial New Jobs Training Program	-	42,987,738	-	-	-	-	42,987,738
Due from other governments	548,134	2,198,076	-	-	-	-	2,746,210
Lease receivable	-	-	-	-	-	1,573,655	1,573,655
Inventories	291,241	-	-	-	-	-	291,241
Prepaid expenses	9,622	233,444	-	-	-	-	243,066
	<u>46,684,319</u>	<u>131,080,230</u>	<u>63,007</u>	<u>20,208,765</u>	<u>-</u>	<u>1,573,655</u>	<u>199,609,976</u>
Capital assets:							
Land	-	-	-	-	8,914,819	-	8,914,819
Buildings	-	-	-	-	241,955,269	-	241,955,269
Improvements other than buildings	-	-	-	-	20,582,557	-	20,582,557
Equipment and vehicles	-	-	-	-	21,889,383	-	21,889,383
Construction in progress	-	-	-	-	6,918,522	-	6,918,522
Accumulated depreciation	-	-	-	-	-	(107,350,055)	(107,350,055)
Total assets	<u>46,684,319</u>	<u>131,080,230</u>	<u>63,007</u>	<u>20,208,765</u>	<u>300,260,550</u>	<u>(105,776,400)</u>	<u>392,520,471</u>
Deferred outflows of resources:							
Pension related deferred outflows	-	-	-	-	-	10,858,674	10,858,674
OPEB related deferred outflows	-	-	-	-	-	2,764,376	2,764,376
Total deferred outflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,623,050</u>	<u>13,623,050</u>
Total assets and deferred outflows of resources	<u>\$ 46,684,319</u>	<u>\$ 131,080,230</u>	<u>\$ 63,007</u>	<u>\$ 20,208,765</u>	<u>\$ 300,260,550</u>	<u>\$ (92,153,350)</u>	<u>\$ 406,143,521</u>

DES MOINES AREA COMMUNITY COLLEGE

Assets, Liabilities and Fund Balances (Continued)

June 30, 2022

Liabilities, Deferred Inflows of Resources and Fund Balances	Current funds		Nonoperating funds				
	General unrestricted funds	General restricted funds	Loan funds	Plant Funds		Adjustments	Totals
				Unexpended	Investment in plant		
Liabilities:							
Accounts payable	\$ 649,941	\$ 435,632	\$ -	\$ 2,132,527	\$ -	\$ -	\$ 3,218,100
Salaries and benefits payable	4,530,931	161,552	-	2,000	-	-	4,694,483
Self-funded health claims payable	-	8,789,195	-	-	-	-	8,789,195
Accrued interest payable	-	102,422	-	121,230	-	-	223,652
Unearned revenue:							
Other	12,798,050	32,790,022	-	-	-	-	45,588,072
Early retirement pension costs payable	-	2,620,981	-	-	-	17,442,931	20,063,912
Deposits held in custody for others	35,234	492,135	-	-	-	-	527,369
Compensated absences	1,998,000	262,000	-	29,000	-	-	2,289,000
Certificates payable	-	58,152,279	-	-	-	-	58,152,279
Plant fund capital loan notes payable	-	-	-	3,806,886	38,250,000	-	42,056,886
Net pension liability	-	-	-	-	-	670,463	670,463
Net OPEB liability	-	696,335	-	-	-	23,581,871	24,278,206
Total liabilities	20,012,156	104,502,553	-	6,091,643	38,250,000	41,695,265	210,551,617
Deferred inflows of resources							
Succeeding year property tax	11,008,936	15,737,861	-	11,008,936	-	-	37,755,733
Pension related deferred inflows	-	-	-	-	-	25,795,320	25,795,320
OPEB related deferred inflows	-	-	-	-	-	813,616	813,616
Lease related	-	-	-	-	-	1,573,655	1,573,655
Total deferred inflows of resources	11,008,936	15,737,861	-	11,008,936	-	28,182,591	65,938,324
Fund balances:							
Net investment in capital assets	-	-	-	-	262,010,550	(107,350,055)	154,660,495
Restricted:							
Nonexpendable:							
Cash reserve	-	755,088	-	-	-	-	755,088
Expendable:							
Scholarships and fellowships	-	558,282	-	-	-	-	558,282
Loans	-	-	63,007	-	-	-	63,007
Other	-	10,767,998	-	-	-	-	10,767,998
Unrestricted	15,663,227	(1,241,552)	-	3,108,186	-	(54,681,151)	(37,151,290)
Total fund balances	15,663,227	10,839,816	63,007	3,108,186	262,010,550	(162,031,206)	129,653,580
Total liabilities, deferred inflows or resources and fund balances	\$ 46,684,319	\$ 131,080,230	\$ 63,007	\$ 20,208,765	\$ 300,260,550	\$ (92,153,350)	\$ 406,143,522

DES MOINES AREA COMMUNITY COLLEGE

Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2022

	Current operating funds			Loan funds	Plant Funds			Adjustments	Totals
	Unrestricted	Restricted	Total		Unexpended	Retirement of indebtedness	Investment in plant		
Revenues and other additions:									
Tuition and fees	\$ 55,732,339	\$ 2,066,758	\$ 57,799,097	\$ -	\$ -	\$ -	\$ -	\$ (29,813,059)	\$ 27,986,038
Federal appropriations	245,661	46,474,649	46,720,310	-	-	-	-	-	46,720,310
Iowa Industrial New Jobs Training Program	-	11,423,195	11,423,195	-	-	-	-	-	11,423,195
State appropriations	36,820,566	8,368,468	45,189,034	-	961,296	-	-	-	46,150,330
Property tax	10,422,255	14,039,523	24,461,778	-	2,165,971	8,276,633	-	-	34,904,382
Auxiliary enterprises revenue	2,459,297	-	2,459,297	-	-	-	-	(56,487)	2,402,810
Interest and investment income	111,835	110,842	222,677	-	474	-	-	-	223,151
Expended for plant assets (including \$1,664,739 in current operating fund expenditures)	-	-	-	-	-	-	7,346,369	(7,346,369)	-
Retirement of indebtedness	-	-	-	-	-	-	7,175,000	(7,175,000)	-
Proceeds from sale of bonds	-	-	-	-	-	-	-	-	-
Miscellaneous	7,071,795	5,322,239	12,394,034	-	1,492,118	-	-	(183,069)	13,703,083
Total revenues and other additions	<u>112,863,748</u>	<u>87,805,674</u>	<u>200,669,422</u>	<u>-</u>	<u>4,619,859</u>	<u>8,276,633</u>	<u>14,521,369</u>	<u>(44,573,984)</u>	<u>183,513,299</u>
Expenditures and other deductions:									
Education and support:									
Liberal arts and sciences	28,564,858	-	28,564,858	-	-	-	-	(833,247)	27,731,611
Vocational technical	34,875,228	3,043,118	37,918,346	-	-	-	-	(1,106,089)	36,812,257
Adult education	5,966,630	8,523,794	14,490,424	-	-	-	-	(422,691)	14,067,733
Cooperative services	-	7,656,063	7,656,063	-	-	-	-	(223,329)	7,432,734
Administration	3,644,381	-	3,644,381	-	-	-	-	(155,497)	3,488,884
Student services	13,293,755	1,032,715	14,326,470	-	-	-	-	(417,907)	13,908,563
Learning resources	3,658,607	-	3,658,607	-	-	-	-	(106,723)	3,551,884
Physical plant	9,014,258	7,338,059	16,352,317	-	6,975,135	-	-	(610,882)	22,716,570
General institution	11,000,787	12,253,864	23,254,651	-	-	-	-	(56,487)	23,198,164
Scholarships and grants	-	29,813,059	29,813,059	-	-	-	-	(29,813,059)	-
Total education and support	<u>110,018,504</u>	<u>69,660,672</u>	<u>179,679,176</u>	<u>-</u>	<u>6,975,135</u>	<u>-</u>	<u>-</u>	<u>(33,745,911)</u>	<u>152,908,400</u>
Auxiliary enterprises	7,605,824	-	7,605,824	-	-	-	-	-	7,605,824
Expended for plant assets	341,183	1,323,559	1,664,742	-	5,681,627	-	-	(7,346,369)	-
Administrative and collection costs	57,192	-	57,192	-	-	-	-	-	57,192
Retirement of indebtedness	-	-	-	-	-	7,175,000	-	(7,175,000)	-
Loan cancellations and bad debts	428,045	-	428,045	(707)	-	-	-	-	427,338
Interest on indebtedness	-	1,331,731	1,331,731	-	-	1,101,633	-	-	2,433,364
Depreciation	-	-	-	-	-	-	-	7,518,134	7,518,134
Disposition of capital assets	-	-	-	-	-	-	421,737	(413,675)	8,062
Total expenditures and other deductions	<u>118,450,748</u>	<u>72,315,962</u>	<u>190,766,710</u>	<u>(707)</u>	<u>12,656,762</u>	<u>8,276,633</u>	<u>421,737</u>	<u>(41,162,821)</u>	<u>170,958,314</u>
Excess(deficiency) of revenues over(under) expenditures	<u>(5,587,000)</u>	<u>15,489,712</u>	<u>9,902,712</u>	<u>707</u>	<u>(8,036,903)</u>	<u>-</u>	<u>14,099,632</u>	<u>(3,411,163)</u>	<u>12,554,985</u>
Transfers among funds:									
Non-mandatory transfers	5,809,210	(11,262,716)	(5,453,506)	5,000	5,417,978	-	-	-	(30,528)
Net increase (decrease) for the year	222,210	4,226,996	4,449,206	5,707	(2,618,925)	-	14,099,632	(3,411,163)	12,524,457
Fund balances at beginning of year	15,441,017	6,612,820	22,053,837	57,300	5,727,111	-	318,175,918	(228,885,043)	117,129,123
Fund balances at end of year	<u>\$ 15,663,227</u>	<u>\$ 10,839,816</u>	<u>\$ 26,503,043</u>	<u>\$ 63,007</u>	<u>\$ 3,108,186</u>	<u>\$ -</u>	<u>\$ 332,275,550</u>	<u>\$ (232,296,206)</u>	<u>\$ 129,653,580</u>

Schedule 4

DES MOINES AREA COMMUNITY COLLEGE
Revenues, Expenditures, and Changes in Fund Balances - Unrestricted Fund
Year ended June 30, 2022

	Education			Support					Education and Support Total
	Liberal Arts and Sciences	Vocational Technical	Adult Education	Adminis- tration	Student Services	Learning Resources	Physical Plant	General Institution	
Revenues:									
Tuition and fees	\$ 36,186,807	\$ 16,760,544	\$ 4,759,878	\$ 100	\$ 10,252	\$ -	\$ -	\$ (1,985,242)	\$ 55,732,339
Federal appropriations	-	-	-	22,330	-	-	-	223,331	245,661
State appropriations	-	20,165	134,060	-	-	-	-	36,662,241	36,816,466
Property tax	-	-	-	-	-	-	-	10,422,255	10,422,255
Interest income	-	-	-	-	-	-	-	111,835	111,835
Miscellaneous	442,902	547,341	89,000	65,209	356,052	2,376	233,164	1,005,711	2,741,755
	36,629,709	17,328,050	4,982,938	87,639	366,304	2,376	233,164	46,440,131	106,070,311
Allocation of support services	27,893,997	14,184,913	5,050,704	(87,639)	(366,304)	(2,376)	(233,164)	(46,440,131)	-
Total revenues	64,523,706	31,512,963	10,033,642	-	-	-	-	-	106,070,311
Expenditures:									
Salaries and benefits	27,210,451	32,346,994	3,063,241	2,759,855	12,813,990	3,372,033	5,697,035	7,315,663	94,579,262
Services	461,268	529,782	2,404,580	839,713	282,691	284,352	1,874,941	2,321,412	8,998,739
Materials and supplies	772,950	1,871,797	460,051	37,189	177,686	-	1,438,610	1,069,756	5,828,039
Travel	93,685	114,442	29,521	6,055	18,395	2,222	2,688	49,982	316,990
Expended for plant assets	-	-	59,871	-	-	-	259,755	21,554	341,180
Scholarships	-	-	-	-	-	-	-	191,590	191,590
Bad debt	303,259	124,786	-	-	-	-	-	-	428,045
Miscellaneous	26,504	12,213	9,237	58,761	993	-	984	52,384	161,076
	28,868,117	35,000,014	6,026,501	3,701,573	13,293,755	3,658,607	9,274,013	11,022,341	110,844,921
Allocation of support services	24,236,719	12,325,081	4,388,489	(3,701,573)	(13,293,755)	(3,658,607)	(9,274,013)	(11,022,341)	-
Total expenditures	53,104,836	47,325,095	10,414,990	-	-	-	-	-	110,844,921
Excess (deficiency) of revenues over (under) expenditures	11,418,870	(15,812,132)	(381,348)	-	-	-	-	-	(4,774,610)
Transfers:									
Non-mandatory transfers	100,131	47,288	17,594	-	249,192	-	(771,092)	5,370,330	5,013,443
Total transfers	100,131	47,288	17,594	-	249,192	-	(771,092)	5,370,330	5,013,443
Net increase (decrease) for the year	\$ 11,519,001	\$ (15,764,844)	\$ (363,754)	\$ -	\$ 249,192	\$ -	\$ (771,092)	\$ 5,370,330	238,833
Fund balances at beginning of year									12,493,329
Fund balances at end of year									\$ 12,732,162

DES MOINES AREA COMMUNITY COLLEGE

Revenues, Expenditures, and Changes in Fund Balances - Auxiliary Enterprises

Year ended June 30, 2022

	Career Education	Vending	Student Housing	Athletics	Newton Leased Space	Trail Point	Other	Total
Revenues and other additions:								
Sales and services	\$ 818,235	\$ 63,299	\$ 815,104	\$ 8,328	\$ 525,678	\$ 105,000	\$ 123,653	\$ 2,459,297
Student fee allocations	520,071	-	(7,599)	365,750	5,125	-	94,299	977,646
State support	4,100	-	-	-	-	-	-	4,100
Miscellaneous	515,955	176,067	344,504	1,362	440	1,883,364	430,702	3,352,394
Total revenues and other additions	<u>1,858,361</u>	<u>239,366</u>	<u>1,152,009</u>	<u>375,440</u>	<u>531,243</u>	<u>1,988,364</u>	<u>648,654</u>	<u>6,793,437</u>
Expenditures and other deductions:								
Salaries and benefits	648,370	54,834	188,726	238,188	198,156	1,448,024	121,617	2,897,915
Services	708,394	24,441	468,386	92,662	691,219	508,398	141,667	2,635,167
Materials and supplies	291,859	61,930	374,146	130,439	65,485	97,604	68,882	1,090,345
Travel	79,769	-	3	187,214	-	-	2,885	269,871
Purchases for resale	287,398	-	-	-	-	-	-	287,398
Miscellaneous	176,532	115,932	-	38,174	3,035	32,587	58,868	425,128
Total expenditures and other deductions	<u>2,192,322</u>	<u>257,137</u>	<u>1,031,261</u>	<u>686,677</u>	<u>957,895</u>	<u>2,086,613</u>	<u>393,919</u>	<u>7,605,824</u>
Excess(deficiency) of revenues over(under) expenditures	<u>(333,961)</u>	<u>(17,771)</u>	<u>120,748</u>	<u>(311,237)</u>	<u>(426,652)</u>	<u>(98,249)</u>	<u>254,735</u>	<u>(812,387)</u>
Transfers among funds (non-mandatory)	<u>303,489</u>	<u>44,478</u>	<u>(400,000)</u>	<u>311,204</u>	<u>178,448</u>	<u>170,841</u>	<u>187,305</u>	<u>795,765</u>
Net increase (decrease) for the year	<u>(30,472)</u>	<u>26,707</u>	<u>(279,252)</u>	<u>(33)</u>	<u>(248,204)</u>	<u>72,592</u>	<u>442,040</u>	<u>(16,622)</u>
Fund balances at beginning of year	<u>675,780</u>	<u>298,879</u>	<u>279,123</u>	<u>33</u>	<u>(1,987,556)</u>	<u>245,396</u>	<u>3,436,034</u>	<u>2,947,689</u>
Fund balances at end of year	<u>\$ 645,308</u>	<u>\$ 325,586</u>	<u>\$ (129)</u>	<u>\$ -</u>	<u>\$ (2,235,760)</u>	<u>\$ 317,988</u>	<u>\$ 3,878,074</u>	<u>\$ 2,931,067</u>

DES MOINES AREA COMMUNITY COLLEGE

Revenues, Expenditures, and Changes in Fund Balances (Deficit) - Restricted Funds

Year ended June 30, 2022

	<u>Scholarship</u>	<u>Equipment Replacement</u>	<u>Insurance and Tort</u>	<u>Early Retirement</u>	<u>Unemployment Compensation</u>	<u>Cash Reserve</u>	<u>Grants and Contracts</u>	<u>Iowa Industrial New Jobs Training Programs</u>	<u>Other</u>	<u>Total</u>
Revenues and other additions:										
Tuition and fees	\$ 257,883	\$ 12,990	\$ -	\$ -	\$ -	\$ -	\$ 679,868	\$ -	\$ 1,116,017	\$ 2,066,758
Federal appropriations	15,627,472	-	-	-	-	-	30,847,177	-	-	46,474,649
Iowa Industrial New Jobs Training Program	-	-	-	-	-	-	-	11,423,195	-	11,423,195
State appropriations	-	119,420	173,399	67,046	1,935	-	4,043,184	-	3,963,484	8,368,468
Property tax	-	4,641,158	6,726,815	2,596,854	74,696	-	-	-	-	14,039,523
Gifts and grants	-	-	-	-	-	-	1,738,010	-	-	1,738,010
Interest and investment income	-	-	-	-	-	-	-	110,842	-	110,842
Miscellaneous	-	29,680	34,900	-	-	-	43,610	-	3,476,039	3,584,229
Total revenues and other additions	<u>15,885,355</u>	<u>4,803,248</u>	<u>6,935,114</u>	<u>2,663,900</u>	<u>76,631</u>	<u>-</u>	<u>37,351,849</u>	<u>11,534,037</u>	<u>8,555,540</u>	<u>87,805,674</u>
Expenditures and other deductions:										
Salaries and benefits	-	-	326,995	1,876,476	113,682	-	6,761,618	1,097,009	1,511,655	11,687,435
Services	21,832	550,935	7,131,024	-	-	-	3,641,807	7,670,086	607,797	19,623,481
Materials and supplies	-	1,709,757	232,318	-	-	-	5,482,523	16,472	790,919	8,231,989
Travel	-	-	750	-	-	-	130,037	11,068	85,059	226,914
Expended for plant assets	-	542,703	45,711	-	-	-	225,199	-	509,946	1,323,559
Interest on indebtedness	-	-	-	-	-	-	-	1,331,731	-	1,331,731
Scholarships and grants	16,073,499	-	-	-	-	-	13,692,319	-	47,241	29,813,059
Miscellaneous	-	608	-	-	-	-	42,517	-	34,669	77,794
Total expenditures and other deductions	<u>16,095,331</u>	<u>2,804,003</u>	<u>7,736,798</u>	<u>1,876,476</u>	<u>113,682</u>	<u>-</u>	<u>29,976,020</u>	<u>10,126,366</u>	<u>3,587,286</u>	<u>72,315,962</u>
Excess (deficiency) of revenues over (under) expenditures for the year	(209,976)	1,999,245	(801,684)	787,424	(37,051)	-	7,375,829	1,407,671	4,968,254	15,489,712
Transfers among funds:										
Mandatory transfers	-	-	-	-	-	-	-	-	-	-
Non-mandatory transfers	<u>450,937</u>	<u>(479,000)</u>	<u>875,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,377,857)</u>	<u>(1,407,671)</u>	<u>(3,324,125)</u>	<u>(11,262,716)</u>
Net increase (decrease) for the year	240,961	1,520,245	73,316	787,424	(37,051)	-	(2,028)	-	1,644,129	4,226,996
Fund balances(deficit) at beginning of year, as restated	<u>317,321</u>	<u>3,586,908</u>	<u>(797,600)</u>	<u>(1,281,113)</u>	<u>31,776</u>	<u>755,088</u>	<u>(16,276)</u>	<u>3,937</u>	<u>4,012,779</u>	<u>6,612,820</u>
Fund balances(deficit) at end of year	<u>\$ 558,282</u>	<u>\$ 5,107,153</u>	<u>\$ (724,284)</u>	<u>\$ (493,689)</u>	<u>\$ (5,275)</u>	<u>\$ 755,088</u>	<u>\$ (18,304)</u>	<u>\$ 3,937</u>	<u>\$ 5,656,908</u>	<u>\$ 10,839,816</u>

Schedule 7

DES MOINES AREA COMMUNITY COLLEGE
Statement of Fiduciary Net Position - Custodial Funds
Year ended June 30, 2022

Assets

Cash and short-term pooled investments	\$ <u>700,269</u>
Total Assets	700,269

Liabilities

Accounts payable	60,976
Unearned revenue	<u>-</u>
Total Liabilities	60,976

Net Assets

Restricted:

Other	\$ <u><u>639,293</u></u>
-------	--------------------------

Schedule 8

DES MOINES AREA COMMUNITY COLLEGE

Schedule of Changes in Fiduciary Net Position - Custodial Funds

Year ended June 30, 2022

	Special funded activities	Iowa Workforce Development	Community College Athletic	Total
Additions:				
State appropriations	-	-	-	\$ -
Federal appropriations	47,378	466,308	-	513,686
Sales and services	910	-	-	910
Other	748,764	-	381,718	1,130,482
Transfers in	33,490	-	-	33,490
Total additions	830,542	466,308	381,718	1,678,568
Deductions:				
Salaries and benefits	1,144	-	218,776	219,920
Services	492,536	2,424	72,850	567,810
Materials and supplies	123,264	-	11,832	135,096
Travel	186,552	-	4,926	191,478
Other	25,989	463,884	80,158	570,031
Transfers out	2,962	-	-	2,962
Total deductions	832,447	466,308	388,542	1,687,297
Changes in net position	(1,905)	-	(6,824)	(8,729)
Net position beginning of year	461,408	-	186,614	648,022
Net position end of year	\$ 459,503	\$ -	\$ 179,790	\$ 639,293

Schedule 9

DES MOINES AREA COMMUNITY COLLEGE
Credit and Contact Hours
For the period from August 25, 2021 through August 4, 2022

Category	Contact hours			
	Credit hours eligible for aid	Eligible for aid	Not eligible for aid	Total
Arts and sciences	273,421	5,006,015	-	5,006,015
Vocational education	112,508	2,545,705	-	2,545,705
Adult education/continuing education	-	906,428	116,044	1,022,472
Related services and activities	-	-	-	-
Total	<u>385,929</u>	<u>8,458,148</u>	<u>116,044</u>	<u>8,574,192</u>

DES MOINES AREA COMMUNITY COLLEGE

Taxes and Intergovernmental Revenues

(Excluding the Agency Funds)

For the Last Ten Years

Years ended June 30,										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Local (property tax)	\$ 34,904,382	\$ 31,634,444	\$ 29,741,933	\$ 30,152,549	\$ 27,282,408	\$ 27,996,241	\$ 24,905,167	\$ 23,561,603	\$ 24,333,253	\$ 19,857,656
State	46,150,330	43,817,241	44,314,541	42,568,572	41,790,288	41,942,149	42,447,764	42,315,794	40,541,436	33,037,238
Federal	46,720,310	39,164,093	24,124,186	22,734,514	24,140,494	23,948,913	28,349,064	32,320,757	35,314,471	34,468,787
Total	<u>\$127,775,022</u>	<u>\$114,615,778</u>	<u>\$ 98,180,660</u>	<u>\$ 95,455,635</u>	<u>\$ 93,213,190</u>	<u>\$ 93,887,303</u>	<u>\$ 95,701,995</u>	<u>\$ 98,198,154</u>	<u>\$100,189,160</u>	<u>\$ 87,363,681</u>

DES MOINES AREA COMMUNITY COLLEGE

Current Fund Revenues by Source
and Expenditures by Function

For the Last Ten Years

		Years ended June 30,									
		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:											
Tuition and fees	\$	57,799,097	\$ 60,034,392	\$ 59,031,500	\$ 60,913,176	\$ 59,450,084	\$ 56,812,281	\$ 56,082,724	\$ 55,497,150	\$ 57,558,044	\$ 57,611,546
Property tax		24,461,778	21,551,453	20,504,926	21,351,789	19,086,163	20,155,662	17,440,485	16,305,177	17,197,614	12,980,395
Federal appropriations		46,720,310	39,164,093	24,124,186	22,734,514	24,140,494	23,948,913	28,349,064	32,320,757	35,314,471	34,468,787
State appropriations		45,189,034	43,110,189	43,176,246	41,907,823	41,135,166	41,282,896	41,777,023	41,462,061	39,255,830	31,709,683
Interest income from investments		222,677	262,880	1,063,494	1,526,333	936,672	407,187	214,866	185,744	165,060	224,557
Iowa Industrial New Jobs Training Program		11,423,195	6,892,730	9,599,482	10,030,932	11,593,051	9,652,203	8,047,866	13,635,607	9,922,594	17,253,987
Auxiliary enterprises revenue		2,459,297	1,908,556	2,174,523	2,296,228	2,284,187	2,199,499	1,732,748	2,247,636	2,283,470	2,118,589
Miscellaneous		12,394,034	10,109,172	13,328,089	13,447,949	11,760,590	9,995,537	10,171,523	9,204,026	8,331,727	9,091,623
Total		<u>\$200,669,422</u>	<u>\$ 183,033,465</u>	<u>\$ 173,002,446</u>	<u>\$ 174,208,744</u>	<u>\$ 170,386,407</u>	<u>\$ 164,454,178</u>	<u>\$ 163,816,299</u>	<u>\$ 170,858,158</u>	<u>\$ 170,028,810</u>	<u>\$ 165,459,167</u>
Expenditures											
Liberal arts and sciences	\$	28,868,117	\$ 29,029,239	\$ 30,122,696	\$ 29,665,840	\$ 29,180,129	\$ 28,585,988	\$ 28,763,674	\$ 29,513,883	\$ 29,118,289	\$ 28,767,926
Vocational technical		38,565,706	36,950,290	37,633,995	35,715,660	34,883,526	34,607,269	34,127,073	33,531,331	31,629,541	31,404,396
Adult education		14,599,407	12,966,882	13,069,615	15,226,240	14,816,071	14,447,609	15,856,443	17,025,831	16,526,337	12,237,069
Cooperative services		7,656,063	3,964,640	6,341,487	7,042,151	8,915,303	6,766,371	4,553,284	9,447,573	5,232,155	11,348,114
Administration		3,701,573	3,447,106	3,948,577	4,035,187	3,791,371	3,891,486	3,876,910	4,002,173	3,895,909	3,650,186
Student services		14,326,470	12,960,916	12,937,526	12,076,380	11,835,687	11,461,316	11,465,838	11,102,412	11,227,505	9,730,664
Learning resources		3,658,607	3,797,611	3,457,816	3,217,955	3,121,318	3,112,975	3,249,642	3,254,168	3,091,480	3,144,357
Physical plant		16,657,782	14,537,045	14,137,639	14,087,374	13,121,389	12,660,186	12,556,889	12,321,904	12,843,940	12,349,361
General institution		23,982,368	20,652,607	20,385,442	19,501,533	19,650,424	20,191,339	18,440,140	15,867,283	15,744,921	17,823,668
Auxiliary enterprises		7,605,824	5,967,440	7,051,735	7,250,541	6,011,804	4,682,955	3,693,576	3,859,034	3,447,538	3,544,972
Scholarships and grants		29,813,059	23,733,448	19,489,475	19,006,059	19,809,893	18,601,681	20,954,242	24,326,291	26,844,407	28,301,052
Interest on indebtedness		1,331,731	1,358,178	1,405,428	1,268,510	1,323,155	1,445,722	1,460,843	1,959,968	2,426,085	2,926,002
Total		<u>\$ 190,766,707</u>	<u>\$ 169,365,402</u>	<u>\$ 169,981,431</u>	<u>\$ 168,093,430</u>	<u>\$ 166,460,070</u>	<u>\$ 160,454,897</u>	<u>\$ 158,998,554</u>	<u>\$ 166,211,851</u>	<u>\$ 162,028,107</u>	<u>\$ 165,227,767</u>

Des Moines Area Community College
Schedule of Expenditures of Federal Awards (SEFA)
Federal Expenditures for July 1, 2021 through June 30, 2022

Grantor/Program	Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	New Loans & New Loan Guarantees
Department of Education				
Direct:				
Federal Supplemental Educational Opportunity Grant	84.007		376,604	
Federal Work Study Program	84.033		405,061	
Federal Pell Grant Program	84.063		15,069,138	
Federal Pell Grant Administrative Fee	84.063		22,330	
Federal Direct Student Loans	84.268			17,394,476
Total Student Financial Assistance Cluster			15,873,133	17,394,476
Direct Trio Grants:				
Student Support Services FY21-25 Award	84.042A		388,090	-
Student Support Services-Grant Aid FY21-25 Award	84.042A		10,010	-
Upward Bound FY17-22 Award	84.047A		304,734	-
Gear Up College Partner FY20-21 Award	84.334S		20,182	-
Childcare Access Means Parents in School- FY18-21 Award	84.335A		56,204	-
Childcare Access Means Parents in School- FY22-26 Award	84.335A		103,526	-
Total Trio Grants			882,745	-
Direct CARES Act:				
Higher Education Emergency Relief Fund I - Students	84.425E	P425E200297	-	-
Higher Education Emergency Relief Fund I - Institutional	84.425F	P425F200145	274,601	-
Higher Education Emergency Relief Fund II (CRRSA) - Students	84.425E	P425E200297	13,500	-
Higher Education Emergency Relief Fund II (CRRSA) - Institutional	84.425F	P425F200145	5,276,517	-
Higher Education Emergency Relief Fund III - Students	84.425E	P425E200297	13,598,675	-
Higher Education Emergency Relief Fund III - Institutional	84.425F	P425F200145	5,981,078	-
Higher Education Emergency Relief Fund III - Title III - Institutional	84.425M	P425M200107	1,331,109	-
Total CARES Act			26,475,480	-
Indirect CARES Act through Iowa Department of Education:				
CRRSA Act: Governors Emergency Education Relief - Component 2	84.425C	G-GEER-GAP 21-DMACC	286,792	-
CARES Act: Governors Emergency Education Relief - Component 3		G21027	29,050	-
Total CARES Act through Iowa Department of Education			315,842	-
Indirect through Iowa Department of Education:				
Adult Education-Adult Basic Education - FY21-25 Award	84.002A	G21027	550,382	-
Career and Technical Education-Vocational Education - Perkins V Funds	84.048A	G-PER 21-189	1,074,974	-
Career and Technical Education-Perkins V-College & Career Transition Counselors	84.048	G-CCTC 21-DMACC	47,500	-
Career and Technical Education-Perkins Iowa FCCLA	84.048	SO0519	5,150	-
Career and Technical Education-Perkins Iowa DECA	84.048	SO0219	17,523	-
Career and Technical Education-Perkins Iowa FBLA	84.048	SO0419	7,419	-
Career and Technical Education-Perkins Iowa HOSA	84.048	SO0719	5,852	-
Career and Technical Education-Perkins Iowa Skills USA	84.048	SO0919	11,434	-
Child and Adult Care Food Program	10.558	99110000	9,905	-
Total through Iowa Department of Education			1,730,138	-
Indirect through Iowa Department of Corrections:				
Title I-Newton Correctional Facility (NCF)	84.048	50208	20,000	-
Title I-Iowa Correctional Institute for Women (ICIW)	84.048	50169	20,000	-
Career and Technical Education-Vocational Education - Perkins Funds NCF	84.048	50208	1,995	-
Total through Iowa Department of Corrections			41,995	-
Indirect through Iowa Vocational Rehabilitation Services:				
Vocational Rehabilitation Grants to States	84.126	17-VRIN-01	111,163	-
Total through Indirect Iowa Vocational Rehabilitation Services			111,163	-
Total U.S. Department of Education			45,430,497	17,394,476

See accompanying independent auditor's report.

Des Moines Area Community College
Schedule of Expenditures of Federal Awards (SEFA)
Federal Expenditures for July 1, 2021 through June 30, 2022

Grantor/Program	Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	New Loans & New Loan Guarantees
Department of Health & Human Services				
Direct:				
Substance Abuse and Mental Health Service Administration	93.243	6H79SM080461-01M002	81,675	-
Total Department of Health & Human Services			81,675	-
Department of Agriculture Food & Nutrition Services				
Indirect through Team Nutrition Iowa, State of Iowa				
Child and Adult Care Food Program	10.574	201717N350330	22,484	-
USDA Animal and Plant Health Inspection Service (NVSL)	10.025	AP20VSD&B000C058	168,217	-
Total Department of Agriculture Food & Nutrition Services			190,701	-
Social Security Administration				
Direct:				
Ticket to Work	96.008		466,308	-
Total Social Security Administration			466,308	-
National Science Foundation				
Direct:				
Education and Human Resources - NSF Scholarships in STEM	47.076	1564795	52,414	-
Social, Behavioral, and Economic Sciences - Ethical and Responsible Research	47.075	2025743	57,516	-
Polar Programs - CAREER: Three-Dimensional Modeling...Indigenous Heritage	47.078	2042718	8,060	-
Indirect through Iowa State University				
Education and Human Resources	47.076	1619654 - 42018089D	26,860	-
Indirect through Northwestern University				
Education and Human Resources	47.076	DUE-1821684	27,694	-
Indirect through University of Iowa				
Education and Human Resources	47.076	1852725	36	-
Total National Science Foundation			172,580	-
Department of Labor				
Direct:				
Job Corp Scholars Program	17.287		388,742	-
YouthBuild 6	17.274		266,948	-
Total Direct Department of Labor			655,690	-
Indirect through Iowa Workforce Development:				
CRRSA Act: American Rescue Plan, State & Local Recovery Funds	21.027	2022 Summer Youth Internship Program	154,760	-
Total Indirect through Iowa Workforce Development			154,760	-
Total Department of Labor			810,451	-
Department of Transportation-Federal Motor Carrier Safety Administration				
Direct:				
FY2017 Commercial Motor Vehicle Operator Safety Training Project	20.235	FM-DTG-0054-17	13,660	-
FY2020 Commercial Motor Vehicle Operator Safety Training Grant Program	20.235	FM-DTG-0092-20-01-00	61,241	-
FY2021 Commercial Motor Vehicle Operator Safety Training Grant Program	20.235	FM-DTG-0111-21-01-00	6,884	-
Total Department of Transportation			81,784	-
Total Federal Expenditures			47,233,996	17,394,476

See accompanying independent auditor's report.

Des Moines Area Community College
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2022

NOTE 1 BASIS OF PRESENTATION

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

NOTE 2 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. Des Moines Area Community College has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 STUDENT FINANCIAL ASSISTANCE

The College is responsible only for the performance of certain administrative duties with respect to the Federal Direct Student Loan Program and, accordingly, these loans are not included in its financial statements. It is not practical to determine the balance of the loans outstanding to students and former students of the College under this program at June 30, 2022.

See accompanying independent auditor's report.



**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**

Board of Directors
Des Moines Area Community College
Ankeny, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business type activities and the fiduciary activities of Des Moines Area Community College (the College) and its discretely presented component unit as of and for the year ended June 30, 2022, and the related notes to financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 7, 2022. The financial statements of the discretely presented component unit, Des Moines Area Community College Foundation, were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with this discretely presented component unit.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

A handwritten signature in black ink that reads "Denman & Company, LLP". The script is cursive and fluid.

DENMAN & COMPANY, LLP

West Des Moines, Iowa
November 7, 2022



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

Board of Directors
Des Moines Area Community College
Ankeny, Iowa

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Des Moines Area Community College's (the College) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2022. The College's major federal programs are identified in the summary of independent auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College 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, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

A handwritten signature in black ink that reads "Denman & Company, LLP". The script is cursive and fluid.

DENMAN & COMPANY, LLP

West Des Moines, Iowa
November 7, 2022

**Des Moines Area Community College
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2022**

Part 1 – Summary of Independent Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified opinion

Internal control over financial reporting:

- | | | |
|---|-----------|----------------------------|
| ➤ Material weakness(es) identified? | _____ Yes | <u> X </u> No |
| ➤ Significant deficiency(ies) identified? | _____ Yes | <u> X </u> None Reported |

Noncompliance material to financial statements noted?	_____ Yes	<u> X </u> No
---	-----------	-----------------

Federal Awards

Internal control over major federal programs:

- | | | |
|---|-----------|----------------------------|
| ➤ Material weakness(es) identified? | _____ Yes | <u> X </u> No |
| ➤ Significant deficiency(ies) identified? | _____ Yes | <u> X </u> None Reported |

Type of auditor's report issued on compliance for major federal programs:

Unmodified opinion

- | | | |
|--|-----------|-----------------|
| ➤ Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | _____ Yes | <u> X </u> No |
|--|-----------|-----------------|

Identification of major federal programs:

Assistance Listing Number 84.007, 84.033, 84.063, 84.268 - Student Financial Assistance Cluster

Assistance Listing Number 84.425C – Governor's Emergency Education Relief Fund

Assistance Listing Number 84.425E – Higher Education Emergency Relief Fund - Students

Assistance Listing Number 84.425F – Higher Education Emergency Relief Fund – Institutional

Assistance Listing Number 84.425M – Strengthening Institutions Program

Dollar threshold used to distinguish between type A and type B programs:

\$1,938,908

Auditee qualified as low-risk auditee?

 X Yes _____ No

**Des Moines Area Community College
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2021**

Part II—Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*

INTERNAL CONTROL DEFICIENCIES

None

INSTANCES OF NONCOMPLIANCE

No matters noted

Part III—Findings and Questioned Costs for Federal Awards

INTERNAL CONTROL DEFICIENCIES

None

INSTANCES OF NONCOMPLIANCE

No matters noted