

Des Moines Area Community College

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

June 30, 2024

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**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
Angela Jackson	Member	2025
Jim Gossett	Member	2025
Felix Gallagher	Member	2027
Cheryl Langston	Member	2027
Denny Presnall	Member	2027
Fred Greiner	Member	2027
Madelyn Tursi	Member	2027
Community College		
Robert Denson	President/CEO	
MD Isley	Vice President, Academic Affairs	
Erica Spiller	Vice President, Student Affairs	
Bill LaTour	Vice President, Operations and Board Treasurer	
Amanda Easton	Executive Director, Human Resources	
Debbie Kepple-Mamros	Executive Director, Office of Planning, Assessment and Data	
Ben Voaklander	Controller	
Carolyn Farlow	Board Secretary	

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, 2024, 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, 2024, 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 audits 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*.

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 56 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, 2023 (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 4, 2024, 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 CPA LLP
Denman CPA LLP

West Des Moines, Iowa
November 4, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

Management of Des Moines Area Community College (DMACC) 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, 2024. We encourage readers to consider this information in conjunction with the College's financial statements, which follow.

FINANCIAL HIGHLIGHTS

- ◆ College operating revenues decreased approximately \$8.1 million or 8.8%. The decrease is attributable to many factors. The College had a 1.36% increase in its regular, non-concurrent high school enrollment and a \$2.7 million increase in its scholarship allowance which decreased tuition revenues by \$900,000. Training revenues to the College under the Iowa Industrial New Jobs Training Program decreased by \$2.8 million or 20%. Miscellaneous revenues increased by \$650,000. The College did see a \$5 million decrease in federal appropriations due the Higher Education Emergency Relief Fund (HEERF) grants expiring at the end fiscal year 2023.
- ◆ College operating expenses increased by \$5.7 million or 3.2%. Liberal Arts, Career Education, and Adult Education increased by \$5.4 million or 6.6%. Cooperative services decreased \$2 million or 20%. The cooperative services decrease relates to the timing of training reimbursements made from the Iowa Industrial New Jobs Training Program. Physical Plant costs increased by \$2.3 million or 9.5%. General Institution decreased by \$4.2 million or 16%. The general institution decrease was related to the expiration of the HEERF grants. Administration, Student Services, and Learning Resources increased by \$3.2 million or 15.2%. Several new positions were added at the College in the areas of Administration and Student Services. Depreciation expense decreased by \$1.3 million.
- ◆ The College's net position increased by approximately \$9.6 million or 6.8%. The net investment in capital assets increased by \$11.7 million. The capital asset increases relate to the College's construction projects. The unrestricted net position decreased by \$4.8 million due primarily to the ongoing fluctuation in the pension liabilities. The College's restricted net position increased by \$2.7 million.
- ◆ The College closed out all of its HEERF awards (Student & Institutional) during early fiscal year 2024 and has completed the final reporting on those awards.

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, 2024

REPORTING THE COLLEGE FINANCIAL ACTIVITIES

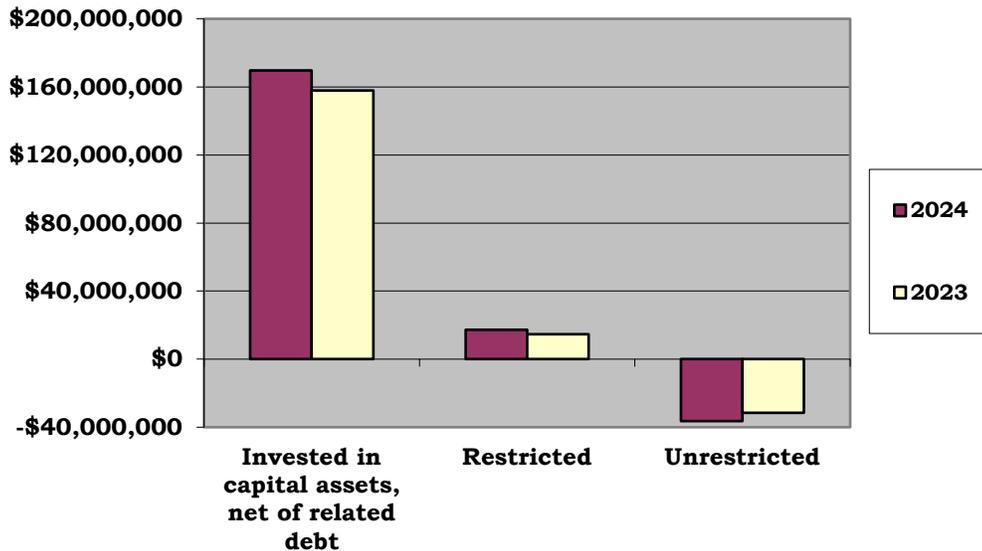
The Statement of Net Position

The Statement of Net Position presents financial information on all of the College's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. The Statement of Net Position is a point-in-time financial statement. The purpose of this statement is to present a fiscal snapshot of the College to the readers of the financial statements. The Statement of Net Position includes year-end information concerning current and 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	
	2024	2023
Current assets	\$ 163,351,075	\$ 167,501,737
Noncurrent assets	29,382,170	34,748,498
Capital assets, net of accumulated depreciation	205,427,923	201,199,487
Total assets	398,161,168	403,449,722
 Deferred outflows of resources	 16,194,424	 12,577,215
Current liabilities	64,143,892	63,843,696
Noncurrent liabilities	147,733,721	159,096,582
Total liabilities	211,877,613	222,940,278
Deferred inflows of resources	51,862,122	52,060,807
Net position:		
Net investment in capital assets	169,672,635	157,941,892
Restricted	17,334,248	14,617,728
Unrestricted	(36,391,026)	(31,533,768)
Total net position	\$ 150,615,857	\$ 141,025,852

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

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, 2024 was \$23,732,588. 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, 2024 was \$19,344,802. 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, 2024 was \$22,409,697. 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 nonoperating, and the expenses incurred by the College, operating and nonoperating, and any other revenues, expenses, gains and losses received or spent by the College.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

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 nonoperating 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. Nonoperating 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.

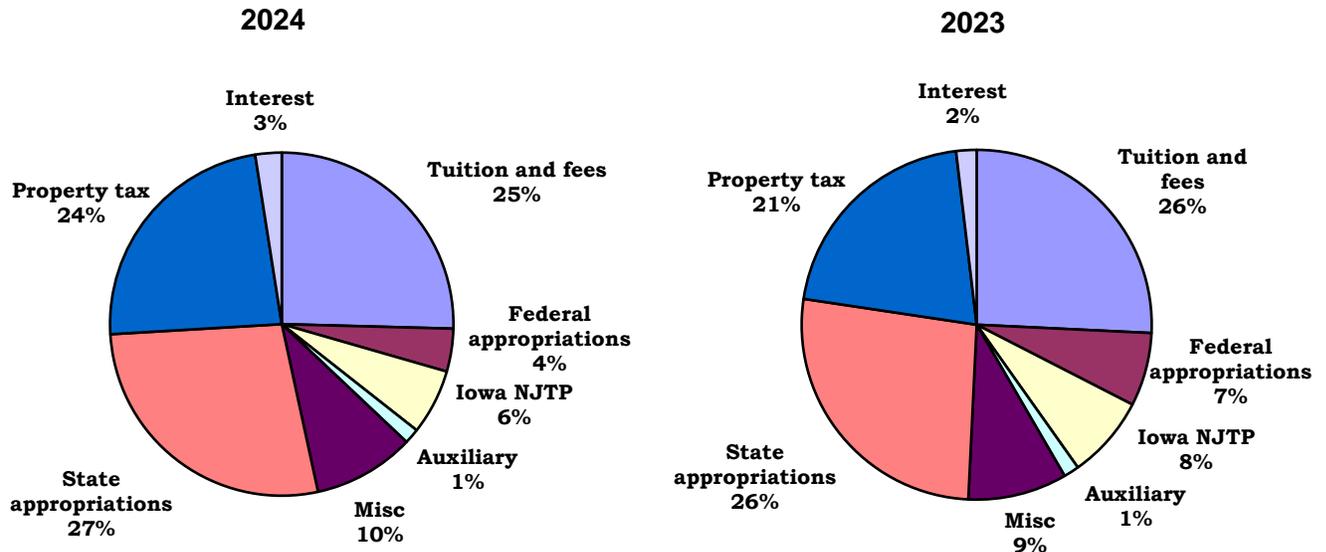
Changes in Net Position

	Year ended June 30	
	2024	2023
Operating revenues:		
Tuition and fees	\$ 45,854,205	\$ 46,771,759
Federal appropriations	7,280,976	12,325,612
Iowa Industrial New Jobs Training Program	11,104,302	13,886,150
Auxiliary enterprises revenue	2,587,718	2,592,078
Miscellaneous	17,247,782	16,601,277
Total operating revenues	84,074,983	92,176,876
Total operating expenses	186,867,840	181,107,777
Operating loss	(102,792,857)	(88,930,901)
Nonoperating revenues, (expenses) and transfers		
State appropriations	49,510,863	48,307,413
Pell grant	18,420,734	15,798,974
Property tax	42,311,841	37,675,725
Interest and investment income	4,472,917	3,424,212
Loss on disposition of capital assets	(192,474)	(2,585,526)
Interest on indebtedness	(2,104,919)	(2,286,707)
Transfers from agency funds	(36,100)	(30,918)
Net nonoperating revenues and transfers	112,382,862	100,303,173
Increase in net position	9,590,005	11,372,272
Net position beginning of year	141,025,852	129,653,580
Net position end of year	\$ 150,615,857	\$ 141,025,852

The Statement of Revenues, Expenses and Changes in Net Position reflects a positive year, with an increase in net position of \$9.6 million at the end of the fiscal year. This increase is the net result of a \$4.8 million decrease in the general unrestricted funds, a \$2.7 million increase in the general restricted funds, and an \$11.7 million increase in capital assets net of related debt.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

Total Revenues by Source



In fiscal year 2024, operating revenues decreased by approximately \$8.1 million or 8.8%. The decrease was primarily a result of the following changes:

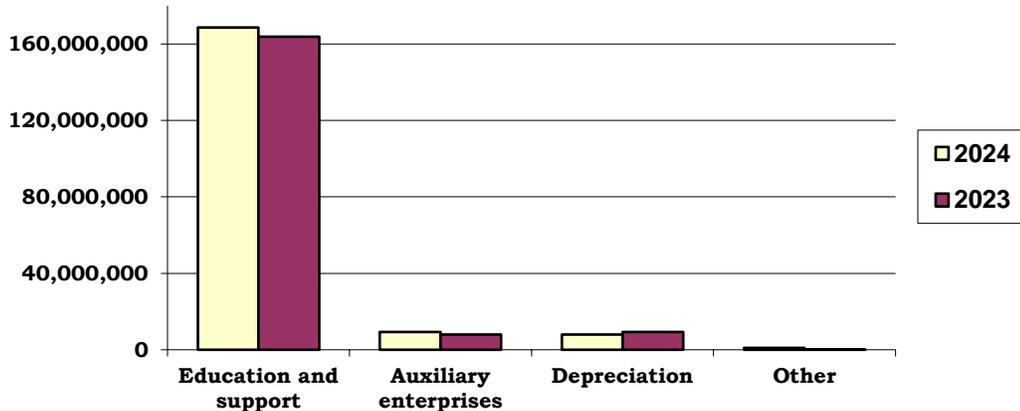
- ◆ Tuition and fees, net of scholarship allowances, decreased approximately \$900,000 or 1.9%. The decrease is attributable to a 1.36% regular credit enrollment increase and an increase of \$2.7 million in scholarship allowance. For financial reporting purposes, scholarship allowances reduce tuition revenue. The College also saw decreases in Continuing Education training revenues from fiscal year 2023.
- ◆ The College facilitates training to new employees of area businesses under the Iowa Industrial New Jobs Training Program. The revenue from these training projects decreased \$2.8 million or 20%. The College sold \$5.015 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 increased \$646,500 million or 3.9%.
- ◆ Federal appropriations decreased approximately \$5 million or 40%. The HEERF awards ended on June 30, 2023 and the College closed out all of its awards in early fiscal year 2024.
- ◆ Auxiliary revenues remained steady.
- ◆ Interest income increased by \$1 million or 30%. The College saw continued increased rates of return during fiscal year 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

Operating Expenses

	Year ended June 30	
	2024	2023
Education and support:		
Liberal arts and sciences	\$ 29,804,920	\$ 27,646,587
Career and technical	40,597,842	38,055,760
Adult education	16,649,606	15,927,789
Cooperative services	8,037,450	10,034,316
Administration	4,743,789	3,543,501
Student services	16,059,893	14,045,244
Learning resources	3,454,807	3,468,022
Physical plant	27,302,253	24,932,032
General institution	21,951,717	26,188,291
Auxiliary enterprises	9,318,114	7,957,723
Loan cancellations and bad debts	901,995	15,779
Administrative and collection costs	69,937	29,589
Depreciation	7,975,517	9,263,144
Total	<u>\$ 186,867,840</u>	<u>\$ 181,107,777</u>

Total Expenses



In fiscal year 2024, operating expenses increased by approximately \$5.7 million or 3.2%. The following factors contribute to the change:

- ◆ Faculty and staff salaries increased by 4%. The College also added several new positions during fiscal year 2024.
- ◆ Bad debt and collection costs increased by \$926,000. The College used HEERF funding to eliminate outstanding student balances during COVID, and fiscal year 2024 was the first year that College resumed writing-off outstanding balances not paid by students.
- ◆ Physical Plant expenses increased by \$2.3 million.
- ◆ Depreciation decreased by \$1.3 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

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	
	2024	2023
Cash provided by (used in):		
Operating activities	\$ (100,567,163)	\$ (78,411,000)
Noncapital financing activities	105,375,527	97,495,910
Capital and related financing activities	(21,050,028)	(28,952,661)
Investing activities	4,472,917	3,424,212
Net decrease in cash	(11,768,747)	(6,443,539)
Cash and short-term pooled investments, beginning of the year	89,493,467	95,937,006
Cash and short-term pooled investments, end of the year	\$ 77,724,720	\$ 89,493,467

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 \$22 million. Employees received 4% salary increases in fiscal year 2024 and the College added several new positions during the fiscal year.

Cash provided by noncapital financing activities increased by \$7.9 million.

Cash used in capital and related financing activities decreased by \$7.9 million.

The cash provided by investing activities increased by \$1 million. Increased rates of return during fiscal year 2024 accounted for this increase.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

CAPITAL ASSETS

At June 30, 2024, the College had approximately \$314.8 million invested in capital assets, net of accumulated depreciation of \$122.8 million. Depreciation charges totaled \$7.9 million for fiscal year 2024. Details of the capital assets are below.

Capital Assets, Net, at Year-End

	June 30	
	2024	2023
Land	\$ 8,766,402	\$ 8,789,109
Buildings	163,962,421	162,628,384
Construction in progress	4,673,539	2,159,107
Improvements other than buildings	6,620,010	6,569,433
Equipment and vehicles	7,668,315	7,216,770
Right-to-use subscription asset	13,737,235	13,836,684
Total	\$ 205,427,922	\$ 201,199,487

The College implemented GASB Statement No. 96 **Subscription-Based Information Technology Arrangements** during fiscal year 2023.

The College appropriates approximately \$1.5 million annually for technology upgrades. The College also plans to spend an estimated \$1.8 million annually for maintenance on the buildings and grounds and an additional \$500,000 on safety and security upgrades.

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

DEBT

At June 30, 2024, the College had \$75.3 million in debt outstanding, a decrease of \$11.2 million from fiscal year 2023. The table below summarizes these debt amounts by type.

Outstanding Debt

	June 30	
	2024	2023
Certificates payable	\$ 51,730,000	\$ 55,545,000
Plant fund capital notes payable	23,550,000	30,965,000
Total	\$ 75,280,000	\$ 86,510,000

The College sold an additional \$7.205 million of New Jobs Training Program certificates in late October 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

ECONOMIC FACTORS

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

- ◆ The Iowa Legislative support for Community Colleges did increase for the current fiscal year. For the fiscal year ended June 30, 2024, the College received \$39.07 million. For fiscal year 2025, the College will receive \$40.92 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 any revenue losses without significant impact on operations that would affect the student experience.
- ◆ During the fiscal year that ended on June 30, 2024, the College experienced an enrollment increase of 1.36% in its regular, non-concurrent enrollment credits. The College does anticipate that enrollment trends will be flat in the future. For the current fall term, the College experienced a 1.1% increase in enrollment and anticipates that spring enrollment may be slightly up, or flat.
- ◆ The College's concurrent high school enrollment was up 9% in fiscal year 2024. Concurrent enrollments generate approximately \$12 million in revenues for the College. For the current fall term, the College continues to see increases in concurrent enrollments and will see additional revenues generated from those courses.
- ◆ 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 \$7.205 million for the 2024 bond sale.
- ◆ Facilities at the College require constant maintenance and repair. The College completed a Facilities Master Plan in 2024. The plan provides a vision for the future that aligns with the strategic direction of the College, addresses facility needs, strengthens relationships between the College and community and creates a framework for the future. As part of the plan, the College has begun design work on two new buildings. It is anticipated that construction on the buildings will start during the summer of 2025.
- ◆ 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 a partnership 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 2025) will be very similar to the previous fiscal year. The College will continue to monitor its financial situation and respond accordingly.

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This financial report provides our customers, taxpayers in the community college district, and our creditors with a general overview of the College's finances and demonstrates 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, 2024

	College	Foundation
Assets		
Current assets:		
Cash and short-term pooled investments (Note 2)	\$ 77,039,651	\$ 2,514,650
Pooled investments (Note 2)	-	22,730,170
Receivables:		
Accounts, net of allowance of \$313,785	27,046,706	1,886,926
Succeeding year property tax	45,881,143	-
Iowa Industrial New Jobs Training Program	8,290,421	-
Due from other governments	4,231,979	-
Lease receivable (Note 5)	449,684	-
Inventories (Note 3)	266,405	-
Prepaid expenses	145,086	1,250
Total current assets	163,351,075	27,132,996
Noncurrent assets:		
Receivables		
Iowa Industrial New Jobs Training Program	28,464,191	-
Lease receivable (Note 5)	917,979	-
Capital assets, net of accumulated depreciation (Note 4)	205,427,923	-
Total noncurrent assets	234,810,093	-
Total assets	398,161,168	27,132,996
Deferred outflows of resources		
Pension related deferred outflows	14,687,224	
OPEB related deferred outflows	1,507,200	-
Total deferred outflows of resources	16,194,424	-

DES MOINES AREA COMMUNITY COLLEGE

Statement of Net Position (Continued)

June 30, 2024

	<u>College</u>	<u>Foundation</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 3,958,135	\$ -
Payable to Des Moines Area Community College	-	1,428,403
Salaries and benefits payable	5,125,021	-
Self-funded health claims payable	4,824,855	-
Accrued interest payable	197,674	-
Unearned revenue:		
Tuition	16,578,113	-
Iowa Industrial New Jobs Training Program	12,923,363	-
Net pension liability (Notes 6, 7 & 9)	1,181,254	-
OPEB liability payable (Notes 6 & 10)	797,829	-
Deposits held in custody for others	595,308	-
Subscription liability (Note 6)	2,881,566	-
Certificates payable (Note 6)	6,852,764	-
Plant fund capital loan notes payable (Note 6)	8,228,010	-
Total current liabilities	<u>64,143,892</u>	<u>1,428,403</u>
Noncurrent liabilities (Note 6):		
Compensated absences	2,395,000	-
Unearned revenue, Iowa Industrial New Jobs Training Program	9,580,442	-
Net pension liability (Notes 6, 7 & 9)	41,896,136	-
OPEB liability payable (Notes 6 & 10)	21,611,868	-
Subscription liability (Note 6)	9,323,722	-
Certificates payable (Note 6)	45,153,697	-
Plant fund capital loan notes payable (Note 6)	17,772,856	-
Total noncurrent liabilities	<u>147,733,721</u>	<u>-</u>
Total liabilities	<u>211,877,613</u>	<u>1,428,403</u>
Deferred inflows of resources		
Unavailable property tax revenue	45,881,143	-
Pension related deferred inflows	1,757,741	-
OPEB related deferred inflows	2,855,575	-
Lease related	1,367,663	-
Total deferred inflows of resources	<u>51,862,122</u>	<u>-</u>
Net position		
Net investment in capital assets	169,672,635	-
Restricted:		
Nonexpendable:		
Cash reserve	755,088	-
Scholarships and fellowships	-	7,022,159
Expendable:		
Scholarships and fellowships	488,530	-
Loans	57,792	-
Other	16,032,838	16,783,458
Unrestricted	<u>(36,391,026)</u>	<u>1,898,976</u>
Total net position	<u>\$ 150,615,857</u>	<u>\$ 25,704,593</u>

Exhibit B

DES MOINES AREA COMMUNITY COLLEGE
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2024

	<u>College</u>	<u>Foundation</u>
Operating revenues:		
Tuition and fees, net of scholarship allowances of \$19,506,094	\$ 45,854,205	\$ -
Federal appropriations	7,280,976	-
Iowa Industrial New Jobs Training Program	11,104,302	-
Auxiliary enterprises revenue	2,587,718	-
Contributions	-	4,691,500
Miscellaneous	17,247,782	-
Total operating revenues	<u>84,074,983</u>	<u>4,691,500</u>
Operating expenses:		
Education and support		
Liberal arts and sciences	29,804,920	-
Career and technical	40,597,842	-
Adult education	16,649,606	-
Cooperative services	8,037,450	-
Administration	4,743,789	254,835
Student services	16,059,893	-
Learning resources	3,454,807	-
Physical plant	27,302,253	-
General institution	21,951,717	-
Auxiliary enterprises	9,318,114	-
Scholarships and grants	-	4,080,772
Fund raising	-	-
Loan cancellations and bad debts	901,995	-
Administrative and collection costs	69,937	-
Depreciation	7,975,517	-
Total operating expenses	<u>186,867,840</u>	<u>4,335,607</u>
Operating (loss)	<u>(102,792,857)</u>	<u>355,893</u>
Nonoperating revenues (expenses):		
State appropriations	49,510,863	-
Pell grant	18,420,734	-
Property tax	42,311,841	-
Interest and investment income	4,472,917	2,497,612
Loss on disposition of capital assets	(192,474)	-
Interest on indebtedness	(2,104,919)	-
Net nonoperating revenues (expenses)	<u>112,418,962</u>	<u>2,497,612</u>
Change in net position	9,626,105	2,853,505
Transfers from agency funds	(36,100)	-
Total change in net position	9,590,005	2,853,505
Net position, beginning of year	<u>141,025,852</u>	<u>22,851,088</u>
Net position, end of year	<u>\$ 150,615,857</u>	<u>\$ 25,704,593</u>

Exhibit C**DES MOINES AREA COMMUNITY COLLEGE**

Statement of Cash Flows (Continued)

Year Ended June 30, 2024

Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ <u>(102,792,857)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	7,975,517
Changes in assets and liabilities:	
Increase in accounts receivable	(3,069,336)
Decrease in Iowa Industrial New Jobs Training Program receivables	4,502,903
Increase in due from other governments	(1,033,951)
Decrease in lease receivable	856,812
Decrease in prepaid expenses	446,660
Decrease in inventories	5,807
Increase in accounts payable	677,425
Decrease in salaries and benefits payable	(1,522,837)
Decrease in unearned revenues	(3,686,492)
Increase in net pension liability	4,826,469
Increase in OPEB liability	608,163
Decrease in subscription liability	(87,307)
Increase in deferred outflows of resources	(3,617,209)
Decrease in deferred inflows of resources	(4,154,968)
Decrease in deposits held in custody for others	(501,962)
Total Adjustments	<u>2,225,694</u>
Net cash used in operating activities	\$ <u><u>(100,567,163)</u></u>

Exhibit D

DES MOINES AREA COMMUNITY COLLEGE
Statement of Fiduciary Net Position - Custodial Funds
Year ended June 30, 2024

Assets

Cash and short-term pooled investments	\$	685,069
Accounts receivable		<u>3,000</u>
Total Assets		<u>688,069</u>

Liabilities

Accounts payable		<u>62,621</u>
Total Liabilities		<u>62,621</u>

Net Assets

Restricted:

Other	\$	<u><u>625,448</u></u>
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Exhibit E

DES MOINES AREA COMMUNITY COLLEGE
Statement of Changes in Fiduciary Net Position - Custodial Funds
Year ended June 30, 2024

	<u>Total</u>
Additions:	
Federal appropriations	\$ 73,409
Other	1,276,532
Transfers in	<u>37,529</u>
Total additions	<u>1,387,470</u>
Deductions:	
Salaries and benefits	255,153
Services	764,106
Materials and supplies	121,476
Travel	121,088
Other	131,661
Transfers out	<u>1,430</u>
Total deductions	<u>1,394,914</u>
Changes in net position	(7,444)
Net position beginning of year	<u>632,892</u>
Net position end of year	<u><u>\$ 625,448</u></u>

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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, 2024

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, 2024

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. Custodial 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, 2024

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, 2024 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 (except for intangible right-to-use IT subscription asset, the measurement of which is discussed under Subscription-Based Information Technology Arrangements below) 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
Right-to-use subscription asset	2-5

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

Leases – College as Lessee – The College monitors its leases and circumstances that would require the measurement of a lease asset and liability, currently the college does not have any such leases.

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

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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.

Subscription-Based Information Technology Arrangements (SBITA) – The College has entered into a contract that conveys control of the right to use information technology software. The College has recognized an IT subscription liability and an intangible right-to-use asset in the government-wide financial statements.

At the commencement of the IT subscription term, the College initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the IT subscription liability is reduced by the principal portion of payments made. The right-to-use IT subscription asset is initially measured as the sum of the initial IT subscription liability, adjusted for payments made at or before the commencement date, plus capitalization implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the right-to-use IT subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to IT subscription arrangements include how the College determines the discount rate it uses to discount the expected payments to present value, term and payments.

The College uses the interest rate charged by the IT subscription vendor as the discount rate. When the interest rate charged by the vendor is not provided, the College generally uses its estimated incremental borrowing rate as the discount rate.

The IT subscription term includes the noncancellable period of the subscription. Payments included in the measurement of the liability are composed of fixed payments.

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

Right-to-use IT subscription assets are reported with other capital assets and IT subscription liabilities are reported separately on the statement of net position.

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

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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

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.

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, 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, 2024.

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

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

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, lease related receivable that will be recognized as revenue in the year earned, 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.

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

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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

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.

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, 2024 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.

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 2 CASH AND POOLED INVESTMENTS (continued)

As of June 30, 2024, the College's cash and short-term pooled investments are as follows:

Deposits	
Cash	\$ 35,996,759
Iowa Schools Joint Investment Trust	
Diversified Portfolio and Money Market	<u>41,727,961</u>
Total cash and short-term pooled investments	<u>\$ 77,724,720</u>
Cash and short-term pooled investments	
Exhibit A - Statement of net position	\$ 77,039,651
Exhibit D - Statement of fiduciary net position	<u>685,069</u>
Total cash and short-term pooled investments	<u>\$ 77,724,720</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 generally accepted accounting principles. The Foundation has the following recurring fair value measurements as of June 30, 2024:

<u>Investments</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 2,514,650
Money market funds	409,592
Mutual funds	<u>22,320,578</u>
	<u>\$ 25,244,820</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.

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 3 INVENTORIES

The College's inventories at June 30, 2024 are as follows:

Type	Amount
Supplies and materials	\$ 33,522
Merchandise held for resale	232,883
Total	\$ 266,405

NOTE 4 CAPITAL ASSETS

A summary of the change in capital assets for the year ended June 30, 2024 is as follows:

	Balance beginning of year	Additions	Transfers	Deletions	Balance end of year
Capital assets not being depreciated					
Land	\$ 8,789,109	\$ -	\$ -	\$ 22,707	\$ 8,766,402
Construction in progress	2,159,107	9,304,602	(6,790,169)	-	4,673,540
Total capital assets not being depreciated	10,948,216	9,304,602	(6,790,169)	22,707	13,439,942
Capital assets being depreciated					
Buildings	246,679,722	585,530	6,790,169	-	254,055,421
Improvements other than buildings	20,582,557	444,078	-	-	21,026,635
Equipment and vehicles	22,678,198	2,172,716	-	358,090	24,492,824
Right-to-use subscription asset	15,374,093	(110,499)	-	-	15,263,594
Total capital assets being depreciated	305,314,570	3,091,825	6,790,169	358,090	314,838,474
Less accumulated depreciation for					
Buildings	84,051,338	6,041,662	-	-	90,093,000
Improvements other than buildings	14,013,124	393,501	-	-	14,406,625
Equipment and vehicles	15,461,428	1,551,404	-	188,323	16,824,509
Right-to-use subscription asset	1,537,409	(11,050)	-	-	1,526,359
Total accumulated depreciation	115,063,299	7,975,517	-	188,323	122,850,493
Total capital assets being depreciated, net	190,251,271	(4,773,193)	6,790,169	169,767	191,987,981
Capital assets, net	\$ 201,199,487	\$ 4,531,409	\$ -	\$ 192,474	\$ 205,427,923

Construction in progress at June 30, 2024 includes the Transportation Institute and the Newton Legacy Green Space. The College has entered into agreements for these projects totaling approximately \$8,820,000 of which approximately \$3,935,000 has been completed.

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 5 LEASE RECEIVABLE

The College owns property that it leases to other State of Iowa agencies and other businesses. Future principal and interest receivable as of June 30, 2024 are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 428,372	21,312	\$ 449,684
2026	373,255	13,033	386,288
2027	78,329	8,754	87,083
2028	48,002	7,587	55,589
Thereafter	362,974	26,045	389,019
Total	<u>\$ 1,290,932</u>	<u>\$ 76,731</u>	<u>\$ 1,367,663</u>

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 6 CHANGES IN NONCURRENT LIABILITIES

A summary of changes in noncurrent liabilities for the year ended June 30, 2024 is as follows:

	Plant Fund Capital Loan			
	Notes Payable	Certificates Payable	Unearned revenue, NJTP	Subscription Liability
Balance, beginning of year	\$ 30,965,000	\$ 55,545,000	\$ 28,135,793	\$ 12,292,595
Additions	-	5,015,000	6,713,785	-
Reductions	7,415,000	8,830,000	12,345,773	87,307
	<u>23,550,000</u>	<u>51,730,000</u>	<u>22,503,805</u>	<u>12,205,288</u>
Plus net unamortized premium	<u>2,450,866</u>	<u>276,461</u>	<u>-</u>	<u>-</u>
Balance, end of year	26,000,866	52,006,461	22,503,805	12,205,288
Less current portion	8,228,010	6,852,764	12,923,363	2,881,566
Total noncurrent liabilities	<u>\$ 17,772,856</u>	<u>\$ 45,153,697</u>	<u>\$ 9,580,442</u>	<u>\$ 9,323,722</u>

	OPEB liability	Early Retirement and Net Pension Liability	Compensated absences	Total
Balance, beginning of year	\$ 21,801,534	\$ 38,250,921	\$ 2,328,000	\$ 189,318,843
Additions	2,094,857	6,181,180	67,000	20,071,822
Reductions	1,486,694	1,354,711	-	31,519,485
	<u>22,409,697</u>	<u>43,077,390</u>	<u>2,395,000</u>	<u>177,871,180</u>
Plus net unamortized premium	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,727,327</u>
Balance, end of year	22,409,697	43,077,390	2,395,000	180,598,507
Less current portion	797,829	1,181,254	-	32,864,786
Total noncurrent liabilities	<u>\$ 21,611,868</u>	<u>\$ 41,896,136</u>	<u>\$ 2,395,000</u>	<u>\$ 147,733,721</u>

**Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2024**

NOTE 6 CHANGES IN NONCURRENT LIABILITIES (continued)

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, 2024 are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	4,000,000	320,000	4,320,000
2029	4,000,000	160,000	4,160,000
Total	<u>\$ 23,550,000</u>	<u>\$ 2,542,000</u>	<u>\$ 26,092,000</u>

Plant fund capital loan notes payable consisted of the following at June 30, 2024:

Plant fund capital loan notes payable dated July 30, 2015 and July 30, 2019 with interest rates between 2.00% and 4.00%	<u>\$ 23,550,000</u>
Total	<u>\$ 23,550,000</u>

The plant fund capital loan notes totaling \$23,550,000 are payable over five 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, 2024 was \$1,238,600.

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 6 CHANGES IN NONCURRENT LIABILITIES (continued)

Certificates Payable

Pursuant to agreements dated from 2017 to 2023, the College issued certificates totaling \$51,730,000 at June 30, 2024 with interest rates ranging from 1.00% to 6.00% 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>
2025	\$ 6,790,000	1,500,421	\$ 8,290,421
2026	7,755,000	1,327,130	9,082,130
2027	8,755,000	1,124,240	9,879,240
2028	8,295,000	894,815	9,189,815
2029	7,110,000	668,040	7,778,040
2030-2033	13,025,000	981,780	14,006,780
Total	<u>\$ 51,730,000</u>	<u>\$ 6,496,426</u>	<u>\$ 58,226,426</u>

Since inception, the College has administered 891 projects, with 91 currently receiving project funding. Of the remaining projects, 712 have been completed and closed and 88 have been completed with only repayment of the certificates left.

Total interest costs on the certificates during the year ended June 30, 2024 was \$1,567,830.

IT Subscription Liability

The College has entered into subscription license and services information technology agreements with vendors for financial and educational software with an initial subscription liability of \$15,263,594. The agreements require annual payments over an average term of 4.5 years and an implicit rate of 3.84%. During the year ended June 30, 2024, the College made payments in the amount of \$3,058,306.

Future principal and interest payments as of June 30, 2024 are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,881,566	405,434	\$ 3,287,000
2026	2,991,561	295,439	3,287,000
2027	3,106,437	180,563	3,287,000
2028	3,225,724	61,276	3,287,000
Total	<u>\$ 12,205,288</u>	<u>\$ 942,712</u>	<u>\$ 13,148,000</u>

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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, 2024

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 2024, 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, 2024 were \$4,696,145.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2024, the College reported a liability of \$23,732,588 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2023, the College's proportion was 0.514335%, which was an increase of 0.02173% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the College recognized pension expense of \$2,190,158. At June 30, 2024, 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, 2024

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,007,809	\$ 97,549
Changes of assumptions	-	376
Net difference between projected and actual earnings on IPERS' investments	2,197,925	-
Changes in proportion and differences between College contributions and the College's proportionate share of contributions	1,616,022	363,226
College contributions subsequent to the measurement date	4,696,145	
Total	\$ 10,517,901	\$ 461,151

\$4,696,145 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, 2025. 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>
2025	\$ (109,494)
2026	(1,510,708)
2027	5,622,858
2028	1,166,980
2029	190,969
Total	\$ 5,360,605

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2023 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.

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

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2023 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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	21.0%	4.56%
International equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core plus fixed income	23.0	2.69
Public credit	3.0	4.38
Cash	1.0	1.59
Private equity	17.0	10.44
Private real assets	9.0	3.88
Private credit	4.5	4.60
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	\$ 50,460,777	\$ 23,732,588	\$ 1,333,930

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.

NOTE 8 TEACHERS INSURANCE AND ANNUITY ASSOCIATION

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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, 2024 employee contributions totaled \$1,819,206 and the College recognized pension expense of \$2,730,256.

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, 2022, plan membership consisted of the following:

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

Investment Policy – The College’s obligation is unfunded at July 1, 2022. 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 3.54%, as well as the total pension liability calculated using a discount rate that is 1% lower (2.54%) or 1% higher (4.54%) than the current rate:

	1 % Decrease	Current Discount Rate	1 % Increase
	2.54%	3.54%	4.54%
Total Pension Liability	\$ 20,266,546	\$ 19,344,802	\$ 18,476,231

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 9 PENSION COSTS - EARLY RETIREMENT(continued)

Pension Expense

Pension Expense	Measurement Period Ended June 30, 2023
Service Cost	\$ 1,330,141
Interest on Total Pension Liability	670,427
Recognition of Deferred (Inflows)/Outflows of Resources	
Economic/Demographic (Gains)/Losses	106,183
Assumption Changes	8,604
Pension Expense	\$ 2,115,355

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, 2021 to June 30, 2022 measurement period was determined as follows:

	Number of	Expected Remaining
As of July 1, 2021	Members	Service Lives
Active Members	855	8.581
Inactive Members	19	0.000
Weighted Average Rounded to the Nearest Tenth		8.4

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, 2024, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (295,279)	\$ 512,314
Changes of assumptions	(1,001,311)	1,433,414
Total	\$ (1,296,590)	\$ 1,945,728

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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
2025	\$ 127,347
2026	177,563
2027	177,563
2028	177,563
2029	(3,733)
Thereafter	<u>(7,165)</u>
Total	<u><u>\$ 649,138</u></u>

Schedule of Deferred Inflows and Outflows of Resources

	Original Amount	Date Established (Measurement Date)	Original Recognition Period *	Amount Recognized in Expense June 30, 2024	Balance of Deferred Inflows June 30, 2024	Balance of Deferred Outflows June 30, 2024
Economic/ Demographic (Gains)/Losses	\$ (387,555) 727,043 353,711 195,712	6/30/2022 6/30/2020 6/30/2018 6/30/2016	8.4 8.3 6.8 15.4	\$ (46,138) 87,596 52,016 12,709	\$ (295,279) - - -	\$ - 376,659 41,615 94,040
				<u>\$ 106,183</u>	<u>\$ (295,279)</u>	<u>\$ 512,314</u>
Assumption Changes	\$ (1,193,692) 1,422,508 (780,583) 1,449,374	6/30/2022 6/30/2020 6/30/2018 6/30/2016	8.4 8.3 6.8 15.4	\$ (142,106) 171,387 (114,792) 94,115	\$ (909,480) - (91,831) -	\$ - 736,960 - 696,454
				<u>\$ 8,604</u>	<u>\$ (1,001,311)</u>	<u>\$ 1,433,414</u>

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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, 2022, plan membership consisted of the following:

Inactive members currently receiving benefits	101
Active members	855
Total	956

Investment Policy – The College’s obligation is unfunded at July 1, 2022. 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, 2022 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, 2022)	3.00% per annum.
Rate of salary increase (effective June 30, 2022)	3.50% per annum
Discount rate (effective June 30, 2022)	3.54% per annum
Healthcare cost trend rate (effective June 30, 2022)	5.00% for medical and dental for all years

Discount Rate – The discount rate used to measure the total OPEB liability was 3.54% 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-2021 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, 2022 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, 2024

Total OPEB Liability

	As of July 1, 2022
Actuarial Present Value of Future Benefits	
Retired - Employees	\$ 3,492,576
Retired - Spouses/Dependents	246,604
Actives - Employees	27,978,914
Actives - Spouses/Dependents	421,429
Total	\$ 32,139,523
 Total OPEB Liability	
Retired - Employees	\$ 3,492,576
Retired - Spouses/Dependents	246,604
Actives - Employees	17,080,713
Actives - Spouses/Dependents	258,018
Total	\$ 21,077,911

The Total OPEB Liability of the College at June 30, 2024 is projected to be \$22,409,697.

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:

	Current		
	Healthcare Cost	Trend Rate 5.0%	1% Increase to 6.0%
	1% Decrease to 4.0%		
Total OPEB Liability	\$ 20,549,441	\$ 22,409,697	\$ 24,527,934

**Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2024**

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

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 3.54%, as well as the total OPEB liability calculated using a discount rate that is 1% lower (2.54%) or 1% higher (4.54%) than the current rate:

	1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
Total OPEB Liability	\$ 23,947,672	\$ 22,409,697	\$ 20,997,895

OPEB Expense

	Fiscal Year Ended June 30, 2024
OPEB Expense	
Service Cost	\$ 1,303,262
Interest on Total OPEB Liability	791,595
Recognition of Deferred (Inflows)/Outflows of Resources	
Economic/Demographic (Gains)/Losses	(171,317)
Assumption Changes	220,737
OPEB Expense	<u>\$ 2,144,277</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, 2024

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

The amortization period for the July 1, 2022 to June 30, 2023 measurement period was determined as follows.

	Number of Members	Expected Remaining Service Lives
As of July 1, 2022		
Active Members	855	8.581
Inactive Members	101	0.000
 Weighted Average Rounded to the Nearest Tenth		 7.7

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, 2024, 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	\$ (1,162,510)	\$ 142,567
Changes of assumptions	(1,693,065)	1,364,633
Total	\$ (2,855,575)	\$ 1,507,200

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 June 30:	Annual Recognition
2025	\$ (11,952)
2026	(157,287)
2027	(176,508)
2028	(296,065)
2029	(415,622)
Thereafter	(290,941)
Total	\$ (1,348,375)

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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, 2024	Balance of Deferred Inflows June 30, 2024	Balance of Deferred Outflows June 30, 2024
Economic/ Demographic (Gains)/Losses	\$ (1,050,945)	6/30/2023	7.7	\$ (136,486)	\$ (777,973)	\$ -
	(824,009)	6/30/2021	7.5	(109,868)	(384,537)	-
	592,789	6/30/2019	7.9	75,037	-	142,567
				<u>\$ (171,317)</u>	<u>\$ (1,162,510)</u>	<u>\$ 142,567</u>
Assumption Changes (Gains)/Losses	\$ (2,149,350)	6/30/2023	7.7	\$ (279,136)	\$ (1,591,078)	\$ -
	2,617,364	6/30/2021	7.5	348,982	-	1,221,436
	(424,055)	6/30/2019	7.9	(53,678)	(101,987)	-
	1,575,180	6/30/2018	7.7	204,569	-	143,197
				<u>\$ 220,737</u>	<u>\$ (1,693,065)</u>	<u>\$ 1,364,633</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, 2024, the College had no abatements of property tax and \$13,339,411 of state income tax withholding under the projects.

Des Moines Area Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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, 2024 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Adair	Other tax abatement program	\$ 396
City of Altoona	Other tax abatement program	\$ 28,841
City of Ames	Other tax abatement program	13,152
City of Ankeny	Other tax abatement program	72,741
City of Ankeny	Urban renewal and economic development projects	1,768
City of Boone	Other tax abatement program	2,657
City of Boone	Urban renewal and economic development projects	12,654
Boone County	Other tax abatement program	12,306
Boone County	Urban renewal and economic development projects	6,349
City of Carlisle	Other tax abatement program	19,831
City of Carroll	Other tax abatement program	2,780
City of Clive	Other tax abatement program	10,721
City of Colfax	Other tax abatement program	184
City of Colfax	Urban renewal and economic development projects	1,013
City of Colo	Other tax abatement program	3,665
City of Coon Rapids	Other tax abatement program	4,269
City of Dallas Center	Urban renewal and economic development projects	1,220
City of De Soto	Other tax abatement program	2,695
City of Des Moines	Other tax abatement program	278,590
City of Earlham	Urban renewal and economic development projects	7,563
City of Elkhart	Urban renewal and economic development projects	7,517
City of Exira	Other tax abatement program	97
City of Gilbert	Urban renewal and economic development projects	2,538
City of Glidden	Urban renewal and economic development projects	508
City of Granger	Other tax abatement program	6,784
City of Grimes	Other tax abatement program	82,042
City of Halbur	Other tax abatement program	516
City of Hartford	Urban renewal and economic development projects	87
City of Huxley	Other tax abatement program	18,553
City of Johnston	Other tax abatement program	71,262
City of Kellogg	Other tax abatement program	3,644
City of Knoxville	Other tax abatement program	3,771
City of Knoxville	Urban renewal and economic development projects	3,316
City of Luther	Other tax abatement program	4,263
City of Madrid	Other tax abatement program	641
Mahaska County	Other tax abatement program	1,521
City of Manning	Urban renewal and economic development projects	1,132
City of Nevada	Other tax abatement program	8,239
City of Nevada	Urban renewal and economic development projects	16,288
City of Newton	Other tax abatement program	7,792
City of Norwalk	Other tax abatement program	49,495
City of Panora	Other tax abatement program	1,479
City of Panora	Urban renewal and economic development projects	420
City of Pella	Other tax abatement program	10,971
City of Perry	Other tax abatement program	2,329
City of Perry	Urban renewal and economic development projects	4,927
City of Pleasantville	Other tax abatement program	3,035
City of Pleasantville	Urban renewal and economic development projects	685
City of Polk City	Other tax abatement program	12,525
Polk County	Other tax abatement program	36,834
City of Prairie City	Other tax abatement program	266
City of Roland	Other tax abatement program	1,453
City of Slater	Other tax abatement program	1,520
City of Slater	Urban renewal and economic development projects	59,419
City of Story City	Urban renewal and economic development projects	2,732
City of Stuart	Other tax abatement program	5,510
City of Sully	Other tax abatement program	1,389
City of Templeton	Other tax abatement program	2,768
City of Urbandale	Other tax abatement program	31,680
City of Van Meter	Urban renewal and economic development projects	11,812
City of Waukee	Other tax abatement program	30,465
City of West Des Moines	Other tax abatement program	48,955
City of Winterset	Other tax abatement program	16,991
		\$ 1,061,566

REQUIRED SUPPLEMENTARY INFORMATION

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 Ten Years
(In Thousands)

Required Supplementary Information

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
College's proportion of the net pension liability	0.514335%	0.492605%	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	\$ 23,733	\$ 19,552	\$ 670	\$ 34,252	\$ 27,735	\$ 28,308	\$ 28,776	\$ 27,214	\$ 21,604	\$ 16,733
College's covered-employee payroll	\$ 49,747	\$ 46,156	\$ 41,671	\$ 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	47.71%	42.36%	1.61%	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	90.13%	91.40%	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.

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,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutory required contribution \$	4,696	4,357	3,934	3,667	3,650	3,437	3,005	2,879	2,772	2,677
Contributions in relation to the statutorily required contribution	<u>(4,696)</u>	<u>(4,357)</u>	<u>(3,934)</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>
Contribution deficiency (excess) \$	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<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	\$ 49,747	46,156	41,671	38,842	38,662	36,408	33,654	32,243	31,037	29,980
 Contributions as a percentage of covered-employee payroll	9.44%	9.44%	9.44%	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%

Des Moines Area Community College
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY
Year Ended June 30, 2024

CHANGES OF BENEFIT TERMS:

There are no significant changes in benefit terms.

CHANGES OF ASSUMPTIONS:

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for Regular members.
- Lowered disability rates for Regular members.
- Adjusted termination rates for all membership groups.

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%.

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

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

Required Supplementary Information

	2024	2023	2022	2021	2020	2019	2018	2017
Total pension liability	\$ 19,345	\$ 18,699	\$ 20,064	\$ 19,602	\$ 16,895	\$ 17,307	\$ 18,021	\$ 18,701
College's covered-employee payroll	\$ 62,832	\$ 60,707	\$ 60,773	\$ 58,718	\$ 55,460	\$ 53,585	\$ 53,765	\$ 51,947
Total pension liability as a percentage of the covered-employee payroll	30.79%	30.80%	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 Seven Years

Required Supplementary Information

	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 1,303,262	\$ 1,259,190	\$ 1,518,352	\$ 1,467,007	\$ 1,175,058	\$ 1,135,322	\$ 1,157,330
Interest cost	791,595	767,667	540,733	526,639	820,167	802,774	723,101
Difference between expected and actual experiences	-	(1,050,945)	-	(824,009)	-	592,789	-
Changes in assumptions	-	(2,149,350)	-	2,617,364	-	(424,055)	1,575,180
Benefit payments	(1,486,694)	(1,303,234)	(1,460,161)	(1,354,282)	(1,533,125)	(1,523,618)	(1,440,371)
Net change in total OPEB liability	608,163	(2,476,672)	598,924	2,432,719	462,100	583,212	2,015,240
Total OPEB liability beginning of year	21,801,534	24,278,206	23,679,282	21,246,563	20,784,463	20,201,251	18,186,011
Total OPEB liability end of year	\$ 22,409,697	\$ 21,801,534	\$ 24,278,206	\$ 23,679,282	\$ 21,246,563	\$ 20,784,463	\$ 20,201,251
Covered-Employee payroll	\$ 62,831,898	\$ 60,707,148	\$ 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 payroll	35.67%	35.91%	39.95%	40.33%	38.31%	38.79%	37.57%

**Des Moines Area Community College
Schedule of Changes in College's Total OPEB Liability, Related Ratios and Notes (Continued)
For the Last Seven Years**

Required Supplementary Information

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, 2024	3.54%
Year ended June 30, 2023	3.54%
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%

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

OTHER SUPPLEMENTARY INFORMATION

Schedule 1

Des Moines Area Community College
BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL
Year ended June 30, 2024

<u>Funds/Levy</u>	<u>Original budget</u>	<u>Actual</u>	<u>Variance between actual and budget</u>
Unrestricted	\$ 122,464,533	\$ 121,372,446	\$ 1,092,087
Restricted			
Unemployment	60,000	59,140	860
Insurance	18,255,000	12,527,147	5,727,853
Early retirement	2,768,570	2,488,685	279,885
Equipment replacement	5,070,884	4,344,495	726,389
Other	<u>48,160,825</u>	<u>33,936,277</u>	<u>14,224,548</u>
Total restricted	<u>74,315,279</u>	<u>53,355,744</u>	<u>20,959,535</u>
Total unrestricted/restricted	196,779,812	174,728,190	22,051,622
Plant	<u>29,996,493</u>	<u>24,594,416</u>	<u>5,402,077</u>
Total	<u>\$ 226,776,305</u>	<u>\$ 199,322,606</u>	<u>\$ 27,453,699</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 accounting principles generally accepted in the United States of America. Following required public notice and hearing, and in accordance with Chapter 260C of the Code of Iowa, the Board of Directors certifies the approved budget to the appropriate county auditors and then submits the budget to the State Board of Education for approval. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Formal and legal budgetary control is based on total operating expenditures.

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

For the year ended June 30, 2024, the College's expenditures did not exceed the amount budgeted.

DES MOINES AREA COMMUNITY COLLEGE

Assets, Liabilities and Fund Balances

June 30, 2024

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	\$ 15,038,774	\$ 56,871,146	\$ 54,182	\$ 5,075,549	\$ -	\$ -	\$ 77,039,651
Receivables:							
Accounts, net of allowance of \$313,785	22,427,364	2,940,732	3,610	1,675,000	-	-	27,046,706
Succeeding year property tax	12,238,422	21,404,299	-	12,238,422	-	-	45,881,143
Iowa Industrial New Jobs Training Program	-	36,754,612	-	-	-	-	36,754,612
Due from other governments	997,803	2,234,176	-	1,000,000	-	-	4,231,979
Lease receivable	-	-	-	-	-	1,367,663	1,367,663
Inventories	266,405	-	-	-	-	-	266,405
Prepaid expenses	142,531	2,555	-	-	-	-	145,086
	<u>51,111,299</u>	<u>120,207,520</u>	<u>57,792</u>	<u>19,988,971</u>	<u>-</u>	<u>1,367,663</u>	<u>192,733,245</u>
Capital assets:							
Land	-	-	-	-	8,766,402	-	8,766,402
Buildings	-	-	-	-	254,055,421	-	254,055,421
Improvements other than buildings	-	-	-	-	21,026,635	-	21,026,635
Equipment and vehicles	-	-	-	-	24,492,824	-	24,492,824
Construction in progress	-	-	-	-	4,673,540	-	4,673,540
Right-to-use subscription asset	-	-	-	-	15,263,594	-	15,263,594
Accumulated depreciation	-	-	-	-	-	(122,850,493)	(122,850,493)
Total assets	<u>51,111,299</u>	<u>120,207,520</u>	<u>57,792</u>	<u>19,988,971</u>	<u>328,278,416</u>	<u>(121,482,830)</u>	<u>398,161,168</u>
Deferred outflows of resources:							
Pension related deferred outflows	-	-	-	-	-	14,687,224	14,687,224
OPEB related deferred outflows	-	-	-	-	-	1,507,200	1,507,200
Total deferred outflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,194,424</u>	<u>16,194,424</u>
Total assets and deferred outflows of resources	\$ <u>51,111,299</u>	\$ <u>120,207,520</u>	\$ <u>57,792</u>	\$ <u>19,988,971</u>	\$ <u>328,278,416</u>	\$ <u>(105,288,406)</u>	\$ <u>414,355,592</u>

DES MOINES AREA COMMUNITY COLLEGE

Assets, Liabilities and Fund Balances (Continued)

June 30, 2024

Liabilities, Deferred Inflows of Resources and Fund Balances	Current funds		Nonoperating funds				Totals
	General	General	Loan	Plant Funds		Adjustments	
	unrestricted	restricted		Unexpended	Investment		
funds	funds	funds	in plant				
Liabilities:							
Accounts payable	\$ 753,873	\$ 678,163	\$ -	\$ 2,526,099	\$ -	\$ -	\$ 3,958,135
Salaries and benefits payable	4,929,422	192,999	-	2,600	-	-	5,125,021
Self-funded health claims payable	-	4,824,855	-	-	-	-	4,824,855
Accrued interest payable	-	123,035	-	74,639	-	-	197,674
Unearned revenue:							
Other	16,578,113	22,503,805	-	-	-	-	39,081,918
Early retirement pension costs payable	-	2,957,139	-	-	-	16,387,663	19,344,802
Deposits held in custody for others	15,723	579,585	-	-	-	-	595,308
Compensated absences	2,087,000	287,000	-	21,000	-	-	2,395,000
Subscription liability	-	-	-	-	12,205,288	-	12,205,288
Certificates payable	-	52,006,461	-	-	-	-	52,006,461
Plant fund capital loan notes payable	-	-	-	2,450,866	23,550,000	-	26,000,866
Net pension liability	-	-	-	-	-	23,732,588	23,732,588
Net OPEB liability	-	797,829	-	-	-	21,611,868	22,409,697
Total liabilities	<u>24,364,131</u>	<u>84,950,871</u>	<u>-</u>	<u>5,075,204</u>	<u>35,755,288</u>	<u>61,732,119</u>	<u>211,877,613</u>
Deferred inflows of resources							
Succeeding year property tax	12,238,422	21,404,299	-	12,238,422	-	-	45,881,143
Pension related deferred inflows	-	-	-	-	-	1,757,741	1,757,741
OPEB related deferred inflows	-	-	-	-	-	2,855,575	2,855,575
Lease related	-	-	-	-	-	1,367,663	1,367,663
Total deferred inflows of resources	<u>12,238,422</u>	<u>21,404,299</u>	<u>-</u>	<u>12,238,422</u>	<u>-</u>	<u>5,980,979</u>	<u>51,862,122</u>
Fund balances:							
Net investment in capital assets	-	-	-	-	292,523,128	(122,850,493)	169,672,635
Restricted:							
Nonexpendable:							
Cash reserve	-	755,088	-	-	-	-	755,088
Expendable:							
Scholarships and fellowships	-	488,530	-	-	-	-	488,530
Loans	-	-	57,792	-	-	-	57,792
Other	-	16,032,838	-	-	-	-	16,032,838
Unrestricted	<u>14,508,746</u>	<u>(3,424,106)</u>	<u>-</u>	<u>2,675,345</u>	<u>-</u>	<u>(50,151,011)</u>	<u>(36,391,026)</u>
Total fund balances	<u>14,508,746</u>	<u>13,852,350</u>	<u>57,792</u>	<u>2,675,345</u>	<u>292,523,128</u>	<u>(173,001,504)</u>	<u>150,615,857</u>
Total liabilities, deferred inflows or resources and fund balance	\$ <u>51,111,299</u>	\$ <u>120,207,520</u>	\$ <u>57,792</u>	\$ <u>19,988,971</u>	\$ <u>328,278,416</u>	\$ <u>(105,288,406)</u>	\$ <u>414,355,592</u>

DES MOINES AREA COMMUNITY COLLEGE
 Revenues, Expenditures, and Changes in Fund Balances
 Year Ended June 30, 2024

	<u>Current operating funds</u>			<u>Loan funds</u>	<u>Plant Funds</u>			<u>Adjustments</u>	<u>Totals</u>
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>		<u>Unexpended</u>	<u>Retirement of indebtedness</u>	<u>Investment in plant</u>		
Revenues and other additions:									
Tuition and fees	\$ 62,927,621	\$ 2,432,678	\$ 65,360,299	\$ -	\$ -	\$ -	\$ -	\$ (19,506,094)	\$ 45,854,205
Federal appropriations	295,807	24,405,903	24,701,710	-	1,000,000	-	-	-	25,701,710
Iowa Industrial New Jobs Training Program	-	11,104,302	11,104,302	-	-	-	-	-	11,104,302
State appropriations	39,405,615	9,041,633	48,447,248	-	1,063,615	-	-	-	49,510,863
Property tax	11,517,851	19,276,139	30,793,990	-	3,565,762	7,952,089	-	-	42,311,841
Auxiliary enterprises revenue	2,673,037	-	2,673,037	-	-	-	-	(85,319)	2,587,718
Interest and investment income	2,214,017	2,258,900	4,472,917	-	-	-	-	-	4,472,917
Expended for plant assets (including \$2,079,333 in current operating fund expenditures)	-	-	-	-	-	-	12,506,926	(12,506,926)	-
Increase in plant investments due to revisions of lease/subscription assets	-	-	-	-	-	-	(23,190)	23,190	-
Retirement of indebtedness	-	-	-	-	-	-	7,415,000	(7,415,000)	-
Proceeds from sale of bonds	-	-	-	-	-	-	-	-	-
Miscellaneous	8,546,014	6,310,188	14,856,202	-	2,726,467	-	-	(334,887)	17,247,782
Total revenues and other additions	127,579,962	74,829,743	202,409,705	-	8,355,844	7,952,089	19,898,736	(39,825,036)	198,791,338
Expenditures and other deductions:									
Education and support:									
Liberal arts and sciences	29,999,610	-	29,999,610	-	-	-	-	(194,690)	29,804,920
Career and technical	37,374,145	3,488,887	40,863,032	-	-	-	-	(265,190)	40,597,842
Adult education	7,085,933	9,672,431	16,758,364	-	-	-	-	(108,758)	16,649,606
Cooperative services	-	8,089,952	8,089,952	-	-	-	-	(52,502)	8,037,450
Administration	4,832,038	-	4,832,038	-	-	-	-	(88,249)	4,743,789
Student services	15,069,680	1,095,119	16,164,799	-	-	-	-	(104,906)	16,059,893
Learning resources	3,477,375	-	3,477,375	-	-	-	-	(22,568)	3,454,807
Physical plant	9,239,710	12,265,365	21,505,075	-	6,214,735	-	-	(417,555)	27,302,255
General institution	13,105,882	8,931,154	22,037,036	-	-	-	-	(85,319)	21,951,717
Scholarships and grants	-	19,506,094	19,506,094	-	-	-	-	(19,506,094)	-
Total education and support	120,184,373	63,049,002	183,233,375	-	6,214,735	-	-	(20,845,831)	168,602,279
Auxiliary enterprises	9,318,114	-	9,318,114	-	-	-	-	-	9,318,114
Expended for plant assets	245,889	1,833,444	2,079,333	-	10,427,592	-	-	(12,506,925)	-
Administrative and collection costs	69,937	-	69,937	-	-	-	-	-	69,937
Retirement of indebtedness	-	-	-	-	-	7,415,000	-	(7,415,000)	-
Loan cancellations and bad debts	881,776	-	881,776	20,219	-	-	-	-	901,995
Interest on indebtedness	-	1,567,830	1,567,830	-	-	537,089	-	-	2,104,919
Depreciation	-	-	-	-	-	-	-	7,975,517	7,975,517
Disposition of capital assets	-	-	-	-	-	-	380,797	(188,323)	192,474
Total expenditures and other deductions	130,700,089	66,450,276	197,150,365	20,219	16,642,327	7,952,089	380,797	(32,980,562)	189,165,235
Excess(deficiency) of revenues over(under) expenditures	(3,120,127)	8,379,467	5,259,340	(20,219)	(8,286,483)	-	19,517,939	(6,844,474)	9,626,103
Transfers among funds:									
Non-mandatory transfers	1,557,084	(5,748,086)	(4,191,002)	5,000	4,149,902	-	-	-	(36,100)
Net increase (decrease) for the year	(1,563,043)	2,631,381	1,068,338	(15,219)	(4,136,581)	-	19,517,939	(6,844,474)	9,590,003
Fund balances at beginning of year	16,071,789	11,220,969	27,292,758	73,011	6,811,926	-	343,270,191	(236,422,032)	141,025,854
Fund balances at end of year	\$ 14,508,746	\$ 13,852,350	\$ 28,361,096	\$ 57,792	\$ 2,675,345	\$ -	\$ 362,788,130	\$ (243,266,506)	\$ 150,615,857

See accompanying independent auditor's report.

DES MOINES AREA COMMUNITY COLLEGE

Revenues, Expenditures, and Changes in Fund Balances - Unrestricted Fund

Year ended June 30, 2024

	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	\$ 38,998,731	\$ 18,031,559	\$ 5,653,646	\$ 385	\$ 5,550	\$ -	\$ -	\$ 237,750	\$ 62,927,621
Federal appropriations	-	-	-	24,110	-	-	-	271,697	295,807
State appropriations	-	45,302	107,341	-	-	-	-	39,252,972	39,405,615
Property tax	-	-	-	-	-	-	-	11,517,851	11,517,851
Interest income	-	-	-	-	-	-	-	2,214,017	2,214,017
Miscellaneous	389,325	684,194	59,703	241,256	550,310	3,380	318,043	895,530	3,141,741
	<u>39,388,056</u>	<u>18,761,055</u>	<u>5,820,690</u>	<u>265,751</u>	<u>555,860</u>	<u>3,380</u>	<u>318,043</u>	<u>54,389,817</u>	<u>119,502,652</u>
Allocation of support services	32,828,152	17,150,028	5,554,671	(265,751)	(555,860)	(3,380)	(318,043)	(54,389,817)	-
Total revenues	<u>72,216,208</u>	<u>35,911,083</u>	<u>11,375,361</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,502,652</u>
Expenditures:									
Salaries and benefits	28,411,476	34,661,291	3,657,027	3,377,563	14,524,066	3,144,669	5,926,579	8,018,384	101,721,055
Services	409,109	466,987	2,916,953	1,367,873	318,340	104,113	2,272,295	3,387,503	11,243,173
Materials and supplies	883,890	1,922,859	448,757	53,645	159,837	225,886	1,029,545	1,327,637	6,052,056
Travel	256,735	281,726	58,068	32,303	41,605	2,647	10,642	104,872	788,598
Expended for plant assets	-	21,966	35,500	-	-	17,440	132,178	29,276	236,360
Scholarships	-	-	-	-	-	-	-	156,855	156,855
Bad debt	618,200	263,576	-	-	-	-	-	-	881,776
Miscellaneous	38,400	41,282	5,128	70,591	25,832	60	649	110,631	292,573
	<u>30,617,810</u>	<u>37,659,687</u>	<u>7,121,433</u>	<u>4,901,975</u>	<u>15,069,680</u>	<u>3,494,815</u>	<u>9,371,888</u>	<u>13,135,158</u>	<u>121,372,446</u>
Allocation of support services	27,177,167	14,197,850	4,598,499	(4,901,975)	(15,069,680)	(3,494,815)	(9,371,888)	(13,135,158)	-
Total expenditures	<u>57,794,977</u>	<u>51,857,537</u>	<u>11,719,932</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,372,446</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,421,231</u>	<u>(15,946,454)</u>	<u>(344,571)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,869,794)</u>
Transfers:									
Non-mandatory transfers	187,841	95,759	31,000	-	460,500	-	880,173	476,158	2,131,431
Total transfers	<u>187,841</u>	<u>95,759</u>	<u>31,000</u>	<u>-</u>	<u>460,500</u>	<u>-</u>	<u>880,173</u>	<u>476,158</u>	<u>2,131,431</u>
Net increase (decrease) for the year	<u>\$ 14,609,072</u>	<u>\$ (15,850,695)</u>	<u>\$ (313,571)</u>	<u>\$ -</u>	<u>\$ 460,500</u>	<u>\$ -</u>	<u>\$ 880,173</u>	<u>\$ 476,158</u>	<u>261,637</u>
Fund balances at beginning of year									
Fund balances at end of year									
									<u>\$ 12,994,940</u>
									<u>\$ 13,256,577</u>

DES MOINES AREA COMMUNITY COLLEGE

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

Year ended June 30, 2024

	<u>Career Education</u>	<u>Vending</u>	<u>Student Housing</u>	<u>Athletics</u>	<u>Newton Leased Space</u>	<u>Trail Point</u>	<u>Other</u>	<u>Total</u>
Revenues and other additions:								
Sales and services	\$ 928,791	\$ 82,867	\$ 911,657	\$ 5,573	\$ 553,652	\$ 87,190	\$ 103,307	\$ 2,673,037
Student fee allocations	16,137	-	12,365	682,509	-	716	834,057	1,545,784
State support	-	-	-	-	-	-	-	-
Miscellaneous	<u>521,754</u>	<u>214,688</u>	<u>5,255</u>	<u>1,390</u>	<u>21,804</u>	<u>2,490,128</u>	<u>603,470</u>	<u>3,858,489</u>
Total revenues and other additions	<u>1,466,682</u>	<u>297,555</u>	<u>929,277</u>	<u>689,472</u>	<u>575,456</u>	<u>2,578,034</u>	<u>1,540,834</u>	<u>8,077,310</u>
Expenditures and other deductions:								
Salaries and benefits	810,752	70,210	265,518	363,689	210,840	1,616,444	290,306	3,627,759
Services	136,469	32,623	284,500	299,942	699,025	581,008	664,052	2,697,619
Materials and supplies	331,129	489,074	48,416	214,826	65,029	43,303	280,611	1,472,388
Travel	162,755	1,001	-	284,563	-	187	6,133	454,639
Purchases for resale	384,342	-	-	-	-	-	-	384,342
Expended for plant assets	-	-	-	-	5,169	4,360	-	9,529
Miscellaneous	<u>291,322</u>	<u>162,036</u>	<u>1,284</u>	<u>42,268</u>	<u>68,645</u>	<u>66,215</u>	<u>49,597</u>	<u>681,367</u>
Total expenditures and other deductions	<u>2,116,769</u>	<u>754,944</u>	<u>599,718</u>	<u>1,205,288</u>	<u>1,048,708</u>	<u>2,311,517</u>	<u>1,290,699</u>	<u>9,327,643</u>
Excess(deficiency) of revenues over(under) expenditures	<u>(650,087)</u>	<u>(457,389)</u>	<u>329,559</u>	<u>(515,816)</u>	<u>(473,252)</u>	<u>266,517</u>	<u>250,135</u>	<u>(1,250,333)</u>
Transfers among funds (non-mandatory)	<u>670,765</u>	<u>517,405</u>	<u>(225,000)</u>	<u>516,590</u>	<u>-</u>	<u>(257,812)</u>	<u>(1,796,295)</u>	<u>(574,347)</u>
Net increase (decrease) for the year	<u>20,678</u>	<u>60,016</u>	<u>104,559</u>	<u>774</u>	<u>(473,252)</u>	<u>8,705</u>	<u>(1,546,160)</u>	<u>(1,824,680)</u>
Fund balances at beginning of year	<u>540,479</u>	<u>380,906</u>	<u>26,967</u>	<u>(122)</u>	<u>(2,078,220)</u>	<u>450,320</u>	<u>3,756,519</u>	<u>3,076,849</u>
Fund balances at end of year	<u>\$ 561,157</u>	<u>\$ 440,922</u>	<u>\$ 131,526</u>	<u>\$ 652</u>	<u>\$ (2,551,472)</u>	<u>\$ 459,025</u>	<u>\$ 2,210,359</u>	<u>\$ 1,252,169</u>

DES MOINES AREA COMMUNITY COLLEGE

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

Year ended June 30, 2024

	Scholarship	Equipment Replacement	Insurance and Tort	Early Retirement	Unemployment Compensation	Cash Reserve	Grants and Contracts	Iowa Industrial New Jobs Training Programs	Other	Total
Revenues and other additions:										
Tuition and fees	\$ 390,710	\$ 9,100	\$ -	\$ -	\$ -	\$ -	\$ 1,075,124	\$ 3,000	\$ 954,744	\$ 2,432,678
Federal appropriations	18,919,113	-	-	-	-	-	5,486,790	-	-	24,405,903
Iowa Industrial New Jobs Training Program	-	-	-	-	-	-	-	11,104,302	-	11,104,302
State appropriations	-	81,487	169,132	56,243	161	-	4,885,769	(75,000)	3,923,841	9,041,633
Property tax	-	5,119,046	10,619,125	3,527,479	10,489	-	-	-	-	19,276,139
Gifts and grants	-	-	-	-	-	-	2,363,119	-	-	2,363,119
Interest and investment income	-	-	-	-	-	-	-	2,258,900	-	2,258,900
Miscellaneous	200	332,944	979	-	-	-	5,530	104	3,607,312	3,947,069
Total revenues and other additions	19,310,023	5,542,577	10,789,236	3,583,722	10,650	-	13,816,332	13,291,306	8,485,897	74,829,743
Expenditures and other deductions:										
Salaries and benefits	-	-	278,645	2,488,685	59,140	-	7,978,295	1,126,861	1,682,219	13,613,845
Services	11,908	922,720	11,856,137	-	-	-	2,375,873	8,063,246	735,291	23,965,175
Materials and supplies	158	2,640,797	154,798	-	-	-	549,763	26,122	642,714	4,014,352
Travel	-	534	51,147	-	-	-	219,156	14,752	125,917	411,506
Expended for plant assets	-	776,733	-	-	-	-	738,869	-	317,842	1,833,444
Interest on indebtedness	-	-	-	-	-	-	-	1,567,830	-	1,567,830
Scholarships and grants	19,431,433	-	-	-	-	-	41,090	-	33,571	19,506,094
Miscellaneous	387	3,711	186,420	-	-	-	1,309,974	-	37,538	1,538,030
Total expenditures and other deductions	19,443,886	4,344,495	12,527,147	2,488,685	59,140	-	13,213,020	10,798,811	3,575,092	66,450,276
Excess (deficiency) of revenues over (under) expenditures for the year	(133,863)	1,198,082	(1,737,911)	1,095,037	(48,490)	-	603,312	2,492,495	4,910,805	8,379,467
Transfers among funds:										
Mandatory transfers	-	-	-	-	-	-	-	-	-	-
Non-mandatory transfers	26,268	-	575,000	-	-	-	(529,806)	(2,567,495)	(3,252,053)	(5,748,086)
Net increase (decrease) for the year	(107,595)	1,198,082	(1,162,911)	1,095,037	(48,490)	-	73,506	(75,000)	1,658,752	2,631,381
Fund balances(deficit) at beginning of year	596,125	5,376,900	(1,836,494)	(1,448,675)	59,779	755,088	(38,579)	3,937	7,752,888	11,220,969
Fund balances(deficit) at end of year	\$ 488,530	\$ 6,574,982	\$ (2,999,405)	\$ (353,638)	\$ 11,289	\$ 755,088	\$ 34,927	\$ (71,063)	\$ 9,411,640	\$ 13,852,350

Schedule 7

DES MOINES AREA COMMUNITY COLLEGE
Schedule of Fiduciary Net Position - Custodial Funds
Year ended June 30, 2024

Assets	
Cash and short-term pooled investments	\$ 685,069
Accounts receivable	<u>3,000</u>
Total Assets	688,069
Liabilities	
Accounts payable	<u>62,621</u>
Total Liabilities	62,621
Net Assets	
Restricted:	
Other	\$ <u><u>625,448</u></u>

Schedule 8

DES MOINES AREA COMMUNITY COLLEGE
 Schedule of Changes in Fiduciary Net Position - Custodial Funds
 Year ended June 30, 2024

	<u>Special funded activities</u>	<u>Community College Athletic</u>	<u>Total</u>
Additions:			
State appropriations	-	-	\$ -
Federal appropriations	73,409	-	73,409
Sales and services	764	-	764
Other	821,867	453,901	1,275,768
Transfers in	<u>37,529</u>	<u>-</u>	<u>37,529</u>
Total additions	<u>933,569</u>	<u>453,901</u>	<u>1,387,470</u>
Deductions:			
Salaries and benefits	87	255,066	255,153
Services	704,031	60,075	764,106
Materials and supplies	110,944	10,532	121,476
Travel	112,713	8,375	121,088
Other	5,615	126,046	131,661
Transfers out	<u>1,430</u>	<u>-</u>	<u>1,430</u>
Total deductions	<u>934,820</u>	<u>460,094</u>	<u>1,394,914</u>
Changes in net position	(1,251)	(6,193)	(7,444)
Net position beginning of year	<u>446,962</u>	<u>185,930</u>	<u>632,892</u>
Net position end of year	<u>\$ 445,711</u>	<u>\$ 179,737</u>	<u>\$ 625,448</u>

Schedule 9

DES MOINES AREA COMMUNITY COLLEGE
 Credit and Contact Hours
 For the period from August 23, 2023 through August 1, 2024

Category	Credit hours eligible for aid	Contact hours		Total
		Eligible for aid	Not eligible for aid	
Arts and sciences	287,187	5,279,541	-	5,279,541
Vocational education	122,445	2,758,129	-	2,758,129
Adult education/continuing education	-	893,322	97,353	990,675
Total	409,632	8,930,992	97,353	9,028,345

DES MOINES AREA COMMUNITY COLLEGE

Taxes and Intergovernmental Revenues

(Excluding the Agency Funds)

For the Last Ten Years

	Years ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Local (property tax)	\$ 42,311,841	\$ 37,675,725	\$ 34,904,382	\$ 31,634,444	\$ 29,741,933	\$ 30,152,549	\$ 27,282,408	\$ 27,996,241	\$ 24,905,167	\$ 23,561,603
State	49,510,863	48,307,413	46,150,330	43,817,241	44,314,541	42,568,572	41,790,288	41,942,149	42,447,764	42,315,794
Federal	25,701,710	28,124,586	46,720,310	39,164,093	24,124,186	22,734,514	24,140,494	23,948,913	28,349,064	32,320,757
Total	<u>\$117,524,414</u>	<u>\$114,107,724</u>	<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>

DES MOINES AREA COMMUNITY COLLEGE

Current Fund Revenues by Source

and Expenditures by Function

For the Last Ten Years

	Years ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Tuition and fees	\$ 65,360,299	\$ 63,585,928	\$ 57,799,097	\$ 60,034,392	\$ 59,031,500	\$ 60,913,176	\$ 59,450,084	\$ 56,812,281	\$ 56,082,724	\$ 55,497,150
Property tax	30,793,990	26,688,984	24,461,778	21,551,453	20,504,926	21,351,789	19,086,163	20,155,662	17,440,485	16,305,177
Federal appropriations	24,701,710	28,124,586	46,720,310	39,164,093	24,124,186	22,734,514	24,140,494	23,948,913	28,349,064	32,320,757
State appropriations	48,447,248	47,071,099	45,189,034	43,110,189	43,176,246	41,907,823	41,135,166	41,282,896	41,777,023	41,462,061
Interest income from investments	4,472,917	3,424,212	222,677	262,880	1,063,494	1,526,333	936,672	407,187	214,866	185,744
Iowa Industrial New Jobs Training Program	11,104,302	13,886,150	11,423,195	6,892,730	9,599,482	10,030,932	11,593,051	9,652,203	8,047,866	13,635,607
Auxiliary enterprises revenue	2,673,037	2,654,571	2,459,297	1,908,556	2,174,523	2,296,228	2,284,187	2,199,499	1,732,748	2,247,636
Miscellaneous	14,856,202	15,436,627	12,394,034	10,109,172	13,328,089	13,447,949	11,760,590	9,995,537	10,171,523	9,204,026
Total	\$202,409,705	\$ 200,872,157	\$ 200,669,422	\$ 183,033,465	\$ 173,002,446	\$ 174,208,744	\$ 170,386,407	\$ 164,454,178	\$ 163,816,299	\$ 170,858,158
Expenditures										
Liberal arts and sciences	\$ 30,617,810	\$ 29,097,413	\$ 28,868,117	\$ 29,029,239	\$ 30,122,696	\$ 29,665,840	\$ 29,180,129	\$ 28,585,988	\$ 28,763,674	\$ 29,513,883
Vocational technical	42,136,164	40,870,879	38,565,706	36,950,290	37,633,995	35,715,660	34,883,526	34,607,269	34,127,073	33,531,331
Adult education	16,796,987	16,864,110	14,599,407	12,966,882	13,069,615	15,226,240	14,816,071	14,447,609	15,856,443	17,025,831
Cooperative services	8,089,952	10,542,393	7,656,063	3,964,640	6,341,487	7,042,151	8,915,303	6,766,371	4,553,284	9,447,573
Administration	4,901,975	3,962,273	3,701,573	3,447,106	3,948,577	4,035,187	3,791,371	3,891,486	3,876,910	4,002,173
Student services	16,164,799	14,756,410	14,326,470	12,960,916	12,937,526	12,076,380	11,835,687	11,461,316	11,465,838	11,102,412
Learning resources	3,494,815	3,643,621	3,658,607	3,797,611	3,457,816	3,217,955	3,121,318	3,112,975	3,249,642	3,254,168
Physical plant	21,637,253	19,999,857	16,657,782	14,537,045	14,137,639	14,087,374	13,121,389	12,660,186	12,556,889	12,321,904
General institution	22,918,572	27,411,590	23,982,368	20,652,607	20,385,442	19,501,533	19,650,424	20,191,339	18,440,140	15,867,283
Auxiliary enterprises	9,318,114	7,957,723	7,605,824	5,967,440	7,051,735	7,250,541	6,011,804	4,682,955	3,693,576	3,859,034
Scholarships and grants	19,506,094	16,814,169	29,813,059	23,733,448	19,489,475	19,006,059	19,809,893	18,601,681	20,954,242	24,326,291
Interest on indebtedness	1,567,830	1,457,807	1,331,731	1,358,178	1,405,428	1,268,510	1,323,155	1,445,722	1,460,843	1,959,968
Total	\$ 197,150,365	\$ 193,378,245	\$ 190,766,707	\$ 169,365,402	\$ 169,981,431	\$ 168,093,430	\$ 166,460,070	\$ 160,454,897	\$ 158,998,554	\$ 166,211,851

Des Moines Area Community College
Schedule of Expenditures of Federal Awards (SEFA)
Federal Expenditures for July 1, 2023 through June 30, 2024

Grantor/Program	Assistance Listing	Pass-through Entity Identifying Number	Federal Expenditures	New Loans & New Loan Guarantees
U.S. Department of Education				
Direct:				
Federal Supplemental Educational Opportunity Grant	84.007		402,632	-
Federal Work Study Program	84.033		367,445	-
Federal Pell Grant Program	84.063		18,420,734	-
Federal Pell Grant Administrative Fee	84.063		24,110	-
Federal Direct Student Loans	84.268		-	21,967,828
Total Student Financial Assistance Cluster			19,214,921	21,967,828
Direct Trio Grants:				
Student Support Services FY21-25 Award	84.042A	P042A200339	389,134	-
Student Support Services-Grant Aid FY21-25 Award	84.042A	P042A200339	34,100	-
Upward Bound FY23-28 Award	84.047A	P047A220397	302,809	-
Childcare Access Means Parents in School- FY22-26 Award	84.335A	P335A210026	237,287	-
Total Trio Grants			963,330	-
Direct CARES Act:				
Higher Education Emergency Relief Fund III - Institutional	84.425F	P425F200145	18,388	-
Total CARES Act			18,388	-
Indirect through Iowa Department of Education:				
Adult Education-Adult Basic Education - FY21-25 Award	84.002A	G21027	938,023	-
Career and Technical Education-Vocational Education - Perkins V Funds	84.048A	G-PER 21-189	1,287,965	-
Career and Technical Education-Perkins V-College & Career Transition Counselors	84.048	G-CCTC 22-DMACC	7,500	-
Career and Technical Education-Perkins V-College & Career Transition Counselors	84.048	G-CCTC 23-DMACC	40,000	-
Career and Technical Education-Perkins Iowa FCCLA	84.048	SO0519	38,285	-
Career and Technical Education-Perkins Iowa DECA	84.048	SO0219	16,613	-
Career and Technical Education-Perkins Iowa HOSA	84.048	SO0719	15,055	-
Career and Technical Education-Perkins Iowa Skills USA	84.048	SO0919	20,069	-
Total through Iowa Department of Education			2,363,510	-
Indirect through Iowa Department of Corrections:				
Title I-Newton Correctional Facility (NCF)	84.048	50208	15,000	-
Title I-Iowa Correctional Institute for Women (ICIW)	84.048	50169	15,000	-
Career and Technical Education-Vocational Education - Perkins Funds NCF	84.048	50208	5,973	-
Career and Technical Education-Vocational Education - Perkins Funds ICIW	84.048	50169	2,440	-
Total through Iowa Department of Corrections			38,413	-
Indirect through Iowa Vocational Rehabilitation Services:				
Vocational Rehabilitation Grants to States	84.126	17-VRIN-01	140,915	-
Total Indirect through Iowa Vocational Rehabilitation Services			140,915	-
Indirect through Indian Hills Community College				
Iowa College and Career Transition Counselor Initiative	84.116Z	20-6-5177-41	71,666	-
Total Indirect through Indian Hills Community College			71,666	-
Total U.S. Department of Education			22,811,143	21,967,828

See accompanying independent auditor's report.

**Des Moines Area Community College
Schedule of Expenditures of Federal Awards (SEFA)
Federal Expenditures for July 1, 2023 through June 30, 2024**

Grantor/Program	Assistance Listing Number	Pass- Entity Number	Federal Expenditure	New Loans New Guarantee
U.S. Department of				
Animal and Plant Health Inspection				
USDA Animal and Plant Health Inspection Service (NVSL) 2022-	10.02	AP22VSD&B000C06	3,73	-
USDA Animal and Plant Health Inspection Service (NVSL) 2023-	10.02	AP23VSD&B000C00	134,57	-
Food & Nutrition Services				
Indirect through Team Nutrition				
State Admin Matching Grants for the Supplemental Nutrition Food	10.56	ACFS-22-	61,25	
Indirect through IA Dept of				
Child and Adult Care Food Program	10.55	9911000	11,92	-
Total U.S. Department of			211,48	-
Department of Labor, Employment and Training				
Direct				
Job Corp Scholars	17.28	23O60JC035144-01-	13,22	-
Workforce Data Quality Initiative: Strengthening Community	17.26	23A60CC00001-01-	680,36	-
Subaward to Hawkeye Community			19,69	-
Subaward to Indian Hills Community			495,53	-
YouthBuild	17.27	YB343001960A1	48,93	-
Community Project	17.28	CP000207-01-	114,16	-
Total Direct Department of			<u>1,371,92</u>	<u>-</u>
Total Department of			1,371,92	-
Department of Transportation-Federal Motor Carrier Safety				
Direct				
FY2022 Commercial Motor Vehicle Operator Safety Training Grant	20.23	FM-DTG-0137-22-01-	-	-
FY2021 Commercial Motor Vehicle Operator Safety Training Grant	20.23	FM-DTG-0180-23-01-	124,14	-
Total Department of			124,14	-
National Science Foundation, STEM				
Direct				
NSF Scholarships in	47.07	156479	4,50	-
NSF Advanced Technological	47.07	230087	28,87	-
Indirect through Iowa State				
Education and Human	47.07	026450	27,14	-
Total National Science			60,51	-
Small Business				
Indirect through International Rescue Committee				
Technical Assistance - Community Navigators Pilot Program	59.007	SBAHQ22CNP0002	14,005	-
Total Small Business Administration			14,005	-
Environmental Protection Agency				
Direct:				
Technical Assistance for Treatment Works	66.446	96703301	78,591	-
Total Environmental Protection Agency			78,591	-
Total Federal Expenditures			24,671,802	21,967,828

See accompanying independent auditor's report.

Des Moines Area Community College
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2023

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, 2024. 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, 2024.

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, 2024, and the related notes to financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 4, 2024. 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 or significant deficiencies 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.

Denman CPA LLP
Denman CPA LLP

West Des Moines, Iowa
November 4, 2024

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, 2024. 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, 2024.

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.

Denman CPA LLP
Denman CPA LLP

West Des Moines, Iowa
November 4, 2024

**Des Moines Area Community College
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2024**

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 **X** No
- Significant deficiency(ies) identified? Yes **X** None Reported

Noncompliance material to financial statements noted? Yes **X** No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes **X** No
- Significant deficiency(ies) identified? Yes **X** 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 **X** No

Identification of major federal programs:

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

Assistance Listing Number 84.002A –Adult Education – Adult Basic Education – FY21-25 Award

Assistance Listing Number 17.261 – Workforce Data Quality Initiative – Strengthening Community Colleges

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

\$750,000

Auditee qualified as low-risk auditee?

 X Yes No

Des Moines Area Community College
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2024

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