

**Des Moines Area Community College**

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

**June 30, 2025**

## TABLE OF CONTENTS

		<u>Page</u>
<b>OFFICIALS</b>		3
<b>INDEPENDENT AUDITOR'S REPORT</b>		4-6
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>		7-15
<b>BASIC FINANCIAL STATEMENTS</b>		16
	<b><u>Exhibit</u></b>	
Statement of net position	A	17-18
Statement of revenues, expenses and changes in net position	B	19
Statement of cash flows	C	20-21
Statement of fiduciary net position – custodial funds	D	22
Statement of changes in fiduciary net position – custodial funds	E	23
Notes to financial statements		24-40
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>		41
Schedule of College's proportionate share of the net pension liability		42
Schedule of College contributions		43
Notes to required supplementary information – pension liability		44
Schedule of College's early retirement liability		45
Schedule of changes in College's total OPEB liability, related ratios and notes		46
<b>OTHER SUPPLEMENTARY INFORMATION</b>		47
	<b><u>Schedule</u></b>	
Budgetary comparison schedule of expenditures--budget to actual	1	48
Note to budgetary reporting		48
Combining balance sheet – all funds	2	49-50
Combining schedule of revenues, expenditures and changes in fund balances – all funds	3	51
Combining schedule of revenues, expenditures and changes in fund balances (deficit) – unrestricted fund	4	52
Combining schedule of revenues, expenditures and changes in fund balances (deficit) – auxiliary enterprises	5	53
Combining schedule of revenues, expenditures and changes in fund balances (deficit) – restricted funds	6	54
Balance sheet – custodial funds	7	55
Combining schedule of changes in fiduciary net position – custodial funds	8	56
Schedule of credit and contact hours	9	57
Schedule of tax and intergovernmental revenues	10	58
Schedule of current fund revenues by source and expenditures by function	11	59
Schedule of expenditures of federal awards (SEFA)	12	60-62
Notes to schedule of expenditures of federal awards		63
<b>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 <i>GOVERNMENT AUDITING STANDARDS</i></b>		64-65
<b>INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE</b>		66-67
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>		68-69

**Des Moines Area Community College  
OFFICIALS**

<u>Name</u>	<u>Title</u>	<u>Term expires</u>
<b>Board of Directors</b>		
Joe Pugel	President	2025
Kevin Halterman	Vice President	2025
Angela Jackson	Member	2025
Jim Gossett (resigned 2/25)	Member	2025
Trish Roberts (appointed 2/25)	Member	2025
Felix Gallagher	Member	2027
Cheryl Langston	Member	2027
Denny Presnall	Member	2027
Fred Greiner	Member	2027
Madelyn Tursi	Member	2027
<b>Community College</b>		
Robert Denson	President	
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 Resource	
Debbie Kepple-Mamros	Executive Director, Institutional Effectiveness	
Ben Voaklander	Controller	
Brooke Stowe	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, 2025, 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, 2025, 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 42 through 46 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, 2024 (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 as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2025, 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

West Des Moines, Iowa  
November 3, 2025

---

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

Management of Des Moines Area Community College (the College) provides this Management's Discussion and Analysis of the College's annual financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2025. We encourage readers to consider this information in conjunction with the College's financial statements, which follow.

### **FINANCIAL HIGHLIGHTS**

- College operating revenues increased approximately \$5.8 million or 6.9%. The increase is attributable to many factors. The College had a 4.5% increase in its regular, non-concurrent high school enrollment and a 4.3% tuition rate increase which generated an additional \$6.8 million of tuition revenue, a \$5.9 million increase in its scholarship allowance, and a \$1.9 million increase in its concurrent enrollment revenues, which increased overall tuition revenues by \$2.8 million. Training revenue to the College under the Iowa Industrial New Jobs Training Program increased by \$3 million or 27%. Federal, Auxiliary and Miscellaneous revenues remained steady when compared to FY24.
- College operating expenses increased by \$9.6 million or 5%. Liberal Arts, Career Education, and Adult Education increased by \$3.5 million or 4%. Cooperative Services increased by \$2.6 million or 32%. The Cooperative Services increase relates to the timing of training reimbursements made from the Iowa Industrial New Jobs Training Program. Physical Plant costs increased by \$2.1 million or 7.9%. General Institution increased by \$214,331 or 0.9%. Administration, Student Services, and Learning Resources increased by \$409,062 or 1.7%. Employees at the College received 4% wage increases and health insurance premiums increased by 3.25%, and several new positions were added at the College in the areas of Liberal Arts, Career Education and Student Services. The College also continues to see increased operating costs in the areas of facilities and technology. Depreciation and Bad Debt expense increased by \$773,420.
- The College's net position increased by approximately \$15.9 million or 10.5%. The net investment in capital assets increased by \$9.5 million. The capital assets increase relates to the College's construction projects and ongoing equipment purchases. The unrestricted net position increased by \$4 million due primarily to an increase in tuition and investment revenues. The College's restricted net position increased by \$2.4 million.

### **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 the College's total OPEB liability, 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 various federal programs benefiting the College.

---

**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

---

**REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES***The Statement of Net Position*

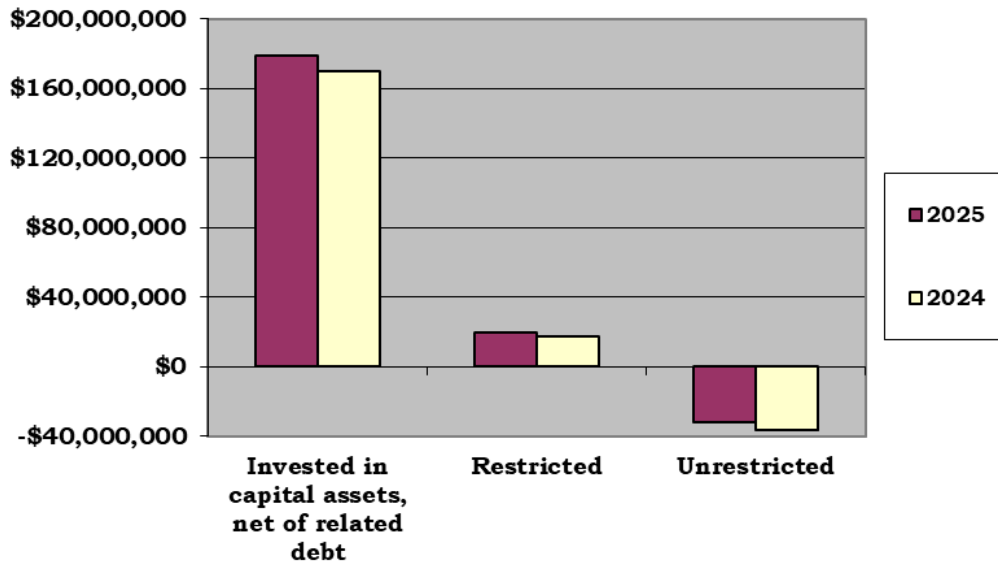
The Statement of Net Position presents financial information on all of the College's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. The Statement of Net Position is a point-in-time financial statement. The purpose of this statement is to present a fiscal snapshot of the College to the readers of the financial statements. The Statement of Net Position includes year-end information concerning current and 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 which can be used to satisfy those liabilities.

	<b>June 30</b>	
	<b>2025</b>	<b>2024</b>
Current assets	\$163,978,126	\$163,351,075
Noncurrent assets	25,019,597	29,382,170
Capital assets, net of accumulated depreciation/amortization	<u>211,613,869</u>	<u>205,427,923</u>
Total assets	<u>400,611,592</u>	<u>398,161,168</u>
Deferred outflows of resources	<u>14,535,343</u>	<u>16,194,424</u>
Current liabilities	58,081,375	64,143,892
Noncurrent liabilities	<u>130,776,129</u>	<u>147,733,721</u>
Total liabilities	<u>188,857,504</u>	<u>211,877,613</u>
Deferred inflows of resources	<u>59,762,767</u>	<u>51,862,122</u>
Net position		
Net investment in capital assets	179,153,809	169,672,635
Restricted	19,784,911	17,334,248
Unrestricted	<u>(32,412,056)</u>	<u>(36,391,026)</u>
Total net position	<u>\$166,526,664</u>	<u>\$150,615,857</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES (continued)**

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, 2025, was \$19,631,118. In the past, pension expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of pension expenses, which is more reflective of the amounts employees earned during the year. The negative net position because 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, 2025, was \$17,573,630. The College provides a Retirement Cash Benefit Plan for 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 because 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, 2025, was \$19,817,109. 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 because of the OPEB liability is reported against the unrestricted net position.

---

**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

---

**REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES (continued)**

*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.

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/amortization, which allocates the cost of an asset over its expected useful life.

*Changes in Net Position*

	<b>Year ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Operating revenues		
Tuition and fees	\$ 48,700,034	\$ 45,854,205
Federal appropriations	7,505,402	7,280,976
Iowa Industrial New Jobs Training Program	14,017,119	11,104,302
Auxiliary enterprises	2,552,071	2,587,718
Miscellaneous	<u>17,123,463</u>	<u>17,247,782</u>
Total operating revenues	89,898,089	84,074,983
Total operating expenses	<u>196,515,815</u>	<u>186,867,840</u>
Operating loss	<u>(106,617,726)</u>	<u>(102,792,857)</u>
Nonoperating revenues (expenses)		
State appropriations	50,875,761	49,510,863
Pell grant	23,977,274	18,420,734
Property tax	46,324,467	42,311,841
Interest and investment income	3,511,129	4,472,917
Loss on disposition of capital assets	(217,131)	(192,474)
Interest on indebtedness	<u>(1,919,866)</u>	<u>(2,104,919)</u>
Net nonoperating revenues	<u>122,551,634</u>	<u>112,418,962</u>
Change in net position	15,933,908	9,626,105
Transfers to custodial funds	(23,101)	(36,100)
Net position		
Beginning	<u>150,615,857</u>	<u>141,025,852</u>
Ending	<u>\$166,526,664</u>	<u>\$150,615,857</u>

The Statement of Revenues, Expenses and Changes in Net Position reflects a positive year, with an increase in net position of \$15.9 million at the end of the fiscal year. This increase is the net result of a \$4 million increase in the general unrestricted funds, a \$2.4 million increase in the general restricted funds, and a \$9.5 million increase in capital assets net of related debt.

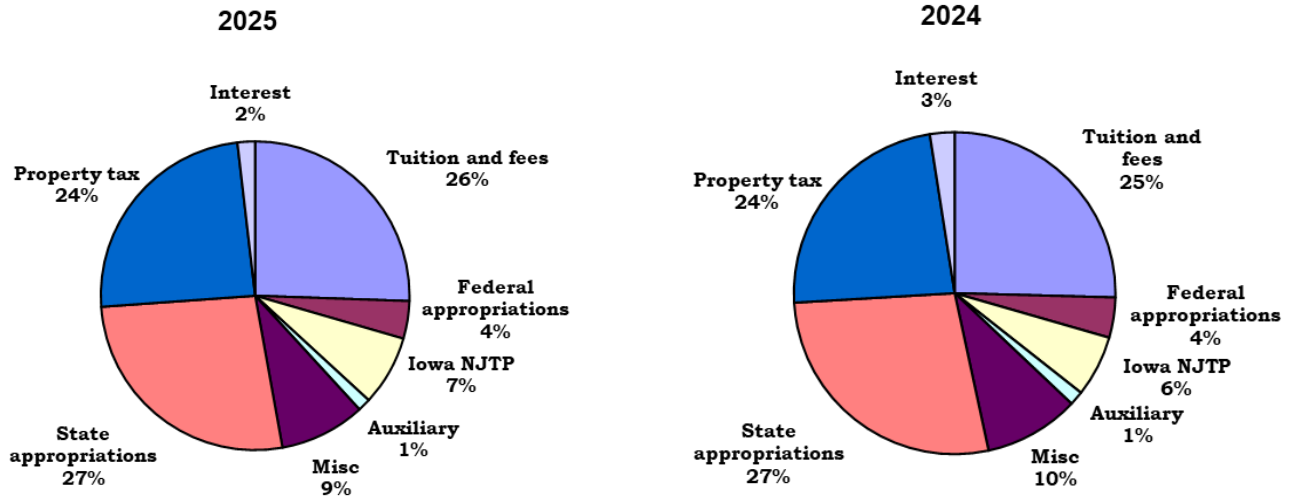
---

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

---

### REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES (continued)

#### Total Revenues by Source



In fiscal year 2025, operating revenues increased by approximately \$5.8 million or 6.9%. The increase was primarily a result of the following changes:

- Tuition and fees, net of scholarship allowances, increased approximately \$2.8 million or 6.2%. The increase is attributable to a 4.5% regular credit enrollment increase and an increase of \$5.9 million in scholarship allowance. For financial reporting purposes, scholarship allowances reduce tuition revenue. Tuition per credit also increased by \$8 or 4.3% for FY25, which with the enrollment increase generated an additional \$6.8 million of tuition revenue. Increases in the College's high school concurrent enrollments generated an additional \$1.9 million of tuition revenue.
- The College facilitates training for new employees of area businesses under the Iowa Industrial New Jobs Training Program. The revenue from these training projects increased \$3 million or 27%. The College sold \$7.205 million in New Jobs Training Certificates during the fiscal year. The College recognizes revenue as the training funds are drawn by the companies, and the companies have three years to utilize the training funds. The revenue recognition can fluctuate due to the timing of the companies' training plans.
- Miscellaneous revenue decreased slightly by \$124,319 or 0.72%.
- Federal appropriations increased slightly by approximately \$224,426 or 3%.
- Auxiliary revenues remained steady.
- Interest income decreased by \$961,788 or 21.5%. The College experienced lower rates of return and had lower cash balances during fiscal year 2025.

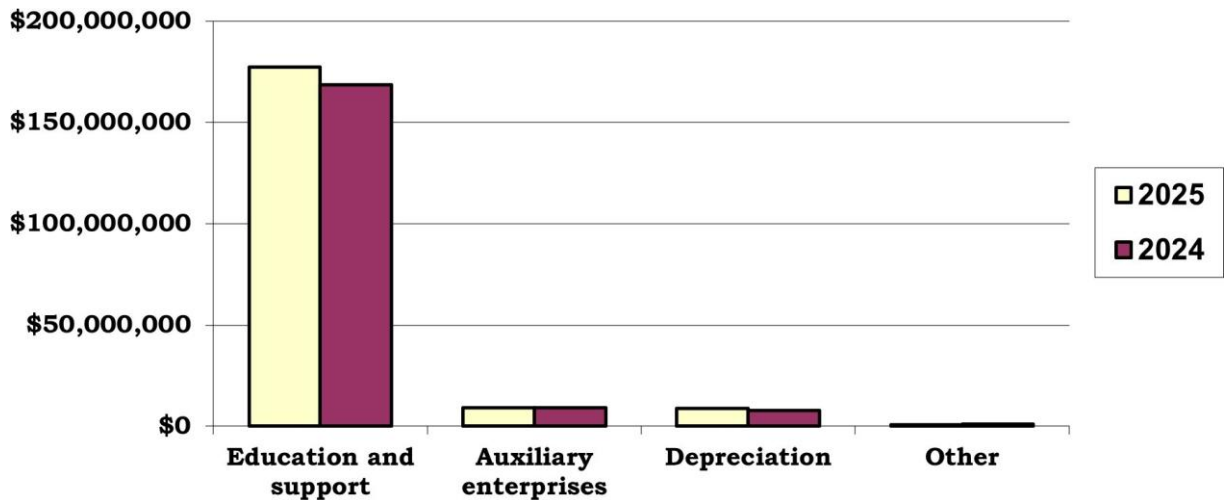
**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES (continued)**

Operating Expenses

	<u>Year ended June 30</u>	
	<u>2025</u>	<u>2024</u>
Education and support		
Liberal arts and sciences	\$ 30,624,797	\$ 29,804,920
Career and technical	41,604,969	40,597,842
Adult education	18,313,943	16,649,606
Cooperative services	10,655,728	8,037,450
Administration	4,522,360	4,743,789
Student services	16,840,567	16,059,893
Learning resources	3,304,624	3,454,807
Physical plant	29,453,331	27,302,253
General institution	22,166,051	21,951,717
Auxiliary enterprises	9,308,576	9,318,114
Loan cancellations and bad debts	777,341	901,995
Administrative and collection costs	63,018	69,937
Depreciation/amortization	8,880,510	7,975,517
<b>Total</b>	<u>\$196,515,815</u>	<u>\$186,867,840</u>

Total Expenses



In fiscal year 2025, operating expenses increased by approximately \$9.6 million or 5%. The following factors contribute to the change:

- Faculty and staff salaries increased by 4% and health insurance premiums increased by 3.25%. The College also engaged in a compensation study for its professional and administrative staff resulting in \$335,000 of salary adjustments. Several new positions were also added during the fiscal year.
- Bad debt and collection costs decreased by \$131,573.
- Physical Plant and General Institution expenses increased by \$2.3 million or 4.6%. The College continues to see increased operational costs associated with facilities and technology.
- Depreciation/amortization increased by \$904,993. The increase in depreciation is attributable to the completion of the new Transportation Institute building and driving concourse and increased depreciation associated with right-to-use subscription assets.

---

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

---

### REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES (continued)

#### 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.

	<b>Year ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Cash provided by (used in):		
Operating activities	\$(101,460,774)	\$(100,567,163)
Noncapital financing activities	117,737,730	105,359,055
Capital and related financing activities	(23,775,587)	(21,050,028)
Investing activities	<u>3,511,129</u>	<u>4,472,917</u>
Net change in cash	(3,987,502)	(11,785,219)
Cash, beginning of year	<u>77,039,651</u>	<u>88,824,870</u>
Cash, end of year	<u>\$ 73,052,149</u>	<u>\$ 77,039,651</u>

Cash used in operating activities includes tuition, fees, grants and contracts, and net payments to employees and to suppliers. Cash provided by noncapital financing activities includes state appropriations, Pell grants, local property tax receipts, proceeds from New Jobs Training Programs debt issuance, 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 on the purchase and sale of investments.

Cash used in operating activities increased by \$893,611. Payroll and operating expenses continue to increase for the College. Increased tuition and New Jobs Training receipts offset a portion of those operating expense increases.

Cash provided by noncapital financing activities increased by \$12.4 million. Property tax collections increased by \$4 million due to increased valuations and increased insurance costs for the College. The New Jobs Training bond sale increased by \$2.2 million over the previous fiscal year. The bond sales are contingent on area businesses engaging with the College and adding new positions. Pell grant receipts increased by \$5.5 million which is attributable to an increase in enrollment.

Cash used in capital and related financing activities increased by \$2.7 million. The College completed the new Transportation Institute building and driving concourse during the fiscal year.

The cash provided by investing activities decreased by \$961,788. Lower rates of return and lower cash balances during fiscal year 2025 accounted for this decrease.

---

**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

---

**CAPITAL ASSETS**

On June 30, 2025, the College had approximately \$341.8 million invested in capital assets, net of accumulated depreciation of \$130.2 million. Depreciation/amortization charges totaled \$8.9 million for fiscal year 2025. Details of the capital assets are below.

**Capital Assets, Net, at Year-end**

	June 30	
	2025	2024
Land	\$ 8,766,402	\$ 8,766,402
Buildings	166,823,546	163,962,421
Construction in progress	3,650,877	4,673,539
Improvements other than buildings	6,233,517	6,620,010
Equipment and vehicles	7,610,194	7,668,315
Right-to-use subscription assets	18,529,333	13,737,235
Total	\$211,613,869	\$205,427,922

The College budgets approximately \$1.65 million annually for technology upgrades. The College also plans to spend an estimated \$1.95 million annually for maintenance on the buildings and grounds and an additional \$760,000 on safety and security upgrades.

The College has an approved nine cent per thousand levy for equipment. This levy results in the College receiving an additional \$5.7 million per year for equipment replacement.

**DEBT**

On June 30, 2025, the College had \$66.06 million in debt outstanding, a decrease of \$9.22 million from fiscal year 2024. The table below summarizes these debt amounts by type.

**Outstanding Debt**

	June 30	
	2025	2024
Certificates payable	\$ 50,060,000	\$ 51,730,000
Plant fund capital loan notes payable	16,000,000	23,550,000
Total	\$ 66,060,000	\$ 75,280,000

The College sold an additional \$4.865 million of New Jobs Training Program certificates and \$40.355 million of Plant Fund capital loan notes in late October 2025.

---

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

---

### **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, 2025, the College received \$40.9 million. For fiscal year 2026, the College will receive \$42.8 million in State general aid. For future budget years, the College does anticipate there may be increases in State aid, but those increases may be less than what the College has experienced over the past several years due to lower than expected state revenue collections. 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, 2025, the College experienced an enrollment increase of 4.5% in its regular, non-concurrent enrollment credits. The College does anticipate that enrollment trends will be flat to decreasing in the future for its regular credits. For the current fall term, the College experienced a 2.6% decrease in enrollment and anticipates that spring enrollment may be slightly down, or flat.
- The College's concurrent high school credit enrollment was up 6% in fiscal year 2025. Concurrent high school enrollments generate approximately \$14 million in revenues for the College. For the current fall term, the College continues to see increases in concurrent high school 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 \$4.865 million for the 2025 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 construction on a Dental Learning Clinic building and an Industrial Trades building. It is anticipated that construction on both buildings will be completed in early 2027.
- 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 has also entered into agreements for managed print services and networking services.

The College anticipates the current fiscal year (Fiscal Year 2026) 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**

**Des Moines Area Community College**  
**STATEMENT OF NET POSITION**  
June 30, 2025

	<u>College</u>	<u>Foundation</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and short-term pooled investments	\$ 73,052,149	\$ 2,589,821
Pooled investments	-	25,182,735
Receivables:		
Accounts receivable, net of allowance of \$313,785	28,542,357	1,287,419
Succeeding year property tax	49,076,634	-
Iowa Industrial New Jobs Training Program	8,559,548	-
Due from other governments	3,772,322	-
Lease receivable	454,527	-
Other	-	57,757
Inventories	350,161	-
Prepaid expenses	<u>170,428</u>	<u>2,925</u>
Total current assets	<u>163,978,126</u>	<u>29,120,657</u>
<b>Noncurrent assets:</b>		
Receivables:		
Iowa Industrial New Jobs Training Program	24,460,042	-
Lease receivable	559,555	-
Capital assets, net of accumulated depreciation/amortization	<u>211,613,869</u>	<u>-</u>
Total noncurrent assets	<u>236,633,466</u>	<u>-</u>
<b>Total assets</b>	<u>400,611,592</u>	<u>29,120,657</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related deferred outflows	13,595,359	-
OPEB related deferred outflows	<u>939,984</u>	<u>-</u>
Total deferred outflows of resources	<u>14,535,343</u>	<u>-</u>

**Des Moines Area Community College**  
**STATEMENT OF NET POSITION (continued)**  
June 30, 2025

	<u>College</u>	<u>Foundation</u>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 2,613,635	\$ -
Payable to Des Moines Area Community College	-	1,267,082
Salaries and benefits payable	5,064,600	-
Self-funded health claims payable	3,042,932	-
Accrued interest payable	183,103	-
Unearned revenue:		
Tuition	17,420,694	-
Iowa Industrial New Jobs Training Program	11,859,952	-
Net pension liability	1,299,636	-
Total OPEB liability	829,987	-
Deposits held in custody for others	440,360	-
Subscription liabilities	3,854,312	-
Certificates payable	7,019,520	-
Plant fund capital loan notes payable	4,452,644	-
Total current liabilities	<u>58,081,375</u>	<u>1,267,082</u>
<b>Noncurrent Liabilities:</b>		
Compensated absences	2,558,000	-
Unearned revenue, Iowa Industrial New Jobs Training Program	4,015,879	-
Net pension liability	35,905,112	-
Total OPEB liability	18,987,122	-
Subscription liabilities	12,605,748	-
Certificates payable	43,384,056	-
Plant fund capital loan notes payable	13,320,212	-
Total noncurrent liabilities	<u>130,776,129</u>	<u>-</u>
<b>Total liabilities</b>	<u>188,857,504</u>	<u>1,267,082</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable property tax revenue	49,076,634	-
Pension related deferred inflows	4,633,078	-
OPEB related deferred inflows	5,038,973	-
Lease related deferred inflows	1,014,082	-
<b>Total deferred inflows of resources</b>	<u>59,762,767</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	179,153,809	-
Restricted:		
Nonexpendable		
Cash reserves	755,088	-
Scholarships and fellowships	-	7,269,492
Expendable:		
Scholarships and fellowships	310,122	-
Loans	49,132	-
Other	18,670,569	18,707,163
Unrestricted	<u>(32,412,056)</u>	<u>1,876,920</u>
<b>Total net position</b>	<u>\$166,526,664</u>	<u>\$ 27,853,575</u>

**Des Moines Area Community College**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
Year ended June 30, 2025

	<u>College</u>	<u>Foundation</u>
<b>OPERATING REVENUES</b>		
Tuition and fees, net of scholarship allowances of \$25,463,517	\$ 48,700,034	\$ —
Federal appropriations	7,505,402	—
Iowa Industrial New Jobs Training Program	14,017,119	—
Auxiliary enterprises	2,552,071	—
Contributions	—	4,136,886
Miscellaneous	17,123,463	—
Total operating revenues	<u>89,898,089</u>	<u>4,136,886</u>
<b>OPERATING EXPENSES</b>		
Education and support:		
Liberal arts and sciences	30,624,797	—
Career and technical	41,604,969	—
Adult education	18,313,943	—
Cooperative services	10,655,728	—
Administration	4,522,360	28,846
Student services	16,840,567	—
Learning resources	3,304,624	—
Physical plant	29,453,331	—
General institution	22,166,051	—
Auxiliary enterprises	9,308,576	—
Scholarships and grants	—	4,734,432
Loan cancellations and bad debts	777,341	—
Administrative and collection costs	63,018	—
Depreciation/amortization	8,880,510	—
Total operating expenses	<u>196,515,815</u>	<u>4,763,278</u>
<b>OPERATING (LOSS)</b>	<u>(106,617,726)</u>	<u>(626,392)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	50,875,761	—
Pell grant	23,977,274	—
Property tax	46,324,467	2,775,374
Interest and investment income	3,511,129	—
Loss on disposal of capital assets	(217,131)	—
Interest on indebtedness	(1,919,866)	—
Total nonoperating revenues (expenses)	<u>122,551,634</u>	<u>2,775,374</u>
<b>CHANGE IN NET POSITION</b>	15,933,908	2,148,982
<b>TRANSFERS TO CUSTODIAL FUNDS</b>	(23,101)	—
<b>NET POSITION</b>		
Beginning of year	<u>150,615,857</u>	<u>25,704,593</u>
End of year	<u>\$166,526,664</u>	<u>\$ 27,853,575</u>

**Des Moines Area Community College**  
**STATEMENT OF CASH FLOWS**  
Year ended June 30, 2025

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Tuition and fees	\$ 48,049,964
Federal appropriations	8,105,112
Iowa Industrial New Jobs Training Program	11,124,167
Payments to employees for salaries and benefits	(124,410,989)
Payments to suppliers for goods and services	(63,849,614)
Auxiliary enterprise receipts	2,552,071
Other receipts	<u>16,968,515</u>
Net cash (used in) operating activities	<u>(101,460,774)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State appropriations	50,735,709
Pell grant	23,977,274
Property tax	46,324,467
Net custodial fund activity	(26,388)
Proceeds from issuance of certificates payable	7,205,000
Principal paid on debt	(8,875,000)
Interest paid	<u>(1,603,332)</u>
Net cash provided by noncapital financing activities	<u>117,737,730</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital assets	(15,283,587)
Principal paid on debt	(7,550,000)
Interest paid	<u>(942,000)</u>
Net cash (used in) capital and related financing activities	<u>(23,775,587)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on investments	<u>3,511,129</u>
Net cash provided by investing activities	<u>3,511,129</u>
<b>NET CHANGE IN CASH AND SHORT-TERM POOLED INVESTMENTS</b>	(3,987,502)
<b>CASH AND SHORT-TERM POOLED INVESTMENTS</b>	
Beginning	<u>77,039,651</u>
Ending	<u>\$ 73,052,149</u>

**Des Moines Area Community College**  
**STATEMENT OF CASH FLOWS (continued)**  
**Year ended June 30, 2025**

<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>	
Operating loss	<u>\$(106,617,726)</u>
Adjustments to reconcile operating loss to net cash (used in) operating activities:	
Depreciation/amortization	8,880,510
Changes in assets and liabilities:	
Increase in accounts receivable	(1,492,651)
Decrease in Iowa Industrial New Jobs Training Program receivables	3,735,022
Decrease in due from other governments	459,657
Decrease in lease receivable	353,581
Increase in prepaid expenses	(25,342)
Increase in inventories	(83,756)
Decrease in accounts payable	(1,344,213)
Decrease in salaries and benefits payable	(1,679,344)
Decrease in unearned revenues	(5,785,393)
Decrease in net pension liability	(5,872,642)
Decrease in total OPEB liability	(2,592,588)
Increase in subscription liabilities	4,254,772
Decrease in deferred outflows of resources	1,659,081
Increase in deferred inflows of resources	4,705,154
Decrease in deposits held in custody for others	<u>(14,896)</u>
Total adjustments	<u>5,156,952</u>
Net cash (used in) operating activities	<u>\$(101,460,774)</u>

**Des Moines Area Community College**  
**STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS**  
**June 30, 2025**

**ASSETS**

Cash and short-term pooled investments	\$ 803,887
Total assets	<u>803,887</u>

**LIABILITIES**

Accounts payable	<u>62,908</u>
Total liabilities	<u>62,908</u>

**NET POSITION**

Restricted:	
Other	<u>\$ 740,979</u>

**Des Moines Area Community College**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS**  
**For the year ended June 30, 2025**

<b>ADDITIONS</b>	
Federal appropriations	\$ 50,300
Other	1,415,755
Transfers in	<u>23,200</u>
Total additions	<u>1,489,255</u>
<b>DEDUCTIONS</b>	
Salaries and benefits	264,994
Services	689,717
Materials and supplies	148,114
Travel	138,107
Other	132,692
Transfers out	<u>100</u>
Total deductions	<u>1,373,724</u>
<b>CHANGE IN NET POSITION</b>	115,531
<b>NET POSITION</b> , beginning of year	<u>625,448</u>
<b>NET POSITION</b> , end of year	<u>\$ 740,979</u>

**Des Moines Area Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**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/amortization and outstanding debt obligations attributable to the acquisition, construction or improvement of those assets.

**Restricted Net Position**

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

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.

**Des Moines Area Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

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

**Financial Statement Presentation (continued)**

**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 activities council.

**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.

**Des Moines Area Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

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

**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.

**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, 2025 on NJTP projects, including interest incurred on NJTP certificates, less revenues received to date.

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

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

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

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

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

**Des Moines Area Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**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)**

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

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

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

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

**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 contracts that convey control of the right-to-use information technology software. The College has recognized subscription liabilities and intangible right-to-use assets in the 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 subscription liability is reduced by the principal portion of payments made. The right-to-use subscription asset is initially measured as the sum of the initial 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 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 subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

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

**Des Moines Area Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**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)**

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

**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. A liability is recorded when each of the following have occurred: the leave is attributable to services already rendered, the leave accumulates and carries forward from one reporting period to the next, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2025.

**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) which will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources in the Statement of Net Position consist 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 and OPEB expense, and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

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

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

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

**Operating and Nonoperating 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. Nonoperating activities include state appropriations, Pell grants, property tax and interest income.

**Des Moines Area Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

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

**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, 2025 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

As of June 30, 2025, the College's cash and short-term pooled investments are as follows:

<u>Deposits</u>	
Cash	\$ 34,738,515
Iowa Schools Joint Investment Trust	
Diversified Portfolio and Money Market	<u>38,313,634</u>
Totals	<u>\$ 73,052,149</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 investment in Iowa Schools Joint Investment Trust (ISJIT) is 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, 2025:

<u>Investments and Other</u>	<u>Total</u>
Cash	\$ 2,589,821
Money market funds	732,158
Mutual funds	<u>24,450,577</u>
Total	<u>\$ 27,772,556</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.

**Des Moines Area Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**NOTE 2 CASH AND POOLED INVESTMENTS (continued)**

*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 AAA by Standard & Poor's Financial Services.

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

**NOTE 3 INVENTORIES**

The College's inventories at June 30, 2025 are as follows:

<u>Type</u>	<u>Amount</u>
Supplies and materials	\$ 36,049
Merchandise held for resale	314,112
Total	\$ 350,161

**NOTE 4 CAPITAL ASSETS**

A summary of the change in capital assets for the year ended June 30, 2025 is as follows:

	<u>Balance beginning of year</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Balance end of year</u>
Capital assets not being depreciated/amortized					
Land	\$ 8,766,402	\$ —	\$ —	\$ —	\$ 8,766,402
Construction in progress	4,673,539	7,381,714	(8,404,376)	—	3,650,877
Total capital assets not being depreciated/amortized	13,439,941	7,381,714	(8,404,376)	—	12,417,279
Capital assets being depreciated/amortized					
Buildings	254,055,421	863,964	8,404,376	—	263,323,761
Improvements other than buildings	21,026,635	—	—	—	21,026,635
Equipment and vehicles	24,492,824	1,713,356	—	(1,747,843)	24,458,337
Right-to-use subscription assets	15,263,594	5,324,554	—	—	20,588,148
Total capital assets being depreciated/amortized	314,838,474	7,901,874	8,404,376	(1,747,843)	329,396,881
Less accumulated depreciation/amortization for					
Buildings	90,093,000	6,407,215	—	—	96,500,215
Improvements other than buildings	14,406,625	386,493	—	—	14,793,118
Equipment and vehicles	16,824,509	1,554,346	—	(1,530,712)	16,848,143
Right-to-use subscription assets	1,526,359	532,456	—	—	2,058,815
Total accumulated depreciation/amortization	122,850,493	8,880,510	—	(1,530,712)	130,200,291
Total capital assets being depreciated/amortized, net	191,987,981	(978,636)	8,404,376	(217,131)	199,196,590
Capital assets, net	\$205,427,922	\$ 6,403,078	\$ —	\$ (217,131)	\$211,613,869

Construction in progress at June 30, 2025 includes the Newton Legacy Green Space, the Dental building and the Trades & Industrial building on the Ankeny Campus.

**Des Moines Area Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**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, 2025 are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 454,527	\$ 15,254	\$ 469,781
2027	135,226	9,567	144,793
2028	51,284	7,823	59,107
2029	53,714	6,799	60,513
Thereafter	<u>319,331</u>	<u>20,873</u>	<u>340,204</u>
Total	<u>\$ 1,014,082</u>	<u>\$ 60,316</u>	<u>\$ 1,074,398</u>

**NOTE 6 NONCURRENT LIABILITIES**

A summary of changes in noncurrent liabilities for the year ended June 30, 2025 is as follows:

	<u>Plant Fund Capital Loan Notes Payable</u>	<u>Certificates Payable</u>	<u>Unearned revenue, NJTP</u>	<u>Subscription Liabilities</u>
Balance, beginning of year	\$ 23,550,000	\$ 51,730,000	\$ 22,503,805	\$ 12,205,288
Additions	-	7,205,000	8,729,092	4,254,772
Reductions	<u>(7,550,000)</u>	<u>(8,875,000)</u>	<u>(15,357,066)</u>	<u>-</u>
	16,000,000	50,060,000	15,875,831	16,460,060
Plus net unamortized premium	<u>1,772,856</u>	<u>343,576</u>	<u>-</u>	<u>-</u>
Balance, end of year	17,772,856	50,403,576	15,875,831	16,460,060
Less current portion	<u>4,452,644</u>	<u>7,019,520</u>	<u>11,859,952</u>	<u>3,854,312</u>
Total noncurrent liabilities	<u>\$ 13,320,212</u>	<u>\$ 43,384,056</u>	<u>\$ 4,015,879</u>	<u>\$ 12,605,748</u>

	<u>Total OPEB Liability</u>	<u>Early Retirement and Net Pension Liability</u>	<u>Compensated Absences</u>	<u>Total</u>
Balance, beginning of year	\$ 22,409,697	\$ 43,077,390	\$ 2,395,000	\$ 177,871,180
Additions	1,955,515	4,286,618	163,000	26,593,997
Reductions	<u>(4,548,103)</u>	<u>(10,159,260)</u>	<u>-</u>	<u>(46,489,429)</u>
	19,817,109	37,204,748	2,558,000	157,975,748
Plus net unamortized premium	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,116,432</u>
Balance, end of year	19,817,109	37,204,748	2,558,000	160,092,180
Less current portion	<u>829,987</u>	<u>1,299,636</u>	<u>-</u>	<u>29,316,051</u>
Total noncurrent liabilities	<u>\$ 18,987,122</u>	<u>\$ 35,905,112</u>	<u>\$ 2,558,000</u>	<u>\$ 130,776,129</u>

**Plant Fund Capital Loan Notes Payable**

The College has issued revenue bonds and notes payable for the purchase and construction of College properties as allowed by Section 260C.19 and Section 260C.58 of the Code of Iowa. Details of the scheduled maturities for the College's revenue bonds and notes payable at June 30, 2025 are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	<u>4,000,000</u>	<u>160,000</u>	<u>4,160,000</u>
Total	<u>\$ 16,000,000</u>	<u>\$ 1,600,000</u>	<u>\$ 17,600,000</u>

Plant fund capital loan notes payable consisted of the following at June 30, 2025:

Plant fund capital loan notes payable, dated July 30, 2019, with an interest rate of 4.00%	<u>\$ 16,000,000</u>
---	----------------------

**Des Moines Area Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**NOTE 6 NONCURRENT LIABILITIES (continued)**

**Certificates Payable**

Pursuant to agreements dated from 2018 to 2024, the College issued certificates totaling \$50,060,000 at June 30, 2025 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>
2026	\$ 6,945,000	\$ 1,614,548	\$ 8,559,548
2027	8,195,000	1,429,095	9,624,095
2028	8,870,000	1,204,880	10,074,880
2029	7,760,000	949,355	8,709,355
2030	6,320,000	721,945	7,041,945
2031-2034	<u>11,970,000</u>	<u>1,021,385</u>	<u>12,991,385</u>
Total	<u>\$ 50,060,000</u>	<u>\$ 6,941,208</u>	<u>\$ 57,001,208</u>

Since inception, the College has administered 904 projects, with 52 currently receiving project funding. Of the remaining projects, 739 have been completed and closed.

Total interest costs on the certificates during the year ended June 30, 2025 was \$1,679,805.

**Subscription Liabilities**

The College has entered into subscription license and services information technology agreements with vendors for financial and educational software with an initial subscription liabilities of \$20,588,148. The agreements require annual payments over an average term of 4.5 years and an implicit rate of 4.38%. During the year ended June 30, 2025, the College made payments in the amount of \$4,128,088.

Future principal and interest payments as of June 30, 2025 are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 3,854,312	\$ 705,625	\$ 4,559,937
2027	3,937,606	540,394	4,478,000
2028	4,110,073	367,927	4,478,000
2029	<u>4,558,069</u>	<u>187,906</u>	<u>4,745,975</u>
Total	<u>\$ 16,460,060</u>	<u>\$ 1,801,852</u>	<u>\$ 18,261,912</u>

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

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

**Des Moines Area Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

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

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

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

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

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 2025, 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, 2025 were \$5,018,341.

**Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** – At June 30, 2025, the College reported a liability of \$19,631,118 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2024, the College's proportion was 0.531605%, which was an increase of 0.017270% from its proportion measured as of June 30, 2023.

**Des Moines Area Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

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

For the year ended June 30, 2025, the College recognized pension expense of \$2,377,745. At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,562,065	\$ 12,195
Changes in assumptions	-	274
Net difference between projected and actual earnings on IPERS' investments	245,520	-
Changes in proportion and difference between College contributions and the College's proportionate share of contributions	1,522,158	210,611
College contributions subsequent to the measurement date	5,018,341	-
Totals	\$ 8,348,084	\$ 223,080

An amount of \$5,018,341 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 ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ending June 30</b>	<b>Amount</b>
2026	\$ (2,211,425)
2027	5,161,279
2028	556,521
2029	(446,973)
2030	47,261
Total	\$ 3,106,663

There were no non-employer contributing entities to IPERS.

**Actuarial Assumptions** – The total pension liability in the June 30, 2024 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 groups.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2024 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 2024 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

**Des Moines Area Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

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

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%	3.52%
International equity	13.0	5.18
Global smart beta equity	5.0	4.12
Core plus fixed income	25.5	3.04
Public credit	3.0	4.53
Cash	1.0	1.69
Private equity	17.0	8.89
Private real assets	9.0	4.25
Private credit	5.5	6.62
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 employee contributions will be made at the contractually required rate and contributions from the College will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments 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.

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
College's proportionate share of the net pension liability	<u>\$ 48,174,413</u>	<u>\$ 19,631,118</u>	<u>\$ (4,274,401)</u>

**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](http://www.ipers.org).

**NOTE 8 TEACHERS INSURANCE AND ANNUITY ASSOCIATION (TIAA)**

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

Benefit terms, including contribution requirements, for TIAA are established and specified by the plan with TIAA and in accordance with the Code of Iowa. For each employee in the pension plan, the 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, 2025 employee contributions totaled \$1,849,021 and the College recognized pension expense of \$2,775,002.

**Des Moines Area Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**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, up to a maximum of 100% of the employee's annual salary during the year of retirement.

**Plan Membership** – As of July 1, 2024, Plan membership consisted of the following:

Inactive members currently receiving benefits	20
Active members	<u>874</u>
Total	<u><u>894</u></u>

**Investment Policy** – The College's obligation is unfunded at July 1, 2024. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73.

**Total Early Retirement Pension Liability** – The College's total early retirement liability of \$17,573,630 at June 30, 2025 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2024.

**Early Retirement Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Early Retirement** – For the year ended June 30, 2025, the College recognized early retirement pension expense related to the Plan of \$2,012,197. At June 30, 2025, the College reported \$5,247,275 of deferred outflows and \$4,409,998 of deferred inflows of resources related to pension costs – early retirement, as summarized below:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,331,450	\$ 249,141
Changes in assumptions	1,167,912	4,160,857
College contributions subsequent to the measurement date	<u>1,747,913</u>	<u>–</u>
Total	<u><u>\$ 5,247,275</u></u>	<u><u>\$ 4,409,998</u></u>

An amount of \$1,747,913 reported as part of deferred outflows related to early retirement resulting from the College contributions subsequent to the measurement date will be recognized as a reduction of the early retirement liability in the year ending June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to early retirement will be recognized in early retirement pension expense as follows:

<b>Year ending June 30</b>	<b>Amount</b>
2026	\$ (8,466)
2027	(8,466)
2028	(189,762)
2029	(267,449)
2030	(154,500)
Thereafter	<u>(281,993)</u>
Total	<u><u>\$ (910,636)</u></u>

**Actuarial Assumptions** – The total early retirement pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions and the entry age normal level percentage of pay actuarial cost method, applied to all periods included in the measurement:

Rate of inflation (effective July 1, 2024)	3.00% per annum.
Rate of salary increase (effective July 1, 2024)	3.50% per annum.
Discount rate (effective July 1, 2024)	3.93% per annum.

**Des Moines Area Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**NOTE 9 PENSION COSTS – EARLY RETIREMENT (continued)**

**Discount, Mortality, and Other Rates** – The discount rate used to measure the total early retirement pension liability was 3.93%, 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 rates are based on Scale T-9 of the Actuary's Pension Handbook.

<u>Changes in the Total Early Retirement Pension Liability</u>	<u>Total Early Retirement Pension Liability</u>
Total early retirement pension liability – beginning of year	\$ 19,344,802
Changes for the year	
Service cost	1,376,696
Interest	694,183
Difference between expected and actual experience	2,215,739
Changes in assumptions	(3,834,195)
Benefit payments	<u>(2,223,595)</u>
Net change in total early retirement pension liability	<u>(1,771,172)</u>
Total early retirement liability – end of year	<u>\$ 17,573,630</u>

**Sensitivity of the Total Early Retirement Pension Liability to Changes in the Discount Rate** – The following presents the total early retirement pension liability, calculated using the current discount rate of 3.93%, as well as the total early retirement pension liability calculated using a discount rate that is 1% lower (2.93%) or 1% higher (4.93%) than the current rate:

	<u>1% Decrease</u> <u>2.93%</u>	<u>Discount Rate</u> <u>3.93%</u>	<u>1% Increase</u> <u>4.93%</u>
Total early retirement pension liability	<u>\$ 18,314,801</u>	<u>\$ 17,573,630</u>	<u>\$ 16,871,139</u>

**NOTE 10 OTHER POSTEMPLOYMENT 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, 2024, Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefit payments	94
Active employees	<u>874</u>
Total	<u><u>968</u></u>

**Investment Policy** – The College's obligation is unfunded at July 1, 2024. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75.

**Total OPEB Liability** – The College's total OPEB liability of \$19,817,109 at June 30, 2025 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2024.

**Des Moines Area Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)**

**Actuarial Assumptions** – The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective July 1, 2024)	3.00% per annum.
Rate of salary increase (effective July 1, 2024)	3.50% per annum.
Discount rate (effective July 1, 2024)	3.93% per annum.
Healthcare cost trend rate (effective July 1, 2024)	5.00% per annum for medical and dental for all years.

**Discount, Mortality, and Other Rates** – The discount rate used to measure the total OPEB liability was 3.93% 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.

<u>Changes in the Total OPEB Liability</u>	<u>Total OPEB Liability</u>
Total OPEB liability, beginning of year	<u>\$ 22,409,697</u>
Changes for the year	
Service cost	1,179,750
Interest	775,765
Difference between expected and actual experience	(312,800)
Changes in assumptions	(2,838,860)
Benefit payments	<u>(1,396,443)</u>
Net changes	<u>(2,592,588)</u>
Total OPEB liability, end of year	<u>\$ 19,817,109</u>

**Sensitivity of the College's Total OPEB Liability to Changes in the Discount Rate** – The following presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.93%) or 1% higher (4.93%) than the current discount rate.

	<u>1% Decrease</u> <u>2.93%</u>	<u>Discount Rate</u> <u>3.93%</u>	<u>1% Increase</u> <u>4.93%</u>
Total OPEB liability	<u>\$ 18,178,992</u>	<u>\$ 19,817,109</u>	<u>\$ 21,681,214</u>

**Sensitivity of the College's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The following presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (4.00%) or 1% higher (6.00%) than the current healthcare cost trend rates.

	<u>1% Decrease</u> <u>(4.00%)</u>	<u>Healthcare Cost Trend Rate</u> <u>(5.00%)</u>	<u>1% Increase</u> <u>(6.00%)</u>
Total OPEB liability	<u>\$ 21,131,005</u>	<u>\$ 19,817,109</u>	<u>\$ 18,607,915</u>

**OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** – For the year ended June 30, 2025, the College recognized OPEB expense of \$1,554,469. At June 30, 2025, the College reported deferred outflows and deferred inflows of resources related to OPEB from the following resources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 67,530	\$ 1,190,339
Changes in assumptions	<u>872,454</u>	<u>3,848,634</u>
Total	<u>\$ 939,984</u>	<u>\$ 5,038,973</u>

**Des Moines Area Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)**

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

<u>Year ending June 30</u>	<u>Amount</u>
2026	\$ (546,381)
2027	(565,602)
2028	(685,159)
2029	(804,716)
2030	(680,035)
Thereafter	(817,096)
Total	<u>\$ (4,098,989)</u>

**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, 2025, the College had no abatements of property tax and \$14,665,626 of state income tax withholding under the projects.

**Tax Abatements of Other Entities** – Property tax revenues of the College were reduced by the following amounts for the year ended June 30, 2025 under agreements entered into by the following entities:

<u>Entity</u>	<u>Urban renewal and economic development projects</u>	<u>Other tax abatement program</u>
City of Adair	\$ –	\$ 1,320
City of Adel	–	437
City of Altoona	–	114,299
City of Ames	–	12,470
City of Ankeny	1,698	96,532
City of Baxter	–	526
City of Bondurant	–	3,413
City of Boone	10,880	2,957
Boone County	7,757	12,080
City of Carlisle	–	23,333
City of Carroll	–	3,102
City of Clive	–	11,452
City of Colfax	1,110	47
City of Colo	–	4,013
City of Coon Rapids	–	2,683
City of Cumming	–	4,740
City of Dallas Center	2,277	–
City of De Soto	–	3,118
City of Des Moines	–	304,911
City of Earlham	5,758	–
City of Elkhart	6,757	709
City of Exira	–	116
City of Gilbert	4,777	–
City of Granger	–	11,189

**Des Moines Area Community College**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025**

**NOTE 11 TAX ABATEMENTS (continued)**

**Tax Abatements of Other Entities (continued)**

<u>Entity</u>	<u>Urban renewal and economic development projects</u>	<u>Other tax abatement program</u>
City of Grimes	-	99,828
City of Hartford	70	-
City of Huxley	-	26,016
City of Indianola	-	1,477
City of Johnston	-	71,637
City of Knoxville	-	682
City of Luther	-	1,525
City of Madrid	1,222	1,233
Mahaska County	-	4,325
City of Manning	1,351	137
City of Minburn	-	19
City of Nevada	16,618	12,751
City of Newton	-	11,518
City of Norwalk	-	13,658
City of Panora	322	1,801
City of Pella	-	16,920
City of Perry	5,279	454
City of Pleasantville	714	3,637
City of Polk City	-	32,324
Polk County	-	39,552
City of Prairie City	23	-
City of Roland	-	1,894
City of Slater	-	2,214
City of Story City	4,198	-
City of Stuart	-	6,986
City of Sully	-	1,520
City of Templeton	-	4,920
City of Urbandale	-	217,568
City of Van Meter	19,533	296
City of Waukee	-	106,690
City of West Des Moines	-	47,610
City of Windsor Heights	-	2,000
City of Winterset	-	14,249
Totals	<u>\$ 90,344</u>	<u>\$ 1,358,888</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

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

**Iowa Public Employees' Retirement System  
For the Last Ten Fiscal Years\*  
(In Thousands)**

**Required Supplementary Information**

	Year ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
College's proportion of the net pension liability	0.531605%	0.514335%	0.492605%	0.478250%	0.491015%	0.475760%	0.447466%	0.435891%	0.436377%	0.434554%
College's proportionate share of the net pension liability	\$ 19,631	\$ 23,733	\$ 19,552	\$ 670	\$ 34,252	\$ 27,735	\$ 28,308	\$ 28,776	\$ 27,214	\$ 21,604
College's covered-employee payroll	\$ 53,160	\$ 49,747	\$ 46,156	\$ 41,671	\$ 38,842	\$ 38,662	\$ 36,408	\$ 33,654	\$ 32,243	\$ 31,037
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	36.93%	47.71%	42.36%	1.61%	88.18%	71.74%	77.75%	85.51%	84.40%	69.61%
IPERS' net position as a percentage of the total pension liability	92.30%	90.13%	91.40%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%

\* 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 Employees' Retirement System  
For the Last Ten Fiscal Years  
(In Thousands)**

**Required Supplementary Information**

	Year ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 5,018	\$ 4,696	\$ 4,357	\$ 3,934	\$ 3,667	\$ 3,650	\$ 3,437	\$ 3,005	\$ 2,879	\$ 2,772
Contributions in relation to the statutorily required contribution	<u>(5,018)</u>	<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>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
College's covered-employee payroll	<u>\$ 53,160</u>	<u>\$ 49,747</u>	<u>\$ 46,156</u>	<u>\$ 41,671</u>	<u>\$ 38,842</u>	<u>\$ 38,662</u>	<u>\$ 36,408</u>	<u>\$ 33,654</u>	<u>\$ 32,243</u>	<u>\$ 31,037</u>
Contributions as a percentage of covered-employee payroll	9.44%	9.44%	9.44%	9.44%	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%

See accompanying independent auditor's report.

**Des Moines Area Community College**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY**  
**Year ended June 30, 2025**

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

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

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

**Des Moines Area Community College  
SCHEDULE OF COLLEGE'S EARLY RETIREMENT PENSION LIABILITY**

**Early Retirement  
For the Last Nine Fiscal Years \*  
(In Thousands)**

**Required Supplementary Information**

	Year ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability	\$ 17,574	\$ 19,345	\$ 18,699	\$ 20,064	\$ 19,602	\$ 16,895	\$ 17,307	\$ 18,021	\$ 18,701	\$ 18,701
College's covered-employee payroll	\$ 64,911	\$ 62,832	\$ 60,707	\$ 60,773	\$ 58,718	\$ 55,460	\$ 53,585	\$ 53,765	\$ 51,947	\$ 51,947
Total early retirement liability as a percentage of covered- employee payroll	27.07%	30.79%	30.80%	33.01%	33.38%	30.46%	32.30%	33.52%	36.00%	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 ten-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 Eight Fiscal Years**

**Required Supplementary Information**

	Year ended June 30							
	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 1,179,750	\$ 1,303,262	\$ 1,259,190	\$ 1,518,352	\$ 1,467,007	\$ 1,175,058	\$ 1,135,322	\$ 1,157,330
Interest	775,765	791,595	767,667	540,733	526,639	820,167	802,774	723,101
Differences between expected and actual experiences	(312,800)	-	(1,050,945)	-	(824,009)	-	592,789	-
Changes in assumptions	(2,838,860)	-	(2,149,350)	-	2,617,364	-	(424,055)	1,575,180
Benefit payments	<u>(1,396,443)</u>	<u>(1,486,694)</u>	<u>(1,303,234)</u>	<u>(1,460,161)</u>	<u>(1,354,282)</u>	<u>(1,533,125)</u>	<u>(1,523,618)</u>	<u>(1,440,371)</u>
Net change in total OPEB liability	(2,592,588)	608,163	(2,476,672)	598,924	2,432,719	462,100	583,212	2,015,240
Total OPEB liability, beginning of year	<u>22,409,697</u>	<u>21,801,534</u>	<u>24,278,206</u>	<u>23,679,282</u>	<u>21,246,563</u>	<u>20,784,463</u>	<u>20,201,251</u>	<u>18,186,011</u>
Total OPEB liability, end of year	<u>\$ 19,817,109</u>	<u>\$ 22,409,697</u>	<u>\$ 21,801,534</u>	<u>\$ 24,278,206</u>	<u>\$ 23,679,282</u>	<u>\$ 21,246,563</u>	<u>\$ 20,784,463</u>	<u>\$ 20,201,251</u>
College's covered-employee payroll	\$ 64,910,786	\$ 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 covered-employee payroll	30.53%	35.67%	35.91%	39.95%	40.33%	38.31%	38.79%	37.57%

**Notes to Schedule of Changes in College's OPEB Liability**

**CHANGES IN BENEFIT TERMS**

There were no significant changes in benefit terms.

**CHANGES IN ASSUMPTIONS**

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

Year ended June 30, 2025	3.93%
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.

See accompanying independent auditor's report.

**OTHER SUPPLEMENTARY INFORMATION**

**Des Moines Area Community College**  
**BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES – BUDGET TO ACTUAL**  
**Year ended June 30, 2025**

<u>Funds/Levy</u>	<u>Original budget</u>	<u>Actual</u>	<u>Variance between actual and budget</u>
Unrestricted	<u>\$ 129,309,163</u>	<u>\$ 126,377,386</u>	<u>\$ 2,931,777</u>
Restricted			
Unemployment	48,000	51,923	(3,923)
Insurance	23,140,000	15,390,937	7,749,063
Early retirement	2,917,165	2,967,609	(50,444)
Equipment replacement	5,439,299	4,042,965	1,396,334
Other	<u>57,996,907</u>	<u>38,227,186</u>	<u>19,769,721</u>
Total restricted	<u>89,541,371</u>	<u>60,680,620</u>	<u>28,860,751</u>
Total unrestricted/restricted	218,850,534	187,058,006	31,792,528
Plant	<u>25,967,621</u>	<u>20,857,368</u>	<u>5,110,253</u>
Total	<u>\$ 244,818,155</u>	<u>\$ 207,915,374</u>	<u>\$ 36,902,781</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 Custodial Funds.

For the year ended June 30, 2025, the College's total expenditures did not exceed the amount budgeted.

**Des Moines Area Community College**  
**COMBINING BALANCE SHEET - ALL FUNDS**  
**June 30, 2025**

	<u>Current Operating Funds</u>		<u>Nonoperating Funds</u>			<u>Adjustments</u>	<u>Total</u>
	<u>General</u>	<u>General</u>	<u>Loan</u>	<u>Plant Funds</u>			
	<u>unrestricted</u>	<u>restricted</u>		<u>Unexpended</u>	<u>Investment</u>		
	<u>funds</u>	<u>funds</u>	<u>funds</u>		<u>in plant</u>		
<b>ASSETS AND DEFERRED</b>							
<b>OUTFLOWS OF RESOURCES</b>							
<b>Assets</b>							
Cash and short-term pooled investments	\$ 15,738,615	\$ 54,460,685	\$ 45,867	\$ 2,806,982	\$ -	\$ -	\$ 73,052,149
Receivables							
Accounts (less allowance of \$313,785)	24,569,239	2,279,298	3,265	1,690,555	-	-	28,542,357
Succeeding year property tax	12,733,623	23,609,388	-	12,733,623	-	-	49,076,634
Iowa Industrial New Jobs Training Program	-	33,019,590	-	-	-	-	33,019,590
Due from other governments	1,040,123	1,732,199	-	1,000,000	-	-	3,772,322
Lease receivable	-	-	-	-	-	1,014,082	1,014,082
Inventories	350,161	-	-	-	-	-	350,161
Prepaid expenses	140,750	29,678	-	-	-	-	170,428
Subtotal	<u>54,572,511</u>	<u>115,130,838</u>	<u>49,132</u>	<u>18,231,160</u>	<u>-</u>	<u>1,014,082</u>	<u>188,997,723</u>
Capital assets:							
Land	-	-	-	-	8,766,402	-	8,766,402
Buildings	-	-	-	-	263,323,761	-	263,323,761
Improvements other than buildings	-	-	-	-	21,026,635	-	21,026,635
Equipment and vehicles	-	-	-	-	24,458,336	-	24,458,336
Construction in progress	-	-	-	-	3,650,878	-	3,650,878
Right-to-use subscription assets	-	-	-	-	20,588,148	-	20,588,148
Accumulated depreciation/amortization	-	-	-	-	-	(130,200,291)	(130,200,291)
Total capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>341,814,160</u>	<u>(130,200,291)</u>	<u>211,613,869</u>
Total assets	<u>54,572,511</u>	<u>115,130,838</u>	<u>49,132</u>	<u>18,231,160</u>	<u>341,814,160</u>	<u>(129,186,209)</u>	<u>400,611,592</u>
<b>Deferred Outflows of Resources</b>							
Pension related deferred outflows	-	-	-	-	-	13,595,359	13,595,359
OPEB related deferred outflows	-	-	-	-	-	939,984	939,984
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,535,343</u>	<u>14,535,343</u>
Total assets and deferred outflows of resources	<u>\$ 54,572,511</u>	<u>\$ 115,130,838</u>	<u>\$ 49,132</u>	<u>\$ 18,231,160</u>	<u>\$ 341,814,160</u>	<u>\$ (114,650,866)</u>	<u>\$ 415,146,935</u>

See accompanying independent auditor's report.

**Des Moines Area Community College**  
**COMBINING BALANCE SHEET - ALL FUNDS (CONTINUED)**  
**June 30, 2025**

	<u>Current Operating Funds</u>		<u>Nonoperating Funds</u>			<u>Adjustments</u>	<u>Total</u>
	<u>General</u>	<u>General</u>	<u>Loan</u>	<u>Plant Funds</u>			
	<u>unrestricted</u>	<u>restricted</u>		<u>Unexpended</u>	<u>Investment</u>		
	<u>funds</u>	<u>funds</u>	<u>funds</u>		<u>in plant</u>		
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable	\$ 728,856	\$ 734,921	\$ -	\$ 1,149,858	\$ -	\$ -	\$ 2,613,635
Salaries and benefits payable	4,886,000	176,000	-	2,600	-	-	5,064,600
Self-funded health claims payable	-	3,042,932	-	-	-	-	3,042,932
Accrued interest payable	-	132,393	-	50,710	-	-	183,103
Unearned revenue, other	17,420,694	15,875,831	-	-	-	-	33,296,525
Early retirement pension costs payable	-	3,308,483	-	-	-	14,265,147	17,573,630
Deposits held in custody for others	9,762	430,598	-	-	-	-	440,360
Compensated absences	2,270,000	262,000	-	26,000	-	-	2,558,000
Subscription liabilities	-	-	-	-	16,460,060	-	16,460,060
Certificates payable	-	50,403,576	-	-	-	-	50,403,576
Plant fund capital loan notes payable	-	-	-	1,772,856	16,000,000	-	17,772,856
Net pension liability	-	-	-	-	-	19,631,118	19,631,118
Total OPEB liability	-	829,987	-	-	-	18,987,122	19,817,109
Total liabilities	<u>25,315,312</u>	<u>75,196,721</u>	<u>-</u>	<u>3,002,024</u>	<u>32,460,060</u>	<u>52,883,387</u>	<u>188,857,504</u>
<b>Deferred Inflows of Resources</b>							
Succeeding year property tax	12,733,623	23,609,388	-	12,733,623	-	-	49,076,634
Pension related deferred inflows	-	-	-	-	-	4,633,078	4,633,078
OPEB related deferred inflows	-	-	-	-	-	5,038,973	5,038,973
Lease related deferred inflows	-	-	-	-	-	1,014,082	1,014,082
Total deferred inflows of resources	<u>12,733,623</u>	<u>23,609,388</u>	<u>-</u>	<u>12,733,623</u>	<u>-</u>	<u>10,686,133</u>	<u>59,762,767</u>
<b>Fund Balances</b>							
Net investment in capital assets	-	-	-	-	309,354,100	(130,200,291)	179,153,809
Restricted							
Nonexpendable							
Cash reserve	-	755,088	-	-	-	-	755,088
Expendable							
Scholarships	-	310,122	-	-	-	-	310,122
Loans	-	-	49,132	-	-	-	49,132
Other	-	18,670,569	-	-	-	-	18,670,569
Unrestricted	<u>16,523,576</u>	<u>(3,411,050)</u>	<u>-</u>	<u>2,495,513</u>	<u>-</u>	<u>(48,020,095)</u>	<u>(32,412,056)</u>
Total fund balances	<u>16,523,576</u>	<u>16,324,729</u>	<u>49,132</u>	<u>2,495,513</u>	<u>309,354,100</u>	<u>(178,220,386)</u>	<u>166,526,664</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 54,572,511</u>	<u>\$ 115,130,838</u>	<u>\$ 49,132</u>	<u>\$ 18,231,160</u>	<u>\$ 341,814,160</u>	<u>\$ (114,650,866)</u>	<u>\$ 415,146,935</u>

See accompanying independent auditor's report.

**Des Moines Area Community College**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL FUNDS**  
 Year ended June 30, 2025

	Current Operating Funds			Loan funds	Plant Funds			Adjustments	Total
	Unrestricted	Restricted	Total		Unexpended	Retirement of Indebtedness	Investment in Plant		
<b>REVENUES</b>									
Tuition and fees	\$ 71,710,392	\$ 2,453,159	\$ 74,163,551	\$ -	\$ -	\$ -	\$ -	\$ (25,463,517)	\$ 48,700,034
Federal appropriations	27,880	31,454,796	31,482,676	-	-	-	-	-	31,482,676
Iowa Industrial New Jobs Training Program	-	14,017,119	14,017,119	-	-	-	-	-	14,017,119
State appropriations	41,189,976	9,136,029	50,326,005	-	549,756	-	-	-	50,875,761
Property tax	12,357,794	21,608,879	33,966,673	-	4,567,733	7,790,061	-	-	46,324,467
Auxiliary enterprises revenue	2,631,028	-	2,631,028	-	-	-	-	(78,957)	2,552,071
Interest and investment income	1,629,649	1,881,480	3,511,129	-	-	-	-	-	3,511,129
Expended for plant assets (including \$2,678,333 in current operating fund expenditures)	-	-	-	-	-	-	9,959,033	(9,959,033)	-
Change in plant investments due to revisions of subscription assets	-	-	-	-	-	-	1,069,782	(1,069,782)	-
Retirement of indebtedness	-	-	-	-	-	-	7,550,000	(7,550,000)	-
Proceeds from sale of bonds	-	-	-	-	-	-	-	-	-
Miscellaneous	9,190,383	5,680,966	14,871,349	-	2,577,125	-	-	(325,011)	17,123,463
<b>Total revenues</b>	<b>138,737,102</b>	<b>86,232,428</b>	<b>224,969,530</b>	<b>-</b>	<b>7,694,614</b>	<b>7,790,061</b>	<b>18,578,815</b>	<b>(44,446,300)</b>	<b>214,586,720</b>
<b>EXPENDITURES</b>									
Education and support:									
Liberal arts and sciences	31,278,883	-	31,278,883	-	-	-	-	(654,086)	30,624,797
Career and technical	38,293,035	4,200,538	42,493,573	-	-	-	-	(888,604)	41,604,969
Adult education	8,538,896	10,166,199	18,705,095	-	-	-	-	(391,152)	18,313,943
Cooperative services	-	10,883,315	10,883,315	-	-	-	-	(227,587)	10,655,728
Administration	4,662,627	-	4,662,627	-	-	-	-	(140,267)	4,522,360
Student services	16,373,364	826,885	17,200,249	-	-	-	-	(359,682)	16,840,567
Learning resources	3,375,204	-	3,375,204	-	-	-	-	(70,580)	3,304,624
Physical plant	9,373,937	15,086,538	24,460,475	-	5,786,607	-	-	(793,751)	29,453,331
General institution	13,335,887	8,909,121	22,245,008	-	-	-	-	(78,957)	22,166,051
Scholarships and grants	154,379	25,309,138	25,463,517	-	-	-	-	(25,463,517)	-
Total education and support	125,386,212	75,381,734	200,767,946	-	5,786,607	-	-	(29,068,183)	177,486,370
Auxiliary enterprises	9,308,576	-	9,308,576	-	-	-	-	-	9,308,576
Expended for plant assets	176,738	2,501,595	2,678,333	-	7,280,700	-	-	(9,959,033)	-
Administrative and collection costs	63,018	-	63,018	-	-	-	-	-	63,018
Retirement of indebtedness	-	-	-	-	-	7,550,000	-	(7,550,000)	-
Loan cancellations and bad debts	763,681	-	763,681	13,660	-	-	-	-	777,341
Interest on indebtedness	-	1,679,805	1,679,805	-	-	240,061	-	-	1,919,866
Depreciation/amortization	-	-	-	-	-	-	-	8,880,510	8,880,510
Disposition of capital assets	-	-	-	-	-	-	1,747,843	(1,530,712)	217,131
<b>Total expenditures</b>	<b>135,698,225</b>	<b>79,563,134</b>	<b>215,261,359</b>	<b>13,660</b>	<b>13,067,307</b>	<b>7,790,061</b>	<b>1,747,843</b>	<b>(39,227,418)</b>	<b>198,652,812</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,038,877</b>	<b>6,669,294</b>	<b>9,708,171</b>	<b>(13,660)</b>	<b>(5,372,693)</b>	<b>-</b>	<b>16,830,972</b>	<b>(5,218,882)</b>	<b>15,933,908</b>
<b>TRANSFERS (nonmandatory)</b>	<b>(1,024,047)</b>	<b>(4,196,915)</b>	<b>(5,220,962)</b>	<b>5,000</b>	<b>5,192,861</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(23,101)</b>
Change in fund balances	2,014,830	2,472,379	4,487,209	(8,660)	(179,832)	-	16,830,972	(5,218,882)	15,910,807
<b>FUND BALANCES, beginning of year</b>	<b>14,508,746</b>	<b>13,852,350</b>	<b>28,361,096</b>	<b>57,792</b>	<b>2,675,345</b>	<b>-</b>	<b>292,523,128</b>	<b>(173,001,504)</b>	<b>150,615,857</b>
<b>FUND BALANCES, end of year</b>	<b>\$ 16,523,576</b>	<b>\$ 16,324,729</b>	<b>\$ 32,848,305</b>	<b>\$ 49,132</b>	<b>\$ 2,495,513</b>	<b>\$ -</b>	<b>\$ 309,354,100</b>	<b>\$ (178,220,386)</b>	<b>\$ 166,526,664</b>

See accompanying independent auditor's report.

**Des Moines Area Community College**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - UNRESTRICTED FUND**  
**Year ended June 30, 2025**

	Education			Adminis- tration	Student Services	Support			Total
	Liberal Arts and Sciences	Career and Technical	Adult Education			Learning Resources	Physical Plant	General Institution	
<b>REVENUES</b>									
Tuition and fees	\$ 44,767,265	\$ 20,656,562	\$ 6,280,875	\$ 410	\$ 5,280	\$ -	\$ -	\$ -	\$ 71,710,392
Federal appropriations	-	-	-	27,880	-	-	-	-	27,880
State appropriations	-	54,342	58,751	-	-	-	-	41,076,883	41,189,976
Property tax	-	-	-	-	-	-	-	12,357,794	12,357,794
Interest income	-	-	-	-	-	-	-	1,629,649	1,629,649
Miscellaneous	370,205	655,756	179,799	81,250	580,354	1,608	340,420	1,664,414	3,873,806
	45,137,470	21,366,660	6,519,425	109,540	585,634	1,608	340,420	56,728,740	130,789,497
Allocation of support services	32,048,983	16,678,799	9,038,160	(109,540)	(585,634)	(1,608)	(340,420)	(56,728,740)	-
Total revenues	77,186,453	38,045,459	15,557,585	-	-	-	-	-	130,789,497
<b>EXPENDITURES</b>									
Salaries and benefits	29,668,490	35,417,780	4,727,077	3,465,150	15,698,684	3,027,584	6,035,744	8,578,121	106,618,630
Services	370,867	571,774	3,123,871	1,105,562	331,618	161,859	2,312,704	3,087,955	11,066,210
Materials and supplies	1,141,346	2,052,998	632,723	52,970	292,962	179,956	973,003	1,350,399	6,676,357
Travel	72,655	209,166	19,593	37,336	49,695	5,754	52,486	145,071	591,756
Expended for plant assets	-	27,828	5,699	-	-	6,947	110,436	13,565	164,475
Scholarships	-	-	-	-	-	-	-	154,379	154,379
Bad debt	534,517	229,164	-	-	-	-	-	-	763,681
Miscellaneous	25,525	41,317	35,632	64,627	405	51	-	174,341	341,898
	31,813,400	38,550,027	8,544,595	4,725,645	16,373,364	3,382,151	9,484,373	13,503,831	126,377,386
Allocation of support services	26,336,363	13,705,861	7,427,140	(4,725,645)	(16,373,364)	(3,382,151)	(9,484,373)	(13,503,831)	-
Total expenditures	58,149,763	52,255,888	15,971,735	-	-	-	-	-	126,377,386
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	19,036,690	(14,210,429)	(414,150)	-	-	-	-	-	4,412,111
<b>TRANSFERS</b>									
Nonmandatory transfers	18,264	241	470	-	56,000	-	(4,324,953)	515,441	(3,734,537)
<b>CHANGE IN FUND BALANCES</b>	\$ 19,054,954	\$(14,210,188)	\$ (413,680)	\$ -	\$ 56,000	\$ -	\$ (4,324,953)	\$ 515,441	677,574
<b>FUND BALANCES, beginning of year</b>									13,256,577
<b>FUND BALANCES, end of year</b>									\$ 13,934,151

See accompanying independent auditor's report.

**Des Moines Area Community College**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - AUXILIARY ENTERPRISES**  
Year ended June 30, 2025

	<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>
<b>REVENUES</b>								
Sales and services	\$ 1,012,982	\$ 51,418	\$ 928,457	\$ 3,215	\$ 518,642	\$ 78,140	\$ 38,174	\$ 2,631,028
Student fee allocations	29,383	-	26,590	444,199	1,000	-	957,360	1,458,532
State support	-	-	-	-	-	-	-	-
Miscellaneous	<u>635,170</u>	<u>258,087</u>	<u>5,369</u>	<u>37,896</u>	<u>5,384</u>	<u>2,284,442</u>	<u>631,697</u>	<u>3,858,045</u>
Total revenues	<u>1,677,535</u>	<u>309,505</u>	<u>960,416</u>	<u>485,310</u>	<u>525,026</u>	<u>2,362,582</u>	<u>1,627,231</u>	<u>7,947,605</u>
<b>EXPENDITURES</b>								
Salaries and benefits	825,898	81,511	279,276	460,563	115,806	1,640,793	309,681	3,713,528
Services	225,684	665	380,456	306,145	652,310	557,732	701,284	2,824,276
Materials and supplies	325,251	88,879	53,689	276,147	80,687	67,739	240,132	1,132,524
Travel	179,810	500	244	198,753	-	4,547	37,012	420,866
Purchases for resale	365,267	-	-	-	-	-	-	365,267
Expended for plant asset	7,263	-	-	5,000	-	-	-	12,263
Miscellaneous	<u>340,655</u>	<u>172,730</u>	<u>1,461</u>	<u>109,394</u>	<u>99,288</u>	<u>107,009</u>	<u>21,578</u>	<u>852,115</u>
Total expenditures	<u>2,269,828</u>	<u>344,285</u>	<u>715,126</u>	<u>1,356,002</u>	<u>948,091</u>	<u>2,377,820</u>	<u>1,309,687</u>	<u>9,320,839</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(592,293)	(34,780)	245,290	(870,692)	(423,065)	(15,238)	317,544	(1,373,234)
<b>TRANSFERS</b>								
Nonmandatory transfers	<u>670,839</u>	<u>63,090</u>	<u>(225,000)</u>	<u>845,542</u>	<u>-</u>	<u>-</u>	<u>1,356,019</u>	<u>2,710,490</u>
<b>CHANGE IN FUND BALANCES</b>	78,546	28,310	20,290	(25,150)	(423,065)	(15,238)	1,673,563	1,337,256
<b>FUND BALANCES, beginning of year</b>	<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>
<b>FUND BALANCES, end of year</b>	<u>\$ 639,703</u>	<u>\$ 469,232</u>	<u>\$ 151,816</u>	<u>\$ (24,498)</u>	<u>\$(2,974,537)</u>	<u>\$ 443,787</u>	<u>\$ 3,883,922</u>	<u>\$ 2,589,425</u>

See accompanying independent auditor's report.

**Des Moines Area Community College**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – RESTRICTED FUNDS**  
**Year ended June 30, 2025**

	<u>Scholarship</u>	<u>Equipment Replacement</u>	<u>Insurance and Tort</u>	<u>Early Retirement</u>	<u>Unemployment Compensation</u>	<u>Cash Reserve</u>	<u>Grants and Contracts</u>	<u>Iowa Industrial New Jobs Training Programs</u>	<u>Other</u>	<u>Total</u>
<b>REVENUES</b>										
Tuition and fees	\$ 438,013	\$ 14,850	\$ –	\$ –	\$ –	\$ –	\$ 1,080,622	\$ 4,281	\$ 915,393	\$ 2,453,159
Federal appropriations	24,562,908	–	–	–	–	–	6,891,888	–	–	31,454,796
Iowa Industrial New Jobs Training Program	–	–	–	–	–	–	–	14,017,119	–	14,017,119
State appropriations	–	66,558	170,700	24,473	184	–	4,950,273	–	3,923,841	9,136,029
Property tax	–	5,492,350	14,074,142	2,027,204	15,183	–	–	–	–	21,608,879
Gifts and grants	–	–	–	–	–	–	2,140,022	–	–	2,140,022
Interest and investment income	–	–	–	–	–	–	–	1,881,480	–	1,881,480
Miscellaneous	100	13,087	350	–	–	–	–	–	3,527,407	3,540,944
Total revenues	<u>25,001,021</u>	<u>5,586,845</u>	<u>14,245,192</u>	<u>2,051,677</u>	<u>15,367</u>	<u>–</u>	<u>15,062,805</u>	<u>15,902,880</u>	<u>8,366,641</u>	<u>86,232,428</u>
<b>EXPENDITURES</b>										
Salaries and benefits	–	880	285,261	2,967,609	51,923	–	8,041,446	1,173,909	1,913,968	14,434,996
Services	11,570	982,936	14,804,131	–	–	–	2,440,065	10,885,775	748,696	29,873,173
Materials and supplies	–	2,307,799	264,794	–	–	–	801,671	17,822	587,079	3,979,165
Travel	–	–	6,744	–	–	–	272,129	16,991	79,432	375,296
Expended for plant asset	–	751,350	29,715	–	–	–	1,559,882	–	160,648	2,501,595
Interest on indebtedness	–	–	–	–	–	–	–	1,679,805	–	1,679,805
Scholarships and grants	25,198,326	–	–	–	–	–	81,120	–	29,692	25,309,138
Miscellaneous	–	–	292	–	–	–	1,339,417	50	70,207	1,409,966
Total expenditures	<u>25,209,896</u>	<u>4,042,965</u>	<u>15,390,937</u>	<u>2,967,609</u>	<u>51,923</u>	<u>–</u>	<u>14,535,730</u>	<u>13,774,352</u>	<u>3,589,722</u>	<u>79,563,134</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(208,875)	1,543,880	(1,145,745)	(915,932)	(36,556)	–	527,075	2,128,528	4,776,919	6,669,294
<b>TRANSFERS</b>										
Nonmandatory transfers	<u>30,467</u>	<u>–</u>	<u>2,100,000</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(495,615)</u>	<u>(2,128,528)</u>	<u>(3,703,239)</u>	<u>(4,196,915)</u>
<b>CHANGES IN FUND BALANCES</b>	(178,408)	1,543,880	954,255	(915,932)	(36,556)	–	31,460	–	1,073,680	2,472,379
<b>FUND BALANCES, beginning of year</b>	<u>488,530</u>	<u>6,574,982</u>	<u>(2,999,405)</u>	<u>(353,638)</u>	<u>11,289</u>	<u>755,088</u>	<u>34,927</u>	<u>(71,063)</u>	<u>9,411,640</u>	<u>13,852,350</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 310,122</u>	<u>\$ 8,118,862</u>	<u>\$ (2,045,150)</u>	<u>\$ (1,269,570)</u>	<u>\$ (25,267)</u>	<u>\$ 755,088</u>	<u>\$ 66,387</u>	<u>\$ (71,063)</u>	<u>\$10,485,320</u>	<u>\$ 16,324,729</u>

See accompanying independent auditor's report.

**Des Moines Area Community College**  
**BALANCE SHEET - CUSTODIAL FUNDS**  
Year ended June 30, 2025

**ASSETS**

Cash and short-term pooled investments  
Total assets

\$ 803,887  
803,887

**LIABILITIES**

Accounts payable  
Total liabilities

62,908  
62,908

**NET POSITION**

Restricted  
Other

\$ 740,979

**Des Moines Area Community College**  
**COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS**  
Year ended June 30, 2025

	<u>Special funded activities</u>	<u>Community College Athletic</u>	<u>Total</u>
<b>ADDITIONS</b>			
Federal appropriations	\$ 50,300	\$ —	\$ 50,300
Other	911,907	503,848	1,415,755
Transfers in	23,200	—	23,200
Total additions	<u>985,407</u>	<u>503,848</u>	<u>1,489,255</u>
<b>DEDUCTIONS</b>			
Salaries and benefits	—	264,994	264,994
Services	634,142	55,575	689,717
Materials and supplies	135,809	12,305	148,114
Travel	132,242	5,865	138,107
Other	11,161	121,531	132,692
Transfers out	100	—	100
Total deductions	<u>913,454</u>	<u>460,270</u>	<u>1,373,724</u>
<b>CHANGE IN NET POSITION</b>	71,953	43,578	115,531
<b>NET POSITION, beginning of year</b>	<u>445,711</u>	<u>179,737</u>	<u>625,448</u>
<b>NET POSITION, end of year</b>	<u>\$ 517,664</u>	<u>\$ 223,315</u>	<u>\$ 740,979</u>

**Des Moines Area Community College**  
**SCHEDULE OF CREDIT AND CONTACT HOURS**  
 For the period from August 21, 2024 to July 31, 2025

	Credit Hours			Contact Hours		
	Eligible for Aid	Not Eligible for Aid	Total	Eligible for Aid	Not Eligible for Aid	Total
Arts and Sciences	301,513	–	301,513	5,530,894	–	5,530,894
Career and Technical Education	129,268	–	129,268	2,878,365	–	2,878,365
Adult/Continuing Education	–	–	–	1,559,772	36,010	1,595,782
<b>Totals</b>	<u>430,781</u>	<u>–</u>	<u>430,781</u>	<u>9,969,031</u>	<u>36,010</u>	<u>10,005,041</u>

**Des Moines Area Community College**  
**SCHEDULE OF TAX AND INTERGOVERNMENTAL REVENUES**  
**For the Last Ten Years**

	Year ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Local (property tax)	\$ 46,324,467	\$ 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
State	50,875,761	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
Federal	31,482,676	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
Total	<u>\$128,682,904</u>	<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>

See accompanying independent auditor's report.

**Des Moines Area Community College**  
**SCHEDULE OF CURRENT FUND REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION**  
**For the Last Ten Years**

	Year ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Tuition and fees	\$ 74,163,551	\$ 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
Property tax	33,966,673	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
Federal appropriations	31,482,676	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
State appropriations	50,326,005	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
Interest income from investments	3,511,129	4,472,917	3,424,212	222,677	262,880	1,063,494	1,526,333	936,672	407,187	214,866
Iowa Industrial New Jobs Training Program	14,017,119	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
Auxiliary enterprises revenue	2,631,028	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
Miscellaneous	14,871,349	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
<b>Total revenues</b>	<b>\$224,969,530</b>	<b>\$202,409,705</b>	<b>\$200,872,157</b>	<b>\$200,669,422</b>	<b>\$183,033,465</b>	<b>\$173,002,446</b>	<b>\$174,208,744</b>	<b>\$170,386,407</b>	<b>\$164,454,178</b>	<b>\$163,816,299</b>
<b>EXPENDITURES</b>										
Liberal arts and sciences	\$ 31,813,400	\$ 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
Career and technical	43,254,638	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
Adult education	18,716,603	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
Cooperative services	10,883,315	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
Administration	4,725,645	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
Student services	17,200,249	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
Learning resources	3,382,151	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
Physical plant	25,600,626	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
General institution	23,232,834	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
Auxiliary enterprises	9,308,576	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
Scholarships and grants	25,463,517	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
Interest on indebtedness	1,679,805	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
<b>Total expenditures</b>	<b>\$215,261,359</b>	<b>\$197,150,365</b>	<b>\$193,378,245</b>	<b>\$190,766,707</b>	<b>\$169,365,402</b>	<b>\$169,981,431</b>	<b>\$168,093,430</b>	<b>\$166,460,070</b>	<b>\$160,454,897</b>	<b>\$158,998,554</b>

See accompanying independent auditor's report.

**Des Moines Area Community College**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)**  
**Year ended June 30, 2025**

Federal Grantor/Pass-Through Grantor/Program Name	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	New Loans and New Loan Guarantees	Amounts Provided to Subrecipients
<b>U.S. DEPARTMENT OF AGRICULTURE</b>					
<b>Direct</b>					
Animal and Plant Health Inspection Service					
USDA Animal and Plant Health Inspection Service (NVSL) 2023-2024	10.025	N/A	\$ 44,858	\$ -	\$ -
USDA Animal and Plant Health Inspection Service (NVSL) 2024-2025	10.025	N/A	112,145	-	-
<b>Total Animal and Plant Health Inspection Service</b>			<u>157,003</u>	<u>-</u>	<u>-</u>
Food & Nutrition Services					
<b>Indirect through Team Nutrition Iowa</b>					
State Admin Matching Grants for the Supplemental Nutrition Food Program	10.561	ACFS-22-0888	79,673	-	-
<b>Indirect through Iowa Department of Education</b>					
Child and Adult Care Food Program (CACFP)	10.558	99110000	15,233	-	-
<b>Total U.S. Department of Agriculture</b>			<u>251,909</u>	<u>-</u>	<u>-</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					
<b>Direct</b>					
FY 2024 Community Project Funding					
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants	14.251	N/A	1,000,000	-	-
<b>Total U.S. Department of Housing and Urban Development</b>			<u>1,000,000</u>	<u>-</u>	<u>-</u>
<b>U.S. DEPARTMENT OF LABOR</b>					
<b>Direct</b>					
Workforce Data Quality Initiative: Strengthening Community Colleges	17.261	N/A	1,236,726	-	702,452
Community Project Funding	17.289	N/A	190,468	-	-
<b>Total U.S. Department of Labor</b>			<u>1,427,194</u>	<u>-</u>	<u>702,452</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>					
<b>Direct</b>					
FY2023 Commercial Motor Vehicle Operator Safety Training Grant Program	20.235	N/A	63,700	-	-
FY2024 Commercial Motor Vehicle Operator Safety Training Grant Program	20.235	N/A	15,120	-	-
<b>Total Commercial Motor Vehicle Operator Safety Training Grant Program</b>			<u>78,820</u>	<u>-</u>	<u>-</u>
<b>Total U.S. Department of Transportation</b>			<u>78,820</u>	<u>-</u>	<u>-</u>
<b>U.S. DEPARTMENT OF THE TREASURY</b>					
<b>Indirect through the State of Iowa</b>					
Coronavirus State and Local Fiscal Recovery Funds - ARPA	21.027	N/A	1,000,000	-	-
<b>Total U.S. Department of the Treasury</b>			<u>1,000,000</u>	<u>-</u>	<u>-</u>
<b>NATIONAL SCIENCE FOUNDATION</b>					
<b>Direct</b>					
NSF Advanced Technological Education	47.076	N/A	109,600	-	-
<b>Indirect through Iowa State University</b>					
Education and Human Resources	47.076	026450A	48,394	-	-
<b>Total National Science Foundation</b>			<u>157,994</u>	<u>-</u>	<u>-</u>

See accompanying independent auditor's report.

**Des Moines Area Community College**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA) (continued)**  
**Year ended June 30, 2025**

Federal Grantor/Pass-Through Grantor/Program Name	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	New Loans and New Loan Guarantees	Amounts Provided to Subrecipients
<b>ENVIRONMENTAL PROTECTION AGENCY</b>					
<b>Direct</b>					
Technical Assistance for Treatment Works	66.446	N/A	172,285	-	-
<b>Total Environmental Protection Agency</b>			<u>172,285</u>	<u>-</u>	<u>-</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>					
<b>Direct</b>					
Student Financial Assistance Cluster:					
Federal Supplemental Educational Opportunity Grants	84.007	N/A	471,472	-	-
Federal Work-Study Program	84.033	N/A	471,429	-	-
Federal Pell Grant Program	84.063	N/A	23,977,274	-	-
Federal Pell Grant Administrative Fee	84.063	N/A	27,880	-	-
Federal Direct Student Loans	84.268	N/A	-	17,224,822	-
Total Student Financial Assistance Cluster			<u>24,948,055</u>	<u>17,224,822</u>	<u>-</u>
TRIO Cluster:					
TRIO-Student Support Services (FY21-25 Award)	84.042A	N/A	324,552	-	-
TRIO-Student Support Services (Grant Aid FY21-25 Award)	84.042A	N/A	81,200	-	-
TRIO-Upward Bound (FY23-28 Award)	84.047A	N/A	213,895	-	-
TRIO-Child Care Access Means Parents in School Program (FY22-26 Award)	84.335A	N/A	259,085	-	-
Total TRIO Cluster			<u>878,732</u>	<u>-</u>	<u>-</u>
<b>Total direct</b>			<u>25,826,787</u>	<u>17,224,822</u>	<u>-</u>
<b>Indirect through Iowa Department of Education</b>					
Adult Education – Basic Grants to States (FY21-25 Award)	84.002A	G21027	1,226,655	-	-
Career and Technical Education – Basic Grants to States					
Career and Technical Education-Vocational Education - Perkins V Funds	84.048A	G-PER 21-189	1,370,145	-	-
Career and Technical Education-Perkins V-College & Career Transition Counselors	84.048	G-CCTC 22-DMACC	2,500	-	-
Career and Technical Education-Perkins V-College & Career Transition Counselors	84.048	G-CCTC 23-DMACC	7,500	-	-
Career and Technical Education-Perkins Iowa FCCLA	84.048	SO05	10,742	-	-
Career and Technical Education-Perkins Iowa DECA	84.048	SO02	13,011	-	-
Career and Technical Education-Perkins Iowa HOSA	84.048	SO0719	6,405	-	-
Career and Technical Education-Perkins Iowa Skills USA	84.048	SO0919	20,143	-	-
Total Career and Technical Education – Basic Grants to States			<u>1,430,446</u>	<u>-</u>	<u>-</u>
<b>Total through Iowa Department of Education</b>			<u>2,657,101</u>	<u>-</u>	<u>-</u>
<b>Indirect through Iowa Department of Corrections</b>					
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-Perkins Iowa FCCLA	84.048	50208	32,725	-	-
Career and Technical Education-Perkins Iowa DECA	84.048	50169	4,942	-	-
<b>Total through Iowa Department of Corrections</b>			<u>67,667</u>	<u>-</u>	<u>-</u>

See accompanying independent auditor's report.

**Des Moines Area Community College**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA) (continued)**  
**Year ended June 30, 2025**

<u>Federal Grantor/Pass-Through Grantor/Program Name</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>New Loans and New Loan Guarantees</u>	<u>Amounts Provided to Subrecipients</u>
<b>Indirect through Indian Hills Community College</b>					
Fund for the Improvement of Postsecondary Education					
Iowa College and Career Transition Counselor Initiative	84.116Z	20-6-5177-41	72,577	-	-
Total through Indian Hills Community College			<u>72,577</u>	<u>-</u>	<u>-</u>
<b>Indirect through Iowa Vocational Rehabilitation Services</b>					
Vocational Rehabilitation Grants to States					
Total through Iowa Vocational Rehabilitation Services	84.126	17-VRIN-01	103,774	-	-
<b>Total indirect</b>			<u>2,901,119</u>	<u>-</u>	<u>-</u>
<b>Total U.S. Department of Education</b>			<u>28,727,906</u>	<u>17,224,822</u>	<u>-</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					
<b>Indirect through the Iowa Department of Health and Human Services</b>					
Administration for Children and Families					
Child Care and Development Block Grant	93.575	DMACC	28,000	-	-
<b>Total U.S. Department of the Treasury</b>			<u>28,000</u>	<u>-</u>	<u>-</u>
<b>Total Federal Awards Expended</b>			<u>\$ 32,844,108</u>	<u>\$ 17,224,822</u>	<u>\$ 702,452</u>

See accompanying independent auditor's report.

**Des Moines Area Community College**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year ended June 30, 2025**

**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 (the College) under programs of the federal government for the year ended June 30, 2025. 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 the College, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the 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.

**NOTE 3 INDIRECT COST RATE**

The College has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 4 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, 2025.

**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 aggregate discretely presented component unit, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 3, 2025. 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 were not 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 3, 2025

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL 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, 2025. 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, 2025.

#### ***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 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 other such 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

  
Denman CPA LLP

West Des Moines, Iowa  
November 3, 2025

**Des Moines Area Community College  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year ended June 30, 2025**

**Part I – 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 opinions**

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 14.251 —  
Economic Development Initiative,  
Community Project Funding,  
and Miscellaneous Grants**

**Assistance Listing Number 21.027 —  
Coronavirus State and Local Fiscal  
Recovery Funds - ARPA**

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 (continued)**  
**Year ended June 30, 2025**

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

**INTERNAL CONTROL DEFICIENCIES**

None.

**INSTANCES OF NONCOMPLIANCE**

No matters were noted.

**Part III – Findings and Questioned Costs for Federal Awards**

**INTERNAL CONTROL DEFICIENCIES**

None.

**INSTANCES OF NONCOMPLIANCE**

No matters were noted.