Des Moines Area Community College

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

June 30, 2023

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Des Moines Area Community College
OFFICIALS

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

DENMAN
& COMPANY, LLP

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, 2023, 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, 2023, 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*.

Change in Accounting Principle

As discussed in Note 12 to the financial statements, Des Moines Area Community College adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

1601 22nd Street, Suite 400 ■ West Des Moines, Iowa 50266 ■ Phone 515.225.8400 ■ Fax 515.225.0149 ■ denman-cpa.com

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 52 through 57 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, 2022 (which are not presented herein) and expressed unmodified opinions on those financial statements. The other supplementary information included in Schedules 1 through 12, including the schedule of expenditures of federal awards required by Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information in Schedules 1 through 12, including the schedule of expenditures of federal awards, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2023, on our consideration of Des Moines Area Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Denman & Company, LLP

DENMAN & COMPANY, LLP

West Des Moines, Iowa
December 19, 2023

Management of Des Moines Area Community College (DMACC) provides this Management's Discussion and Analysis of the College's annual financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2023. 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 million or 6%. The increase is attributable to many factors. The College had a 1% increase in its regular, non-concurrent high school enrollment and a 6.2% increase in its concurrent high school enrollment for the academic year, which accounted for a $2.1 million increase in tuition revenues. Training revenues to the College under the Iowa Industrial New Jobs Training Program increased by $2.4 million or 21%. Interest income increased by $3.2 million due to large increases in our rates of return. Miscellaneous revenues increased by $2.9 million. The College did see a large decrease in federal appropriations because of the Higher Education Emergency Relief Fund (HEERF) grants expiring. The expiration of those grants also accounted for the large decrease in the scholarship allowance, which in turn accounted for the large increase in tuition and fees revenues.
- College operating expenses increased by $12.6 million or 7.5%. Liberal Arts, Career Education, and Adult Education increased by $2 million or 2.5%. Cooperative services increased $2.6 million or 35%. 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 $2.2 million or 9.7%. General Institution increased by $2.9 million or 12.8%. Administration, Student Services, and Learning Resources saw small operating expense increases for the year. Depreciation expense increased by $1.75 million.
- The College's net position increased by approximately $11.4 million or 8.8%. The net investment in capital assets increased by $3.3 million. The asset increases relate to the College completing several large construction projects. The unrestricted net position increased by $2.5 million due primarily to a decrease in the pension liabilities. The College's restricted net position increased $5.6 million.
- The College received $56.2 million of HEERF awards (Student & Institutional) in response to the COVID pandemic. The College has drawn down all of the funds. A final annual report will be due in early 2024.
- The College implemented governmental Accounting Standard Board (GASB) Statement No. 96, **Subscription-Based Information Technology Arrangements** during fiscal year 2023. The financial statements reflect this change.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

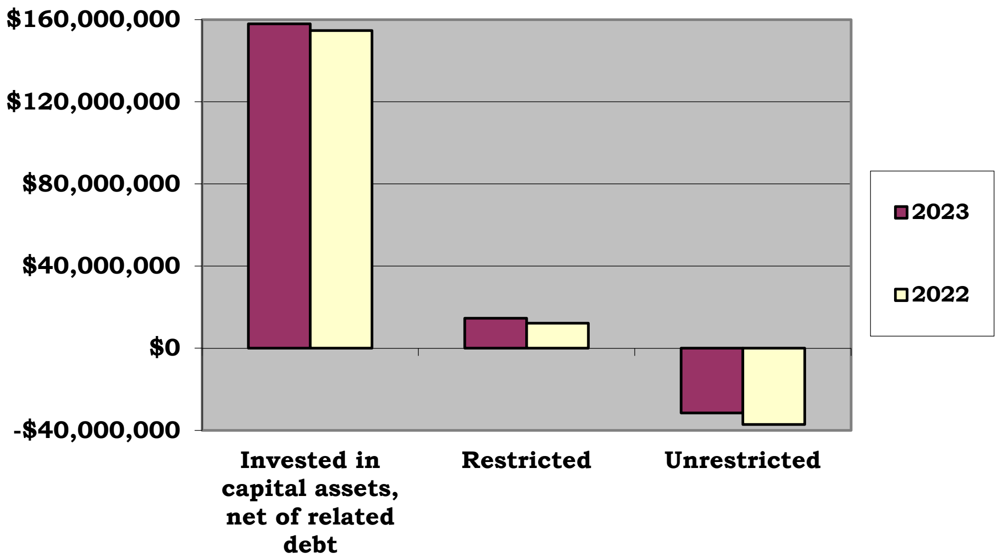
REPORTING THE COLLEGE FINANCIAL ACTIVITIES

The Statement of Net Position

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

	June 30	
	2023	2022
Current assets	$ 167,501,737	$ 163,340,614
Other assets	34,748,498	36,269,362
Capital assets, net of accumulated depreciation	201,199,487	192,910,495
Total assets	403,449,722	392,520,471
Deferred outflows of resources	12,577,215	13,623,050
Current liabilities	63,843,696	59,039,650
Noncurrent liabilities	159,096,582	151,511,967
Total liabilities	222,940,278	210,551,617
Deferred inflows of resources	52,060,807	65,938,324
Net position:		
Net investment in capital assets	157,941,892	154,660,495
Restricted	14,617,728	12,144,375
Unrestricted	(31,533,768)	(37,151,290)
Total net position	$ 141,025,852	$ 129,653,580

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, 2023 was $19,551,976. In the past, pension expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year. The negative net position as a result of the net pension liability is reported against the unrestricted net position.

Governmental Accounting Standards Board Statement No. 73, **Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB No. 68** was implemented during fiscal year 2017. The early retirement pension liability as of June 30, 2023 was $18,698,945. The College provides a Retirement Cash Benefit Plan to retired employees meeting certain conditions, which is not within the scope of GASB No. 68. The Retirement Cash Benefit Plan is funded by a property tax levy. The negative net position as a result of the early retirement pension liability is reported against the unrestricted net position.

Governmental Accounting Standards Board Statement No. 75, **Accounting and Financial Reporting for Postemployment Benefits other than Pensions** was implemented during fiscal year 2018. The OPEB liability as of June 30, 2023 was $21,801,534. The College operates a single-employer health benefit plan for employees, retirees and their dependents. The retiree portion of the liability is funded by a property tax levy. The negative net position as a result of the OPEB liability is reported against the unrestricted net position.

Statement of Revenues, Expenses and Changes in Net Position

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

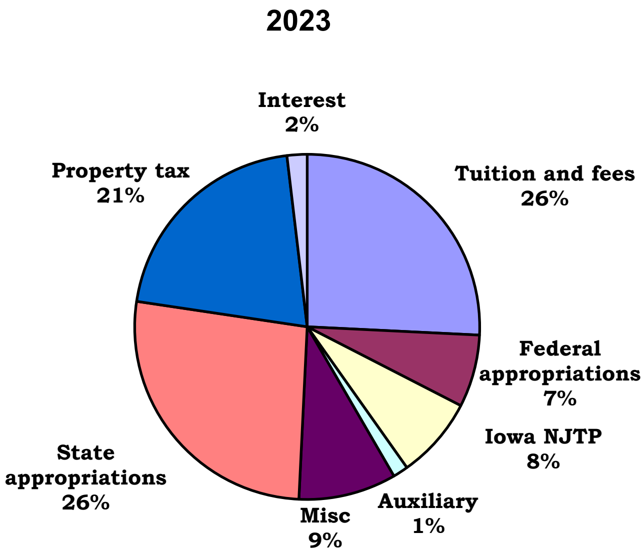
In general, a public college, such as Des Moines Area Community College, will report an operating loss since the financial reporting model classifies state appropriations, Pell grants and property tax as non-operating revenues. Operating revenues are received for providing goods and services to the students,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

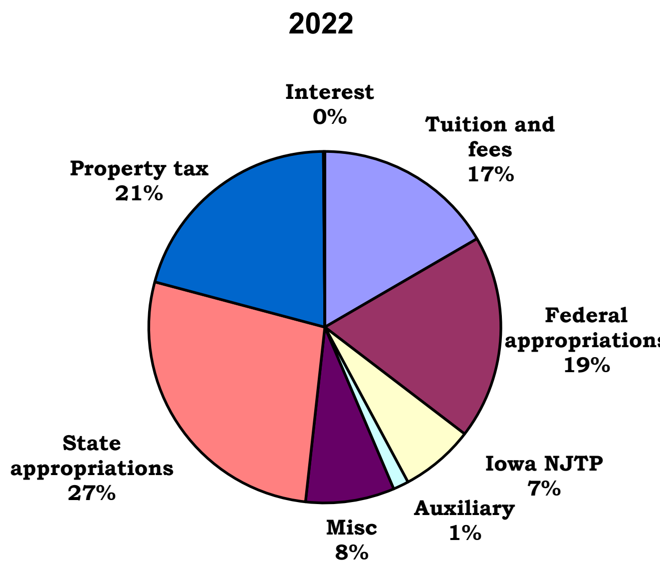
Changes in Net Position

	Year ended June 30	
	2023	2022
Operating revenues:		
Tuition and fees	$ 46,771,759	$ 27,986,038
Federal appropriations	12,325,612	31,651,172
Iowa Industrial New Jobs Training Program	13,886,150	11,423,195
Auxiliary enterprises revenue	2,592,078	2,402,810
Miscellaneous	16,601,277	13,703,083
Total operating revenues	92,176,876	87,166,298
Total operating expenses	181,107,777	168,516,888
Operating loss	(88,930,901)	(81,350,590)
Nonoperating revenues, (expenses) and transfers		
State appropriations	48,307,413	46,150,330
Pell grant	15,798,974	15,069,138
Property tax	37,675,725	34,904,382
Interest and investment income	3,424,212	223,151
Loss on disposition of capital assets	(2,585,526)	(8,062)
Interest on indebtedness	(2,286,707)	(2,433,364)
Transfers from agency funds	(30,918)	(30,528)
Net nonoperating revenues and transfers	100,303,173	93,875,047
Increase in net position	11,372,272	12,524,457
Net position beginning of year	129,653,580	117,129,123
Net position end of year	$ 141,025,852	$ 129,653,580

The Statement of Revenues, Expenses and Changes in Net Position reflects a positive year, with an increase in net position of $11.4 million at the end of the fiscal year. This increase is the net result of a $5.6 million increase in the general unrestricted funds, a $2.5 million increase in the general restricted funds, and a $3.3 million increase in capital assets net of related debt.

Total Revenues by Source





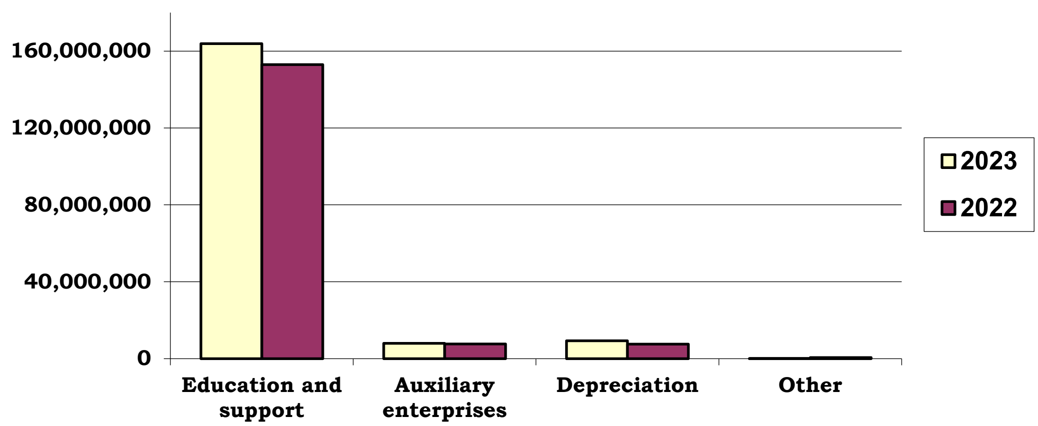
In fiscal year 2023, operating revenues increased by approximately $5 million or 6%. The increase was primarily a result of the following changes:

- Tuition and fees, net of scholarship allowances, increased approximately $18.8 million or 67%. The increase is attributable to a 1% regular credit enrollment increase and a decrease of $13 million in scholarship allowance. The large decrease in scholarship allowance is attributable to the Higher Education Emergency Relief Fund (HEERF) awards made to students during FY2022, but not made in FY2023. For financial reporting purposes, scholarship allowances reduce tuition revenue. High school concurrent enrollment revenues increased by $2 million.
- The College facilitates training to new employees of area businesses under the Iowa Industrial New Jobs Training Program. The revenue from these training projects increased $2.4 million or 21%. The College sold $8.43 million in New Jobs Training Certificates during the fiscal year. The College recognizes revenue as the training funds are drawn by the companies and the companies have three years to utilize the training funds. The revenue recognition can fluctuate due to the timing of the companies' training plans.
- Miscellaneous revenue increased $2.9 million or 21%.
- Federal appropriations decreased approximately $19.3 million or 61%. The College received several Higher Education Emergency Relief Fund (HEERF) awards and spending on those awards declined drastically in FY2023. The HEERF awards ended on June 30, 2023.
- Auxiliary revenues increased by $190,000 or 8%.
- Interest income increased by $3.2 million or 1434%. The College saw large increases in its rates of return during fiscal year 2023.

Operating Expenses

	Year ended June 30 2023	Year ended June 30 2022
Education and support:		
Liberal arts and sciences	$ 27,646,587	$ 27,731,611
Career and technical	38,055,760	36,812,257
Adult education	15,927,789	14,067,733
Cooperative services	10,034,316	7,432,734
Administration	3,543,501	3,488,884
Student services	14,045,244	13,908,563
Learning resources	3,468,022	3,551,884
Physical plant	24,932,032	22,716,570
General institution	26,188,291	23,198,164
Auxiliary enterprises	7,957,723	7,605,824
Loan cancellations and bad debts	15,779	427,338
Administrative and collection costs	29,589	57,192
Depreciation	9,263,144	7,518,134
Total	$ 181,107,777	$ 168,516,888

Total Expenses



In fiscal year 2023, operating expenses increased by approximately $12.6 million or 7.5%. The following factors explain some of the change:

- Faculty and staff salaries increased by 3% or of $2 million.
- Iowa New Job Training reimbursements increased by 38% or $2.6 million. Other college training also increased by $1.9 million in the areas of DMACC Business Resources and Continuing Education.
- Physical Plant and General Institution expenses increased by $5.2 million. Inflation continued to be a challenge during the fiscal year and the College continued to spend its remaining HEERF funds on technology and classroom updates.
- Depreciation increased by $1.75 million.

Statement of Cash Flows

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

Cash Flows

	Year ended June 30	
	2023	2022
Cash provided by (used in):		
Operating activities	$ (78,411,000)	$ (79,090,973)
Noncapital financing activities	97,495,910	102,360,397
Capital and related financing activities	(28,952,661)	(16,322,491)
Investing activities	3,424,212	223,151
Net increase in cash	(6,443,539)	7,170,084
Cash and short-term pooled investments, beginning of the year	95,937,006	88,766,922
Cash and short-term pooled investments, end of the year	$ 89,493,467	$ 95,937,006

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

Cash used in operating activities increased by $680,000.

Cash provided by noncapital financing activities decreased by $4.8 million. A smaller New Jobs Training bond sale in fiscal year 2023 attributed to the decrease.

Cash used in capital and related financing activities decreased by $12.8 million. The College completed several construction projects that were financed with Plant Fund Notes.

The cash provided by investing activities increased by $3.2 million. Increased rates of return during fiscal year 2023 accounted for this large increase.

CAPITAL ASSETS

At June 30, 2023, the College had approximately $305.3 million invested in capital assets, net of accumulated depreciation of $115 million. Depreciation charges totaled $9.2 million for fiscal year 2023. Details of the capital assets are below.

Capital Assets, Net, at Year-End

	June 30	
	2023	2022
Land	$ 8,789,109	$ 8,914,819
Buildings	162,628,384	163,517,251
Construction in progress	2,159,107	6,918,522
Improvements other than buildings	6,569,433	6,959,171
Equipment and vehicles	7,216,770	6,600,752
Right-to-use subscription asset	13,836,684	0
Total	$ 201,199,487	$ 192,910,515

The College implemented GASB Statement No. 96 **Subscription-Based Information Technology Arrangements** during fiscal year 2023. A Right-to-use subscription asset of $15.4 million and associated depreciation of $1.54 million was included in the Capital Asset schedule.

The College appropriates approximately $1.565 million annually for technology upgrades. The College also plans to spend an estimated $1.835 million annually for maintenance on the buildings and grounds and an additional $425,000 on safety and security upgrades.

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

DEBT

At June 30, 2023, the College had $86.5 million in debt outstanding, a decrease of $9.6 million from fiscal year 2022. The table below summarizes these debt amounts by type.

Outstanding Debt

	June 30	
	2023	2022
Certificates payable	$ 55,545,000	$ 57,925,000
Plant fund capital notes payable	30,965,000	38,250,000
Total	$ 86,510,000	$ 96,175,000

The College will sell an additional $5.015 million of New Jobs Training Program certificates in late 2023.

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, 2023, the College received $37.67 million. For fiscal year 2024, the College will receive $39.07 million in state general aid. For future budget years, the College does anticipate there will be modest increases in state general aid. Aggressive and prudent budget management and pre-planning for anticipated expense reductions have allowed the College to deal with any revenue losses without significant impact on operations that would affect the student experience.
- During the fiscal year that ended on June 30, 2023, the College experienced an enrollment increase of 1% in its regular, non-concurrent enrollment credits. The increase is the first the College has seen since prior to the pandemic. The College does anticipate seeing modest increases to flat enrollments for future years. For the current fall term, the College experienced a 2% increase in enrollment and anticipates that spring enrollment may be slightly up, or flat.
- The College's concurrent high school enrollment was up 6.2% in FY23. The enrollments are back up to pre-pandemic levels. Concurrent enrollments generate approximately $10 million in revenues for the College. For the current fall term, the College saw a 14% increase in concurrent enrollments and will see additional revenues generated from those courses.
- There continues to be positive indicators for business and workforce growth in central Iowa and good prospects for job growth and interest from new industry; banking and financial services continue to expand the workforce as evidenced by the College's new jobs training activity; and there is potential to provide additional training to area business and industry. Iowa Industrial New Jobs Training projects totaled $5.015 million for the 2023 bond sale.
- Facilities at the College require constant maintenance and repair. The College has started the process to develop a Facilities Master Plan. The plan will provide 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. The College consistently informs business leaders and state legislators regarding on-going facilities issues.
- Technology continues to expand and current technology becomes outdated rapidly, presenting an ongoing challenge to maintain up-to-date technology at a reasonable cost. The College has a partnership with Solutions Management Group (SMG) to provide a computer lease solution, asset management, and help desk services.

The College anticipates the current fiscal year (Fiscal Year 2024) will be very similar to the previous fiscal year. The College will continue to monitor its financial situation and respond accordingly.

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

Exhibit A

DES MOINES AREA COMMUNITY COLLEGE

Statement of Net Position

June 30, 2023

	College	Foundation
Assets		
Current assets:		
Cash and short-term pooled investments (Note 2)	$ 88,824,870	$ 2,624,158
Pooled investments (Note 2)	-	20,312,373
Receivables:		
Accounts, net of allowance of $313,785	23,956,529	1,048,246
Succeeding year property tax	41,924,860	-
Iowa Industrial New Jobs Training Program	8,084,639	-
Due from other governments	3,198,028	-
Lease receivable	648,853	-
Inventories (Note 3)	272,212	-
Prepaid expenses	591,746	57,364
Total current assets	167,501,737	24,042,141
Noncurrent assets:		
Receivables		
Iowa Industrial New Jobs Training Program	33,172,876	-
Lease receivable	1,575,622	-
Capital assets, net of accumulated depreciation (Note 4)	201,199,487	-
Total noncurrent assets	235,947,985	-
Total assets	403,449,722	24,042,141
Deferred outflows of resources		
Pension related deferred outflows	10,441,427	
OPEB related deferred outflows	2,135,788	-
Total deferred outflows of resources	12,577,215	-

Exhibit A

DES MOINES AREA COMMUNITY COLLEGE

Statement of Net Position (Continued)

June 30, 2023

		College		Foundation
Liabilities				
Current liabilities				
Accounts payable	$	3,266,499	$	-
Payable to Des Moines Area Community College		-		1,133,938
Salaries and benefits payable		4,741,580		-
Self-funded health claims payable		6,798,133		-
Accrued interest payable		214,960		-
Unearned revenue:				
Tuition		14,632,617		-
Iowa Industrial New Jobs Training Program		13,604,859		-
Net pension liability (Notes 5, 6 & 8)		1,504,089		-
OPEB liability payable (Notes 5 & 9)		770,765		
Deposits held in custody for others		609,105		-
Subscription liability (Note 5)		2,894,708		
Certificates payable (Note 5)		6,713,371		-
Plant fund capital loan notes payable (Note 5)		8,093,010		-
Total current liabilities		63,843,696		1,133,938
Noncurrent liabilities (Note 5):				
Compensated absences		2,328,000		-
Unearned revenue, Iowa Industrial New Jobs Training Program		14,530,934		-
Net pension liability (Notes 6 & 8)		36,746,832		-
OPEB liability payable (Note 9)		21,030,769		-
Subscription liability (Note 5)		9,397,887		
Certificates payable (Note 5)		49,061,294		-
Plant fund capital loan notes payable (Note 5)		26,000,866		-
Total noncurrent liabilities		159,096,582		-
Total liabilities		222,940,278		1,133,938
Deferred inflows of resources				
Unavailable property tax revenue		41,924,860		-
Pension related deferred inflows		4,476,729		-
OPEB related deferred inflows		3,434,743		-
Lease related		2,224,475		-
Total deferred inflows of resources		52,060,807		-
Net position				
Net investment in capital assets		157,941,892		-
Restricted:				
Nonexpendable:				
Cash reserve		755,088		-
Scholarships and fellowships		-		6,876,234
Expendable:				
Scholarships and fellowships		596,125		-
Loans		73,011		-
Other		13,193,504		14,351,966
Unrestricted		(31,533,768)		1,622,889
Total net position	$	141,025,852	$	22,851,089

Exhibit B

DES MOINES AREA COMMUNITY COLLEGE

Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2023

	College	Foundation
Operating revenues:		
Tuition and fees, net of scholarship allowances of $16,814,169	$ 46,771,759	$ -
Federal appropriations	12,325,612	-
Iowa Industrial New Jobs Training Program	13,886,150	-
Auxiliary enterprises revenue	2,592,078	-
Contributions	-	3,745,055
Miscellaneous	16,601,277	-
Total operating revenues	92,176,876	3,745,055
Operating expenses:		
Education and support		
Liberal arts and sciences	27,646,587	-
Career and technical	38,055,760	-
Adult education	15,927,789	-
Cooperative services	10,034,316	-
Administration	3,543,501	160,568
Student services	14,045,244	-
Learning resources	3,468,022	-
Physical plant	24,932,032	-
General institution	26,188,291	-
Auxiliary enterprises	7,957,723	-
Scholarships and grants	-	3,995,208
Fund raising	-	-
Loan cancellations and bad debts	15,779	-
Administrative and collection costs	29,589	-
Depreciation	9,263,144	-
Total operating expenses	181,107,777	4,155,776
Operating (loss)	(88,930,901)	(410,721)
Nonoperating revenues (expenses):		
State appropriations	48,307,413	-
Pell grant	15,798,974	-
Property tax	37,675,725	-
Interest and investment income	3,424,212	2,120,636
Loss on disposition of capital assets	(2,585,526)	-
Interest on indebtedness	(2,286,707)	-
Net nonoperating revenues (expenses)	100,334,091	2,120,636
Change in net position	11,403,190	1,709,915
Transfers from agency funds	(30,918)	-
Total change in net position	11,372,272	1,709,915
Net position, beginning of year	129,653,580	21,141,174
Net position, end of year	$ 141,025,852	$ 22,851,089

DES MOINES AREA COMMUNITY COLLEGE

Statement of Cash Flows

Year Ended June 30, 2023

Cash flows from operating activities:	
Tuition and fees	$ 43,401,550
Federal appropriations	12,301,656
Iowa Industrial New Jobs Training Program	10,962,144
Payments to employees for salaries and benefits	(108,630,425)
Payments to suppliers for goods and services	(55,721,016)
Auxiliary enterprise receipts	2,592,078
Other receipts	16,683,013
Net cash used in operating activities	(78,411,000)
Cash flows from noncapital financing activities:	
State appropriations	47,879,552
Pell grant	15,798,974
Property tax	37,675,725
Net agency fund activity	(37,318)
Proceeds from certificates payable	8,430,000
Principal paid on debt	(10,810,000)
Interest paid	(1,441,023)
Net cash provided by noncapital financing activities	97,495,910
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(20,137,661)
Principal paid on debt	(7,285,000)
Interest paid	(1,530,000)
Net cash (used in) capital and related financing activities	(28,952,661)
Cash flows from investing activities	
Interest on investments	3,424,212
Net cash provided by investing activities	3,424,212
Net decrease in cash and short-term pooled investments	(6,443,539)
Cash and short-term pooled investments at beginning of year	95,937,006
Cash and short-term pooled investments at end of year	$ 89,493,467

DES MOINES AREA COMMUNITY COLLEGE
Statement of Cash Flows (Continued)
Year Ended June 30, 2023

Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (88,930,901)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	9,263,144
Changes in assets and liabilities:	
Increase in accounts receivable	(5,204,776)
Decrease in Iowa Industrial New Jobs Training Program receivables	1,730,223
Increase in due from and due to other governments	(451,818)
Increase in lease receivable	(650,820)
Increase in prepaid expenses	(348,680)
Decrease in inventories	19,029
Increase in accounts payable	46,969
Decrease in salaries and benefits payable	(1,904,965)
Decrease in unearned revenues	(2,819,662)
Increase in net pension liability	17,516,546
Decrease in OPEB liability	(2,476,672)
Increase in subscription liability	12,292,595
Decrease in deferred outflows of resources	1,045,835
Decrease in deferred inflows of resources	(18,046,644)
Decrease in deposits held in custody for others	509,597
Total Adjustments	10,519,901
Net cash used in operating activities	$ (78,411,000)

Exhibit D

DES MOINES AREA COMMUNITY COLLEGE

Statement of Fiduciary Net Position - Custodial Funds

Year ended June 30, 2023

Assets		
Cash and short-term pooled investments	$	668,597
Accounts receivable		23,841
Total Assets		692,438
Liabilities		
Accounts payable		59,546
Total Liabilities		59,546
Net Assets		
Restricted:		
Other	$	632,892

Exhibit E

DES MOINES AREA COMMUNITY COLLEGE

Statement of Changes in Fiduciary Net Position - Custodial Funds

Year ended June 30, 2023

		Total
Additions:		
Federal appropriations	$	55,898
Other		1,275,020
Transfers in		38,500
Total additions		1,369,418
Deductions:		
Salaries and benefits		226,734
Services		681,726
Materials and supplies		145,573
Travel		153,229
Other		160,979
Transfers out		7,578
Total deductions		1,375,819
Changes in net position		(6,401)
Net position beginning of year		639,293
Net position end of year	$	632,892

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED MATTERS

Organization and Function

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

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

Reporting Entity

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

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

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

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

Financial Statement Presentation

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

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

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

Financial Statement Presentation (continued)

Restricted Net Position:

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

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

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

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

Other Supplementary Information

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

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

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

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

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

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

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

Other Supplementary Information (continued)

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

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

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

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

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

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

Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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

Receivable for Iowa Industrial New Jobs Training Program (NJTP) – This represents the amount to be remitted to the College for training projects entered into between the College and employers under the provisions of Chapter 260E of the Code of Iowa. The receivable amount is based on expenditures incurred through June 30, 2023 on NJTP projects, including interest incurred on NJTP certificates, less revenues received to date.

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

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

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

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

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

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

Assets	Years
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.

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

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

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

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

> The College uses its estimated incremental borrowing rate as the discount rate for leases.
>
> The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

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

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

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

> The College uses the interest rate charged by the IT subscription vendor as the discount rate. When the interest rate charged by the vendor is not provided, the College generally uses its estimated incremental borrowing rate as the discount rate.
>
> The IT subscription term includes the noncancellable period of the subscription. Payments included in the measurement of the liability are composed of fixed payments.

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

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

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

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

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

Salaries and Benefits Payable – Payroll and related expenses for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

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

Compensated Absences – College employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. Amounts representing the cost of compensated absences are recorded as liabilities. These liabilities have been computed based on rates of pay in effect at June 30, 2023.

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 payment in accordance with the benefit terms.

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

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

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

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

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

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

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

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

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

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

NOTE 2 CASH AND POOLED INVESTMENTS

The College’s cash and deposits (money market accounts and certificates of deposit) at June 30, 2023 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, 2023, the College's cash and short-term pooled investments are as follows:

Deposits	
Cash	$ 45,824,103
Iowa Schools Joint Investment Trust Diversified Portfolio and Money Market	43,669,364
Total cash and short-term pooled investments	$ 89,493,467

NOTE 2 CASH AND POOLED INVESTMENTS (continued)

Foundation

The Foundation categorizes its fair value measurements within the fair value hierarchy established by the generally accepted accounting principles. The Foundation has the following recurring fair value measurements as of June 30, 2023:

Investments	Fair Value
Cash and cash equivalents	$ 2,624,158
Money market funds	1,259,865
Mutual funds	19,052,508
	$ 22,936,531

Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The investments listed above have quoted prices in active markets and are Level 1 inputs.

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

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

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

NOTE 3 INVENTORIES

The College's inventories at June 30, 2023 are as follows:

Type	Amount
Supplies and materials	$ 36,857
Merchandise held for resale	235,355
Total	$ 272,212

NOTE 4 CAPITAL ASSETS

A summary of the change in capital assets for the year ended June 30, 2023 is as follows:

	Balance beginning of year	Additions	Transfers	Deletions	Balance end of year
Capital assets not being depreciated					
Land	$ 8,914,819	$ -	$ -	$ 125,710	$ 8,789,109
Construction in progress	6,918,522	2,036,288	(6,112,517)	683,186	2,159,107
Total capital assets not being depreciated	15,833,341	2,036,288	(6,112,517)	808,896	10,948,216
Capital assets being depreciated					
Buildings	241,955,269	6,620,796	-	1,896,343	246,679,722
Improvements other than buildings	20,582,557	-	-	-	20,582,557
Equipment and vehicles	21,889,383	2,219,002	-	1,430,187	22,678,198
Right-to-use subscription asset	-	15,374,093	-	-	15,374,093
Total capital assets being depreciated	284,427,209	24,213,891	-	3,326,530	305,314,570
Less accumulated depreciation for					
Buildings	78,438,018	5,868,045	-	254,725	84,051,338
Improvements other than buildings	13,623,406	389,718	-	-	14,013,124
Equipment and vehicles	15,288,631	1,467,972	-	1,295,175	15,461,428
Right-to-use subscription asset	-	1,537,409	-	-	1,537,409
Total accumulated depreciation	107,350,055	9,263,144	-	1,549,900	115,063,299
Total capital assets being depreciated, net	177,077,154	14,950,747	-	1,776,630	190,251,271
Capital assets, net	$ 192,910,495	$ 16,987,035	$ (6,112,517)	$ 2,585,526	$ 201,199,487

Construction in progress at June 30, 2023 includes the Templeton Regional Center as well as other miscellaneous smaller projects. The College has entered into agreements for these projects totaling approximately $925,000 of which approximately $500,000 has been completed.

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, 2023 are as follows:

Year ending June 30	Principal	Interest	Total
2024	$ 613,570	35,283	$ 648,853
2025	466,280	24,917	491,197
2026	423,399	15,738	439,137
2027	141,828	10,437	152,265
Thereafter	459,077	33,946	493,023
Total	$ 2,104,154	$ 120,321	$ 2,224,475

NOTE 6 CHANGES IN NONCURRENT LIABILITIES

A summary of changes in noncurrent liabilities for the year ended June 30, 2023 is as follows:

	Plant Fund Capital Loan Notes Payable	Certificates Payable	Unearned revenue, NJTP and other	Subscription Liability
Balance, beginning of year	$ 38,250,000	$ 57,925,000	$ 32,790,022	$ -
Additions	-	8,430,000	11,341,723	12,292,595
Reductions	7,285,000	10,810,000	15,995,952	-
	30,965,000	55,545,000	28,135,793	12,292,595
Plus net unamortized premium	3,128,876	229,665	-	-
Balance, end of year	34,093,876	55,774,665	28,135,793	12,292,595
Less current portion	8,093,010	6,713,371	13,604,859	2,894,708
Total noncurrent liabilities	$ 26,000,866	$ 49,061,294	$ 14,530,934	$ 9,397,887

	OPEB liability	Early Retirement and Net Pension Liability	Compensated absences	Total
Balance, beginning of year	$ 24,278,206	$ 20,734,375	$ 2,289,000	$ 176,266,603
Additions	2,026,857	20,811,994	39,000	54,942,169
Reductions	4,503,529	3,295,448	-	41,889,929
	21,801,534	38,250,921	2,328,000	189,318,843
Plus net unamortized premium	-	-	-	3,358,541
Balance, end of year	21,801,534	38,250,921	2,328,000	192,677,384
Less current portion	770,765	1,504,089	-	33,580,802
Total noncurrent liabilities	$ 21,030,769	$ 36,746,832	$ 2,328,000	$ 159,096,582

NOTE 6 CHANGES IN NONCURRENT LIABILITIES (continued)

Plant Fund Capital Loan Notes Payable

The College has issued revenue bonds and notes payable for the purchase and construction of College properties as allowed by Section 260C.19 and Section 260C.58 of the Code of Iowa. Details of the scheduled maturities for the College's revenue bonds and notes payable at June 30, 2023 are as follows:

Year ending June 30	Principal	Interest	Total
2024	$ 7,415,000	1,238,600	$ 8,653,600
2025	7,550,000	942,000	8,492,000
2026	4,000,000	640,000	4,640,000
2027	4,000,000	480,000	4,480,000
2028	4,000,000	320,000	4,320,000
2029	4,000,000	160,000	4,160,000
Total	$ 30,965,000	$ 3,780,600	$ 34,745,600

Plant fund capital loan notes payable consisted of the following at June 30, 2023:

Plant fund capital loan notes payable dated July 30, 2015 and July 30, 2019 with interest rates between 2.00% and 4.00%	$ 30,965,000
Total	$ 30,965,000

The plant fund capital loan notes totaling $30,965,000 are payable over six years. The proceeds of the notes were used to pay for the various costs of the building projects for the College. Interest on the notes payable is payable semiannually, while principal payments are due annually.

Total interest cost on the plant fund capital loan notes payable during the year ended June 30, 2023 was $1,530,000.

NOTE 6 CHANGES IN NONCURRENT LIABILITIES (continued)

Certificates Payable

Pursuant to agreements dated from 2016 to 2022, the College issued certificates totaling $55,545,000 at June 30, 2023 with interest rates ranging from 1.00% to 5.00% 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:

Year ending June 30	Principal	Interest	Total
2024	$ 6,660,000	1,424,639	$ 8,084,639
2025	7,660,000	1,267,791	8,927,791
2026	8,505,000	1,078,145	9,583,145
2027	8,360,000	865,455	9,225,455
2028	7,850,000	659,730	8,509,730
2029-2032	16,510,000	1,009,025	17,519,025
Total	$ 55,545,000	$ 6,304,785	$ 61,849,785

Since inception, the College has administered 869 projects, with 69 currently receiving project funding. Of the remaining projects, 690 have been completed and closed and 22 have been completed with only repayment of the certificates left. In cases where projects exceed the budgeted amounts, the College intends to obtain additional withholding revenue from the companies.

Total interest costs on the certificates during the year ended June 30, 2023 was $1,457,807.

IT Subscription Liability

During the year ended June 30, 2023, the College entered into subscription license and services information technology agreements with vendors for financial and educational software with an initial subscription liability of $15,374,093. The agreements require annual payments over an average term of 5.5 years and an implicit rate of 3.99%. During the year ended June 30, 2023, the College made payments in the amount of $3,081,498.

Future principal and interest payments as of June 30, 2023 are as follows:

Year ending June 30	Principal	Interest	Total
2024	$ 2,894,708	425,292	$ 3,320,000
2025	3,011,241	308,759	3,320,000
2026	3,130,862	189,138	3,320,000
2027	3,255,784	64,216	3,320,000
Total	$ 12,292,595	$ 987,405	$ 13,280,000

NOTE 7 IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)

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

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

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

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

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

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

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

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

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

In fiscal year 2023, 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, 2023 were $4,357,097.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the College reported a liability of $19,551,976 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, the College's proportion was 0.492605%, which was an increase of 0.014355% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the College recognized pension expense of $147,502. At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 866,737	$ 267,819
Changes of assumptions	16,590	466
Net difference between projected and actual earnings on IPERS' investments		2,092,977
Changes in proportion and differences between College contributions and the College's proportionate share of contributions	1,482,741	515,841
College contributions subsequent to the measurement date	4,357,097	
Total	$ 6,723,165	$ 2,877,103

$4,357,097 reported as deferred outflows of resources related to pensions resulting from the College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30	Amount
2024	$ (1,386,315)
2025	(1,116,470)
2026	(2,468,347)
2027	4,364,323
2028	95,775
Total	$ (511,034)

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement

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

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	3.57%
International equity	17.5	4.79
Global smart beta equity	6.0	4.16
Core plus fixed income	20.0	1.66
Public credit	4.0	3.77
Cash	1.0	0.77
Private equity	13.0	7.57
Private real assets	8.5	3.55
Private credit	8.0	3.63
Total	100.0%	

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

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

	1 % Decrease (6.00%)	Discount Rate (7.00%)	1 % Increase (8.00%)
College's proportionate share of the net pension liability	$ 36,427,682	$ 19,551,976	$ 4,679,840

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

NOTE 8 TEACHERS INSURANCE AND ANNUITY ASSOCIATION

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, 2023 employee contributions totaled $1,876,437 and the College recognized pension expense of $2,816,148.

NOTE 9 PENSION COSTS - EARLY RETIREMENT

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

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

Plan Membership – as of July 1, 2022, plan membership consisted of the following:

Inactive members currently receiving benefits	22
Active members	853
Total	875

Investment Policy – The College’s obligation is unfunded at July 1, 2022. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73.

Sensitivity of the Total Pension Liability to Changes in the Discount Rate – The following presents the total pension liability, calculated using the current discount rate of 3.54%, as well as the total pension liability calculated using a discount rate that is 1% lower (2.54%) or 1% higher (4.54%) than the current rate:

	1 % Decrease 2.54%	Current Discount Rate 3.54%	1 % Increase 4.54%
Total Pension Liability	$ 19,589,915	$ 18,698,945	$ 17,859,373

NOTE 9 PENSION COSTS - EARLY RETIREMENT(continued)

Pension Expense

Pension Expense	**Measurement Period Ended June 30, 2022**
Service Cost	$ 1,473,448
Interest on Total Pension Liability	457,033
Recognition of Deferred (Inflows)/Outflows of Resources	
Economic/Demographic (Gains)/Losses	106,183
Assumption Changes	8,604
Pension Expense	$ 2,045,268

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

The amortization period for the July 1, 2021 to June 30, 2022 measurement period was determined as follows:

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

Deferred Inflows and Outflows of Resources – Under GASB 73, gains and losses which are amortized over future years are referred to as deferred inflows or gains, and deferred outflows or losses. Economic and demographic gains and losses and changes in the total Pension liability due to changes in assumptions are recognized over a closed period equal to the average expected remaining service lives of all covered active and inactive members, determined as of the beginning of the measurement period. As of June 30, 2022, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ (341,417)	$ 664,635
Changes of assumptions	(1,258,209)	1,698,916
Total	$ (1,599,626)	$ 2,363,551

NOTE 9 PENSION COSTS - EARLY RETIREMENT(continued)

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

Year ending June 30:	Annual Recognition
2024	$ 114,787
2025	127,347
2026	117,563
2027	117,563
2028	117,563
Thereafter	(10,898)
Total	$ 583,925

Schedule of Deferred Inflows and Outflows of Resources

	Original Amount	Date Established (Measurement Date)	Original Recognition Period *	Amount Recognized in Expense June 30, 2023	Balance of Deferred Inflows June 30, 2023	Balance of Deferred Outflows June 30, 2023
Economic/	$ (387,555)	6/30/2022	8.4	$ (46,138)	$ (341,417)	$ -
Demographic	727,043	6/30/2020	8.3	87,596	-	464,255
(Gains)/Losses	353,711	6/30/2018	6.8	52,016	-	93,631
	195,712	6/30/2016	15.4	12,709	-	106,749
				$ 106,183	$ (341,417)	$ 664,635
Assumption	$ (1,193,692)	6/30/2022	8.4	$ (142,106)	$ (1,051,586)	$ -
Changes	1,422,508	6/30/2020	8.3	171,387	-	908,347
	(780,583)	6/30/2018	6.8	(114,792)	(206,623)	-
	1,449,374	6/30/2016	15.4	94,115	-	790,569
				$ 8,604	$ (1,258,209)	$ 1,698,916

NOTE 10 OTHER POST EMPLOYMENT BENEFITS (OPEB)

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

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

Plan Membership – as of July 1, 2022, plan membership consisted of the following:

Inactive members currently receiving benefits	101
Active members	855
Total	956

Investment Policy – The College's obligation is unfunded at July 1, 2022. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75.

Actuarial Assumptions – The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2022)	3.00% per annum.
Rate of salary increase (effective June 30, 2022)	3.50% per annum
Discount rate (effective June 30, 2022)	3.54% per annum
Healthcare cost trend rate (effective June 30, 2022)	5.00% for medical and dental for all years

Discount Rate – The discount rate used to measure the total OPEB liability was 3.54% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP-2014 annuitant distinct mortality table adjusted to 2006 with MP-2021 generational projection of future mortality improvement. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Total OPEB Liability

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

The Total OPEB Liability of the College at June 30, 2023 is projected to be $21,801,534.

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

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

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

	1% Decrease to 4.0%	Current Healthcare Cost Trend Rate 5.0%	1% Increase to 6.0%
Total OPEB Liability	$ 19,991,762	$ 21,801,534	$ 23,862,285

	1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
Total OPEB Liability	$ 23,297,771	$ 21,801,534	$ 20,428,046

OPEB Expense

OPEB Expense	**Fiscal Year Ending June 30, 2023**
Service Cost	$ 1,259,190
Interest on Total OPEB Liability	767,667
Recognition of Deferred (Inflows)/Outflows of Resources	
Economic/Demographic (Gains)/Losses	(171,317)
Assumption Changes	220,737
OPEB Expense	$ 2,076,277

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

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

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

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

Deferred Inflows and Deferred Outflows of Resources Related to OPEB – Under GASB 75, gains and losses which are amortized over future years are referred to as deferred inflows or gains, and deferred outflows or losses. Economic and demographic gains and losses and changes in the total OPEB liability due to changes in assumptions are recognized over a closed period equal to the average expected remaining service lives of all covered active and inactive members, determined as of the beginning of the measurement period. At June 30, 2023, the College reported deferred inflows and outflows of resources related to OPEB from the following resources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ (1,408,864)	$ 217,604
Changes of assumptions	(2,025,879)	1,918,184
Total	$ (3,434,743)	$ 2,135,788

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

Year ending June 30:	Annual Recognition
2024	$ 49,420
2025	(11,952)
2026	(157,287)
2027	(176,508)
2028	(296,065)
Thereafter	(706,563)
Total	$ (1,298,955)

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

Schedule of Deferred Inflows and Outflows of Resources

	Original Amount	Date Established (Measurement Date)	Original Recognition Period *	Amount Recognized in Expense June 30, 2023	Balance of Deferred Inflows June 30, 2023	Balance of Deferred Outflows June 30, 2023
Economic/	$ (1,050,945)	6/30/2023	7.7	$ (136,486)	$ (914,459)	$ -
Demographic	(824,009)	6/30/2021	7.5	(109,868)	(494,405)	-
(Gains)/Losses	592,789	6/30/2019	7.9	75,037	-	217,604
				$ (171,317)	$ (1,408,864)	$ 217,604
Assumption	$ (2,149,350)	6/30/2023	7.7	$ (279,136)	$ (1,870,214)	$ -
Changes	2,617,364	6/30/2021	7.5	348,982	-	1,570,418
(Gains)/Losses	(424,055)	6/30/2019	7.9	(53,678)	(155,665)	-
	1,575,180	6/30/2018	7.7	204,569	-	347,766
				$ 220,737	$ (2,025,879)	$ 1,918,184

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

NOTE 11 TAX ABATEMENTS

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

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

For the year ended June 30, 2023, the College had no abatements of property tax and $12,604,497 of state income tax withholding under the projects.

NOTE 11 TAX ABATEMENTS (continued)

Tax Abatements of Other Entities – Property tax revenues of the College were reduced by the following amounts for the year ended June 30, 2023 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Altoona	Other tax abatement program	$ 40,811
City of Altoona	Urban renewal and economic development projects	34,432
City of Ames	Other tax abatement program	39,487
City of Ankeny	Other tax abatement program	63,184
City of Ankeny	Urban renewal and economic development projects	1,915
City of Baxter	Other tax abatement program	420
City of Boone	Other tax abatement program	2,639
City of Boone	Urban renewal and economic development projects	4,071
Boone County	Other tax abatement program	12,449
Boone County	Urban renewal and economic development projects	8,653
City of Carlisle	Other tax abatement program	17,755
City of Carroll	Other tax abatement program	552
City of Clive	Other tax abatement program	9,769
City of Colfax	Other tax abatement program	90
City of Colfax	Urban renewal and economic development projects	505
City of Coon Rapids	Other tax abatement program	3,917
City of Dallas Center	Urban renewal and economic development projects	1,325
Dallas County	Other tax abatement program	1,920
City of De Soto	Other tax abatement program	1,574
City of Des Moines	Other tax abatement program	278,818
City of Earlham	Urban renewal and economic development projects	5,289
City of Glidden	Urban renewal and economic development projects	40
City of Granger	Other tax abatement program	6,849
City of Grimes	Other tax abatement program	69,357
City of Halbur	Other tax abatement program	246
City of Hartford	Urban renewal and economic development projects	221
City of Johnston	Other tax abatement program	25,583
City of Knoxville	Other tax abatement program	10,750
City of Madrid	Other tax abatement program	65
City of Manning	Other tax abatement program	800
City of Manning	Urban renewal and economic development projects	85
City of Nevada	Other tax abatement program	8,120
City of Nevada	Urban renewal and economic development projects	15,202
City of Newton	Other tax abatement program	7,706
City of Norwalk	Other tax abatement program	54,769
City of Panora	Other tax abatement program	40
City of Panora	Urban renewal and economic development projects	392
City of Pella	Other tax abatement program	5,003
City of Perry	Other tax abatement program	664
City of Perry	Urban renewal and economic development projects	3,138
City of Pleasantville	Other tax abatement program	1,968
City of Pleasantville	Urban renewal and economic development projects	741
City of Polk City	Other tax abatement program	9,246
Polk County	Other tax abatement program	34,601
City of Roland	Other tax abatement program	1,609
City of Slater	Other tax abatement program	878
City of Stuart	Other tax abatement program	5,198
City of Sully	Other tax abatement program	1,356
City of Templeton	Other tax abatement program	3,911
City of Urbandale	Other tax abatement program	25,792
City of Van Meter	Urban renewal and economic development projects	11,022
City of Waukee	Other tax abatement program	31,425

NOTE 11 TAX ABATEMENTS (continued)

City of West Des Moines	Other tax abatement program	47,610
City of Winterset	Other tax abatement program	14,249
City of Woodward	Other tax abatement program	2,068
		$ 930,279

Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology A

REQUIRED SUPPLEMENTARY INFORMATION

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

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

Required Supplementary Information

	2023	2022	2021	2020	2019	2018	2017	2016	2015
College's proportion of the net pension liability	0.492605%	0.478250%	0.491015%	0.475760%	0.447466%	0.435891%	0.436377%	0.434554%	0.413451%
College's proportionate share of the net pension liability	$ 19,552	$ 670	$ 34,252	$ 27,735	$ 28,308	$ 28,776	$ 27,214	$ 21,604	$ 16,733
College's covered-employee payroll	$ 46,156	$ 41,671	$ 38,842	$ 38,662	$ 36,408	$ 33,654	$ 32,243	$ 31,037	$ 29,980
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	42.36%	1.61%	88.18%	71.74%	77.75%	85.51%	84.40%	69.61%	55.81%
IPERS' net position as a percentage of the total pension liability	91.40%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

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

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

DES MOINES AREA COMMUNITY COLLEGE

Schedule of College Contributions

Iowa Public Employee's Retirement System

For the Last Ten Years

(In Thousands)

Required Supplementary Information

	Years ended June 30,									
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Statutory required contribution	$ 4,357	3,934	3,667	3,650	3,437	3,005	2,879	2,772	2,677	2,466
Contributions in relation to the statutorily required contribution	(4,357)	(3,934)	(3,667)	(3,650)	(3,437)	(3,005)	(2,879)	(2,772)	(2,677)	(2,466)
Contribution deficiency (excess)	$ -	-	-	-	-	-	-	-	-	-
College's covered-employee payroll	$ 46,156	41,671	38,842	38,662	36,408	33,654	32,243	31,037	29,980	27,613
Contributions as a percentage of covered-employee payroll	9.44%	9.44%	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%	8.93%

CHANGES OF BENEFIT TERMS:

There are no significant changes in benefit terms.

CHANGES OF ASSUMPTIONS:

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

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

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

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

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

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

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

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

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

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

Required Supplementary Information

	2023	2022	2021	2020	2019	2018	2017
Total pension liability	$ 18,699	$ 20,064	$ 19,602	$ 16,895	$ 17,307	$ 18,021	$ 18,701
College's covered-employee payroll	$ 60,707	$ 60,773	$ 58,718	$ 55,460	$ 53,585	$ 53,765	$ 51,947
Total pension liability as a percentage of the covered-employee payroll	30.80%	33.01%	33.38%	30.46%	32.30%	33.52%	36.00%

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

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

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

Required Supplementary Information

	2023	2022	2021	2020	2019	2018
Service cost	$ 1,259,190	$ 1,518,352	$ 1,467,007	$ 1,175,058	$ 1,135,322	$ 1,157,330
Interest cost	767,667	540,733	526,639	820,167	802,774	723,101
Difference between expected and actual experiences	(1,050,945)	-	(824,009)	-	592,789	-
Changes in assumptions	(2,149,350)	-	2,617,364	-	(424,055)	1,575,180
Benefit payments	(1,303,234)	(1,460,161)	(1,354,282)	(1,533,125)	(1,523,618)	(1,440,371)
Net change in total OPEB liability	(2,476,672)	598,924	2,432,719	462,100	583,212	2,015,240
Total OPEB liability beginning of year	24,278,206	23,679,282	21,246,563	20,784,463	20,201,251	18,186,011
Total OPEB liability end of year	$ 21,801,534	$ 24,278,206	$ 23,679,282	$ 21,246,563	$ 20,784,463	$20,201,251
Covered-Employee payroll	$ 60,707,148	$ 60,773,286	$ 58,718,151	$ 55,460,366	$ 53,584,895	$53,765,153
Total OPEB liability as a percentage of the covered-employee	35.91%	39.95%	40.33%	38.31%	38.79%	37.57%

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

Required Supplementary Information

CHANGES OF BENEFIT TERMS:

There were no significant changes in benefit terms.

CHANGES OF ASSUMPTIONS:

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

Year ended June 30, 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%

OTHER SUPPLEMENTARY INFORMATION

Schedule 1

Des Moines Area Community College

BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES - BUDGET TO ACTUAL

Year ended June 30, 2023

Funds/Levy	Original budget	Actual	Variance between actual and budget
Unrestricted	$ 118,275,643	$ 117,899,623	$ 376,020
Restricted			
Unemployment	100,000	36,759	63,241
Insurance	15,185,000	10,870,233	4,314,767
Early retirement	1,950,059	2,995,576	(1,045,517)
Equipment replacement	4,892,861	4,751,554	141,307
Other	50,094,742	41,822,796	8,271,946
Total restricted	72,222,662	60,476,918	11,745,744
Total unrestricted/restricted	190,498,305	178,376,541	12,121,764
Plant	22,159,481	16,600,987	5,558,494
Total	$ 212,657,786	$ 194,977,528	$ 17,680,258

Note to Budgetary Reporting:

The Board of Directors annually prepares a budget designating the proposed expenditures for operation of the College on a basis consistent with U.S. generally accepted accounting principles. Following required public notice and hearing, and in accordance with Chapter 260C of the Code of Iowa, the Board of Directors certifies the approved budget to the appropriate county auditors and then submits the budget to the State Board of Education for approval. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Formal and legal budgetary control is based on total operating expenditures.

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

For the year ended June 30, 2023, the College’s expenditures did not exceed the amount budgeted.

Schedule 2

DES MOINES AREA COMMUNITY COLLEGE

Assets, Liabilities and Fund Balances

June 30, 2023

	Current funds		Nonoperating funds				
				Plant Funds			
Assets	**General unrestricted funds**	**General restricted funds**	**Loan funds**	**Unexpended**	**Investment in plant**	**Adjustments**	**Totals**
Cash and short-term pooled investments	$ 16,015,300	$ 61,777,508	$ 67,543	$ 10,964,519	$ -	$ -	$ 88,824,870
Receivables:							
Accounts, net of allowance of $313,785	20,387,955	2,363,778	5,468	1,199,328	-	-	23,956,529
Succeeding year property tax	11,409,488	19,105,884		11,409,488	-	-	41,924,860
Iowa Industrial New Jobs Training Program	-	41,257,515	-	-	-	-	41,257,515
Due from other governments	1,236,260	1,961,768	-	-	-	-	3,198,028
Lease receivable	-	-	-	-	-	2,224,475	2,224,475
Inventories	272,212	-	-	-	-	-	272,212
Prepaid expenses	19,474	572,272	-	-	-	-	591,746
	49,340,689	127,038,725	73,011	23,573,335	-	2,224,475	202,250,235
Capital assets:							
Land	-	-	-	-	8,789,109	-	8,789,109
Buildings	-	-	-	-	246,679,722		246,679,722
Improvements other than buildings	-	-	-	-	20,582,557	-	20,582,557
Equipment and vehicles	-	-	-	-	22,678,198	-	22,678,198
Construction in progress	-	-	-	-	2,159,107	-	2,159,107
Right-to-use subscription asset					15,374,093		15,374,093
Accumulated depreciation	-	-	-	-	-	(115,063,299)	(115,063,299)
Total assets	49,340,689	127,038,725	73,011	23,573,335	316,262,786	(112,838,824)	403,449,722
Deferred outflows of resources:					-		
Pension related deferred outflows	-	-	-	-	-	10,441,427	10,441,427
OPEB related deferred outflows	-	-	-	-	-	2,135,788	2,135,788
Total deferred outflows	-	-	-	-	-	12,577,215	12,577,215
Total assets and deferred outflows of resources	$ 49,340,689	$ 127,038,725	$ 73,011	$ 23,573,335	$ 316,262,786	$ (100,261,609)	$ 416,026,937

DES MOINES AREA COMMUNITY COLLEGE

Assets, Liabilities and Fund Balances (Continued)

June 30, 2023

	Current funds		Nonoperating funds				
				Plant Funds			
Liabilities, Deferred Inflows of Resources and Fund Balances	**General unrestricted funds**	**General restricted funds**	**Loan funds**	**Unexpended**	**Investment in plant**	**Adjustments**	**Totals**
Liabilities:							
Accounts payable	$ 595,329	$ 560,465	$ -	$ 2,110,705	$ -	$ -	$ 3,266,499
Salaries and benefits payable	4,602,330	137,050	-	2,200	-	-	4,741,580
Self-funded health claims payable	-	6,798,133	-	-	-	-	6,798,133
Accrued interest payable	-	116,820	-	98,140	-	-	214,960
Unearned revenue:							
Other	14,632,617	28,135,793	-	-	-	-	42,768,410
Early retirement pension costs payable	-	3,522,213	-	-	-	15,176,732	18,698,945
Deposits held in custody for others	10,137	598,968	-	-	-	-	609,105
Compensated absences	2,019,000	297,000	-	12,000	-	-	2,328,000
Subscription liability	-	-	-	-	12,292,595	-	12,292,595
Certificates payable	-	55,774,665	-	-	-	-	55,774,665
Plant fund capital loan notes payable	-	-	-	3,128,876	30,965,000	-	34,093,876
Net pension liability	-	-	-	-	-	19,551,976	19,551,976
Net OPEB liability	-	770,765	-	-	-	21,030,769	21,801,534
Total liabilities	21,859,413	96,711,872	-	5,351,921	43,257,595	55,759,477	222,940,278
Deferred inflows of resources							
Succeeding year property tax	11,409,488	19,105,884	-	11,409,488	-	-	41,924,860
Pension related deferred inflows						4,476,729	4,476,729
OPEB related deferred inflows	-	-	-	-	-	3,434,743	3,434,743
Lease related	-	-	-	-	-	2,224,475	2,224,475
Total deferred inflows of resources	11,409,488	19,105,884	-	11,409,488	-	10,135,947	52,060,807
Fund balances:							
Net investment in capital assets	-	-	-	-	273,005,191	(115,063,299)	157,941,892
Restricted:							
Nonexpendable:							
Cash reserve	-	755,088	-	-	-	-	755,088
Expendable:							
Scholarships and fellowships	-	596,125	-	-	-	-	596,125
Loans	-	-	73,011	-	-	-	73,011
Other	-	13,193,504	-	-	-	-	13,193,504
Unrestricted	16,071,788	(3,323,748)	-	6,811,926	-	(51,093,734)	(31,533,768)
Total fund balances	16,071,788	11,220,969	73,011	6,811,926	273,005,191	(166,157,033)	141,025,852
Total liabilities, deferred inflows or resources and fund balanc	$ 49,340,689	$ 127,038,725	$ 73,011	$ 23,573,335	$ 316,262,786	$ (100,261,609)	$ 416,026,937

Schedule 3

DES MOINES AREA COMMUNITY COLLEGE

Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2023

	Current operating funds				Plant Funds				
	Unrestricted	Restricted	Total	Loan funds	Unexpended	Retirement of indebtedness	Investment in plant	Adjustments	Totals
Revenues and other additions:									
Tuition and fees	$ 61,626,837	$ 1,959,091	$ 63,585,928	$ -	$ -	$ -	$ -	$ (16,814,169)	$ 46,771,759
Federal appropriations	304,471	27,820,115	28,124,586	-	-	-	-	-	28,124,586
Iowa Industrial New Jobs Training Program	-	13,886,150	13,886,150	-	-	-	-	-	13,886,150
State appropriations	38,117,504	8,953,595	47,071,099	-	1,236,314	-	-	-	48,307,413
Property tax	10,986,699	15,702,285	26,688,984		2,872,841	8,113,900		-	37,675,725
Auxiliary enterprises revenue	2,654,571	-	2,654,571	-	-	-	-	(62,493)	2,592,078
Interest and investment income	1,646,557	1,777,655	3,424,212	-	-	-	-	-	3,424,212
Expended for plant assets (including $2,470,072 in current operating fund expenditures)	-	-	-	-	-	-	4,763,569	(4,763,569)	-
Increase in plant investments due to payment of lease/subscription assets	-	-	-	-	-	-	3,081,498	(3,081,498)	-
Retirement of indebtedness	-	-	-	-	-	-	7,285,000	(7,285,000)	-
Proceeds from sale of bonds	-	-	-	-	-	-	-	-	-
Miscellaneous	9,049,550	6,387,077	15,436,627	-	1,413,393	-	-	(248,743)	16,601,277
Total revenues and other additions	124,386,189	76,485,968	200,872,157		5,522,548	8,113,900	15,130,067	(32,255,472)	197,383,200
Expenditures and other deductions:									
Education and support:									
Liberal arts and sciences	29,046,443	-	29,046,443	-	-	-	-	(1,399,856)	27,646,587
Vocational technical	36,897,212	3,085,462	39,982,674	-	-	-	-	(1,926,914)	38,055,760
Adult education	7,629,728	9,104,547	16,734,275	-	-	-	-	(806,486)	15,927,789
Cooperative services	-	10,542,393	10,542,393	-	-	-	-	(508,077)	10,034,316
Administration	3,778,895	-	3,778,895	-	-	-	-	(235,394)	3,543,501
Student services	13,832,846	923,564	14,756,410	-	-	-	-	(711,166)	14,045,244
Learning resources	3,643,621	-	3,643,621	-	-	-	-	(175,599)	3,468,022
Physical plant	9,339,092	10,553,515	19,892,607	-	6,193,591	-	-	(1,154,166)	24,932,032
General institution	13,250,746	13,000,038	26,250,784	-	-	-	-	(62,493)	26,188,291
Scholarships and grants	-	16,814,169	16,814,169	-	-	-	-	(16,814,169)	-
Total education and support	117,418,583	64,023,688	181,442,271		6,193,591	-	-	(23,794,320)	163,841,542
Auxiliary enterprises	7,957,723	-	7,957,723	-	-	-	-	-	7,957,723
Expended for plant assets	446,505	2,023,567	2,470,072	-	2,293,496	-	-	(4,763,568)	-
Administrative and collection costs	29,589	-	29,589	-	-	-	-	-	29,589
Retirement of indebtedness	-	-	-	-	-	7,285,000	-	(7,285,000)	-
Loan cancellations and bad debts	20,783	-	20,783	(5,004)	-	-	-	-	15,779
Interest on indebtedness	-	1,457,807	1,457,807	-	-	828,900	-	-	2,286,707
Depreciation	-	-	-	-	-	-	-	9,263,144	9,263,144
Disposition of capital assets	-	-	-	-	-	-	4,135,426	(1,549,900)	2,585,526
Total expenditures and other deductions	125,873,183	67,505,062	193,378,245	(5,004)	8,487,087	8,113,900	4,135,426	(28,129,644)	185,980,010
Excess(deficiency) of revenues over(under) expenditures	(1,486,994)	8,980,906	7,493,912	5,004	(2,964,539)	-	10,994,641	(4,125,828)	11,403,190
Transfers among funds:									
Non-mandatory transfers	1,895,554	(8,599,753)	(6,704,199)	5,000	6,668,279	-	-	2	(30,918)
Net increase (decrease) for the year	408,560	381,153	789,713	10,004	3,703,740	-	10,994,641	(4,125,826)	11,372,272
Fund balances at beginning of year	15,663,227	10,839,816	26,503,043	63,007	3,108,186	-	332,275,550	(232,296,206)	129,653,580
Fund balances at end of year	$ 16,071,787	$ 11,220,969	$ 27,292,756	$ 73,011	$ 6,811,926	$ -	$ 343,270,191	$ (236,422,032)	$ 141,025,852

Schedule 4

DES MOINES AREA COMMUNITY COLLEGE

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

Year ended June 30, 2023

	Education			Support					
	Liberal Arts and Sciences	**Vocational Technical**	**Adult Education**	**Adminis-tration**	**Student Services**	**Learning Resources**	**Physical Plant**	**General Institution**	**Education and Support Total**
Revenues:									
Tuition and fees	$ 37,130,018	$ 17,965,110	$ 6,526,216	$ 320	$ 5,173	$ -	$ -	$ -	$ 61,626,837
Federal appropriations	-		-	22,465	-	-	-	282,006	304,471
State appropriations	-	50,009	170,634	-	-		-	37,896,861	38,117,504
Property tax	-	-	-	-	-	-		10,986,699	10,986,699
Interest income	-	-	-	-	-	-	-	1,646,557	1,646,557
Miscellaneous	307,418	655,187	73,247	176,315	445,995	6,542	252,142	1,552,864	3,469,710
	37,437,436	18,670,306	6,770,097	199,100	451,168	6,542	252,142	52,364,987	116,151,778
Allocation of support services	31,106,949	16,580,094	5,586,896	(199,100)	(451,168)	(6,542)	(252,142)	(52,364,987)	
Total revenues	68,544,385	35,250,400	12,356,993		-	-	-	-	116,151,778
Expenditures:									
Salaries and benefits	27,483,368	34,032,032	3,463,384	2,848,525	13,252,104	3,339,764	5,704,520	9,028,898	99,152,595
Services	524,100	501,698	3,683,676	842,725	334,015	56,570	2,233,950	3,010,283	11,187,017
Materials and supplies	854,484	2,105,912	431,272	54,153	201,299	241,058	1,396,006	1,077,382	6,361,566
Travel	182,503	212,901	42,725	31,151	37,393	6,229	3,082	99,368	615,352
Expended for plant assets	36,500	72,456	24,883	153,789	-	-	107,250	35,790	430,668
Scholarships		-	- -	-	-	-	-	- -	-
Bad debt	14,470	6,313	-	-	-	-	-	-	20,783
Miscellaneous	1,988	44,669	8,671	31,930	8,035	-	1,534	34,815	131,642
	29,097,413	36,975,981	7,654,611	3,962,273	13,832,846	3,643,621	9,446,342	13,286,536	117,899,623
Allocation of support services	25,792,053	13,747,239	4,632,326	(3,962,273)	(13,832,846)	(3,643,621)	(9,446,342)	(13,286,536)	
Total expenditures	54,889,466	50,723,220	12,286,937		-	-	-	-	117,899,623
Excess (deficiency) of revenues over (under) expenditures	13,654,919	(15,472,820)	70,056	-	-	-	-	-	(1,747,845)
Transfers:									
Non-mandatory transfers	179,575	99,851	31,345	-	409,166	-	(2,228,549)	3,519,235	2,010,623
Total transfers	179,575	99,851	31,345	-	409,166	-	(2,228,549)	3,519,235	2,010,623
Net increase (decrease) for the year	$ 13,834,494	$ (15,372,969)	$ 101,401	$ -	$ 409,166	$ -	$ (2,228,549)	$ 3,519,235	262,778
Fund balances at beginning of year			-					-	12,732,162
Fund balances at end of year									$ 12,994,940

DES MOINES AREA COMMUNITY COLLEGE

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

Year ended June 30, 2023

	Career Education	Vending	Student Housing	Athletics	Newton Leased Space	Trail Point	Other	Total
Revenues and other additions:								
Sales and services	$ 833,716	$ 83,522	$ 892,496	$ 7,348	$ 586,457	$ 108,372	$ 142,660	$ 2,654,571
Student fee allocations	269,658	-	13,600	652,545	200	-	451,011	1,387,014
State support	-	-	-	-	-	-	-	-
Miscellaneous	578,898	209,483	10,050	1,018	569,819	2,304,249	519,309	4,192,826
Total revenues and other additions	1,682,272	293,005	916,146	660,911	1,156,476	2,412,621	1,112,980	8,234,411
Expenditures and other deductions:								
Salaries and benefits	727,309	71,101	224,336	328,360	212,585	1,490,826	281,044	3,335,561
Services	678,434	5,070	393,771	59,343	678,861	457,004	184,573	2,457,056
Materials and supplies	410,224	63,323	43,218	138,506	73,924	78,968	102,747	910,910
Travel	119,931	287	-	176,580	-	(520)	6,070	302,348
Purchases for resale	374,401	-	-	-	-	-	-	374,401
Expended for plant assets	-	-	-	-	-	15,837	-	15,837
Miscellaneous	236,916	149,121	2,725	40,589	33,566	-	114,530	577,447
Total expenditures and other deductions	2,547,215	288,902	664,050	743,378	998,936	2,042,115	688,964	7,973,560
Excess(deficiency) of revenues over(under) expenditures	(864,943)	4,103	252,096	(82,467)	157,540	370,506	424,016	260,851
Transfers among funds (non-mandatory)	760,114	51,217	(225,000)	82,345	-	(238,174)	(545,571)	(115,069)
Net increase (decrease) for the year	(104,829)	55,320	27,096	(122)	157,540	132,332	(121,555)	145,782
Fund balances at beginning of year	645,308	325,586	(129)	-	(2,235,760)	317,988	3,878,074	2,931,067
Fund balances at end of year	$ 540,479	$ 380,906	$ 26,967	$ (122)	$ (2,078,220)	$ 450,320	$ 3,756,519	$ 3,076,849

DES MOINES AREA COMMUNITY COLLEGE

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

Year ended June 30, 2023

	Scholarship	Equipment Replacement	Insurance and Tort	Early Retirement	Unemployment Compensation	Cash Reserve	Grants and Contracts	Iowa Industrial New Jobs Training Programs	Other	Total
Revenues and other additions:										
Tuition and fees	$ 242,024	$ 14,950	$ -	$ -	$ -	$ -	$ 659,047	$ 1,500	$ 1,041,570	$ 1,959,091
Federal appropriations	16,223,416	-	-	-	-	-	11,596,699		-	27,820,115
Iowa Industrial New Jobs Training Program	-	-	-	-	-	-	-	13,886,150	-	13,886,150
State appropriations	-	101,860	182,054	41,636	2,082	-	4,659,479	-	3,966,484	8,953,595
Property tax	-	4,882,990	8,720,610	1,998,954	99,731	-	-	-	-	15,702,285
Gifts and grants	-	-	-	-	-	-	2,684,181	-	-	2,684,181
Interest and investment income	-	-	-	-	-	-	-	1,777,655	-	1,777,655
Miscellaneous	300	21,501	55,359	-	-	-	76,055	-	3,549,681	3,702,896
Total revenues and other additions	16,465,740	5,021,301	8,958,023	2,040,590	101,813	-	19,675,461	15,665,305	8,557,735	76,485,968
Expenditures and other deductions:										
Salaries and benefits	-	-	305,899	2,995,576	36,759	-	7,325,077	1,092,249	1,771,678	13,527,238
Services	12,655	1,223,924	10,262,394	-	-	-	3,379,550	10,503,017	907,460	26,289,000
Materials and supplies	1,011	2,061,332	172,814	-	-	-	3,159,694	13,122	985,493	6,393,466
Travel	-	-	2,078	-	-	-	234,274	11,661	148,800	396,813
Expended for plant assets	-	1,048,116	-	-	-	-	334,892	-	640,559	2,023,567
Interest on indebtedness	-	-	-	-	-	-	-	1,457,807	-	1,457,807
Scholarships and grants	16,669,451	-	-	-	-	-	104,996	-	39,722	16,814,169
Miscellaneous	619	4,182	127,048	-	-	-	419,989	-	51,164	603,002
Total expenditures and other deductions	16,683,736	4,337,554	10,870,233	2,995,576	36,759	-	14,958,472	13,077,856	4,544,876	67,505,062
Excess (deficiency) of revenues over (under) expenditures for the year	(217,996)	683,747	(1,912,210)	(954,986)	65,054	-	4,716,989	2,587,449	4,012,859	8,980,906
Transfers among funds:										
Mandatory transfers	-	-	-	-	-	-	-	-	-	-
Non-mandatory transfers	255,839	(414,000)	800,000	-	-	-	(4,737,264)	(2,587,449)	(1,916,879)	(8,599,753)
Net increase (decrease) for the year	37,843	269,747	(1,112,210)	(954,986)	65,054	-	(20,275)	-	2,095,980	381,153
Fund balances(deficit) at beginning of year	558,282	5,107,153	(724,284)	(493,689)	(5,275)	755,088	(18,304)	3,937	5,656,908	10,839,816
Fund balances(deficit) at end of year	$ 596,125	$ 5,376,900	$ (1,836,494)	$ (1,448,675)	$ 59,779	$ 755,088	$ (38,579)	$ 3,937	$ 7,752,888	$ 11,220,969

Schedule 7

DES MOINES AREA COMMUNITY COLLEGE

Statement of Fiduciary Net Position - Custodial Funds

Year ended June 30, 2023

Assets		
Cash and short-term pooled investments	$	668,597
Accounts receivable		23,841
Total Assets		692,438
Liabilities		
Accounts payable		59,546
Total Liabilities		59,546
Net Assets		
Restrictred:		
Other	$	632,892

DES MOINES AREA COMMUNITY COLLEGE

Schedule of Changes in Fiduciary Net Position - Custodial Funds

Year ended June 30, 2023

	Special funded activities	Community College Athletic	Total
Additions:			
State appropriations	-	-	$ -
Federal appropriations	55,898	-	55,898
Sales and services	-	-	-
Other	835,773	439,247	1,275,020
Transfers in	38,500	-	38,500
Total additions	930,171	439,247	1,369,418
Deductions:			
Salaries and benefits	4,625	222,109	226,734
Services	614,946	66,780	681,726
Materials and supplies	136,238	9,335	145,573
Travel	147,765	5,464	153,229
Other	31,560	129,419	160,979
Transfers out	7,578	-	7,578
Total deductions	942,712	433,107	1,375,819
Changes in net position	(12,541)	6,140	(6,401)
Net position beginning of year	459,503	179,790	639,293
Net position end of year	$ 446,962	$ 185,930	$ 632,892

DES MOINES AREA COMMUNITY COLLEGE

Credit and Contact Hours

For the period from August 24, 2022 through August 3, 2023

		Contact hours		
Category	**Credit hours eligible for aid**	**Eligible for aid**	**Not eligible for aid**	**Total**
Arts and sciences	274,517	5,054,948	-	5,054,948
Vocational education	119,771	2,694,302	-	2,694,302
Adult education/continuing education	-	907,883	110,413	1,018,296
Related services and activities	-	-	-	-
Total	394,288	8,657,133	110,413	8,767,546

Schedule 10

DES MOINES AREA COMMUNITY COLLEGE

Taxes and Intergovernmental Revenues

(Excluding the Agency Funds)

For the Last Ten Years

	Years ended June 30,									
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Local (property tax)	$ 37,675,725	$ 34,904,382	$ 31,634,444	$ 29,741,933	$ 30,152,549	$ 27,282,408	$ 27,996,241	$ 24,905,167	$ 23,561,603	$ 24,333,253
State	48,307,413	46,150,330	43,817,241	44,314,541	42,568,572	41,790,288	41,942,149	42,447,764	42,315,794	40,541,436
Federal	28,124,586	46,720,310	39,164,093	24,124,186	22,734,514	24,140,494	23,948,913	28,349,064	32,320,757	35,314,471
Total	$114,107,724	$127,775,022	$ 114,615,778	$ 98,180,660	$ 95,455,635	$ 93,213,190	$ 93,887,303	$ 95,701,995	$ 98,198,154	$100,189,160

Schedule 11

DES MOINES AREA COMMUNITY COLLEGE

Current Fund Revenues by Source

and Expenditures by Function

For the Last Ten Years

	Years ended June 30,									
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Revenues:										
Tuition and fees	$ 63,585,928	$ 57,799,097	$ 60,034,392	$ 59,031,500	$ 60,913,176	$ 59,450,084	$ 56,812,281	$ 56,082,724	$ 55,497,150	$ 57,558,044
Property tax	26,688,984	24,461,778	21,551,453	20,504,926	21,351,789	19,086,163	20,155,662	17,440,485	16,305,177	17,197,614
Federal appropriations	28,124,586	46,720,310	39,164,093	24,124,186	22,734,514	24,140,494	23,948,913	28,349,064	32,320,757	35,314,471
State appropriations	47,071,099	45,189,034	43,110,189	43,176,246	41,907,823	41,135,166	41,282,896	41,777,023	41,462,061	39,255,830
Interest income from investments	3,424,212	222,677	262,880	1,063,494	1,526,333	936,672	407,187	214,866	185,744	165,060
Iowa Industrial New Jobs Training Program	13,886,150	11,423,195	6,892,730	9,599,482	10,030,932	11,593,051	9,652,203	8,047,866	13,635,607	9,922,594
Auxiliary enterprises revenue	2,654,571	2,459,297	1,908,556	2,174,523	2,296,228	2,284,187	2,199,499	1,732,748	2,247,636	2,283,470
Miscellaneous	15,436,627	12,394,034	10,109,172	13,328,089	13,447,949	11,760,590	9,995,537	10,171,523	9,204,026	8,331,727
Total	$200,872,157	$ 200,669,422	$ 183,033,465	$ 173,002,446	$ 174,208,744	$ 170,386,407	$ 164,454,178	$ 163,816,299	$ 170,858,158	$ 170,028,810
Expenditures										
Liberal arts and sciences	$ 29,097,413	$ 28,868,117	$ 29,029,239	$ 30,122,696	$ 29,665,840	$ 29,180,129	$ 28,585,988	$ 28,763,674	$ 29,513,883	$ 29,118,289
Vocational technical	40,870,879	38,565,706	36,950,290	37,633,995	35,715,660	34,883,526	34,607,269	34,127,073	33,531,331	31,629,541
Adult education	16,864,110	14,599,407	12,966,882	13,069,615	15,226,240	14,816,071	14,447,609	15,856,443	17,025,831	16,526,337
Cooperative services	10,542,393	7,656,063	3,964,640	6,341,487	7,042,151	8,915,303	6,766,371	4,553,284	9,447,573	5,232,155
Administration	3,962,273	3,701,573	3,447,106	3,948,577	4,035,187	3,791,371	3,891,486	3,876,910	4,002,173	3,895,909
Student services	14,756,410	14,326,470	12,960,916	12,937,526	12,076,380	11,835,687	11,461,316	11,465,838	11,102,412	11,227,505
Learning resources	3,643,621	3,658,607	3,797,611	3,457,816	3,217,955	3,121,318	3,112,975	3,249,642	3,254,168	3,091,480
Physical plant	19,999,857	16,657,782	14,537,045	14,137,639	14,087,374	13,121,389	12,660,186	12,556,889	12,321,904	12,843,940
General institution	27,411,590	23,982,368	20,652,607	20,385,442	19,501,533	19,650,424	20,191,339	18,440,140	15,867,283	15,744,921
Auxiliary enterprises	7,957,723	7,605,824	5,967,440	7,051,735	7,250,541	6,011,804	4,682,955	3,693,576	3,859,034	3,447,538
Scholarships and grants	16,814,169	29,813,059	23,733,448	19,489,475	19,006,059	19,809,893	18,601,681	20,954,242	24,326,291	26,844,407
Interest on indebtedness	1,457,807	1,331,731	1,358,178	1,405,428	1,268,510	1,323,155	1,445,722	1,460,843	1,959,968	2,426,085
Total	$ 193,378,245	$ 190,766,707	$ 169,365,402	$ 169,981,431	$ 168,093,430	$ 166,460,070	$ 160,454,897	$ 158,998,554	$ 166,211,851	$ 162,028,107

Des Moines Area Community College
Schedule of Expenditures of Federal Awards (SEFA)
Federal Expenditures for July 1, 2022 through June 30, 2023

Grantor/Program	Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	New Loans & New Loan Guarantees
Department of Education				
Direct:				
Federal Supplemental Educational Opportunity Grant	84.007		385,182	-
Federal Work Study Program	84.033		321,265	-
Federal Pell Grant Program	84.063		15,798,974	-
Federal Pell Grant Administrative Fee	84.063		22,465	-
Federal Direct Student Loans	84.268		-	18,929,932
Total Student Financial Assistance Cluster			16,527,886	18,929,932
Direct Trio Grants:				
Student Support Services FY21-25 Award	84.042A		370,821	-
Student Support Services-Grant Aid FY21-25 Award	84.042A		28,255	-
Upward Bound FY17-22 Award	84.047A		60,457	-
Upward Bound FY23-28 Award	84.047A		236,557	
Childcare Access Means Parents in School- FY22-26 Award	84.335A		168,155	-
Total Trio Grants			864,245	-
Direct CARES Act:				
Higher Education Emergency Relief Fund I - Institutional	84.425F	P425F200145	8,378	-
Higher Education Emergency Relief Fund II (CRRSA) - Institutional	84.425F	P425F200145	36,815	-
Higher Education Emergency Relief Fund III - Students	84.425E	P425E200297	28,585	-
Higher Education Emergency Relief Fund III - Institutional	84.425F	P425F200145	7,510,397	-
Total CARES Act			7,584,174	-
Indirect CARES Act through Iowa Department of Education:				
CRRSA Act: Governors Emergency Education Relief - Component 2	84.425C	G-GEER-GAP 21-DMACC	195,705	-
Total CARES Act through Iowa Department of Education			195,705	-
Indirect through Iowa Department of Education:				
Adult Education-Adult Basic Education - FY21-25 Award	84.002A	G21027	552,583	-
Adult Education-Adult Basic Education Teacher Training - FY21-25 Award	84.002A	G21027	6,105	-
Career and Technical Education-Vocational Education - Perkins V Funds	84.048A	G-PER 21-189	1,098,241	-
Career and Technical Education-Perkins V-College & Career Transition Counselors	84.048	G-CCTC 21-DMACC	2,500	-
Career and Technical Education-Perkins V-College & Career Transition Counselors	84.048	G-CCTC 22-DMACC	40,000	-
Career and Technical Education-Perkins Iowa FCCLA	84.048	SO0519	16,924	-
Career and Technical Education-Perkins Iowa DECA	84.048	SO0219	8,381	-
Career and Technical Education-Perkins Iowa FBLA	84.048	SO0419	7,419	-
Career and Technical Education-Perkins Iowa HOSA	84.048	SO0719	13,406	-
Career and Technical Education-Perkins Iowa Skills USA	84.048	SO0919	9,769	-
Child and Adult Care Food Program (CACFP)	10.558	99110000	12,393	
Total through Iowa Department of Education			1,767,720	-
Indirect through Iowa Department of Corrections:				
Title I-Newton Correctional Facility (NCF)	84.048	50208	15,000	-
Title I-Iowa Correctional Institute for Women (ICIW)	84.048	50169	15,000	-
Career and Technical Education-Vocational Education - Perkins Funds NCF	84.048	50208	54,180	-
Career and Technical Education-Vocational Education - Perkins Funds ICIW	84.048	50169	21,590	-
Total through Iowa Department of Corrections			105,770	-
Indirect through Iowa Vocational Rehabilitation Services:				
Vocational Rehabilitation Grants to States	84.126	17-VRIN-01	117,514	
Total through Indirect Iowa Vocational Rehabilitation Services			117,514	-
Total U.S. Department of Education			**27,163,015**	**18,929,932**

Des Moines Area Community College
Schedule of Expenditures of Federal Awards (SEFA)
Federal Expenditures for July 1, 2022 through June 30, 2023

Grantor/Program	Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	New Loans & New Loan Guarantees
Department of Health & Human Services				
Direct:				
Substance Abuse and Mental Health Service Administration	93.243	6H79SM080461-01M002	184	-
Total Department of Health & Human Services			**184**	**-**
Department of Agriculture Food & Nutrition Services				
Indirect through Team Nutrition Iowa, State of Iowa				
USDA Animal and Plant Health Inspection Service (NVSL) 2021-2022	10.025	AP21VSD&B000C069	50,465	-
USDA Animal and Plant Health Inspection Service (NVSL) 2022-2023	10.025	AP22VSD&B000C061	42,428	-
Nutrition Assistance Program, SNAP E&T Service Provider	10.561	ACFS-22-088	59,171	-
Total Department of Agriculture Food & Nutrition Services			**152,065**	**-**
Department of Agriculture Forest Service				
Indirect through Iowa Dept. of Natural Resources				
2022 Community Forestry Grant Program	10.664	DMACC	9,670	
Total Department of Agriculture Forest Service			**9,670**	**-**
National Science Foundation				
Direct:				
Education and Human Resources - NSF Scholarships in STEM	47.076	1564795	36,700	-
Social, Behavioral, and Economic Sciences - Ethical and Responsible Research	47.075	2025743	23,543	-
Polar Programs - CAREER: Three-Dimensional Modeling…Indigenous Heritage	47.078	2042718	326	-
Indirect through Iowa State University				
Education and Human Resources	47.076	1619654 - 42018089D	41,916	-
Education and Human Resources	47.076	026450A	13,271	
Total National Science Foundation			**115,755**	**-**
Department of Labor				
Direct:				
Job Corp Scholars Program	17.287	JC-35144-20-60-O-19	437,953	-
Strengthening Community Colleges	17.261	23A60CC00001-01-00	39,744	-
YouthBuild 6	17.274	YB-34300-19-60-A-19	258,625	-
Total Direct Department of Labor			736,322	-
Total Department of Labor			**736,322**	**-**
Department of Transportation-Federal Motor Carrier Safety Administration				
Direct:				
FY2021 Commercial Motor Vehicle Operator Safety Training Grant Program	20.235	FM-DTG-0111-21-01-00	12,113	-
FY2022 Commercial Motor Vehicle Operator Safety Training Grant Program	20.235	FM-DTG-0137-22-01-00	112,500	-
Total Department of Transportation			**124,613**	**-**
Small Business Administration				
Indirect through International Rescue Committee				
Community Navigators Pilot Program	59.007	SBAHQ22CNP0002	2,185	-
Total Small Business Administration			**2,185**	**-**
Total Federal Expenditures			**28,303,808**	**18,939,602**

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

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Des Moines Area Community College under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Des Moines Area Community College, it is not intended to and does not present the financial position, changes in financial position or cash flows of Des Moines Area Community College.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Des Moines Area Community College has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 STUDENT FINANCIAL ASSISTANCE

The College is responsible only for the performance of certain administrative duties with respect to the Federal Direct Student Loan Program and, accordingly, these loans are not included in its financial statements. It is not practical to determine the balance of the loans outstanding to students and former students of the College under this program at June 30, 2023.

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

Board of Directors
Des Moines Area Community College
Ankeny, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business type activities and the fiduciary activities of Des Moines Area Community College (the College) and its discretely presented component unit as of and for the year ended June 30, 2023, and the related notes to financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 19, 2023. 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.

<u>Report on Internal Control Over Financial Reporting</u>

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Denman & Company, LLP

DENMAN & COMPANY, LLP

West Des Moines, Iowa
December 19, 2023

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

Board of Directors
Des Moines Area Community College
Ankeny, Iowa

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Des Moines Area Community College's (the College) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2023. 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, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Denman & Company, LLP

DENMAN & COMPANY, LLP

West Des Moines, Iowa
December 19, 2023

Des Moines Area Community College
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2023

Part 1 – Summary of Independent Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	**Unmodified opinion**
Internal control over financial reporting:	
➢ Material weakness(es) identified?	______ Yes ___X___ No
➢ Significant deficiency(ies) identified?	______ Yes ___X___ None Reported
Noncompliance material to financial statements noted?	______ Yes ___X___ No

Federal Awards

Internal control over major federal programs:	
➢ Material weakness(es) identified?	______ Yes ___X___ No
➢ Significant deficiency(ies) identified?	_____ Yes ___X___ None Reported
Type of auditor's report issued on compliance for major federal programs:	**Unmodified opinion**
➢ Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	______ Yes ___X___ No
Identification of major federal programs:	**Assistance Listing Number 84.007, 84.033, 84.063, 84.268 - Student Financial Assistance Cluster** **Assistance Listing Number 84.425C – Governor's Emergency Education Relief Fund** **Assistance Listing Number 84.425E – Higher Education Emergency Relief Fund - Students** **Assistance Listing Number 84.425F – Higher Education Emergency Relief Fund – Institutional** **Assistance Listing Number 84.048 – Career and Technical Education – Basic Grants to States**
Dollar threshold used to distinguish between type A and type B programs:	**$750,000**
Auditee qualified as low-risk auditee?	___X___ Yes ______ No

Des Moines Area Community College
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2023

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

INTERNAL CONTROL DEFICIENCIES

None

INSTANCES OF NONCOMPLIANCE

No matters noted

Part III—Findings and Questioned Costs for Federal Awards

INTERNAL CONTROL DEFICIENCIES

None

INSTANCES OF NONCOMPLIANCE

No matters noted