

**IOWA LAKES COMMUNITY COLLEGE
INDEPENDENT AUDITORS' REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION
SCHEDULE OF FINDINGS
AND QUESTIONED COSTS
JUNE 30, 2015**

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**IOWA LAKES COMMUNITY COLLEGE
OFFICIALS**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Trustees		
(Term of October 1, 2014 to September 30, 2015)		
Jan Lund	President	2019
Patrick Kibbie	Vice President	2017
David Gottsche	Trustee	2019
Bob Jennings	Trustee	2017
Arden Kinnander	Trustee	2019
Christopher Fuhrman	Trustee	2017
Jane Nolan Goeken	Trustee	2019

Community College
(As of June 30, 2015)

Valerie Newhouse	President
Thomas Brotherton	Executive Dean of Emmetsburg Campus
Jane Campbell	Executive Director of Marketing
Delaine Hiney	Executive Director of Facilities Management
Robert L'Heureux	Vice President of Administration
Scott Stokes	Executive Director of Instruction & Development
Jolene Rogers	Executive Director of Community and Business Relations
Julie Williams	Executive Dean of Students
Robert Leifeld	Executive Dean of Estherville Campus



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Iowa Lakes Community College
Estherville, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of Iowa Lakes Community College, Estherville, Iowa, and its aggregate discretely presented component units as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents of this report.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Iowa Lakes Community College and its aggregate discretely presented component units as of June 30, 2015, 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.

Emphasis of Matter

As discussed in Note 13 to the financial statements, Iowa Lakes Community College adopted new accounting guidance related Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Funding Progress for the Retiree Health Plan, the Schedule of the College's Proportionate Share of the Net Pension Liability, Schedule of College Contributions, and Notes to Required Supplementary Information – Net Pension Liability on pages 4 through 9 and 35 through 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 inquires 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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Iowa Lakes Community 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, 2014 (which are not presented herein) and expressed unmodified opinions on those financial statements. The other supplemental information included in Schedules 1 through 12, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, Schedule 13, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2015, on our consideration of Iowa Lakes Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Iowa Lakes Community College's internal control over financial reporting and compliance.

Williams & Company, P.C.
Certified Public Accountants

Spencer, Iowa
November 23, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2015

This section of Iowa Lakes Community College's annual financial report presents a discussion and analysis of the financial performance of the college during the fiscal year ended June 30, 2015, with comparative information presented for the fiscal year ended June 30, 2014. This discussion has been prepared by management along with the financial statements and related note disclosures and should be read in conjunction with the financial statement and notes. This discussion and analysis consists of comments just for Iowa Lakes Community College and does not contain comments about the Component Units. The financial statements, notes, and this discussion are the responsibility of management.

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 essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information presents a Schedule of Funding Progress for the Retiree Health Plan, Schedule of the College's Proportionate Share of the Net Pension Liability, and Schedule of the College Contributions.

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. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the College.

REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES

The Statement of Net Position

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the College as a whole as of the fiscal year ended June 30, 2015. 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, and presents the available assets that can be used to satisfy those liabilities.

Net Position

	June 30, 2015	June 30, 2014, not restated
Current and Other Assets	\$ 23,820,887	\$ 21,363,611
Capital Assets, Net of Accumulated Depreciation	33,643,456	33,831,354
Total Assets	57,464,343	55,194,965
 Deferred Outflows of Resources	 692,831	 -
Current Liabilities	7,289,698	6,858,298
Non-current Liabilities	14,932,635	9,856,172
Total Liabilities	22,222,333	16,714,470
 Deferred Inflows of Resources	 7,511,775	 3,659,869
 Net Position:		
Net Investment in Capital Assets	27,646,429	26,232,338
Restricted		
Non-Expendable	1,000,000	1,000,000
Expendable	1,027,538	2,432,909
Unrestricted	(1,250,901)	5,155,379
Total Net Position	\$ 28,423,066	\$ 34,820,626

Comparison of Net Position

The largest portion of the College's net position is the net invested in capital assets (e.g., land, buildings, intangibles and equipment). The debt related to the capital assets is liquidated with resources other than capital assets. The restricted portion of the net position includes resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The remaining position is unrestricted net position which can be used to meet the College's obligations as they come due.

There are many changes to the Net Position report for fiscal year 2015. GASB 68 requires us to state the amount of liability allocated to Iowa Lakes for the unfunded portion of Iowa Public Employee Retirement System (IPERS) beginning with this year's financial statements. As a result, Deferred Outflows and Deferred Inflows related to Pension related activities are new lines on the financial statements. A total liability of approximately \$3,200,000 is now reflected in our financial statements.

The Statement of Revenues, Expenses, and Changes in Net Position

Changes in total net position as presented in the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of the statement is to present the revenues earned by the College, both operating and non-operating, the expenses incurred by the College, both 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 Iowa Lakes Community College, will report an operating loss since the financial reporting model classifies state appropriations and property tax as non-operating revenues. Operating revenues are received for providing goods and services to the students, customers and constituencies of the 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/amortization, which allocates the cost of an asset over its expected useful life.

Changes in Net Position

	Year Ended June 30, 2015	Year Ended June 30, 2014 (not restated)
Revenues:		
Operating Revenues:		
Tuition and Fees net of scholarships	\$ 5,407,659	\$ 5,184,716
Federal Appropriations	4,772,852	5,372,242
Iowa Industrial New Jobs Training Program	1,993,932	435,244
Gifts & Grants	708,896	801,708
Auxiliary Enterprises	4,655,537	5,288,637
Miscellaneous	2,866,598	2,345,000
Total Operating Revenues	20,405,474	19,427,547
 Total Operating Expenses	 37,424,635	 34,166,919
 Operating Loss	 (17,019,161)	 (14,739,372)
 Non-Operating Revenues (Expenses)		
State Appropriations	12,114,213	11,752,065
Property Taxes	3,669,668	5,731,376
Interest Income from Investments	78,800	72,189
(Loss) on Sale of Capital Assets	(25,856)	(19,383)
Interest on Indebtedness	(323,212)	(298,330)
Net Non-Operating Revenues	15,513,613	17,237,917
 Increase (Decrease) in Net Position	 (1,505,548)	 2,498,545
 Net Position Beginning of Year, as restated	 29,928,614	 32,322,081
 Net Position Ending of Year	 \$ 28,423,066	 \$ 34,820,626

The Statement of Revenues, Expenses and Changes in Net Position reflects decrease in net position at the end of the fiscal year. In fiscal year 2015, operating revenues decreased approximately \$978,000. The decrease was a result of the following changes:

- Tuition and fees, net of scholarships, increased approximately \$220,000, while Federal appropriations decreased approximately \$600,000. This net decrease was the result of credit hours decreasing by 7,397 from fiscal year 2014 to fiscal year 2015.
- Revenues from auxiliary enterprises decreased approximately \$633,000 from fiscal year 2014 to fiscal year 2015. The campus store had a decrease in revenue of approximately \$273,000, continuing a nationwide trend in campus store revenues. Due to declining prices, the farm showed a decrease in revenue of approximately \$73,000. An increase in program enrollment for Aviation led to an increase of \$82,000 of revenue from fiscal year 2014 to 2015. The Wind Turbine had a decrease in revenue of approximately \$59,000 due to a broken part keeping the turbine inoperable for the last two and a half months of fiscal year 2015. The Gateway North Regime was moved from auxiliary services in fiscal year 2015 to the Agency Fund leading to a decrease of \$28,000 in auxiliary services.
- Two Iowa Industrial New Jobs Training Projects were issued in fiscal year 2015. \$4,295,000 of bonds were issued leading to an increase of \$1,560,000 in Iowa Withholding Tax dollars being diverted from the Iowa Department of Revenue to Iowa Lakes.

Operating Expenses

	<u>Year Ended</u> <u>June 30, 2015</u>	<u>Year Ended</u> <u>June 30, 2014</u>
Education and Support:		
Liberal Arts and Sciences	\$ 5,593,966	\$ 6,422,515
Vocational Technical	5,600,785	5,398,278
Adult Education	1,517,548	1,194,131
Cooperative Services	2,080,662	1,272,412
General Administration	995,990	1,153,625
Student Services	2,080,987	2,087,281
Learning Resources	594,977	1,532,854
Physical Plant	2,896,393	2,239,336
General Institution	<u>7,834,100</u>	<u>4,212,880</u>
Sub-total	29,195,408	25,513,312
Auxiliary Enterprises	5,585,115	6,010,492
Scholarships and Grants	802,348	865,287
Depreciation Expense	<u>1,841,764</u>	<u>1,777,828</u>
Total	<u>\$ 37,424,635</u>	<u>\$ 34,166,919</u>

In fiscal year 2015, operating expenses increased approximately \$3,260,000 (9.5%). The following factors explain some of the changes:

- The college's functional areas include Liberal Arts and Sciences, Vocational Technical, Adult Education, Cooperative Services, General Administration, Student Services, Learning Resources, Physical Plant and General Institutional. The college's utilization of funds by functional area demonstrates its financial commitment to its basic mission and defines the scope of instructional programs and support services. These functional area expenses increased from fiscal year 2014 to fiscal year 2015 by 14.4%.
- Operating expenses are being presented with a change from previous year. In past years, restricted fund expenses were allocated to the General Institution expense line. This year, they are properly allocated to each individual function and the June 30, 2014 expenses were also adjusted from last year's report to show consistency from year to year. Liberal Arts had a reduction of approximately \$830,000 as a result of moving of campus office expenses to General Institutional to be more in line with the Iowa Community College Accounting manual. Three programs were also eliminated or scaled back in fiscal year 2015. Cooperative Services increased approximately \$800,000 as a result of New Training Projects issuances and the training expenses associated with them. Learning resources major change involved moving Technology Services to General Institutional to be more in line with the Iowa Community College Account manual. Physical Plant saw an increase of approximately \$660,000 as the SERT Building was completed during fiscal year 2015. General Institutional saw many changes in fiscal year 2015. The Success Center, Technology Services, Algona, Spencer, and Spirit Lake Campuses and Secondary Programs were all moved to General Institutional to be more in line with the Iowa Community College Accounting Manual. This change resulted in an increase of approximately \$2,525,000. PACE and GAP expenses increased approximately \$360,000 while Marketing increased approximately \$170,000 in fiscal year 2015.
- Auxiliary Enterprises showed a decrease of approximately \$425,000 (7%) from fiscal year 2014 to fiscal year 2015 with a reduction of campus store expenses of approximately \$144,000 and the move of Gateway North Regime expenses to agency funds of approximately \$272,000 making up most of the difference. Scholarships and Grants decreased by approximately \$63,000 from fiscal year 2014 to fiscal year 2015.

The Statement of Cash Flows

The Statements 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, non-capital financing, capital and related financing and investing activities.

Cash Flows

	Year Ended June 30, 2015	Year Ended June 30, 2014
Cash and Pooled Investments Provided (Used) by:		
Operating Activities:		
Revenues	\$ 19,201,381	\$ 18,554,079
Expenses	35,934,124	32,550,352
Net Operating Activities	(16,732,743)	(13,996,273)
Non-Capital Financing Activities	18,884,888	16,477,967
Capital and Related Financing Activities	(3,617,249)	(1,535,101)
Investing Activities	(234,427)	(802,393)
Net Increase (Decrease) in Cash and Pooled Investments	(1,699,531)	144,200
Cash and Pooled Investments at Beginning of Year	12,055,140	11,910,940
Cash and Pooled Investments at End of Year	<u>\$ 10,355,609</u>	<u>\$ 12,055,140</u>

Cash used by operating activities includes tuition, fees, operating grants and contracts, net of payments to employees and to suppliers. Cash provided by non-capital financing activities includes state appropriations and local property tax received by the College. Cash used by capital and related financing activities represents the proceeds from debt, the principal and interest payments on debt and the purchase of capital assets. Cash provided by investing activities includes investment income earned.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, the College had approximately \$59,400,000 invested in capital assets, without applying an accumulated depreciation of approximately \$25,757,000. The net of depreciation value is a decrease of \$190,000 (0.56%) from a year ago. Depreciation charges totaled \$1,842,000 for fiscal year 2015. Details of capital assets are shown below:

Capital Assets, Net, at Year-End

	Year Ended June 30, 2015	Year Ended June 30, 2014
Land	\$ 1,385,940	\$ 1,385,940
Buildings	27,283,570	22,783,450
Other Structures and Improvements	1,543,681	1,597,628
Furniture and Equipment	3,287,772	3,621,483
Construction in Progress	142,493	4,442,853
Total Capital Assets	<u>\$ 33,643,456</u>	<u>\$ 33,831,354</u>

The financial reports presented in the Management's Discussion and Analysis show minor changes from a year ago. Projects that were completed in fiscal year 2015 include the remodeling of the Sustainable Energy Resource Technology (SERT) Building on the Estherville Campus. Construction in Progress is made up of Improvements to the college's fiber optics system. Anticipated projects in fiscal year 2016 include a new beef facility and wind turbine at the College Farm. More detailed information about the college's capital assets is presented in Note 4 to the financial statements.

Long-Term Debt

At June 30, 2015, the College had \$12,035,000 in outstanding debt, with all debt retirement coming from revenue sources other than the general unrestricted fund. During fiscal year 2015, two Iowa Industrial New Jobs Training Projects issued certificates totaling \$4,295,000. The table below summarizes debt balance for two fiscal years by category.

Outstanding Debt

	Year Ended June 30, 2015	Year Ended June 30, 2014
Certificate Payable	\$ 6,230,000	\$ 2,840,000
Bonds Payable and Other Debt	5,805,000	7,350,000
Total	<u>\$ 12,035,000</u>	<u>\$ 10,190,000</u>

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

ECONOMIC FACTORS

Iowa Lakes Community College continued to face the same challenges as other community colleges in Iowa during fiscal year 2015. After record enrollment numbers from 2009-2011, 2015 continued the trend shown in 2012, 2013, and 2014 with another year of decreased enrollment, similar to most community colleges in Iowa.

The State of Iowa continued its support for community colleges in 2015. Our state appropriation to the General Unrestricted Fund increased by \$291,123 in 2015 for the General Unrestricted Fund. In addition to the increase in General Unrestricted Fund appropriations, the Legislature continued support with funds for Adult Basic Education Workforce Development Activities, Intermediary Activities, and infrastructure funds.

The college continues to receive support from the local communities. In fiscal year 2015 the Equipment Replacement levy was renewed by District 3 voters, allowing an additional \$0.06 per \$1,000 assessed property valuation to the \$0.03 allowed by State law. The Plant Fund levy will expire in 2022 and the Equipment Replacement levy will expire in 2024.

In fiscal year 2016, Iowa Lakes Community College will ask District 3 voters to approve a capital improvement bond of no more than \$16,000,000. This bond will be used to improve the facilities at all five campus locations and help Iowa Lakes meet the needs of our students.

Listed below are some challenges which we face:

- The ability to maintain a stable enrollment is critical to the financial well being of Iowa Lakes.
- Facilities will require constant maintenance, upkeep, and remodeling to keep pace with current trends.
- The Affordable Care Act and rising medical costs will continue to put pressure on budgets.

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our customers, taxpayers in the community college district and our creditors with a general overview of the College's finances and to demonstrate the College's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Iowa Lakes Community College, 19th South 7th Street, Estherville, IA 51334.

Basic Financial Statements

**IOWA LAKES COMMUNITY COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2015**

	Primary Government	Component Units
ASSETS		
Current Assets		
Cash and Investments:		
Cash and Cash Equivalents	\$ 10,355,609	\$ 465,302
Pooled Investments	104,035	4,215,887
Endowment Investments	200,000	-
Receivables:		
Due from Others, net of Allowance for Uncollectible Accounts of \$1,510,285	1,178,441	-
Accrued Interest	7,159	22,207
Property Tax - Succeeding Year	5,694,325	-
Nursing Loans	5,388	-
Iowa Industrial New Jobs Training Program	1,766,329	-
Due From Iowa Lakes Community College Foundation	16,885	-
Due From Other Governments	727,681	-
Inventories	849,842	3,288
Prepaid Expenses	496,932	962
Total Current Assets	21,402,626	4,707,646
Noncurrent Assets		
Pooled Investments	1,618,261	2,113,633
Endowment Investments	800,000	-
Capital Assets		
Land	1,385,940	17,000
Construction in Progress	142,493	-
Buildings	43,796,699	-
Other Structures and Improvements	3,589,064	-
Furniture and Equipment	10,486,214	-
Accumulated Depreciation	(25,756,954)	-
Total Noncurrent Assets	36,061,717	2,130,633
TOTAL ASSETS	57,464,343	6,838,279
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related Deferred Outflows	692,831	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 692,831	\$ -

**IOWA LAKES COMMUNITY COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2015**

	Primary Government	Component Units
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 1,273,125	\$ 336
Salaries and Benefits Payable	883,492	844
Accrued Interest	22,086	-
Unearned Revenue	573,490	-
Compensated Absences Payable	255,466	-
Early Retirement Payable	391,918	-
Deposits Held in Custody for Others	972,486	-
Due to Others	7,240	-
Due to Iowa Lakes Community College	-	16,885
Reported and Unreported Insurance Claims Payable	434,981	-
Insurance Reserve	820,414	-
Certificates Payable	905,000	-
Bonds and Other Long-Term Debt	750,000	-
Total Current Liabilities	7,289,698	18,065
Noncurrent Liabilities		
Unearned Revenue	895,104	-
Early Retirement Payable	432,158	-
Certificates Payable	5,325,000	-
Bonds and Other Long-Term Debt	5,055,000	-
Net Pension Liability	3,225,373	-
Total Noncurrent Liabilities	14,932,635	-
TOTAL LIABILITIES	22,222,333	18,065
DEFERRED INFLOWS OF RESOURCES		
Unavailable Property Tax Revenue	5,694,325	-
Pension Related Deferred Inflows	1,817,450	-
TOTAL DEFERRED INFLOWS OF RESOURCES	7,511,775	-
NET POSITION		
Net Investment in Capital Assets	27,646,429	17,000
Restricted:		
Nonexpendable:		
Endowment	1,000,000	2,012,472
Expendable:		
Scholarships	463,013	4,790,742
Loans	21,147	-
Debt Service	257,348	-
Cash Reserve	286,030	-
Unrestricted	(1,250,901)	-
TOTAL NET POSITION	\$ 28,423,066	\$ 6,820,214

See Accompanying Notes to Financial Statements

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IOWA LAKES COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2015

	Primary Government	Component Units
REVENUES		
Operating Revenues:		
Tuition and Fees, net of scholarship allowances of \$3,027,864	\$ 5,407,659	\$ -
Federal Appropriations	4,772,852	-
Iowa Industrial New Jobs Training Program	1,993,932	-
Gifts and Grants	708,896	203,227
Auxiliary Enterprises Revenue, net of scholarship allowances of \$1,342,248	4,655,537	-
Miscellaneous	2,866,598	88,022
Total Operating Revenues	20,405,474	291,249
EXPENSES		
Operating Expenses:		
Education and Support:		
Liberal Arts and Sciences	5,593,966	-
Vocational Technical	5,600,785	-
Adult Education	1,517,548	-
Cooperative Services	2,080,662	-
General Administration	995,990	-
Student Services	2,080,987	-
Learning Resources	594,977	-
Physical Plant	2,896,393	-
General Institution	7,834,100	-
Auxiliary Enterprises	5,585,115	-
Scholarships and Grants	802,348	250,022
Administrative and Collection Costs	-	24,425
Services, Materials and Cost of Goods Sold	-	203,350
Depreciation Expense	1,841,764	-
Total Operating Expenses	37,424,635	477,797
Operating (Loss)	(17,019,161)	(186,548)
NON-OPERATING REVENUES (EXPENSES)		
State Appropriations	12,114,213	-
Property Taxes	3,669,668	-
Interest Income from Investments	78,800	437,493
Unrealized (Loss) on Investments	-	(134,001)
(Loss) on Sale of Capital Assets	(25,856)	-
Interest on Indebtedness	(323,212)	-
Net Non-Operating Revenues	15,513,613	303,492
Increase (Decrease) in Net Position	(1,505,548)	116,944
Net Position Beginning of Year	34,820,626	6,703,270
Prior Period Adjustments	(4,892,012)	-
Net Position Beginning of Year - Restated	29,928,614	6,703,270
Net Position End of Year	\$ 28,423,066	\$ 6,820,214

See Accompanying Notes to Financial Statements

**IOWA LAKES COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2015**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Tuition and Fees	\$ 10,522,417
Grants and Contracts	3,408,865
Iowa Industrial New Jobs Training Program	541,986
Payments to Employees	(18,710,123)
Payments to Suppliers	(14,983,997)
Payments to NJTP Recipients	(1,881,951)
Auxiliary Enterprise Net Activity	(358,053)
Other Receipts	<u>4,728,113</u>
Net Cash (Used) by Operating Activities	<u>(16,732,743)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State Appropriations	12,114,213
Property Taxes	3,669,668
Principal Paid on Debt	(905,000)
Certificates Issued	4,295,000
Miscellaneous Agency Fund Receipts	3,201,956
Miscellaneous Agency Fund Disbursements	<u>(3,490,949)</u>
Net Cash Provided from Non-Capital Financing Activities	<u>18,884,888</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from Sale of Capital Assets	2,200
Purchases of Capital Assets	(1,751,413)
Principal Paid on Debt and Leases	(1,545,000)
Interest Paid on Debt and Leases	<u>(323,036)</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>(3,617,249)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from Sales and Maturities of Investments	111,626
Purchase of Investments	(400,000)
Interest on Investments	<u>53,947</u>
Net Cash (Used) by Investing Activities	<u>(234,427)</u>
Net (Decrease) in Cash	(1,699,531)
Cash at Beginning of Year	<u>12,055,140</u>
Cash at End of Year	<u><u>\$ 10,355,609</u></u>

**IOWA LAKES COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2015**

Reconciliation of Operating (Loss) to Net Cash	
(Used) by Operating Activities:	
Operating (Loss)	\$ (17,019,161)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities:	
Depreciation	1,841,764
Changes in Assets and Liabilities:	
(Increase) in Due From Others	(1,390,217)
(Increase) in Due From Other Governments	(38,427)
Decrease in Inventories	80,893
(Increase) in Prepaid Expenses	(74,348)
Decrease in Deferred Outflows	369,785
(Decrease) in Accounts Payable	(7,336)
(Decrease) in Salaries and Benefits Payable	(34,738)
Increase in Compensated Absences	148,819
Increase in Deferred Revenue	615,533
(Decrease) in Deposits Held in Custody	(110)
(Decrease) in Early Retirement Payable	(181,462)
(Decrease) in Due to Others	(16,818)
(Decrease) in Reported and Unreported Insurance Claims Payable	(71,075)
(Decrease) in Insurance Reserve	(174,806)
(Decrease) in Net Pension Liability	(2,011,103)
Increase in Deferred Inflows	<u>1,230,064</u>
Total Adjustments	<u>286,418</u>
Net Cash (Used) by Operating Activities	<u>\$ (16,732,743)</u>

**IOWA LAKES COMMUNITY COLLEGE
STATEMENT OF NET POSITION - COMPONENT UNITS
JUNE 30, 2015**

	Iowa Lakes Community College Scholarship Foundation	Iowa Lakes Community College Foundation	Total
ASSETS			
Current Assets			
Cash and Investments:			
Cash and Pooled Investments	\$ 173,187	\$ 292,115	\$ 465,302
Pooled Investments	3,184,358	1,031,529	4,215,887
Receivables:			
Accrued Interest	21,967	240	22,207
Inventories	-	3,288	3,288
Prepaid Expenses	-	962	962
Total Current Assets	<u>3,379,512</u>	<u>1,328,134</u>	<u>4,707,646</u>
Noncurrent Assets			
Pooled Investments	1,965,963	147,670	2,113,633
Capital Assets			
Land	-	17,000	17,000
Total Noncurrent Assets	<u>1,965,963</u>	<u>164,670</u>	<u>2,130,633</u>
TOTAL ASSETS	<u><u>5,345,475</u></u>	<u><u>1,492,804</u></u>	<u><u>6,838,279</u></u>
LIABILITIES			
Current Liabilities			
Accounts Payable	-	336	336
Salaries and Benefits Payable	-	844	844
Due to Iowa Lakes Community College	-	16,885	16,885
Total Current Liabilities	<u>-</u>	<u>18,065</u>	<u>18,065</u>
TOTAL LIABILITIES	<u>-</u>	<u>18,065</u>	<u>18,065</u>
NET POSITION			
Net Investment in Capital Assets	-	17,000	17,000
Restricted:			
Nonexpendable:			
Endowment	1,022,365	990,107	2,012,472
Expendable:			
Scholarships	4,323,110	467,632	4,790,742
TOTAL NET POSITION	<u><u>\$ 5,345,475</u></u>	<u><u>\$ 1,474,739</u></u>	<u><u>\$ 6,820,214</u></u>

See Accompanying Notes to Financial Statements

IOWA LAKES COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - COMPONENT UNITS
YEAR ENDED JUNE 30, 2015

	Iowa Lakes Community College Scholarship Foundation	Iowa Lakes Community College Foundation	Total
REVENUES			
Operating Revenues:			
Gifts and Contributions	\$ -	\$ 203,227	\$ 203,227
Sales and Service	-	47,532	47,532
Miscellaneous	-	40,490	40,490
	<u>-</u>	<u>291,249</u>	<u>291,249</u>
Total Operating Revenues	-	291,249	291,249
EXPENSES			
Operating Expenses:			
Scholarships	153,815	96,207	250,022
Salaries and Benefits	-	20,387	20,387
Services	28,750	116,197	144,947
Materials and Supplies	-	7,840	7,840
Travel	-	3,952	3,952
Cost of Goods Sold	-	50,563	50,563
Miscellaneous	-	86	86
	<u>182,565</u>	<u>295,232</u>	<u>477,797</u>
Total Operating Expenses	182,565	295,232	477,797
Operating (Loss)	<u>(182,565)</u>	<u>(3,983)</u>	<u>(186,548)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest Income from Investments	403,932	33,561	437,493
Unrealized (Loss) on Investments	<u>(121,252)</u>	<u>(12,749)</u>	<u>(134,001)</u>
Net Non-Operating Revenues	282,680	20,812	303,492
Increase in Net Position	100,115	16,829	116,944
Net Position Beginning of Year	<u>5,245,360</u>	<u>1,457,910</u>	<u>6,703,270</u>
Net Position End of Year	<u>\$ 5,345,475</u>	<u>\$ 1,474,739</u>	<u>\$ 6,820,214</u>

**IOWA LAKES COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Iowa Lakes Community College is a publicly supported school established and operated by Merged Area III under the provisions of Chapter 260C of the Code of Iowa. Iowa Lakes Community College may offer 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. Iowa Lakes Community College may also offer up to two years of vocational or technical education, training or retraining to persons who are preparing to enter the labor market. Iowa Lakes Community College maintains campuses in Estherville, Emmetsburg, Algona, Spencer and Spirit Lake, Iowa, and has its administrative offices in Estherville. Iowa Lakes Community College is governed by a Board of Trustees whose members are elected from each trustee district within Merged Area III.

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

A. Reporting Entity

For financial reporting purposes, Iowa Lakes Community College has included all funds, organizations, agencies, boards, commissions and authorities. Iowa Lakes Community 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 Iowa Lakes Community College are such that exclusion would cause Iowa Lakes Community College's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the College to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on Iowa Lakes Community College.

These financial statements present Iowa Lakes Community College (the primary government) and its component units. The component units discussed below are included in Iowa Lakes Community College's reporting entity because of the significance of their operational or financial relationships with the Community College. Additional financial information of the individual component units can be obtained from its administrative office.

Iowa Lakes Community College Scholarship Foundation is a non-profit corporation whose purpose is to operate exclusively for the educational purpose of receiving gifts and property and expending the same for the benefit of Iowa Lakes Community College and its students through grants and scholarships. Upon dissolution of the foundation, its remaining assets will be distributed to Iowa Lakes Community College.

Iowa Lakes Community College Foundation is a non-profit corporation whose purpose is to maintain, develop, increase and extend the facilities and services of Iowa Lakes Community College and to provide broader educational service opportunities to its students, faculty, staff and residents of the geographical area.

B. Basis of Presentation

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

**IOWA LAKES COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1 -- **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

Restricted Net Position:

Nonexpendable – Net position subject to externally imposed stipulations that they be maintained permanently by the College, including the College's permanent endowment funds.

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 situations. Resources may be designated for specific purposes by action of management or by the Board of Trustees 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.

GASB Statement No. 35 also requires the Statements of Net Position, Revenues, Expenses, and Changes in Net Position and Cash Flows be reported on a consolidated basis. These basic financial statements report information on all of the activities of the College. For the most part, the effect of interfund activity has been removed from these statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

For financial reporting purposes, Iowa Lakes Community 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 taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

The following accounting policies are followed in preparing the balance sheets:

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 non-negotiable certificates of deposit which are stated at cost.

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

**IOWA LAKES COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, except for the livestock and grain from the farm, which is valued at market value. Inventories consist of supplies and materials held for consumption, livestock and merchandise held for resale. The cost is recorded as an expenditure at the time individual inventory items are consumed or sold.

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 Trustees to the appropriate County Auditors. The succeeding year property tax receivable represents taxes certified by the Board of Trustees 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 Trustees is required to submit to the state board by May 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 deferred 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, 2015 on NJTP projects, including interest incurred on NJTP certificates, less revenues received to date.

Capital Assets -- Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the College), are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. No interest costs were capitalized since there were no qualifying assets.

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

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Other Structures and improvements	10 - 65
Furniture and Equipment	3 - 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.

**IOWA LAKES COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer'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, and amounts for hourly employees for hours worked through June 30th that have not been paid until after that date, have been accrued as liabilities.

Bond Interest Payable – Interest on long-term bonded indebtedness is recorded as a liability when the interest is due.

Unearned Revenue – When assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for unearned revenue. Unearned revenue consists of tuition deposits, tuition and fees for a portion of summer classes, fees and registration for fall, and unearned revenue on 260E projects.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, 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.

Deferred Inflows of Resources – Deferred inflows of resources represents an acquisition of net position that applies to a future period(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 which will not be recognized as revenue until the year for which it is levied and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

Compensated Absences – College employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. Amounts representing the cost of compensated absences and the related employee benefit are recorded as liabilities. These liabilities have been computed based on rates of pay in effect at June 30, 2015.

Auxiliary Enterprise Revenues – Auxiliary enterprise revenues primarily represent revenues generated by the bookstore, food service, wellness center, farm, athletics, residence halls, aviation, parts, printing, vehicles, wind turbine, and gateway north.

Summer Session – The Community College operates summer sessions during May, June, and July. Revenues and expenses for the summer sessions are recorded in the appropriate fiscal year. Tuition and fees are allocated based on the summer session class schedule.

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 expenses.

**IOWA LAKES COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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, property tax and interest income.

E. Scholarship Allowances and Student Aid

Financial aid to students is reported in the financial statements under the alternative method, as prescribed by the National Association of College and University Business Officer (NACUBO). Certain aid (loans and funds provided to students as awarded by third parties) 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.

Note 2 -- CASH AND POOLED INVESTMENTS

The College's deposits in banks at June 30, 2015, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The Community 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 Trustees; 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.

Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

At June 30, 2015, the Community College had the following investments:

Current Pooled Investments	\$ 104,035
Long-Term Pooled Investments	1,618,261
	<u>\$ 1,722,296</u>

Investment Type	Fair Value	Investment Maturities (in years)	
		Less than 1	1 to 5
Certificates of Deposit	<u>\$ 1,722,296</u>	<u>\$ 104,035</u>	<u>\$ 1,618,261</u>

The investments are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940.

**IOWA LAKES COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 2 -- CASH AND POOLED INVESTMENTS (Continued)

Interest rate risk - The Community 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) in 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 Community College.

Concentration of credit risk - The Community College places a 5% limit on the amount that may be invested in any one user at the time of purchase.

At June 30, 2015, the Iowa Lakes Community College Foundation had the following investments:

Current Pooled Investments	\$ 1,031,529
Long-Term Pooled Investments	<u>147,670</u>
	<u>\$ 1,179,199</u>

Investment Type	Fair Value	Investment Maturities (in years)	
		Less than 1	Greater than 1
Equities	\$ 601,391	N/A	N/A
International Equities	98,442	N/A	N/A
Fixed Income Mutual Funds	331,696	N/A	N/A
Corporate Bonds	<u>147,670</u>	<u>-</u>	<u>147,670</u>
	<u>\$ 1,179,199</u>	<u>\$ -</u>	<u>\$ 147,670</u>

Credit risk - The Iowa Lakes Community College Foundation's investments in fixed income mutual funds consist of two funds that were given ratings of 4 by Morningstar and two funds that were given a rating of 3. The investments in equities consist of various investments, which were rated A+, A, A-, B+, B, or were not rated by Standard & Poor's. The investments in corporate bonds consist of three bonds that were rated A2, BAA1, and BAA2 by Moody's.

At June 30, 2015, the Iowa Lakes Community College Scholarship Foundation had the following investments:

Current Pooled Investments	\$ 3,184,358
Long-Term Pooled Investments	<u>1,965,963</u>
	<u>\$ 5,150,321</u>

Investment Type	Fair Value	Investment Maturities (in years)	
		Less than 1	Greater than 1
Equities	\$ 2,951,984	N/A	N/A
International Equities	92,575	N/A	N/A
Fixed Income	<u>2,105,762</u>	<u>139,780</u>	<u>1,965,963</u>
	<u>\$ 5,150,321</u>	<u>\$ 139,780</u>	<u>\$ 1,965,963</u>

Credit risk - The Scholarship Foundation's investment in fixed income mutual funds was given a rating of 3 by Morningstar. The investments in fixed income consist of various investments, which were rated Aaa, A1, A2, A3, Baa1, Baa2, Baa3, B1, or were not rated by Moody's.

**IOWA LAKES COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 3 -- INVENTORIES

The Community College's inventories at June 30, 2015 are as follows:

Bookstore	\$ 298,378
Food Service	23,337
Farm	173,480
Parts Store	30,944
Wind Energy	247,500
Other	<u>76,203</u>
	<u>\$ 849,842</u>

The Community College Foundation's inventory at June 30, 2015 is as follows:

Other	<u>\$ 3,288</u>
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Note 4 -- CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Capital Assets Not Being Depreciated:				
Land	\$ 1,385,940	\$ -	\$ -	\$ 1,385,940
Construction in Progress	4,442,853	985,446	(5,285,806)	142,493
Total Capital Assets Not Being Depreciated	<u>5,828,793</u>	<u>985,446</u>	<u>(5,285,806)</u>	<u>1,528,433</u>
Capital Assets Being Depreciated:				
Buildings	38,480,473	5,461,051	(144,825)	43,796,699
Other Structures and Improvements	3,487,229	101,835	-	3,589,064
Furniture and Equipment	10,535,142	494,382	(543,310)	10,486,214
Total Capital Assets Being Depreciated	<u>52,502,844</u>	<u>6,057,268</u>	<u>(688,135)</u>	<u>57,871,977</u>
Less Accumulated Depreciation for:				
Buildings	(15,697,023)	962,514	(146,408)	(16,513,129)
Other Structures and Improvements	(1,889,601)	155,782	-	(2,045,383)
Furniture and Equipment	(6,913,659)	816,407	(531,624)	(7,198,442)
Total Accumulated Depreciation	<u>(24,500,283)</u>	<u>1,934,703</u>	<u>(678,032)</u>	<u>(25,756,954)</u>
Total Capital Assets Being Depreciated, Net	<u>28,002,561</u>	<u>4,122,565</u>	<u>(10,103)</u>	<u>32,115,023</u>
Capital Assets, Net	<u>\$ 33,831,354</u>	<u>\$ 5,108,011</u>	<u>\$ (5,295,909)</u>	<u>\$ 33,643,456</u>

On June 30, 2015, the Community College had no future construction commitments.

**IOWA LAKES COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 4 -- CAPITAL ASSETS (Continued)

Reconciliation of Net Investment in Capital Assets follows:

Land	\$ 1,385,940
Buildings	43,796,699
Construction in Progress	142,493
Other Structures and Improvements	3,589,064
Furniture and Equipment	10,486,214
Accumulated Depreciation	<u>(25,756,954)</u>
Capital Assets (Net of Accumulated Depreciation)	33,643,456
Less: Capital Assets Held in Custody for Others	(192,027)
Less: Bonds Payable & Other Long Term Debt	<u>(5,805,000)</u>
 Net Investment in Capital Assets	 <u><u>\$ 27,646,429</u></u>

Capital Assets for Iowa Lakes Community College Foundation, a component unit, for the year ended June 30, 2015 is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Capital Assets Not Being Depreciated:				
Land	\$ 17,000	\$ -	\$ -	\$ 17,000
Capital Assets Being Depreciated:				
Other Structures and Improvements	72,635	-	(72,635)	-
Less Accumulated Depreciation for:				
Other Structures and Improvements	<u>(72,635)</u>	<u>-</u>	<u>(72,635)</u>	<u>-</u>
Capital Assets, Net	<u><u>\$ 17,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 17,000</u></u>

Note 5 -- LONG-TERM DEBT

A summary of changes in long-term debt for the year ended June 30, 2015 is as follows:

	Balance Beginning of Year	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government:					
Early Retirement Payable	\$ 1,005,538	\$ 225,086	\$ (406,548)	\$ 824,076	\$ 391,918
Certificates Payable	2,840,000	4,295,000	(905,000)	6,230,000	905,000
Bonds Payable & Other Long Term Debt	7,350,000	-	(1,545,000)	5,805,000	750,000
Net OPEB Liability	11,586	-	(11,586)	-	-
Net Pension Liability	5,236,476	-	(2,011,103)	3,225,373	-
Total Primary Government	<u><u>\$ 16,443,600</u></u>	<u><u>\$ 4,520,086</u></u>	<u><u>\$ (4,879,237)</u></u>	<u><u>\$16,084,449</u></u>	<u><u>\$ 2,046,918</u></u>

**IOWA LAKES COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 5 -- **LONG-TERM DEBT** (Continued)

Certificates Payable

In accordance with agreements dated between September 1, 1996 and June 30, 2015, the Community College issued certificates totaling \$16,650,000 with interest rates ranging from 0.50% to 6.25%. The debt was incurred to fund the development and training costs related to implementing Chapter 260E of the Code of Iowa, Iowa Industrial New Jobs Training Program (NJTP). NJTP's purpose is to provide tax-aided training for employees of industries which are new to or are expanding their operations within the State of Iowa. Interest is payable semi-annually, while principal payments are due annually. The certificates are to be retired by proceeds from anticipated job credits from withholding tax, incremental property tax, budgeted reserves, and, in the case of default, from standby property taxes. During 2015, Iowa Lakes Community College recorded \$163,388 of interest expense from the certificates payable.

The certificates will mature as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 905,000	\$ 165,911	\$ 1,070,911
2017	920,000	142,220	1,062,220
2018	735,000	113,123	848,123
2019	680,000	95,222	775,222
2020	685,000	80,068	765,068
2021-2025	<u>2,305,000</u>	<u>160,459</u>	<u>2,465,459</u>
Total	<u>\$ 6,230,000</u>	<u>\$ 757,003</u>	<u>\$ 6,987,003</u>

Bonds Payable & Other Long-Term Debt

On June 1, 2005, Iowa Lakes Community College issued \$1,200,000 of lease purchase certificates of participation, as allowed by Section 260C.19 of the Code of Iowa, to finance the purchase of Gateway North Mall. Annual principal payments began June 1, 2006. Interest payments are due semi-annually each June and December. The certificates were paid in full during the fiscal year. The balance of the certificates at June 30, 2015 was \$0.

On November 17, 2008, Iowa Lakes Community College secured a non-interest bearing loan in the amount of \$360,000 through a Rural Economic Development Grant in order to finance remodeling and expanding the existing Wind Energy and Turbine Technology center in Estherville. Monthly principal payments began November 1, 2010. The note will mature in 2019. The balance of the note at June 30, 2015 was \$150,000.

On April 1, 2010, Iowa Lakes Community College issued \$1,570,000 of dormitory revenue bonds to finance the construction of residence halls in Estherville. Annual principal payments began September 2011 due to a trustee error. Interest payments are due semi-annually each June and December. The bonds will mature in 2030. The balance of the bonds at June 30, 2015 was \$1,340,000.

On May 10, 2012, the Community College issued \$1,125,000 in refunding revenue bonds to advance refund the 2006 dormitory bonds. The revenue bonds and interest shall be payable from the net revenues of the College Dormitory System and other auxiliary enterprises. Annual principal payments began June 1, 2013. Interest payments are due semi-annually on June 1 and December 1. The bond will mature in 2020. The new issue will reduce debt service payments by \$204,428 with an economic gain of \$166,284. The balance of the bond at June 30, 2015 was \$705,000.

**IOWA LAKES COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 5 -- LONG-TERM DEBT (Continued)

Bonds Payable & Other Long-Term Debt (Continued)

On July 15, 2013, the College issued \$4,600,000 of general obligation capital loan notes for the purpose of maintaining, improving, or expanding buildings of the Community College. Annual principal payments began June 1, 2014. Interest payments are due semi-annually each June and December. The capital loan notes will mature in 2022. The balance of the notes at June 30, 2015 was \$3,610,000.

Details of the Community College's June 30, 2015 bonded indebtedness maturities are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 750,000	\$ 151,334	\$ 901,334
2017	755,000	141,159	896,159
2018	760,000	130,009	890,009
2019	750,000	118,209	868,209
2020	690,000	104,359	794,359
2021-2025	1,495,000	333,154	1,828,154
2026-2030	605,000	135,732	740,732
Total	<u>\$ 5,805,000</u>	<u>\$ 1,113,956</u>	<u>\$ 6,918,956</u>

Note 6 -- IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IPERS)

Plan Description – The Community College contributes to the Iowa Public Employees Retirement System (IPERS). 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 7401 Register Drive 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, anytime 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.)

**IOWA LAKES COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 6 -- 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 percent 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 percent 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 – Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that 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 years 2015 and 2014, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the Community College contributed 8.93 percent for a total rate of 14.88 percent.

The Community College's contributions to IPERS for the year ended June 30, 2015 were \$515,434.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, the Community College reported a liability of \$3,225,373 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Community College's proportion of the net pension liability was based on the Community College's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the Community College's collective proportion was 0.079696 percent, which was a decrease of 0.012788 percent from its proportion measured as of June 30, 2013.

**IOWA LAKES COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 6 -- **IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IPERS)** (Continued)

For the year ended June 30, 2015, the Community College recognized pension expense of \$104,451. At June 30, 2015, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 35,054	\$ -
Changes of assumptions	142,343	-
Net difference between projected and actual earnings on pension plan investments	-	1,230,064
Changes in proportion and differences between Community College contributions and proportionate share of contributions	-	587,386
Community College contributions subsequent to the measurement date	515,434	-
Total	\$ 692,831	\$ 1,817,450

\$515,434 reported as deferred outflows of resources related to pensions resulting from the Community College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2016	\$ (412,915)
2017	(412,915)
2018	(412,915)
2019	(412,915)
2020	11,607
	\$ (1,640,053)

There are no non-employer contributing entities at IPERS.

**IOWA LAKES COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 6 -- IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IPERS) (Continued)

Actuarial Assumptions – The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2014)	3.00% per annum
Rates of salary increase (effective June 30, 2010)	4.00% to 17.00%, average, including inflation. Rates vary by membership
Long-term investment rate of return (effective June 30, 1996)	7.50%, compounded annually, net of investment expense, including inflation

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

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

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	23%	6.31
Non US Equity	15	6.76
Private Equity	13	11.34
Real Estate	8	3.52
Core Plus Fixed Income	28	2.06
Credit Opportunities	5	3.67
TIPS	5	1.92
Other Real Assets	2	6.27
Cash	1	(0.69)
Total	<u>100%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the College will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**IOWA LAKES COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 6 -- IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IPERS) (Continued)

Sensitivity of the Community 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 7.50 percent, 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-percentage-point lower (6.5 percent) or 1-percentagepoint higher (8.5 percent) than the current rate.

	1% Decrease ▮ (6.50%)	Discount Rate ▮ (7.50%)	1% Increase ▮ (8.50%)
College's proportionate share of the net pension liability	\$ 6,094,252	\$ 3,225,373	\$ 803,742

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

Payables to the Pension Plan – At June 30, 2015, the College reported payables to the defined benefit pension plan of \$9,675, for legally required employer contributions and \$6,447, for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Note 7 -- TEACHERS INSURANCE AND ANNUITY ASSOCIATION -- COLLEGE RETIREMENT EQUITIES FUND (TIAA-CREF)

The Community College contributes to the TIAA-CREF retirement program, which is a defined contribution plan. TIAA administers the retirement plan for Iowa Lakes Community College. The defined contribution retirement plan provides individual annuities for each plan participant. As required by the Code of Iowa, all eligible College employees must participate in a retirement plan from the date they are employed.

Benefit terms, including contribution requirements, for TIAA-CREF are established and specified by the contract with TIAA-CREF, and in accordance with the Code of Iowa. For each employee in the pension plan, the College is required to contribute 8.93 percent of annual salary, including overtime pay, to an individual employee account. Each employee is required to contribute 5.95 percent. Contributions made by both employer and employee vest immediately. For the years ended June 30, 2015, employee contributions totaled \$464,739 and the College recognized pension expense of \$697,499.

At June 30, 2015, the College reported payables to the defined contribution pension plan of \$13,360, for legally required employer contributions and \$8,901, for legally required employee contributions which had been withheld from employee wages but not yet remitted to TIAA-CREF.

Note 8 -- OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description - The College operates a single-employer retiree benefit plan which provides medical/prescription drug/dental benefits for retirees and their dependents under certain conditions. There are approximately 214 active and 21 retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug/dental coverage is provided through a fully-insured (or self-insured) plan. Retirees under age 65 pay the same premium for the medical/prescription drug/dental benefit as active employees, which results in an implicit subsidy and an OPEB liability.

Funding Policy- The contribution requirements of plan members are established and may be amended by the College. The College currently finances the retiree benefit plan on a pay-as-you-go basis.

**IOWA LAKES COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 8 -- OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Annual OPEB Cost and Net OPEB Obligation – The College's annual OPEB cost is calculated based on the annual required contribution (ARC) of the College, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the College's annual OPEB cost for the year ended June 30, 2015, the amount actually contributed to the plan and changes in the College's net OPEB obligation:

Annual Required Contribution	\$ 17,321
Interest on Net OPEB Obligation	521
Adjustment to Annual Required Contribution	<u>(711)</u>
Annual OPEB Cost	17,131
Net OPEB Obligation Beginning of Year	11,586
Annual OPEB Cost	17,131
Employer Contributions Made	<u>(28,717)</u>
Expected Net OPEB Obligation End of Year	<u><u>\$ -</u></u>

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	\$ 17,338	66.0%	\$ 11,788
June 30, 2010	\$ 17,338	65.4%	\$ 17,788
June 30, 2011	\$ 17,338	65.4%	\$ 23,788
June 30, 2012	\$ 15,450	179.0%	\$ 11,586
June 30, 2013	\$ 15,450	179.0%	\$ 11,586
June 30, 2014	\$ 15,450	100.0%	\$ 11,586
June 30, 2015	\$17,131	100.0%	\$ 0

Funded Status and Funding Progress- As of July 1, 2014, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was \$236,968, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$236,968. The covered payroll (annual payroll of active employees covered by the plan) was \$10,898,387 and the ratio of the UAAL to covered payroll was 2.2%. As of June 30, 2015, there were no trust fund assets.

Actuarial Methods and Assumptions- Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumption about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for the Retiree Health Plan, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**IOWA LAKES COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 8 -- OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2014 actuarial valuation date, the Projected Unit Credit Actuarial Cost Method was used. The actuarial assumptions include a 4.5% investment return. The projected annual medical trend (inflation) rate is 5%. The ultimate medical trend rate is 5%. An inflation rate of 3% is assumed for the purpose of this computation.

Mortality rates are from the RP2014 Mortality Table with Scale MP-2014, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the Scale T-7 of the Actuary's Pension Handbook. The salary increase rate was assumed to be 3.0% per year. The UAAL is being amortized as a level dollar amount on an open basis over 30 years.

Note 9 -- RISK POOL

The Community College has secured insurance purchased from commercial insurance carriers to provide coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials bonds, property and inland marine, errors and omissions and School Board legal liability, workers compensation and employers liability, crime insurance and fiduciary bonds, boiler and machinery, activities involving Federal programs, student nursing programs, computer equipment, workers compensation, surety bond coverage, farm buildings, livestock and crops, student athletics, and the aviation program. There have been no reductions in insurance coverage from prior years. Settled claims resulting from the risks have not exceeded commercial insurance coverage in any of the past three years.

Note 10 -- NEW JOBS TRAINING PROGRAMS

Iowa Lakes Community College administers the Iowa Industrial New Jobs Training Program (NJTP) in Merged Area III in accordance with Chapter 260E of the Code of Iowa. NJTP's purpose is to provide tax-aided training or retraining for employees of industries which are new to or are expanding their operations within the State of Iowa. Certificates are sold by the Community College to fund approved projects and are to be retired by proceeds from anticipated jobs credits from withholding taxes, incremental property taxes, budgeted reserves and in the case of default, from standby property tax. Since inception, the Community College has administered 98 projects. Of these projects, 65 have been completed and the certificates have been paid.

Iowa Lakes Community College also administers the Iowa Small Business New Jobs Training Program (SBNJTP) in Merged Area III in accordance with Chapter 260F of the Code of Iowa. SBNJTP's purpose is to provide tax-aided training or retraining for employees of small businesses which are new to or are expanding their operations within the State of Iowa. Approved small businesses receive loans from the Iowa Employment Training Fund, a State administered fund. The Community College has administered a total of 218 retraining projects under Chapter 260F. Of these 218 projects, 6 were started during fiscal year 2015.

Note 11 -- SELF-FUNDED HEALTH INSURANCE PROGRAM

During fiscal year 1995, the Community College implemented a self-funded health insurance program. Iowa Lakes Community College pays the actual claims and has a stop-loss arrangement whereby the total losses cannot exceed the contractual maximum liability with the insurer, which is \$3,646,756.

**IOWA LAKES COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 11 -- SELF-FUNDED HEALTH INSURANCE PROGRAM (Continued)

The Community College's monthly contributions to the program fund current operations and provide capital for future claims. Monthly operating contributions are those amounts necessary to fund, on a cash basis, the programs general and administrative expenses and claims. The College uses reinsurance to reduce its exposure for losses that carries a specific stop loss of \$80,000 per covered individual and an aggregate stop loss of 125% of total estimated claims. Claims payable include all known claims and an amount for claims that have been incurred but not reported (IBNR).

The changes in the aggregate liabilities for claims included in Reported and Unreported Insurance Claims Payable and insurance Reserve for the year ended June 30, 2015 are as follows:

Medical Reserve Fund Balance, Beginning of Year	\$ 1,501,276
Claims Recognized	3,292,654
Claim Payments	<u>(3,538,535)</u>
Medical Reserve Fund Balance, End of Year	<u>\$ 1,255,395</u>
Reported and Unreported Insurance Claims Payable	\$ 434,981
Insurance Reserve	<u>820,414</u>
	<u>\$ 1,255,395</u>

Note 12 -- EARLY RETIREMENT PROGRAM

On October 14, 2014, the Board of Trustees revised the early retirement plan benefit to only include 100% of the employee's base salary at the time of retirement. The eligibility age as of June 30th was also updated to 55 years of age. During fiscal year 2015, there were four new participants in this program.

On December 17, 2013, the Board of Trustees passed an annual Voluntary Early Retirement plan. All full-time staff that are 59 years of age by June 30 of the year they wish to retire and who have at least 10 years of full-time service with the Community College are eligible for early retirement remuneration. Early retirement is effective at the end of the employee's contract or June 30th for those not employed under a contract. A retiring employee will receive two benefits. The first benefit includes a percentage of their base salary, dependent upon their age. Payment will be made on July 30th up to the maximum allowed by law. Second and third payments, if required, will be made on January 31st of subsequent years. The second benefit involves the purchase of medical insurance for the employee at the premium rate at the time of retirement until the participant is eligible for Medicare. Subsequent annual increases in the premium are the responsibility of the participant.

On September 18, 2012, the Board of Trustees passed a one-time Voluntary Early Retirement Plan in which the College offered one-time cash payments, which have subsequently been paid, and single medical coverage to participants at the premium rate at the time of retirement until he or she is Medicare eligible. At June 30, 2015 there were eleven participants receiving medical coverage under this plan.

On December 15, 2009, the Board of Trustees passed a one-time Voluntary Early Retirement Plan in which the College offered one-time cash payments, which have subsequently been paid, and single medical coverage to participants at the premium rate at the time of retirement until he or she is Medicare eligible. At June 30, 2015 there were three participants receiving medical coverage under this plan.

**IOWA LAKES COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 12 -- EARLY RETIREMENT PROGRAM (Continued)

On November 11 2008, the Board of Trustees passed a one-time Voluntary Early Retirement Plan in which the College offered one-time cash payments, which have subsequently been paid, and single medical coverage to participants at the premium rate at the time of retirement until he or she is Medicare eligible. At June 30, 2015 there were two participants receiving medical coverage under this plan.

On September 18, 2007, the Board of Trustees passed a one-time Voluntary Early Retirement Plan in which the College offered one-time cash payments, which have subsequently been paid, and single medical coverage to participants at the premium rate at the time of retirement until he or she is Medicare eligible. At June 30, 2015 there was one participant receiving medical coverage under this plan.

On November 15, 2005, the Board of Trustees passed a one-time Voluntary Early Retirement Plan in which the College offered one-time cash payments, which have subsequently been paid, and single medical coverage to participants at the premium rate at the time of retirement until he or she is Medicare eligible. At June 30, 2015 there was one participant receiving medical coverage under this plan.

At June 30, 2015, there were eighteen participants receiving medical coverage under these plans, with a total liability of payments and medical coverage of \$824,076. The liability is calculated based on unadjusted premium amounts to be paid over the term of each participant's involvement in the plan. The Community College's early retirement expense for the year ended June 30, 2015 was \$114,205.

Note 13-- PRIOR YEAR ADJUSTMENTS

Re-classification of Activities:

During the current year, it was determined that a portion of the Gateway North activity is truly an agency function versus actual revenue and expenses of the College.

Accounting Change / Restatement:

Governmental Accounting Standards Board Statement No. 68 Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27 was implemented during the fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Beginning net position was restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date.

These changes have the following affects on beginning net position:

Beginning Net Position, as Previously Stated	\$ 34,820,626
Prior Year Adjustment - Reclassification of Gateway North	(130,766)
Prior Year Adjustment - Beginning Deferred Outflows of Resources	475,230
Prior Year Adjustment - Beginning Net Pension Liability	(5,236,476)
Beginning Net Position, Restated	<u>\$ 29,928,614</u>

Required Supplementary Information

**IOWA LAKES COMMUNITY COLLEGE
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2015**

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
2009	July 1, 2008	\$ -	\$ 131,359	\$ 131,359	0.0%	\$ 8,985,390	1.5%
2010	July 1, 2008	\$ -	\$ 131,359	\$ 131,359	0.0%	\$ 8,985,390	1.5%
2011	July 1, 2008	\$ -	\$ 131,359	\$ 131,359	0.0%	\$ 8,985,390	1.5%
2012	July 1, 2008	\$ -	\$ 131,359	\$ 131,359	0.0%	\$ 8,985,390	1.5%
2013	July 1, 2012	\$ -	\$ 185,241	\$ 185,241	0.0%	\$ 11,608,625	1.6%
2014	July 1, 2012	\$ -	\$ 185,241	\$ 185,241	0.0%	\$ 11,608,625	1.6%
2015	July 1, 2014	\$ -	\$ 236,968	\$ 236,968	0.0%	\$ 10,898,387	2.2%

See Note 8 to the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, and the funded status and funding progress.

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**IOWA LAKES COMMUNITY COLLEGE
 SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE LAST YEAR**

	2015
College's Proportion of the Net Pension Liability	0.079696%
College's Proportionate Share of the Net Pension Liability	\$ 3,225,373
College's Covered-Employee Payroll	\$ 5,321,725
College's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered-Employee Payroll	60.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.61%

Note: GASB Statement 68 requires 10 years of information to be presented in this table. However, until this information is available, the College will present information from those years for which information is available.

**IOWA LAKES COMMUNITY COLLEGE
SCHEDULE OF COLLEGE CONTRIBUTIONS - IPERS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE LAST TEN YEARS**

	Years Ended June 30,				
	2015	2014	2013	2012	2011
Statutorily Required Contribution	\$ 515,434	\$ 475,230	\$ 518,603	\$ 469,667	\$ 356,573
Contributions in Relation to the Statutorily Required Contribution	<u>515,434</u>	<u>475,230</u>	<u>518,603</u>	<u>469,667</u>	<u>356,573</u>
Contribution Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's Covered-Employee Payroll	\$ 5,771,937	\$ 5,321,725	\$ 5,981,580	\$ 5,819,913	\$ 5,130,547
Contribution as a Percentage of Covered-Employee Payroll	8.93%	8.93%	8.67%	8.07%	6.95%

2010	2009	2008	2007	2006
\$ 337,508	\$ 352,348	\$ 332,480	\$ 294,674	\$ 284,147
<u>337,508</u>	<u>352,348</u>	<u>332,480</u>	<u>294,674</u>	<u>284,147</u>
<u>\$ -</u>				
\$ 5,075,308	\$ 5,548,787	\$ 5,495,537	\$ 5,124,765	\$ 4,941,687
6.65%	6.35%	6.05%	5.75%	5.75%

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IOWA LAKES COMMUNITY COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – NET PENSION LIABILITY
JUNE 30, 2015

CHANGES OF BENEFIT TERMS:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

CHANGES OF ASSUMPTIONS:

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

- Decreased the inflation assumption from 3.25 percent to 3.00 percent
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumption from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.

Other Supplementary Information

**IOWA LAKES COMMUNITY COLLEGE
NOTES TO OTHER SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

Other supplementary information of the Community 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. 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 Community College and consist of the following:

Unrestricted Fund – The Educational and Support subgroup of the Unrestricted Fund accounts for the general operations of the Community College.

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 Community College.

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

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

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

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

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

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

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

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

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

Schedules presented in other supplementary information are reported using the current financial resources measurement focus and the accrual basis of accounting with modifications for depreciation and other items included in the adjustments column. The schedule of revenues, expenditures and changes in fund balances is a statement 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.

IOWA LAKES COMMUNITY COLLEGE
 BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES
 BUDGET (NON-GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 2015

Funds/Levy	Original Budget	Actual	Variance between Actual and Budget
Unrestricted	<u>\$ 22,000,000</u>	<u>\$ 20,566,607</u>	<u>\$ 1,433,393</u>
Restricted	5,640,000	7,122,598	(1,482,598)
Early Retirement	-	114,205	(114,205)
Unemployment	10,000	19,677	(9,677)
Tort Liability	254,500	290,371	(35,871)
Insurance	682,000	1,293,060	(611,060)
Equipment Replacement	512,000	671,111	(159,111)
Standby	33,400	33,155	245
Total Restricted	<u>7,131,900</u>	<u>9,544,177</u>	<u>(2,412,277)</u>
Plant	<u>6,500,000</u>	<u>3,172,152</u>	<u>3,327,848</u>
 Total	 <u>\$ 35,631,900</u>	 <u>\$ 33,282,936</u>	 <u>\$ 2,348,964</u>

IOWA LAKES COMMUNITY COLLEGE
NOTE TO OTHER SUPPLEMENTAL INFORMATION - BUDGETARY REPORTING
JUNE 30, 2015

While the Community College reports financial position, results of operation and changes in net position on the basis of generally accepted accounting principles (GAAP), the Board of Trustees annually prepares a budget designating the proposed expenditures for operation of the Community College on a budgetary basis that is accrual basis with the exception of capital outlay and debt service payments. Following required public notice and hearing, and in accordance with Chapter 260C of the Code of Iowa, the Board of Trustees 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. There were no budget amendments during the year.

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

The major differences between the budget basis and GAAP are as follows:

	Total Funds
Total Actual Expenditures, Budgetary Basis	\$ 33,282,936
Items Not Required to be Budgeted:	
Auxiliary Enterprises	5,892,666
Scholarships and Grants Accounts	4,807,198
Loan Funds	1,062
Investment in Plant	688,135
Combining Adjustments	(6,898,294)
GAAP Basis	\$ 37,773,703

Expenses from the Statement of Revenues, Expenses, and Changes in Net Position:

Total Operating Expenses	\$ 37,424,635
Loss on Sale of Capital Assets	25,856
Interest on Indebtedness	323,212
	\$ 37,773,703

**IOWA LAKES COMMUNITY COLLEGE
COMBINING BALANCE SHEET
JUNE 30, 2015**

	Current Funds		Loan Funds
	Unrestricted	Restricted	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Assets:			
Cash and Pooled Investments:			
Cash and Pooled Investments	\$ 4,379,716	\$ 6,022,376	\$ 12,711
Receivables:			
Due from Others	633,151	145,509	3,048
Accrued Interest	2,341	-	-
Property Taxes - Succeeding Year	1,164,000	3,366,325	-
Nursing Loans	-	-	5,388
Iowa Industrial New Jobs Training Program	-	1,766,329	-
Due From Iowa Lakes Community College Foundation	-	16,885	-
Due From Other Governments	15,267	702,807	-
Inventories	601,932	-	-
Prepaid Expenses	110,592	263,327	-
Capital Assets:			
Land	-	-	-
Buildings	-	-	-
Other Structures and Improvements	-	-	-
Furniture and Equipment	-	-	-
Construction in Progress	-	-	-
Accumulated Depreciation	-	-	-
Total Assets	<u>6,906,999</u>	<u>12,283,558</u>	<u>21,147</u>
Deferred Outflows of Resources:			
Pension Related Deferred Outflows	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ 6,906,999</u>	<u>\$ 12,283,558</u>	<u>\$ 21,147</u>

SCHEDULE 2

Endowment and Similar Funds	Plant Funds		Investment In Plant	Agency Funds	Adjustments	Total
	Unexpended	Retirement of Indebtedness				
\$ 1,000,000	\$ 1,039,584	\$ 269,959	\$ -	\$ 353,559	\$ -	\$ 13,077,905
-	-	-	-	396,733	-	1,178,441
-	4,369	-	-	449	-	7,159
-	1,164,000	-	-	-	-	5,694,325
-	-	-	-	-	-	5,388
-	-	-	-	-	-	1,766,329
-	-	-	-	-	-	16,885
-	9,607	-	-	-	-	727,681
-	-	-	247,910	-	-	849,842
-	-	-	-	123,013	-	496,932
-	-	-	1,385,940	-	-	1,385,940
-	-	-	43,796,699	-	-	43,796,699
-	-	-	3,589,064	-	-	3,589,064
-	-	-	9,882,170	604,044	-	10,486,214
-	-	-	142,493	-	-	142,493
-	-	-	-	-	(25,756,954)	(25,756,954)
<u>1,000,000</u>	<u>2,217,560</u>	<u>269,959</u>	<u>59,044,276</u>	<u>1,477,798</u>	<u>(25,756,954)</u>	<u>57,464,343</u>
-	-	-	-	-	692,831	692,831
<u>\$ 1,000,000</u>	<u>\$ 2,217,560</u>	<u>\$ 269,959</u>	<u>\$ 59,044,276</u>	<u>\$ 1,477,798</u>	<u>\$ (25,064,123)</u>	<u>\$ 58,157,174</u>

**IOWA LAKES COMMUNITY COLLEGE
COMBINING BALANCE SHEET
JUNE 30, 2015**

	Current Funds		Loan Funds
	Unrestricted	Restricted	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:			
Liabilities:			
Accounts Payable	\$ 1,177,100	\$ 1,560	\$ -
Salaries and Benefits Payable	837,006	45,837	-
Accrued Interest	-	9,475	-
Unearned Revenue	388,748	1,056,200	-
Compensated Absences Payable	246,975	1,042	-
Early Retirement Payable	-	824,076	-
Deposits Held in Custody for Others	38,605	-	-
Due to Others	1,549	-	-
Reported and Unreported Insurance Claims Payable	434,981	-	-
Insurance Reserve	820,414	-	-
Certificates Payable	-	6,230,000	-
Bonds and Other Long-Term Debt	-	-	-
Net Pension Liability	-	-	-
Total Liabilities	<u>3,945,378</u>	<u>8,168,190</u>	<u>-</u>
Deferred Inflows of Resources:			
Succeeding Year Property Tax	1,164,000	3,366,325	-
Pension Related Deferred Inflows	-	-	-
Total Deferred Inflows of Resources	<u>1,164,000</u>	<u>3,366,325</u>	<u>-</u>
Fund Balance:			
Invested in Capital Assets, Net of Related Debt	-	-	-
Restricted:			
Nonexpendable:			
Scholarships	-	-	-
Expendable:			
Scholarships	-	463,013	-
Loans	-	-	21,147
Debt Service	-	-	-
Cash Reserve	-	286,030	-
Unrestricted	<u>1,797,621</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>1,797,621</u>	<u>749,043</u>	<u>21,147</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u><u>\$ 6,906,999</u></u>	<u><u>\$ 12,283,558</u></u>	<u><u>\$ 21,147</u></u>

SCHEDULE 2

Endowment and Similar Funds	Plant Funds			Agency Funds	Adjustments	Total
	Unexpended	Retirement of Indebtedness	Investment In Plant			
\$ -	\$ -	\$ -	\$ -	\$ 94,465	\$ -	\$ 1,273,125
-	-	-	-	649	-	883,492
-	-	12,611	-	-	-	22,086
-	-	-	-	23,646	-	1,468,594
-	-	-	-	7,449	-	255,466
-	-	-	-	-	-	824,076
-	-	-	-	1,345,898	(412,017)	972,486
-	-	-	-	5,691	-	7,240
-	-	-	-	-	-	434,981
-	-	-	-	-	-	820,414
-	-	-	-	-	-	6,230,000
-	-	-	5,805,000	-	-	5,805,000
-	-	-	-	-	3,225,373	3,225,373
-	-	12,611	5,805,000	1,477,798	2,813,356	22,222,333
-	1,164,000	-	-	-	-	5,694,325
-	-	-	-	-	1,817,450	1,817,450
-	1,164,000	-	-	-	1,817,450	7,511,775
-	-	-	52,991,366	-	(25,344,937)	27,646,429
1,000,000	-	-	-	-	-	1,000,000
-	-	-	-	-	-	463,013
-	-	-	-	-	-	21,147
-	-	257,348	-	-	-	257,348
-	-	-	-	-	-	286,030
-	1,053,560	-	247,910	-	(4,349,992)	(1,250,901)
1,000,000	1,053,560	257,348	53,239,276	-	(29,694,929)	28,423,066
<u>\$ 1,000,000</u>	<u>\$ 2,217,560</u>	<u>\$ 269,959</u>	<u>\$ 59,044,276</u>	<u>\$ 1,477,798</u>	<u>\$ (25,064,123)</u>	<u>\$ 58,157,174</u>

**IOWA LAKES COMMUNITY COLLEGE
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 OTHER CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 2015**

	Current Funds		Loan Funds
	Unrestricted	Restricted	
REVENUES AND OTHER ADDITIONS:			
General:			
State Appropriations and Grants	\$ 9,362,048	\$ 2,340,566	\$ -
Tuition and Fees	8,435,523	-	-
Property Taxes	1,138,186	1,393,296	-
Federal Appropriations and Grants	210	4,734,817	7,446
Gifts and Grants	-	680,129	-
Interest on Investments	-	20,613	-
Iowa Industrial New Jobs Training Program	-	1,993,932	-
Expended for Plant Facilities (Including \$723,766 charged to current funds)	-	-	-
Principal Retired	-	-	-
Miscellaneous	1,512,162	1,355,031	975
	<u>20,448,129</u>	<u>12,518,384</u>	<u>8,421</u>
Auxiliary Enterprises			
Tuition and Fees	650,445	-	-
Sales and Services	4,382,522	-	-
Interest on Investments	29,107	-	-
Federal Grants and Contracts	16,097	-	-
Miscellaneous	948,721	-	-
	<u>6,026,892</u>	<u>-</u>	<u>-</u>
 Total Revenues and Other Additions	 <u>\$ 26,475,021</u>	 <u>\$ 12,518,384</u>	 <u>\$ 8,421</u>

SCHEDULE 3

Endowment and Similar Funds	Plant Funds			Adjustments	Total
	Unexpended	Retirement of Indebtedness	Investment In Plant		
\$ -	\$ 411,599	\$ -	\$ -	\$ -	\$ 12,114,213
-	-	-	-	(3,027,864)	5,407,659
-	1,138,186	-	-	-	3,669,668
-	30,379	-	-	-	4,772,852
-	28,767	-	-	-	708,896
-	27,981	1,099	-	-	49,693
-	-	-	-	-	1,993,932
-	-	-	1,751,413	(1,751,413)	-
-	-	-	1,545,000	(1,545,000)	-
-	630	-	-	(2,200)	2,866,598
-	<u>1,637,542</u>	<u>1,099</u>	<u>3,296,413</u>	<u>(6,326,477)</u>	<u>31,583,511</u>
-	-	-	-	-	650,445
-	-	-	-	(1,182,452)	3,200,070
-	-	-	-	-	29,107
-	-	-	-	-	16,097
-	-	-	-	(159,796)	788,925
-	-	-	-	<u>(1,342,248)</u>	<u>4,684,644</u>
\$ -	\$ 1,637,542	\$ 1,099	\$ 3,296,413	\$ (7,668,725)	\$ 36,268,155

**IOWA LAKES COMMUNITY COLLEGE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
OTHER CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2015**

	Current Funds		Loan Funds
	Unrestricted	Restricted	
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and Support:			
Liberal Arts and Sciences	\$ 5,375,988	\$ 310,356	\$ -
Vocational Technical	4,608,664	1,186,937	-
Adult Education	857,597	701,304	-
Cooperative Services	110,081	1,971,884	-
Administration	999,197	417	-
Student Services	1,878,524	309,009	1,062
Learning Resources	597,443	6,513	-
Physical Plant	2,664,944	347,355	-
General Institution	3,474,169	4,547,014	-
Total Education and Support	<u>20,566,607</u>	<u>9,380,789</u>	<u>1,062</u>
Auxiliary Enterprises	5,892,666	-	-
Scholarships and Grants	-	4,807,198	-
Plant Asset Acquisitions	-	-	-
Retirement of Indebtedness	-	-	-
Disposal of Plant Assets	-	-	-
Loss on Sale of Capital Assets	-	-	-
Interest on Indebtedness	-	163,388	-
Depreciation	-	-	-
Total Expenditures and Other Deductions	<u>26,459,273</u>	<u>14,351,375</u>	<u>1,062</u>
Excess (Deficiency) of Revenues and Other Additions Over (Under) Expenditures and Other Deductions	15,748	(1,832,991)	7,359
TRANSFERS:			
Mandatory Transfers	(559,024)	-	-
Non-mandatory Transfers	<u>(267,119)</u>	<u>420,087</u>	<u>(1,057)</u>
Total Transfers	<u>(826,143)</u>	<u>420,087</u>	<u>(1,057)</u>
Net Increase (Decrease) for the Year	(810,395)	(1,412,904)	6,302
Fund Balance - June 30, 2014	2,738,782	2,161,947	14,845
Prior Period Adjustments	<u>(130,766)</u>	-	-
Fund Balance - June 30, 2014 - Restated	2,608,016	2,161,947	14,845
Fund Balance - June 30, 2015	<u>\$ 1,797,621</u>	<u>\$ 749,043</u>	<u>\$ 21,147</u>

SCHEDULE 3

Endowment and Similar Funds	Plant Funds			Adjustments	Total
	Unexpended	Retirement of Indebtedness	Investment In Plant		
\$ -	\$ -	\$ -	\$ -	\$ (92,378)	\$ 5,593,966
-	-	-	-	(194,816)	5,600,785
-	-	-	-	(41,353)	1,517,548
-	-	-	-	(1,303)	2,080,662
-	-	-	-	(3,624)	995,990
-	-	-	-	(107,608)	2,080,987
-	-	-	-	(8,979)	594,977
-	438,256	-	-	(554,162)	2,896,393
-	1,425	-	-	(188,508)	7,834,100
-	439,681	-	-	(1,192,731)	29,195,408
-	-	-	-	(307,551)	5,585,115
-	-	-	-	(4,004,850)	802,348
-	1,027,647	-	-	(1,027,647)	-
-	-	1,545,000	-	(1,545,000)	-
-	-	-	688,135	(688,135)	-
-	-	-	-	25,856	25,856
-	-	159,824	-	-	323,212
-	-	-	-	1,841,764	1,841,764
-	1,467,328	1,704,824	688,135	(6,898,294)	37,773,703
-	170,214	(1,703,725)	2,608,278	(770,431)	(1,505,548)
-	-	559,024	-	-	-
-	(1,297,841)	1,145,932	(2)	-	-
-	(1,297,841)	1,704,956	(2)	-	-
-	(1,127,627)	1,231	2,608,276	(770,431)	(1,505,548)
1,000,000	2,181,187	256,117	50,631,000	(24,163,252)	34,820,626
-	-	-	-	(4,761,246)	(4,892,012)
1,000,000	2,181,187	256,117	50,631,000	(28,924,498)	29,928,614
<u>\$ 1,000,000</u>	<u>\$ 1,053,560</u>	<u>\$ 257,348</u>	<u>\$ 53,239,276</u>	<u>\$ (29,694,929)</u>	<u>\$ 28,423,066</u>

**IOWA LAKES COMMUNITY COLLEGE
CURRENT UNRESTRICTED FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCE
EDUCATION AND SUPPORT
YEAR ENDED JUNE 30, 2015**

	Education			
	Liberal Arts and Sciences	Vocational Technical	Adult Education	Cooperative Services
REVENUES:				
State Appropriations and Grants	\$ 267	\$ 135	\$ -	\$ -
Tuition and Fees	4,881,374	2,438,900	584,941	58,240
Property Taxes	-	-	-	-
Federal Grants and Contracts	-	-	-	-
Miscellaneous	821,924	28,961	123,128	-
Total Revenues	5,703,565	2,467,996	708,069	58,240
EXPENDITURES:				
Salaries and Benefits	4,578,808	4,389,618	642,943	106,119
Services	732,011	56,841	142,411	451
Materials and Supplies	29,602	97,536	50,421	930
Travel	35,567	62,103	20,491	2,581
Miscellaneous	-	2,566	1,331	-
Total Expenditures	5,375,988	4,608,664	857,597	110,081
Excess (Deficiency) of Revenues Over (Under) Expenditures	327,577	(2,140,668)	(149,528)	(51,841)
TRANSFERS:				
Non-mandatory Transfers	2,259	13,208	11,222	178,782
Total Transfers	2,259	13,208	11,222	178,782
Net Increase (Decrease) for the Year	\$ 329,836	\$ (2,127,460)	\$ (138,306)	\$ 126,941

Support					
General Administration	Student Services	Learning Resources	Physical Plant	General Institution	Total
\$ -	\$ -	\$ -	\$ -	\$ 9,361,646	\$ 9,362,048
-	-	-	-	472,068	8,435,523
-	-	-	-	1,138,186	1,138,186
-	-	-	-	210	210
-	305	87	96,352	441,405	1,512,162
-	305	87	96,352	11,413,515	20,448,129
890,420	1,628,526	537,905	1,560,367	2,209,868	16,544,574
63,277	135,466	28,737	886,492	959,943	3,005,629
4,071	38,711	29,254	190,277	141,819	582,621
41,429	75,821	1,547	27,798	81,868	349,205
-	-	-	10	80,671	84,578
999,197	1,878,524	597,443	2,664,944	3,474,169	20,566,607
(999,197)	(1,878,219)	(597,356)	(2,568,592)	7,939,346	(118,478)
25,000	-	-	-	(109,241)	121,230
25,000	-	-	-	(109,241)	121,230
<u>\$ (974,197)</u>	<u>\$ (1,878,219)</u>	<u>\$ (597,356)</u>	<u>\$ (2,568,592)</u>	<u>\$ 7,830,105</u>	2,752
					Fund Balance June 30, 2014
					<u>2,589,187</u>
					Fund Balance June 30, 2015
					<u>\$ 2,591,939</u>

**IOWA LAKES COMMUNITY COLLEGE
CURRENT UNRESTRICTED FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCE
AUXILIARY ENTERPRISES
YEAR ENDED JUNE 30, 2015**

	Bookstore	Food Services	Wellness Center	Farm	Athletics	Residence Halls
REVENUES:						
Sales and Services	\$ 1,081,517	\$ 1,269,331	\$ 150,969	\$ 287,619	\$ -	\$ 1,151,662
Interest on Investments	-	-	11,742	-	-	77
Tuition and Fees	-	-	6,759	50,071	16,542	-
Federal Grants and Contracts	-	10,840	5,257	-	-	-
Miscellaneous	5,038	21,686	141,119	77,605	108,678	30,198
Total Revenues	1,086,555	1,301,857	315,846	415,295	125,220	1,181,937
EXPENDITURES:						
Salaries and Benefits	220,204	529,832	244,022	59,600	6,139	302,636
Services	55,660	96,601	58,369	160,418	127,668	395,868
Materials and Supplies	2,790	48,927	23,359	219,519	170,907	56,528
Travel	3,865	4,260	1,761	10,054	261,731	1,200
Expended for Plant Facilities	-	-	-	44,116	-	142,493
Cost of Goods Sold	915,922	371,710	1,729	-	24,093	-
Miscellaneous	-	10,052	-	5	-	11,481
Total Expenditures	1,198,441	1,061,382	329,240	493,712	590,538	910,206
Excess (Deficiency) of Revenues Over (Under) Expenditures	(111,886)	240,475	(13,394)	(78,417)	(465,318)	271,731
TRANSFERS:						
Mandatory Transfers	-	-	-	-	-	(559,024)
Non-mandatory Transfers	(1,643)	(472,816)	(408)	(22,924)	469,052	(136,080)
Total Transfers	(1,643)	(472,816)	(408)	(22,924)	469,052	(695,104)
Net Increase (Decrease) for the Year	(113,529)	(232,341)	(13,802)	(101,341)	3,734	(423,373)
Fund Balance (Deficit) June 30, 2014	(258,971)	935,629	28,330	323,978	23,205	(1,396,181)
Prior Period Adjustment	-	-	-	-	-	-
Fund Balance (Deficit) June 30, 2014 - Restated	(258,971)	935,629	28,330	323,978	23,205	(1,396,181)
Fund Balance (Deficit) June 30, 2015	\$ (372,500)	\$ 703,288	\$ 14,528	\$ 222,637	\$ 26,939	\$ (1,819,554)

Aviation	Parts	Printing	Vehicles	Wind Turbine	Gateway North	Miscellaneous	Total
\$ -	\$ 226,888	\$ 21,131	\$ -	\$ -	\$ 171,132	\$ 22,273	\$ 4,382,522
-	-	-	-	-	(26)	17,314	29,107
233,559	-	-	-	-	-	343,514	650,445
-	-	-	-	-	-	-	16,097
<u>41,170</u>	<u>25,000</u>	<u>3,160</u>	<u>159,285</u>	<u>183,782</u>	<u>54,658</u>	<u>97,342</u>	<u>948,721</u>
274,729	251,888	24,291	159,285	183,782	225,764	480,443	6,026,892
51,259	63,603	-	-	-	6,965	12,742	1,497,002
7,137	581	5,959	147	7,015	88,037	268,202	1,271,662
158,056	440	4,868	79,176	-	605	175,860	941,035
515	402	-	13,136	-	71	40,239	337,234
-	-	-	-	-	29,890	2,666	219,165
-	194,562	9,969	-	-	-	4,787	1,522,772
-	-	-	-	-	82,258	-	103,796
<u>216,967</u>	<u>259,588</u>	<u>20,796</u>	<u>92,459</u>	<u>7,015</u>	<u>207,826</u>	<u>504,496</u>	<u>5,892,666</u>
57,762	(7,700)	3,495	66,826	176,767	17,938	(24,053)	134,226
-	-	-	-	-	-	-	(559,024)
-	-	(1,851)	(8,185)	-	(140,388)	(73,106)	(388,349)
-	-	(1,851)	(8,185)	-	(140,388)	(73,106)	(947,373)
57,762	(7,700)	1,644	58,641	176,767	(122,450)	(97,159)	(813,147)
(51,782)	30,391	(217,585)	37,777	1,434	296,919	396,451	149,595
-	-	-	-	-	(130,766)	-	(130,766)
<u>(51,782)</u>	<u>30,391</u>	<u>(217,585)</u>	<u>37,777</u>	<u>1,434</u>	<u>166,153</u>	<u>396,451</u>	<u>18,829</u>
<u>\$ 5,980</u>	<u>\$ 22,691</u>	<u>\$ (215,941)</u>	<u>\$ 96,418</u>	<u>\$ 178,201</u>	<u>\$ 43,703</u>	<u>\$ 299,292</u>	<u>\$ (794,318)</u>

**IOWA LAKES COMMUNITY COLLEGE
CURRENT RESTRICTED FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2015**

	Scholarships and Grants	Equipment Replacement	Insurance
REVENUES:			
State Appropriations	\$ 370,205	\$ 5,155	\$ 8,604
Property Taxes	-	505,858	844,334
Federal Appropriations and Grants	3,008,900	-	-
Scholarships, Grants, and Gifts	625,743	-	-
Interest on Investments	1,547	-	-
Iowa Industrial New Jobs Training Program	-	-	-
Miscellaneous	689	-	20,841
	<u>4,007,084</u>	<u>511,013</u>	<u>873,779</u>
Total Revenues and Other Additions			
EXPENDITURES AND OTHER DEDUCTIONS:			
Salaries and Benefits	-	-	104,447
Services	-	-	1,478,984
Materials and Supplies	-	-	-
Travel	-	-	-
Expended for Plant Facilities	-	-	-
Interest on Indebtedness	-	-	-
Federal Pell Grant Program	2,957,940	-	-
Federal Supplemental Educational Opportunity Grant	50,960	-	-
Iowa College Student Aid Commission	87,554	-	-
Private Scholarships	1,710,134	-	-
Miscellaneous	610	-	-
	<u>4,807,198</u>	<u>-</u>	<u>1,583,431</u>
Total Expenditures and Other Deductions			
Excess (Deficiency) of Revenues and Other Additions Over (Under) Expenditures and Other Deductions	(800,114)	511,013	(709,652)
TRANSFERS:			
Non-mandatory Transfers	781,414	(671,111)	-
Total Transfers	<u>781,414</u>	<u>(671,111)</u>	<u>-</u>
Net Increase (Decrease) for the Year	(18,700)	(160,098)	(709,652)
Fund Balance (Deficit) June 30, 2014	521,250	186,756	94,407
Fund Balance (Deficit) June 30, 2015	<u>\$ 502,550</u>	<u>\$ 26,658</u>	<u>\$ (615,245)</u>

Unemployment Compensation	Early Retirement	Cash Reserve	Iowa Industrial New Jobs Training Program	Iowa Small Business New Jobs Training Program	Miscellaneous	Total
\$ 101	\$ -	\$ -	\$ 338	\$ 158,298	\$ 1,797,865	\$ 2,340,566
9,949	-	-	33,155	-	-	1,393,296
-	-	-	-	-	1,725,917	4,734,817
-	-	-	-	-	54,386	680,129
-	-	-	-	-	19,066	20,613
-	-	-	1,993,932	-	-	1,993,932
-	-	-	17,914	-	1,315,587	1,355,031
<u>10,050</u>	<u>-</u>	<u>-</u>	<u>2,045,339</u>	<u>158,298</u>	<u>4,912,821</u>	<u>12,518,384</u>
19,677	114,205	-	-	-	2,000,548	2,238,877
-	-	-	1,881,951	62,403	1,568,024	4,991,362
-	-	-	-	-	1,039,330	1,039,330
-	-	-	-	-	142,528	142,528
-	-	-	-	-	504,601	504,601
-	-	-	163,388	-	-	163,388
-	-	-	-	-	-	2,957,940
-	-	-	-	-	-	50,960
-	-	-	-	-	-	87,554
-	-	-	-	-	306,970	2,017,104
-	-	-	-	27,531	129,590	157,731
<u>19,677</u>	<u>114,205</u>	<u>-</u>	<u>2,045,339</u>	<u>89,934</u>	<u>5,691,591</u>	<u>14,351,375</u>
(9,627)	(114,205)	-	-	68,364	(778,770)	(1,832,991)
-	-	-	-	-	309,784	420,087
-	-	-	-	-	309,784	420,087
(9,627)	(114,205)	-	-	68,364	(468,986)	(1,412,904)
(2,088)	429,141	286,030	-	64,877	581,574	2,161,947
<u>\$ (11,715)</u>	<u>\$ 314,936</u>	<u>\$ 286,030</u>	<u>\$ -</u>	<u>\$ 133,241</u>	<u>\$ 112,588</u>	<u>\$ 749,043</u>

**IOWA LAKES COMMUNITY COLLEGE
 AGENCY FUNDS
 COMBINING SCHEDULE OF CHANGES IN DEPOSITS HELD IN CUSTODY FOR OTHERS
 YEAR ENDED JUNE 30, 2015**

	Student Organizations	Emmetsburg Educational Foundation	ACCES
Balance June 30, 2014	\$ 133,869	\$ 288,357	\$ 212,016
ADDITIONS:			
Tuition and Fees	45,289	-	-
Interest on Investments	-	1,264	-
Miscellaneous	90,301	83,678	1,994,861
Total Additions	135,590	84,942	1,994,861
DEDUCTIONS:			
Salaries and Benefits	7,806	-	-
Services	42,072	15,344	1,756,814
Materials and Supplies	42,701	58,245	-
Travel	42,872	-	-
Cost of Sales	10,396	-	-
Miscellaneous	-	32,922	259,268
Total Deductions	145,847	106,511	2,016,082
Balance June 30, 2015	\$ 123,612	\$ 266,788	\$ 190,795

CAST	Gateway North Regime	Miscellaneous	Total
<u>\$ 578,095</u>	<u>\$ 130,766</u>	<u>\$ 18,530</u>	<u>\$ 1,361,633</u>
-	-	4,309	49,598
-	866	45	2,175
<u>852,273</u>	<u>508,257</u>	<u>7,840</u>	<u>3,537,210</u>
<u>852,273</u>	<u>509,123</u>	<u>12,194</u>	<u>3,588,983</u>
413,873	35,287	-	456,966
222,018	543,424	8,418	2,588,090
82,381	5,525	687	189,539
391	773	1,390	45,426
-	-	-	10,396
<u>-</u>	<u>22,111</u>	<u>-</u>	<u>314,301</u>
<u>718,663</u>	<u>607,120</u>	<u>10,495</u>	<u>3,604,718</u>
<u>\$ 711,705</u>	<u>\$ 32,769</u>	<u>\$ 20,229</u>	<u>\$ 1,345,898</u>

**IOWA LAKES COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
IOWA INDUSTRIAL NEW JOBS TRAINING PROGRAM
YEAR ENDED JUNE 30, 2015**

Project Name	Project Costs			Subtotal
	Training and Wages	Administration	Legal and Issue Costs	
GKN Armstrong VI	-	-	-	-
Hydrogen Engine	-	-	-	-
KLM Acquisition Corp.	-	-	-	-
Pharmacist Mutual III	-	-	-	-
Pure Fishing VI	-	-	350	350
East Fork Biodiesel	-	-	-	-
Easy Energy Systems	-	-	-	-
Eaton Corp II	-	-	400	400
Pharmacists Mutual IV	-	-	-	-
Snap On Logistics Comp	-	-	-	-
Superior Ethanol	-	-	-	-
Art's Way	15,251	-	-	15,251
Farmers Coop	10,210	-	-	10,210
GKN Armstrong	-	-	-	-
Voyager Ethanol	-	-	400	400
Shine Brothers II	-	-	-	-
Country Maid	-	-	400	400
Polaris	-	-	525	525
GKN Armstrong Wheel	-	-	-	-
Eaton	-	-	-	-
Brownmed, Inc.	7,832	-	-	7,832
COZZINI, LLC	28,579	-	500	29,079
KLM Acquisition Corp.	18,900	-	-	18,900
Polaris Industries	-	-	-	-
Simonsen Iron Works	-	-	-	-
GKN Armstrong Wheel	158,417	-	-	158,417
Metal Works, Inc.	9,102	-	-	9,102
Poet Biorefinery	51,901	-	-	51,901
Polaris	1,163,411	-	750	1,164,161
Snap-On	122,860	-	-	122,860
SPM Gaskets, Inc.	4,513	-	-	4,513
Snap-On Logistics	250,164	-	250	250,414
Veridian Ltd	37,236	-	-	37,236
Total	\$ 1,878,376	\$ -	\$ 3,575	\$ 1,881,951

SCHEDULE 8

Retirement Costs		Total	Less: Non-	Cumulative	Total	
Debt	Interest	Current Year	Budgeted	Prior Period	Budgeted	Budget
		Expenditures	Expenditures	Expenditures	Expenditures	
20,000	1,008	21,008	21,008	143,342	143,342	145,000
20,000	1,008	21,008	21,008	148,196	148,196	160,000
35,000	1,764	36,764	36,764	207,021	207,021	290,000
25,000	1,261	26,261	26,261	202,695	202,695	205,000
55,000	2,773	58,123	57,773	450,197	450,547	450,000
30,000	6,210	36,210	36,210	98,455	98,455	275,000
25,000	5,628	30,628	30,628	130,563	130,563	235,000
40,000	7,365	47,765	47,365	327,512	327,912	325,000
15,000	3,255	18,255	18,255	140,002	140,002	140,000
20,000	3,530	23,530	23,530	125,551	125,551	175,000
35,000	6,483	41,483	41,483	88,328	88,328	275,000
5,000	1,953	22,204	6,953	80,160	95,411	75,000
30,000	7,175	47,385	37,175	157,516	167,726	280,000
15,000	3,010	18,010	18,010	95,919	95,919	140,000
10,000	2,490	12,890	12,490	196,859	197,259	85,000
5,000	1,100	6,100	6,100	27,995	27,995	45,000
25,000	7,686	33,086	32,686	234,356	234,756	230,000
10,000	2,843	13,368	12,843	131,827	132,352	145,000
70,000	16,060	86,060	86,060	732,088	732,088	835,000
20,000	5,055	25,055	25,055	212,010	212,010	235,000
10,000	1,520	19,352	11,520	25,083	32,915	110,000
35,000	5,475	69,554	40,475	165,023	194,102	420,000
10,000	1,220	30,120	11,220	21,662	40,562	95,000
20,000	2,942	22,942	22,942	216,652	216,652	240,000
10,000	1,432	11,432	11,432	25,083	25,083	110,000
-	4,866	163,283	4,866	-	158,417	195,000
-	954	10,056	954	-	9,102	40,000
-	5,357	57,258	5,357	-	51,901	215,000
-	38,131	1,202,292	38,131	-	1,164,161	1,695,000
-	12,750	135,610	12,750	-	122,860	535,000
-	18	4,531	18	-	4,513	20,000
-	930	251,344	930	-	250,414	1,120,000
-	136	37,372	136	-	37,236	165,000
<u>\$ 595,000</u>	<u>\$ 163,388</u>	<u>\$ 2,640,339</u>	<u>\$ 758,388</u>	<u>\$ 4,384,095</u>	<u>\$ 6,266,046</u>	<u>\$ 9,705,000</u>

IOWA LAKES COMMUNITY COLLEGE
 SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
 IOWA JOBS TRAINING PROGRAM
 YEAR ENDED JUNE 30, 2015

Project Name	Project Costs			Subtotal
	Training and Wages	Administration	Legal and Issue Costs	
Snap-On Tools	\$ 39,830	\$ 10,169	\$ -	\$ 49,999
Carey Electronics	4,440	1,168	-	5,608
Architectural Arts, Inc.	21,112	5,553	-	26,665
AERO Race Wheels	3,562	750	-	4,312
GKN Armstrong Wheels	21,909	4,613	-	26,522
Veridian Limited	37,765	6,568	-	44,333
Professional Golf Supply, Inc.	16,387	3,450	-	19,837
Rembrandt Enterprises, Inc.	39,900	8,400	-	48,300
Brownmed, Inc.	17,812	3,750	-	21,562
Total	\$ 202,717	\$ 44,421	\$ -	\$ 247,138

Retirement Costs		Total Current Year Expenditures	Less: Non-Budgeted Expenditures	Cumulative Prior Period Expenditures	Total Current Budgeted Expenditures	Budget
Debt	Interest					
\$ -	\$ -	\$ 36,221	\$ -	\$ 10,169	\$ 46,390	\$ 49,999
-	-	3,935	-	1,673	5,608	5,608
-	-	4,187	-	5,553	9,740	26,665
-	-	3,250	-	-	3,250	4,312
-	-	4,613	-	-	4,613	26,522
-	-	10,688	-	-	10,688	44,333
-	-	7,450	-	-	7,450	19,837
-	-	8,400	-	-	8,400	48,300
-	-	10,866	-	-	10,866	21,562
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,610</u>	<u>\$ -</u>	<u>\$ 17,395</u>	<u>\$ 107,005</u>	<u>\$ 247,138</u>

IOWA LAKES COMMUNITY COLLEGE
 SCHEDULE OF CREDIT/CONTACT HOUR ENROLLMENT
 YEAR ENDED JUNE 30, 2015

	Credit Hours			Contact Hours		
	Eligible for Aid	Not Eligible for Aid	Total	Eligible for Aid	Not Eligible for Aid	Total
Arts and Sciences	25,026	-	25,026			
Career Tech	28,717	-	28,717			
Non-Credit	-	-	-	84,642	6,473	91,115
Total	<u>53,743</u>	<u>-</u>	<u>53,743</u>	<u>84,642</u>	<u>6,473</u>	<u>91,115</u>

**IOWA LAKES COMMUNITY COLLEGE
COMPARISON OF TAXES AND INTERGOVERNMENTAL REVENUES
LAST TEN YEARS**

	Years Ended June 30,				
	2015	2014	2013	2012	2011
Local (Property Tax)	\$ 3,669,668	\$ 5,731,376	\$ 4,018,911	\$ 3,852,876	\$ 3,742,359
State	12,114,213	11,752,065	10,609,481	9,037,957	9,488,383
Federal	<u>4,788,949</u>	<u>5,401,724</u>	<u>5,989,557</u>	<u>7,410,158</u>	<u>9,621,779</u>
Total	<u>\$20,572,830</u>	<u>\$22,885,165</u>	<u>\$20,617,949</u>	<u>\$20,300,991</u>	<u>\$22,852,521</u>

	Years Ended June 30,				
	2010	2009	2008	2007	2006
Local (Property Tax)	\$ 3,492,238	\$ 3,260,386	\$ 2,862,695	\$ 3,206,033	\$ 2,716,060
State	8,143,629	9,976,437	10,485,952	9,452,328	8,866,106
Federal	<u>9,787,959</u>	<u>6,001,106</u>	<u>5,233,664</u>	<u>5,085,049</u>	<u>5,765,613</u>
Total	<u>\$21,423,826</u>	<u>\$19,237,929</u>	<u>\$18,582,311</u>	<u>\$17,743,410</u>	<u>\$17,347,779</u>

**IOWA LAKES COMMUNITY COLLEGE
CURRENT FUND (UNRESTRICTED AND RESTRICTED) REVENUES BY SOURCE
FOR THE LAST TEN YEARS**

	Years Ended June 30,				
	2015	2014	2013	2012	2011
State Appropriations	\$ 11,702,614	\$ 11,352,065	\$ 9,874,153	\$ 8,497,225	\$ 8,448,231
Tuition and Fees	9,085,968	9,312,381	10,623,516	11,562,995	12,711,457
Property Tax	2,531,482	4,626,616	2,959,166	2,838,107	2,772,406
Federal Appropriations	4,751,124	5,370,700	5,956,808	7,375,112	9,580,749
Interest on Investments	49,720	46,544	52,032	181,194	151,940
Iowa Industrial New Jobs Training Program	1,993,932	435,244	306,799	649,046	788,128
Auxiliary Enterprises	5,331,243	6,033,939	6,180,471	6,600,371	6,683,897
Miscellaneous	3,547,322	3,131,309	3,348,307	3,597,894	3,433,384
Total	<u>\$38,993,405</u>	<u>\$40,308,798</u>	<u>\$39,301,252</u>	<u>\$41,301,944</u>	<u>\$44,570,192</u>
Liberal Arts and Sciences	\$ 5,686,344	\$ 6,247,182	\$ 6,828,692	\$ 6,883,802	\$ 6,790,652
Vocational Technical	5,795,601	4,431,169	4,709,151	4,811,110	4,673,770
Adult Education	1,558,901	730,643	849,247	762,119	766,684
Cooperative Services	110,081	706,569	887,104	984,889	954,062
Administration	999,197	1,148,734	1,084,312	1,094,401	1,061,581
Student Services	2,187,533	1,871,219	1,913,183	1,806,309	1,788,430
Learning Resources	603,956	1,394,798	1,192,836	1,244,545	1,579,607
Physical Plant	2,664,944	2,431,292	1,758,892	1,726,370	1,866,709
General Institution	3,474,169	1,706,373	1,973,444	2,158,354	3,113,447
Auxiliary Enterprises	5,892,666	6,228,882	6,503,303	6,823,898	6,296,249
Scholarships and Grants	4,807,198	5,388,545	6,368,235	6,735,919	8,475,059
Equipment Replacement	347,355	6,789	-	423,278	339,435
Insurance	1,583,431	968,436	928,648	976,938	927,080
Unemployment Compensation	19,677	11,138	9,815	4,247	9,527
Iowa Industrial New Jobs Training Program	1,881,951	386,440	275,352	578,991	680,580
Miscellaneous	5,805,796	3,869,756	4,155,211	1,889,969	2,543,473
Interest on Indebtness	163,388	131,944	156,730	195,282	200,868
Total	<u>\$43,582,188</u>	<u>\$37,659,909</u>	<u>\$39,594,155</u>	<u>\$39,100,421</u>	<u>\$42,067,213</u>

SCHEDULE 12

2010	2009	2008	2007	2006
\$ 8,143,629	\$ 9,869,941	\$ 9,474,935	\$ 8,732,997	\$ 8,395,040
12,200,863	10,079,225	9,225,858	9,217,809	8,560,998
2,583,229	2,389,148	2,080,414	2,426,144	2,009,864
9,787,959	6,001,106	5,233,664	5,085,049	5,765,613
165,272	173,895	356,159	379,505	321,253
345,424	728,455	1,306,979	609,046	1,386,733
6,368,839	5,493,824	5,281,500	5,254,383	4,726,313
3,878,594	3,078,071	2,974,402	2,836,702	2,685,777
<u>\$43,473,809</u>	<u>\$37,813,665</u>	<u>\$35,933,911</u>	<u>\$34,541,635</u>	<u>\$ 33,851,591</u>
\$ 6,862,449	\$ 6,287,148	\$ 6,218,529	\$ 5,854,390	\$ 5,557,072
4,456,540	4,279,344	4,222,452	3,961,474	3,594,393
843,913	840,256	835,182	786,093	814,965
1,170,703	1,117,641	1,078,981	1,029,777	1,218,726
1,028,055	1,028,973	998,320	907,986	913,293
1,731,116	1,733,461	1,609,283	1,410,637	1,343,883
1,166,906	1,371,155	1,439,011	1,355,360	1,001,229
1,966,021	2,025,334	1,680,835	1,616,294	1,530,164
2,931,043	2,689,976	2,226,137	2,329,662	2,177,966
5,767,824	5,167,318	5,204,675	5,232,653	4,832,100
7,553,637	4,763,194	4,192,721	3,941,496	3,720,692
139,580	195,067	152,835	224,088	204,927
926,320	889,929	914,852	860,579	993,375
13,577	8,971	20,054	10,891	9,028
190,462	445,360	1,021,927	353,576	1,107,391
3,708,998	3,479,209	3,078,171	2,298,495	2,962,567
232,798	283,095	285,052	255,470	280,091
<u>\$40,689,942</u>	<u>\$36,605,431</u>	<u>\$35,179,017</u>	<u>\$32,428,921</u>	<u>\$ 32,261,862</u>

**IOWA LAKES COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Grantor/Program	CFDA Number	Program Expenditures	New Loans and New Loan Guarantees
DIRECT:			
U. S. Department of Education:			
Student Financial Aid – Cluster:			
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007	\$ 50,960	\$ -
Federal Direct Student Loans	84.268	-	5,172,956
Federal Work-Study Program (FWS)	84.033	79,899	-
Federal Pell Grant Program	84.063	2,958,150	-
Total Student Financial Aid Cluster		<u>3,089,009</u>	<u>5,172,956</u>
TRIO - Cluster:			
Student Support Services	84.042	266,065	-
Talent Search	84.044	348,891	-
Upward Bound	84.047	3,672	-
Total TRIO Cluster		<u>618,628</u>	<u>-</u>
Total Direct U.S. Department of Education		3,707,637	5,172,956
Corporation for National and Community Services:			
Retired and Senior Volunteer Program	94.002	90,944	-
National Science Foundation			
Education and Human Resources - Infinity Scholars Project	47.076	147,583	-
Total Direct Expenditures		3,946,164	5,172,956
INDIRECT:			
Small Business Administration:			
Indirect Through Iowa State University:			
Small Business Development Centers	59.037	101,109	-
U.S. Department of Education:			
Indirect Through the Iowa Department of Education:			
Adult Education - Basic Grants to States	84.002	69,238	-
Career and Technical Education - Basic Grants to States	84.048	295,664	-
Total Indirect U.S. Department of Education		<u>364,902</u>	<u>-</u>
U.S. Department of Labor:			
Indirect Through Des Moines Area Community College:			
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282	150,157	-
Indirect Through Hawkeye Community College:			
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282	188,792	-
Total Indirect U.S. Department of Labor		338,949	-
Total Indirect Expenditures		<u>804,960</u>	<u>-</u>
Total Direct and Indirect Expenditures		<u>\$ 4,751,124</u>	<u>\$ 5,172,956</u>

**IOWA LAKES COMMUNITY COLLEGE
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 JUNE 30, 2015**

Note 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Iowa Lakes Community College and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

Note 2 – LOANS OUTSTANDING

Although no new Nursing Student Loan advances occurred during the year ended June 30, 2015, the following loan balances were outstanding at June 30, 2015:

Program	CFDA Number	Amount Outstanding
Nursing Student Loans	93.364	\$ 5,388

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**INDEPENDENT AUDITORS' 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 Trustees
Iowa Lakes Community College
Estherville, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United State 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 and the aggregate discretely presented component units of Iowa Lakes Community College, Estherville, Iowa, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Iowa Lakes Community College's basic financial statements and have issued our report thereon dated November 23, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Iowa Lakes Community College's internal control over financial reporting (internal control) to determine the 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 Iowa Lakes Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of the Community 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, 2015-001, to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Iowa Lakes Community 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under *Government Auditing Standards*.

Iowa Lakes Community College's Response to Findings

Iowa Lakes Community College's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The College's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Iowa Lakes Community College during the course of our audit. Should you have any questions concerning any of the above matters, we would be pleased to discuss them with you at your convenience.

William + Company, P.C.
Certified Public Accountants

Spencer, Iowa
November 23, 2015



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY OMB CIRCULAR A-133**

Board of Trustees
Iowa Lakes Community College
Estherville, Iowa

Report on Compliance for Each Major Federal Program

We have audited Iowa Lakes Community College's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Iowa Lakes Community College's major federal programs for the year ended June 30, 2015. Iowa Lakes Community College's major federal programs are identified in Part I, Summary of Auditors' Results, of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Iowa Lakes Community College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Iowa Lakes Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Iowa Lakes Community 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, 2015.

Report on Internal Control over Compliance

Management of Iowa Lakes Community College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above.

In planning and performing our audit of compliance, we considered Iowa Community College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to tests and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Iowa Lakes Community College's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct non-compliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

William & Company, P.C.
Certified Public Accountants

Spencer, Iowa
November 23, 2015

**IOWA LAKES COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

PART I – SUMMARY OF AUDITORS' RESULTS

- (A) An unmodified opinion was issued on the financial statements.
- (B) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.
- (C) The audit did not disclose any non-compliance which is material to the financial statements.
- (D) No significant deficiencies in internal control over major programs were disclosed by the audit of the financial statements.
- (E) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (F) The audit disclosed an audit finding which was required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (G) Major programs were as follows:
 - Student Financial Aid Cluster:
 - CFDA Number 84.007 – Federal Supplemental Educational Opportunity Grant (FSEOG)
 - CFDA Number 84.268 – Federal Direct Student Loans
 - CFDA Number 84.033 – Federal Work-Study Program
 - CFDA Number 84.063 – Federal Pell Grant Program
- (H) The dollar threshold used to distinguish between Type A and Type B was \$300,000.
- (I) Iowa Lakes Community College did not qualify as a low-risk auditee.

PART II – FINDING RELATED TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

MATERIAL WEAKNESS:

2015-001 Criteria – The College is responsible for the accuracy of the financial statements.

Condition – During the audit we identified immaterial amounts of succeeding year property tax receivable, deferred outflows related to property tax revenues, and expended for plant expenses, and material amounts associated with payroll liabilities not recorded properly in the College's financial statements. We also identified material amounts of accumulated depreciation not properly recorded in the Iowa Lakes Foundation financial statements.

Effect – As a result of these misstatements, the financial statements were materially misstated related to payroll liabilities and had the potential to be misstated related to the other areas identified above.

Recommendation – The College should implement procedures to ensure all the identified areas above are properly identified, classified, and included in the College's financial statements.

Response – We will review our current procedures to ensure the proper amounts are recorded in the financial statements in the future.

Conclusion - Response accepted.

INSTANCES OF NON-COMPLIANCE: No matters were reported.

**IOWA LAKES COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

PART III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

SIGNIFICANT DEFICIENCIES: No matters were reported.

INSTANCES OF NON-COMPLIANCE: No matters were reported.

PART IV – OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING

IV-A-15: Certified Budget – Expenditures for the year ended June 30, 2015, did not exceed the amounts budgeted.

IV-B-15: Questionable Disbursements – No expenditures we believe did not meet the requirement of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

IV-C-15: Travel Expense – No expenditures of Iowa Lakes Community College money for travel expenses of spouses of College officials or employees were noted. No travel advances to College officials or employees were noted.

IV-D-15: Business Transactions – Business transactions between the Community College and the Community College officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Tom Quastad, Faculty Instructor Spouse of owner of Q Custom Designs	Services	\$ 3,083

In accordance with the Code of Iowa, the above transaction may represent a conflict of interest since the total received during the fiscal year is greater than \$2,500. Per College management, it was noted that the college did obtain competitive quotes/prices.

IV-E-15: Bond Coverage – Surety bond coverage of Community College officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.

IV-F-15: Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

IV-G-15: Publication – The Community College published a statement showing the receipt and disbursement of all funds, including the names of all persons, firms or corporations to which disbursements were made, by the second week in August, as required by Section 260C.14(12) of the Code of Iowa.

IV-H-15: Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the College's investment policy were noted.

IV-I-15: Credit/Contact Hours – Eligible credit and contact hours reported to the Iowa Department of Education by the College were supported by detailed records maintained by the Community College.