

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**

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

**June 30, 2015**

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**

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**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**

**OFFICIALS**

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Term Expires</u></b>
Robert H. Gallagher	President	2015
Mary Lou Engler	Vice-President	2015
Kendra Beck	Member	2015
Dr. Joseph D'Souza	Member	2015
Michelle Garvin	Member	2015
Kim Clausen	Member	2017
Denise Hollonbeck	Member	2017
Bill Phelan	Member	2017
Milton Shaw	Member	2017
Community College:		
Dr. Donald Doucette	Chancellor	
Honey H. Bedell	Board Secretary	
Suteesh Tandon	Board Treasurer	

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Eastern Iowa Community College District  
Davenport, Iowa

### Report on the Financial Statements

We have audited the accompanying financial statements of Eastern Iowa Community College District (District), Davenport, Iowa, and its 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 District's basic financial statements as listed in the table of contents.

### 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 fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Scott Community College Foundation or Eastern Iowa Community College District Foundation as discussed in Note 1, which represent 18.7 percent of the assets and net assets, and 33.3 percent of the revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units, is based solely on the report of the other auditors. 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. The financial statements of Muscatine Community College Foundation, Paul B. Sharar Foundation for Clinton Campus, and Scott Community College Foundation, which are discretely presented component units, were not audited in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

An audit involves 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 financial statement 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 opinion.

### **Opinion**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of Eastern Iowa Community College District and its 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 14 to the financial statements, the District adopted new accounting guidance related to 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 on pages 5 through 14, and the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Funding Progress for the Retiree Health Plan information on pages 46 through 50 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Eastern Iowa Community College District'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 six years ended June 30, 2014 (which are not presented herein) and expressed unmodified opinions on those financial statements. The financial

statements for the three years ended June 30, 2008, were audited by other auditors whose reports expressed unmodified opinions on those financial statements. The statements and schedules listed in the table of contents as supplementary information, as well as the accompanying schedule of expenditures of federal awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The supplementary information is the responsibility of Eastern Iowa Community College District's management and was derived from and relates 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2015, on our consideration of Eastern Iowa Community College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Eastern Iowa Community College District's internal control over financial reporting and compliance.

*Winkel, Parker & Foster, CPA PC*

Clinton, Iowa  
November 2, 2015

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2015**

Eastern Iowa Community College District provides this Management's Discussion and Analysis of the District's annual financial statements. This narrative overview and analysis of the financial activities of Eastern Iowa Community College District is for the fiscal year ended June 30, 2015. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

Eastern Iowa Community College District is a public, comprehensive community college district established by Iowa Code 260C.1 in 1966 that includes Clinton, Muscatine, and Scott Community Colleges. The District encompasses all or part of eight counties, serving a population base of almost 285,840 citizens. Each year, the District serves 6,661 full-time equivalent credit students in approximately 60 arts and science and 49 career technology award programs. Non-credit programming serves 64,492 participants each year in areas such as adult basic education, job skills training, English as a Second Language, computer skills training, state-mandated training, community interest classes, and developmental education. The District provides a variety of services and customized training for business and industry and offers more targeted training through its three technology centers, the Advanced Technology Environmental Education Center (ATEEC), the Clinton Community College Technology Center, and the John T. Blong Technology Center.

The District is governed by a nine-member Board of Directors whose members are elected to four-year terms by voters within their individual districts. The EICCD colleges are accredited as a single district as part of the Higher Learning Commission/North Central Association's Academic Quality Improvement Program (AQIP).

In addition to its three main campuses in Bettendorf, Clinton, and Muscatine, EICCD operates additional attendance sites in Clinton, Wilton, Davenport, Columbus Junction and Maquoketa. The District has a strong emphasis on creating partnerships with area K-12 schools, other higher education institutions, local governments, and business and industry. These partnerships, along with a focused effort to secure grant funding, have allowed the District to continue to serve the needs of its communities, even in times of decreased state funding.

The District has the following discretely presented component units: Muscatine Community College Foundation, Paul B. Sharar Foundation for Clinton Campus, Scott Community College Foundation, and Eastern Iowa Community College District Foundation (Foundations). The Foundations' purpose is to support the District through donations to provide scholarships to students and for the enhancement and extension of facilities, equipment, and services.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2015**

**Financial Highlights**

- District revenues totaled \$74,487,642 compared to \$71,455,187 for 2014.
- District expenses were \$70,690,302 compared to \$68,367,362 for 2014.
- The District's change in net position was \$3,797,340 compared to \$3,087,825 in 2014.

**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 District'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 District as a whole and present an overall view of the District's finances. The District presents schedules of discretely presented component units' financial statements in separate presentations.

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

Required Supplementary Information presents the District's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.

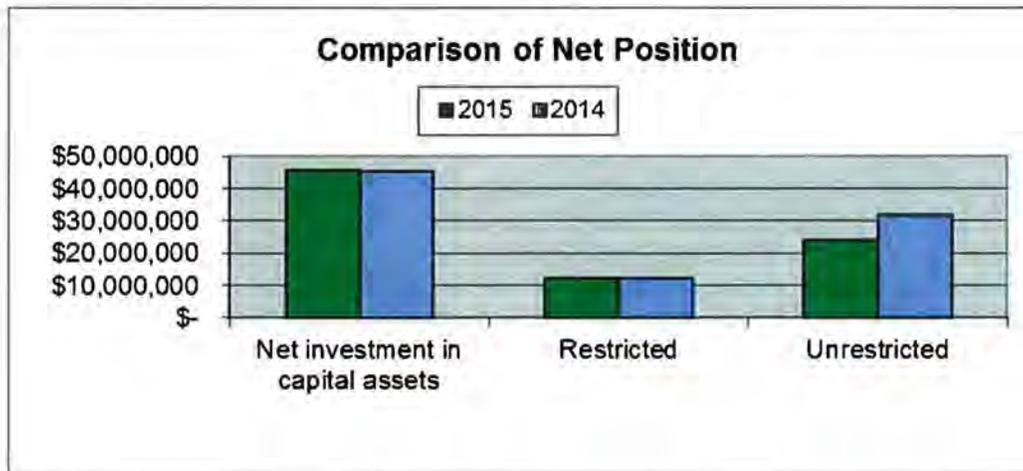
Supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year, and the supplementary information provides detailed information about the individual funds of the District. The Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the District.

**Reporting the District as a Whole**

**Statement of Net Position** - The Statement of Net Position presents financial information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. The Statement of Net Position is a point-in-time financial statement. The purpose of this statement is to present a fiscal snapshot of the District 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 District'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 District owes to outside vendors and creditors. The statement also presents the available assets that can be used to satisfy those liabilities.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2015**

	<u>June 30,</u>	
	<u>2015</u>	<u>2014</u>
		(Not restated)
<b>Net position</b>		
Current and other assets	\$ 104,834,256	\$ 105,029,062
Capital assets, net of accumulated depreciation	<u>65,898,200</u>	<u>68,229,894</u>
<b>Total assets</b>	<u>170,732,456</u>	<u>173,258,956</u>
Deferred outflows of resources	<u>2,162,999</u>	<u>-</u>
Current liabilities	20,331,621	22,176,977
Noncurrent liabilities	<u>54,765,477</u>	<u>50,195,529</u>
<b>Total liabilities</b>	<u>75,097,098</u>	<u>72,372,506</u>
Deferred inflows of resources	<u>15,893,185</u>	<u>11,727,087</u>
<b>Net position</b>		
Net investment in capital assets	45,838,326	45,220,020
Restricted	12,216,974	11,956,259
Unrestricted	<u>23,849,872</u>	<u>31,983,084</u>
<b>Total net position</b>	<u>\$ 81,905,172</u>	<u>\$ 89,159,363</u>



The largest portion of the District's net position (56.0%) for 2015 and (50.7%) for 2014 is the net investment in capital assets (e.g., land, buildings, and equipment), less the related debt. The debt related to the capital assets is liquidated with resources other than capital assets. The restricted portion of the net position (14.9%) for 2015 and (13.4%) for 2014 includes resources that are subject to external restrictions. The remaining net position (29.1%) for 2015 and (35.9%) for 2014 is the unrestricted net position that can be used to meet the District's obligations as they come due.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2015**

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* was implemented during fiscal year 2015. The beginning net position as of July 1, 2014 was restated by \$11,051,531 to retroactively report the net pension liability as of June 30, 2013 and deferred outflows of resources related to contributions made after June 30, 2013 but prior to July 1, 2014. Fiscal year 2013 and 2014 financial statement amounts for net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available. In the past, pension expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year.

Statement of Revenues, Expenses and Changes in Net Position - Changes in total net position as presented on 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 District, both operating and non-operating, and the expenses incurred by the District, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the District.

In general, a public college, such as Eastern Iowa Community College District, will report an operating loss since the financial reporting model classifies state appropriations and property taxes as non-operating revenues. Operating revenues are received for providing goods and services to the various students, customers and constituencies of the District. 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 District. Non-operating revenues are revenues received for which goods and services are not provided. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life.

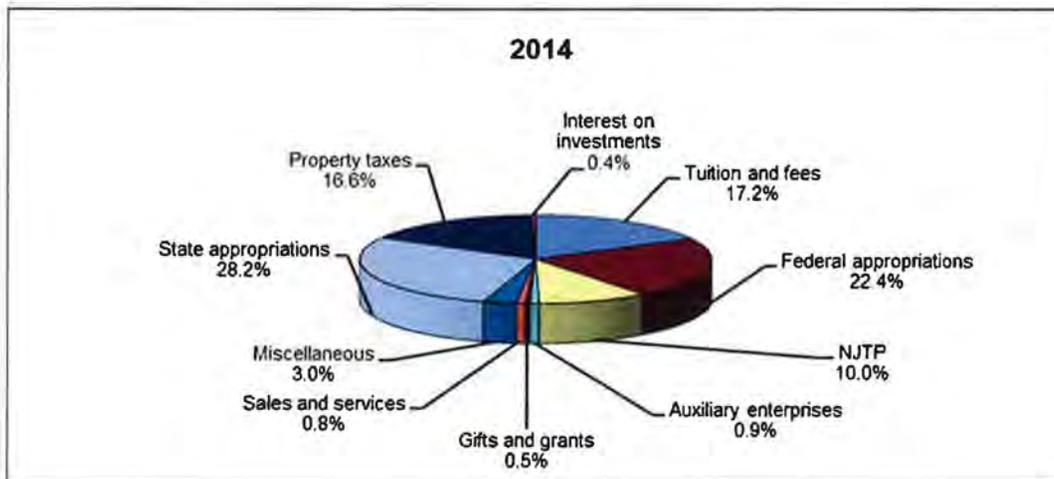
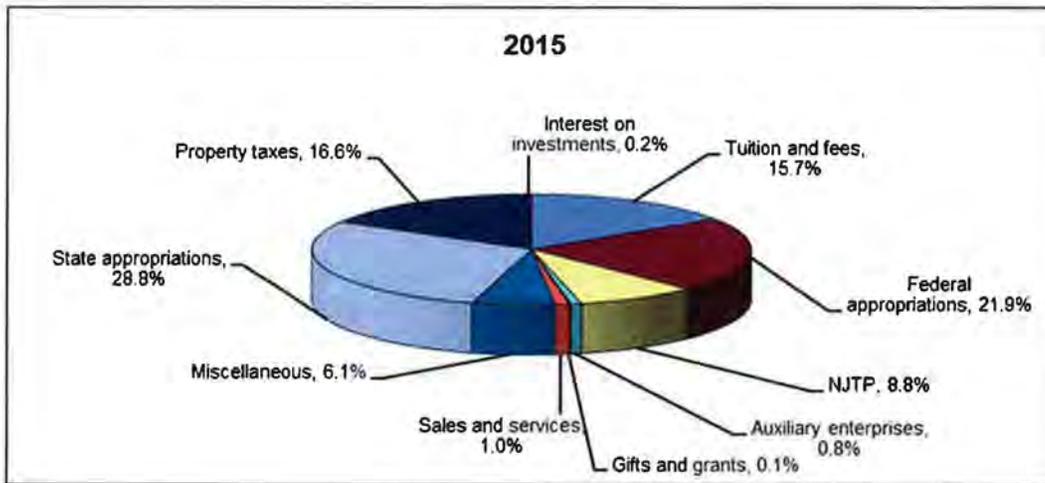
**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2015**

	<u>Year Ended June 30,</u>	
	<u>2015</u>	<u>2014</u>
		(Not restated)
<b>Changes in net position</b>		
Operating revenues:		
Tuition and fees	\$ 11,673,627	\$ 12,310,998
Federal appropriations	6,143,801	4,853,028
Iowa Industrial New Jobs Training Program	6,521,210	7,143,172
Auxiliary enterprises revenue	580,861	611,923
Gifts and grants	83,826	326,179
Sales and services	758,600	565,220
Miscellaneous	<u>4,542,754</u>	<u>2,175,362</u>
<b>Total revenues</b>	<u>30,304,679</u>	<u>27,985,882</u>
Total operating expenses	<u>68,596,409</u>	<u>66,010,078</u>
Operating loss	<u>(38,291,730)</u>	<u>(38,024,196)</u>
Non-operating revenues (expenses)		
State appropriations	21,481,655	20,150,625
Pell grant	10,188,127	11,163,893
Property taxes	12,384,658	11,898,855
Interest on investments	128,523	255,932
Loss on disposal of capital assets	-	(7,445)
Interest on indebtedness	<u>(2,093,893)</u>	<u>(2,349,839)</u>
Net non-operating revenues (expenses)	<u>42,089,070</u>	<u>41,112,021</u>
<b>Changes in net position</b>	3,797,340	3,087,825
Net position:		
Beginning, as restated	<u>78,107,832</u>	<u>86,071,538</u>
Ending	<u>\$ 81,905,172</u>	<u>\$ 89,159,363</u>

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2015**

**Total Revenue by Source**

The Statement of Revenues, Expenses and Changes in Net Position reflects positive years for both 2015 and 2014, with an increase in net position of \$3,797,340 and \$3,087,825, respectively.



**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2015**

In fiscal year 2015, the major fluctuations in revenues were a result of the following changes:

- Tuition and fees decreased approximately \$637,000.
- Federal appropriations, including PELL grants, increased approximately \$315,000.
- Iowa Industrial New Jobs Training Program decreased by approximately \$622,000.
- State appropriations increased by approximately \$1,331,000.
- Property taxes increased approximately \$486,000.
- Miscellaneous revenue increased by approximately \$2,367,000

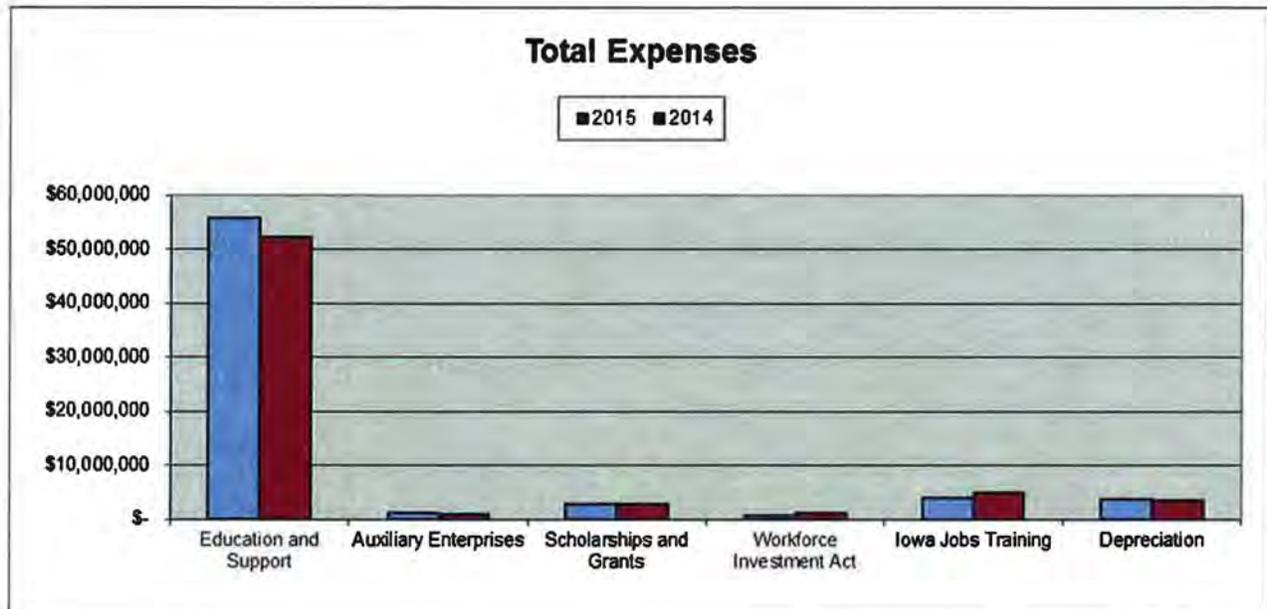
In fiscal year 2014, the major fluctuations in revenues were a result of the following changes:

- Tuition and fees decreased approximately \$320,000.
- Federal appropriations decreased approximately \$1,600,000.
- Iowa Industrial New Jobs Training Program decreased by approximately \$368,000.
- Auxiliary enterprises revenue decreased by approximately \$307,000.
- State appropriations increased by approximately \$1,500,000.
- Property taxes increased approximately \$365,000.

**Operating expenses**

	<u>Year Ended June 30,</u>	
	<u>2015</u>	<u>2014</u>
Education and support:		
Liberal arts and sciences	\$ 10,956,881	\$ 10,806,513
Vocational technical	12,528,837	11,814,563
Adult education	5,318,933	5,288,051
Cooperative services	1,143,515	841,255
General administration	6,097,457	4,108,733
Student services	4,746,775	4,767,385
Learning resources	730,162	710,270
Physical plant	6,220,160	6,034,732
General institution	8,176,023	8,063,352
Auxiliary enterprises	1,118,475	954,285
Scholarships and grants	2,912,563	2,940,626
Workforce Investment Act	715,335	1,178,923
Iowa Industrial New Jobs Training Program	4,136,472	4,929,878
Depreciation expense	3,794,821	3,571,512
<b>Total operating expenses</b>	<u>\$ 68,596,409</u>	<u>\$ 66,010,078</u>

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2015**



In fiscal year 2015, the major fluctuations in operating expenses were a result of the following factors:

- Vocational technical expenses increased approximately \$714,000
- General Administration expenses increased approximately \$1,990,000.
- Workforce Investment Act expenses decreased approximately \$464,000.
- Iowa Industrial New Jobs Training Program expenses decreased approximately \$793,000.

In fiscal year 2014, the major fluctuations in operating expenses were a result of the following factors:

- Vocational technical expenses increased approximately \$798,000
- General Administration expenses increased approximately \$914,000.
- Iowa Industrial New Jobs Training Program expenses decreased approximately \$1,420,000.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2015**

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

<b>Cash flows</b>	<u>Year Ended June 30,</u>	
	<u>2015</u>	<u>2014</u>
Cash provided by (used in):		
Operating activities	\$(33,713,624)	\$(32,237,088)
Noncapital financing activities	38,956,102	38,980,826
Capital and related financing activities	(5,311,112)	(5,766,506)
Investing activities	<u>3,866,812</u>	<u>1,999,738</u>
<b>Net increase in cash</b>	<b>3,798,178</b>	<b>2,976,970</b>
 Cash:		
Beginning	<u>52,984,167</u>	<u>50,007,197</u>
Ending	<u>\$ 56,782,345</u>	<u>\$ 52,984,167</u>

Cash used for operating activities includes tuition, fees, grants and contracts, net of payments to employees and to suppliers. Cash provided by non-capital financing activities includes state appropriations and local property taxes received by the District. 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 and proceeds from the sale of investments.

**Capital Assets**

As of June 30, 2015, the District had \$65,898,200 invested in capital assets, net of accumulated depreciation of \$50,937,134. Depreciation charges totaled \$3,794,821 for fiscal year 2015. As of June 30, 2014, the District had \$68,229,894 invested in capital assets, net of accumulated depreciation of \$47,204,947. Depreciation charges totaled \$3,571,512 for fiscal year 2014. Details of the capital assets are shown below.

<b>Capital Assets, Net, at Year-End</b>	<u>June 30,</u>	
	<u>2015</u>	<u>2014</u>
Land	\$ 4,174,178	\$ 4,174,178
Buildings	48,673,827	50,528,547
Other structures and improvements	7,200,972	7,597,448
Furniture and equipment	<u>5,849,223</u>	<u>5,929,721</u>
<b>Totals</b>	<b><u>\$ 65,898,200</u></b>	<b><u>\$ 68,229,894</u></b>

More detailed information about the District's capital assets is presented in Note 3 to the basic financial statements.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2015**

**Debt**

As of June 30, 2015, the District had \$52,010,000 in debt outstanding, a decrease of \$6,835,000 from 2014. The majority of the decrease is due to principal payments. As of June 30, 2014, the District had \$58,845,000 in debt outstanding, a decrease of \$5,650,000 from 2014. The majority of the decrease is due to principal payments.

**Outstanding debt**

	<u>June 30,</u>	
	<u>2015</u>	<u>2014</u>
Certificates payable	\$ 31,725,000	\$ 35,610,000
Note payable	200,000	225,000
Revenue bonds payable	1,175,000	1,290,000
GO bonds payable	<u>18,910,000</u>	<u>21,720,000</u>
<b>Totals</b>	<b><u>\$ 52,010,000</u></b>	<b><u>\$ 58,845,000</u></b>

More detailed information about the District's outstanding debt is presented in Note 4 to the basic financial statements.

**Economic factors**

Eastern Iowa Community College District continued to improve its financial position during the current fiscal year. However, the current condition of the economy in the state continues to be a concern for District officials. Some of the realities that may potentially become challenges for the District to meet are:

- Expenses will increase as the number of students' increases. The costs associated with serving students will continue to rise, but not more than the expected increase in tuition income.
- Facilities at the District require constant maintenance and upkeep, but these expenditures will be funded through the Plant Fund.

The District anticipates the current fiscal year will be much like the last and will maintain a close watch over resources to maintain the District's ability to react to unknown issues.

**Contacting the District'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 District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Eastern Iowa Community College District, 306 West River Drive, Davenport, Iowa 52801.

## **BASIC FINANCIAL STATEMENTS**

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**STATEMENT OF NET POSITION - PRIMARY INSTITUTION**  
June 30, 2015

<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 56,782,345
Investments	19,446,205
Receivables:	
Property taxes	12,422,827
Other	1,882,511
Due from other governments	3,356,756
Prepaid expenses	3,148
Total current assets	<u>93,893,792</u>
Noncurrent assets:	
Due from Iowa Industrial New Jobs Training Program	10,940,464
Capital assets:	
Land	4,174,178
Buildings	85,783,013
Other structures and improvements	11,326,451
Furniture and equipment	15,551,692
Accumulated depreciation	<u>(50,937,134)</u>
Total noncurrent assets	<u>76,838,664</u>
<b>TOTAL ASSETS</b>	<u>170,732,456</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related deferred outflows	<u>2,162,999</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	1,791,877
Salaries and benefits payable	3,085,487
Accrued interest payable	66,250
Advances from grantors	180,958
Advances from others	3,515,454
Compensated absences	1,459,894
Early retirement payable	810,544
Assets held in custody for others	1,111,157
Certificates payable	5,265,000
Notes and bonds payable	3,045,000
Total current liabilities	<u>20,331,621</u>
Noncurrent liabilities:	
Early retirement payable	745,088
Certificates payable	26,460,000
Notes and bonds payable	17,240,000
Net pension liability	9,099,684
Net OPEB liability	1,220,705
Total noncurrent liabilities	<u>54,765,477</u>
<b>TOTAL LIABILITIES</b>	<u>75,097,098</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable property tax revenue	12,422,827
Pension related deferred inflows	<u>3,470,358</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>15,893,185</u>
<b>NET POSITION</b>	
Net investment in capital assets	45,838,326
Restricted for:	
Education and support	11,812,506
Property tax cash reserve	404,468
Unrestricted	<u>23,849,872</u>
<b>TOTAL NET POSITION</b>	<u>\$ 81,905,172</u>

The accompanying notes are an integral part of the financial statements.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -**  
**PRIMARY INSTITUTION**  
**Year Ended June 30, 2015**

**OPERATING REVENUES**

Tuition and fees, net of scholarship allowances of \$9,372,082	\$ 11,673,627
Federal appropriations	6,143,801
Iowa Industrial New Jobs Training Program	6,521,210
Auxiliary enterprises revenue, net of allowances of \$572	580,861
Gifts and grants	83,826
Sales and services	758,600
Miscellaneous	4,542,754
Total operating revenues	<u>30,304,679</u>

**OPERATING EXPENSES**

Education and support:	
Liberal arts and sciences	10,956,881
Vocational technical	12,528,837
Adult education	5,318,933
Cooperative services	1,143,515
General administration	6,097,457
Student services	4,746,775
Learning resources	730,162
Physical plant	6,220,160
General institution	8,176,023
Auxiliary enterprises	1,118,475
Scholarships and grants	2,912,563
Workforce Investment Act	715,335
Iowa Industrial New Jobs Training Program	4,136,472
Depreciation expense	3,794,821
Total operating expenses	<u>68,596,409</u>

Operating loss (38,291,730)

**NONOPERATING REVENUES (EXPENSES)**

State appropriations	21,481,655
Pell grant	10,188,127
Property taxes	12,384,658
Interest on investments	128,523
Interest on indebtedness	<u>(2,093,893)</u>
Net nonoperating revenues (expenses)	<u>42,089,070</u>

Change in net position 3,797,340

**NET POSITION**

Beginning, as restated	<u>78,107,832</u>
Ending	<u>\$ 81,905,172</u>

The accompanying notes are an integral part of the financial statements.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**STATEMENT OF CASH FLOWS - PRIMARY INSTITUTION**  
Year Ended June 30, 2015

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Tuition and fees	\$ 12,296,105
Federal appropriations	5,916,949
Iowa Industrial New Jobs Training Program	7,756,475
Payments to employees for salaries and benefits	(39,592,947)
Payments to suppliers for goods and services	(22,651,488)
Scholarships	(2,912,563)
Auxiliary enterprise	580,861
Other receipts	4,892,984
Net cash used in operating activities	<u>(33,713,624)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State appropriations	21,481,655
Pell grant	10,188,127
Property taxes	12,388,616
Proceeds from certificates payable	3,345,000
Payments on certificates payable	(7,230,000)
Interest on certificates payable	(1,203,402)
Agency Fund receipts	1,730,048
Agency Fund disbursements	(1,743,942)
Net cash provided by noncapital financing activities	<u>38,956,102</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital assets	(1,463,127)
Principal paid on notes and bonds payable	(2,950,000)
Interest paid on notes and bonds payable	(897,985)
Net cash used in capital and related financing activities	<u>(5,311,112)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on investments	128,523
Proceeds from sale of investments	3,738,289
Net cash provided by investing activities	<u>3,866,812</u>
Net increase in cash and cash equivalents	3,798,178
<b>CASH AND CASH EQUIVALENTS</b>	
Beginning	52,984,167
Ending	<u>\$ 56,782,345</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>	
Operating loss	\$ (38,291,730)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	3,794,821
Changes in assets and liabilities:	
Decrease in due from other governments	144,003
Increase in other receivables	(492,196)
Increase in prepaid expenses	(1,729)
Decrease in due from Iowa Industrial New Jobs Training Program	1,296,399
Increase in deferred outflows of resources	(822,242)
Decrease in accounts payable	(994,093)
Increase in salaries and benefits payable	540,517
Decrease in advances from grantors	(370,855)
Increase in advances from others	561,344
Decrease in compensated absences	(259,210)
Increase in early retirement payable	808,417
Decrease in net pension obligation	(3,292,604)
Decrease in OPEB liability	195,176
Increase in deferred inflows of resources	3,470,358
Total adjustments	<u>4,578,106</u>
Net cash used in operating activities	<u>\$ (33,713,624)</u>

The accompanying notes are an integral part of the financial statements.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
STATEMENT OF NET ASSETS - DISCRETELY PRESENTED COMPONENT UNITS**

	<u>June 30, 2015</u>	<u>August 31, 2014</u>	<u>December 31, 2014</u>	
	<u>Muscatine Community College Foundation</u>		<u>Paul B. Sharar Foundation for Clinton Campus</u>	<u>Scott Community College Foundation</u>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 78,357	\$ 116,675	\$ 145,266	\$ 590,944
Temporary cash investments, certificates of deposit	-	-	-	13,032
Investments	-	4,406,382	-	545,593
Land	-	-	-	211,564
Artwork collection	-	48,000	-	-
Receivables	25,000	-	33,879	9,589
Prepaid expenses	-	-	8,849	-
Total current assets	<u>103,357</u>	<u>4,571,057</u>	<u>187,994</u>	<u>1,370,722</u>
<b>NONCURRENT ASSETS</b>				
Receivables	175,000	-	25,000	-
Investments	11,143,634	-	2,087,351	-
Beneficial interest in assets held by Community Foundation	-	-	10,644	-
Total noncurrent assets	<u>11,318,634</u>	<u>-</u>	<u>2,122,995</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>\$ 11,421,991</u>	<u>\$ 4,571,057</u>	<u>\$ 2,310,989</u>	<u>\$ 1,370,722</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 6,656
Accrued property taxes	-	-	-	3,928
Advances	-	-	-	3,000
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,584</u>
<b>NET ASSETS</b>				
Unrestricted	402,718	870,772	527,082	309,179
Temporarily restricted	5,295,765	205,991	1,216,848	982,959
Permanently restricted	5,723,508	3,494,294	567,059	65,000
Total net assets	<u>11,421,991</u>	<u>4,571,057</u>	<u>2,310,989</u>	<u>1,357,138</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 11,421,991</u>	<u>\$ 4,571,057</u>	<u>\$ 2,310,989</u>	<u>\$ 1,370,722</u>

The accompanying notes are an integral part of the financial statements.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS -  
DISCRETELY PRESENTED COMPONENT UNITS**

	<u>Year Ended June 30, 2015</u>	<u>Year Ended August 31, 2014</u>	<u>Year Ended December 31, 2014</u>	
	<u>Muscatine Community College Foundation</u>	<u>Paul B. Sharar Foundation for Clinton Campus</u>	<u>Scott Community College Foundation</u>	<u>Eastern Iowa Community College District Foundation</u>
<b>REVENUES</b>				
Operating revenue, gifts and grants	\$ 94,886	\$ 1,397,342	\$ 368,292	\$ 618,341
<b>EXPENSES</b>				
Operating expenses:				
Scholarships and grants	290,967	241,905	172,187	175,804
Miscellaneous expense	27,103	13,607	64,352	20,020
Total operating expenses	<u>318,070</u>	<u>255,512</u>	<u>236,539</u>	<u>195,824</u>
Operating income (loss)	<u>(223,184)</u>	<u>1,141,830</u>	<u>131,753</u>	<u>422,517</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Unrealized gain (loss) on investments	240,352	-	(46,724)	-
Realized gain on sale of investments	-	228,536	96,273	-
Investment earnings	245,239	62,984	36,704	59,344
Net nonoperating revenues (expenses)	<u>485,591</u>	<u>291,520</u>	<u>86,253</u>	<u>59,344</u>
Increase in net assets	262,407	1,433,350	218,006	481,861
<b>NET ASSETS</b>				
Beginning	11,159,584	3,137,707	2,092,983	875,277
Ending	<u>\$ 11,421,991</u>	<u>\$ 4,571,057</u>	<u>\$ 2,310,989</u>	<u>\$ 1,357,138</u>

The accompanying notes are an integral part of the financial statements.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
STATEMENT OF CASH FLOWS -  
DISCRETELY PRESENTED COMPONENT UNITS**

	Year Ended June 30, 2015	Year Ended August 31, 2014	Year Ended December 31, 2014	
	Muscatine Community College Foundation	Paul B. Sharar Foundation for Clinton Campus	Scott Community College Foundation	Eastern Iowa Community College District Foundation
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Gifts and grants	\$ 94,886	\$ 1,397,342	\$ 368,292	\$ 618,341
Payments to suppliers for goods and services	(27,103)	(13,607)	(64,352)	(55,269)
Scholarships and grants	(265,967)	(241,905)	(149,423)	(176,230)
Net cash provided by (used in) operating activities	<u>(198,184)</u>	<u>1,141,830</u>	<u>154,517</u>	<u>386,842</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	245,239	62,984	36,704	59,344
Purchase of temporary cash investments, certificates of deposit	-	-	-	(50,032)
Proceeds of temporary cash investments, certificates of deposit	-	-	-	77,032
Purchase of investments	(492,648)	(1,405,652)	(1,218,462)	-
Proceeds of investments	475,000	228,536	1,080,479	57,387
Net cash provided by (used in) investing activities	<u>227,591</u>	<u>(1,114,132)</u>	<u>(101,279)</u>	<u>143,731</u>
Net increase in cash and cash equivalents	29,407	27,698	53,238	530,573
<b>CASH AND CASH EQUIVALENTS</b>				
Beginning	48,950	88,977	92,028	60,371
Ending	<u>\$ 78,357</u>	<u>\$ 116,675</u>	<u>\$ 145,266</u>	<u>\$ 590,944</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (223,184)	\$ 1,141,830	\$ 131,753	\$ 422,517
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in receivables	25,000	-	2,471	(426)
Increase in prepaid expenses	-	-	(4,707)	-
Decrease in unconditional promises to give	-	-	25,000	-
Decrease in payables	-	-	-	(7,749)
Decrease in advances	-	-	-	(27,500)
Total adjustments	<u>25,000</u>	<u>-</u>	<u>22,764</u>	<u>(35,675)</u>
Net cash provided by (used in) operating activities	<u>\$ (198,184)</u>	<u>\$ 1,141,830</u>	<u>\$ 154,517</u>	<u>\$ 386,842</u>

The accompanying notes are an integral part of the financial statements.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Eastern Iowa Community College District (District) is a publicly-supported post-secondary two-year institution established and operated by Merged Area IX under the provisions of Chapter 260C of the Code of Iowa.

In fulfilling the responsibilities assigned to it by law, Eastern Iowa Community College District offers a comprehensive educational program and support services to serve local and state needs. The District offers arts and science courses, career education, adult education, and cooperative programs as its curriculum. In addition, the District acts as an agency for the State of Iowa in connection with the Workforce Investment Act. The Eastern Iowa Community College District maintains campuses in Bettendorf, Clinton, and Muscatine and has its administrative offices in Davenport. The Eastern Iowa Community College District is governed by a Board of Directors whose members are elected from each district within Merged Area IX.

**Financial Reporting Entity**

For financial reporting purposes, Eastern Iowa Community College District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District'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 District 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 the District.

Eastern Iowa Community College District is a political subdivision of the State of Iowa governed by a Board of Directors, which is elected by the public and has the exclusive responsibility and accountability for the decisions it makes. The District has statutory authority to adopt its own budget, to levy taxes and to issue bonded debt without the approval of another government. It has the right to sue and be sued, and has the right to buy, sell, lease or mortgage property in its own name.

These financial statements present Eastern Iowa Community College District (the primary government) and its component units. The component units discussed below are included in the District's reporting entity because of the significance of its operational or financial relationship with the District. Certain disclosures about the component units are not included because the component units have been audited separately and reports have been issued under separate cover. The audited financial statements are available at the District.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Discrete Component Units

The District is considered to be a primary government and has included Muscatine Community College Foundation, Scott Community College Foundation, Paul B. Sharar Foundation for Clinton Campus, and Eastern Iowa Community College District Foundation as discretely presented component units in their basic financial statements in the current year due to the nature of their relationship with the College.

The District Foundations are non-profit corporations, governed by a separate Board of Directors. The Foundations' purpose is to support the District through donations to provide scholarships to students, and for the enhancement and extension of facilities, equipment and services. The Foundations operate on the following fiscal year-ends:

Muscatine Community College Foundation	June 30, 2015
Paul B. Sharar Foundation for Clinton Campus	August 31, 2014
Scott Community College Foundation	December 31, 2014
Eastern Iowa Community College District Foundation	December 31, 2014

Separately issued financial statements for the discretely presented component units can be obtained at Eastern Iowa Community College District, 306 West River Drive, Davenport, Iowa 52801.

The Scott Community College Foundation and the Eastern Iowa Community College District Foundation are presented on the accrual basis of accounting. The Muscatine Community College Foundation prepares its financial statements on the basis of modified cash receipts and disbursements which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Paul B. Sharar Foundation for Clinton Campus prepares its financial statements on the income tax basis which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**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:

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.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Restricted Net Position

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

Expendable - Net position whose use by the District is subject to externally imposed stipulations that can be fulfilled by actions of the District 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 Directors or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is designated for academic and general programs of the District.

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

**Measurement Focus and Basis of Accounting**

For financial reporting purposes, the District 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 District 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 revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property taxes receivable - Property taxes receivable is recognized on the levy or lien date, which is the date that the tax asking is certified by the Board of Directors to the appropriate County Auditors. Current year delinquent property tax receivable represents unpaid taxes from the current year. The succeeding year property tax receivable represents taxes certified by the Board of Directors to be collected in the next fiscal year for purposes set out in the budget for the next fiscal year. By statute, the Board of Directors is required to certify its budget to the County Auditor by March 15 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.

Due from Iowa Industrial New Jobs Training Program (NJTP) - This receivable represents the total amount to be remitted to the District for training projects entered into between the District and employers under the provisions of Chapter 260E of the Code of Iowa. The receivable amount is based on NJTP project expenditures incurred through June 30, 2015, plus interest incurred on NJTP certificates, less reimbursements received to date.

Due from other governments - This asset represents state aid, grants and reimbursements due from the State of Iowa, and grants and reimbursements due from the federal government.

Capital assets - Capital assets, which include land, buildings, other structures and improvements, and furniture and equipment, 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 repair 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 District as assets with initial, individual costs in excess of \$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>Years</u>
Buildings	39
Other structures and improvements	25
Furniture and equipment	7

The District does not capitalize or depreciate their library book collection. This collection is unencumbered, held for public education, protected, cared for, and preserved and the proceeds from the sale of library books, if any, are not material to the District.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Impairment of Long-Lived Assets - The District reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

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 expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Accrued interest payable - Interest on long-term bonded indebtedness is recorded as a liability when the interest is payable.

Advances from grantors - Advances from grantors represents grant proceeds which have been received by the District, but will be spent in a succeeding fiscal year.

Advances from others - Advances from others represents fees and rental payments received in the current fiscal year, but the revenues will not be earned until the following fiscal year.

Compensated absences - District employees accumulate a limited amount of earned but unused vacation for subsequent use. Earned but unused vacation is paid to the employee upon termination, death or retirement. Amounts representing the cost of compensated absences are recorded as compensated absences. These liabilities have been computed based on rates of pay in effect as of June 30, 2015.

Early retirement payable - Expenditures for employees who have elected and been approved for early retirement are paid in two equal installments.

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

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 that 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.

Auxiliary enterprises revenues and expenses - Auxiliary enterprises revenues and expenses primarily represent revenues generated and expenses associated with bookstore, cafeteria, daycare, parts, and printing.

Summer session - The District 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 load study distributions supplied by the District Registrar.

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.

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

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

Scholarship allowances and student aid - Financial aid to students is reported in the financial statements, as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid (loans, funds provided to students as awarded by third parties and Federal Direct Lending) is accounted for as third-party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances which reduce revenue. 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.

Subsequent Events - Management has evaluated subsequent events through November 2, 2015, the date the financial statements were available to be issued.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 2 - DEPOSITS AND INVESTMENTS**

**A. Primary Institution**

The District'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 District is authorized by statute to invest public funds in obligations of the United States government; its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Directors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district. However, the District's investment policy additionally limits investments in commercial paper to obligations that mature within 270 days and that is rated within the two highest classifications, as established by at least one of the standard rating services, with no more than 5% at the time of purchase placed in the second highest classification. At the time of purchase, no more than 10% of the investment portfolio can be in these investments and no more than 5% of the investment portfolio can be invested in the securities of a single issuer.

As of June 30, 2015, the District's investments were not subject to nationally recognized statistical ratings.

Interest rate risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits operating funds portfolio to maturities of less than 397 days.

Concentration of credit risk - The District's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. The District's investment policy seeks to provide safety of the principal, maintain the necessary liquidity to match expected liabilities, and obtain a reasonable rate of return. The policy allows for investments of up to 100% in interest bearing savings, money market and checking accounts, certificates of deposits, repurchase agreements, money market mutual funds, bonds, notes, certificates of indebtedness, treasury bills or other securities issued by the United States of America, its agencies and allowable instrumentalities; up to 10% in prime bankers' acceptances; and up to 10% in commercial paper. The policy does not allow the District to invest in futures or options.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

Custodial credit risk - Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. It is the District's policy to require that time deposits in excess of FDIC insurable limits be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default.

As of June 30, 2015, the carrying amount of the District's deposits excluding \$6,265 of petty cash totaled \$76,222,285, with a bank balance of \$77,588,375.

A reconciliation of deposits and investments as shown on the statement of net position - primary institution follows:

Carrying amount of deposits	\$ 76,222,285
Petty cash	<u>6,265</u>
<b>Total</b>	<b><u>\$ 76,228,550</u></b>
Cash and cash equivalents	\$ 56,782,345
Investments	<u>19,446,205</u>
<b>Total</b>	<b><u>\$ 76,228,550</u></b>

**B. Component Units**

The component units have the following investments at year-end:

	<u>Market Value</u>	<u>Cost</u>
Government and corporate bonds	\$ 1,398,785	\$ 1,369,860
Mutual and equity funds	16,705,059	13,133,985
Money market accounts	176,210	176,210
Certificates of deposit	<u>325,737</u>	<u>325,737</u>
<b>Total</b>	<b><u>\$ 18,605,791</u></b>	<b><u>\$ 15,005,792</u></b>

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015**

**NOTE 3 - CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2015 is as follows:

	<b>Balance June 30, 2014</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2015</b>
Capital assets not being depreciated:				
Land	\$ 4,174,178	\$ -	\$ -	\$ 4,174,178
Capital assets being depreciated:				
Buildings	85,748,604	34,409	-	85,783,013
Other structures and improvements	11,315,820	10,631	-	11,326,451
Furniture and equipment	14,196,239	1,418,087	62,634	15,551,692
Total capital assets being depreciated	<u>111,260,663</u>	<u>1,463,127</u>	<u>62,634</u>	<u>112,661,156</u>
Less accumulated depreciation for:				
Buildings	35,220,057	1,889,129	-	37,109,186
Other structures and improvements	3,718,372	407,107	-	4,125,479
Furniture and equipment	8,266,518	1,498,585	62,634	9,702,469
Total accumulated depreciation	<u>47,204,947</u>	<u>3,794,821</u>	<u>62,634</u>	<u>50,937,134</u>
Total capital assets being depreciated, net	<u>64,055,716</u>	<u>(2,331,694)</u>	<u>-</u>	<u>61,724,022</u>
<b>Total capital assets, net</b>	<u>\$68,229,894</u>	<u>\$(2,331,694)</u>	<u>\$ -</u>	<u>\$65,898,200</u>

Furniture and equipment of \$177,727 is restricted for the Workforce Investment Act, Temporary Assistance for Needy Families, and other training programs. Capital assets above include agency fund capital assets of \$104,634.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015**

**NOTE 4 - NONCURRENT LIABILITIES**

A summary of changes in noncurrent liabilities for the year ended June 30, 2015 is as follows:

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2015</u>	<u>Amount Due Within One Year</u>
Certificates payable	\$ 35,610,000	\$ 3,345,000	\$ 7,230,000	\$ 31,725,000	\$ 5,265,000
Note payable	225,000	-	25,000	200,000	25,000
Dormitory revenue bonds	1,290,000	-	115,000	1,175,000	125,000
GO bonds payable	21,720,000	-	2,810,000	18,910,000	2,895,000
Early retirement	747,215	2,354,258	1,545,841	1,555,632	810,544
Compensated absences	1,719,104	1,459,894	1,719,104	1,459,894	1,459,894
Net pension liability	12,392,288	-	3,292,604	9,099,684	-
Net OPEB liability	1,025,529	703,751	508,575	1,220,705	-
<b>Total</b>	<u>\$ 74,729,136</u>	<u>\$ 7,862,903</u>	<u>\$ 17,246,124</u>	<u>\$ 65,345,915</u>	<u>\$ 10,580,438</u>

In accordance with agreements dated between June 30, 2004 and June 30, 2015, the District issued certificates with a June 30, 2015 outstanding balance of \$31,725,000 and with interest rates ranging from 1.20% to 6.50% per annum. These certificates were issued to finance the development and training costs incurred relative to implementing the 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 on the certificates is payable semiannually, while the principal matures annually. The certificates are to be retired from the proceeds of withholding taxes remitted by the State of Iowa, incremental property taxes, budgeted reserves, and in the case of default, from standby property taxes collected.

The future debt service requirements on these certificates are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 5,265,000	\$ 1,014,870	\$ 6,279,870
2017	5,765,000	769,535	6,534,535
2018	3,775,000	551,723	4,326,723
2019	3,240,000	435,488	3,675,488
2020	3,290,000	357,915	3,647,915
2021-2025	<u>10,390,000</u>	<u>672,574</u>	<u>11,062,574</u>
<b>Total</b>	<u>\$ 31,725,000</u>	<u>\$ 3,802,105</u>	<u>\$ 35,527,105</u>

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015**

**NOTE 4 - NONCURRENT LIABILITIES (CONTINUED)**

The District issued dormitory revenue bonds, Series 2001 with a balance of \$1,175,000 as of June 30, 2015. Rates range from 5.00% to 5.85%. Interest is due semiannually and principal is due annually in varying amounts through 2022. The proceeds of the bond were used for the construction of college apartments. Revenues earned by the project will be pledged for repayment of the bond payable. The bonds are collateralized by a mortgage on the dormitory property.

The District issued General Obligation Bonds, Series 2008, with a balance of \$3,200,000 as of June 30, 2015. Rates range from 3.75% to 4.50% with final maturity on June 1, 2019. The proceeds of the bonds were used for specific District-wide projects.

The District issued General Obligation Bonds, Series 2009, with a balance of \$8,435,000 as of June 30, 2015. Rates range from 2.25% to 3.60% with final maturity on June 1, 2020. The proceeds of the bonds were used to finance various improvements and additions at all campus and enrollment locations of the District.

The District issued General Obligation Bonds, Series 2010A, with a balance of \$7,275,000 as of June 30, 2015. Rates range from 2.00% to 5.00% with final maturity on June 1, 2021. The proceeds of the bonds were used to finance various improvements and additions at all campus and enrollment locations of the District.

The District borrowed \$250,000 during the fiscal year ending June 30, 2013 from Muscatine Community College Foundation. The note is non-interest bearing and was loaned in support of the construction of a new facility in Columbus Junction. The loan is to be repaid within ten years. The balance remaining on the loan was \$200,000 on June 30, 2015.

Future maturities and interest of the notes and bonds payable as of June 30, 2015 are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 3,045,000	\$ 806,045	\$ 3,851,045
2017	3,150,000	703,539	3,853,539
2018	3,270,000	585,018	3,855,018
2019	3,395,000	460,588	3,855,588
2020	3,515,000	328,143	3,843,143
2021-2023	<u>3,910,000</u>	<u>207,476</u>	<u>4,117,476</u>
<b>Total</b>	<b><u>\$ 20,285,000</u></b>	<b><u>\$ 3,090,809</u></b>	<b><u>\$ 23,375,809</u></b>

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015**

**NOTE 5 - IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)**

Plan Description - IPERS membership is mandatory for employees of Eastern Iowa Community College District except for those covered by another retirement system. Employees of the District 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](http://www.ipers.org).

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

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

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

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.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 5 - IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS) (CONTINUED)**

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 year 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the College contributed 8.93 percent for a total rate of 14.88 percent.

The College's contributions to IPERS for the year ended June 30, 2015 were \$1,389,389.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the College reported a liability of \$9,099,684 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 College's proportion of the net pension liability was based on the College's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the College's collective proportion was 0.229448 percent, which was an increase of 0.013617 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the College recognized pension expense of \$744,901. At June 30, 2015, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015**

**NOTE 5 - IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS) (CONTINUED)**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 98,896	\$ -
Changes of assumptions	401,590	-
Net difference between projected and actual earnings on pension plan investments	-	3,470,358
Changes in proportion and differences between District contributions and proportionate share of contributions	273,124	-
District contributions subsequent to the measurement date	1,389,389	-
<b>Total</b>	<b>\$ 2,162,999</b>	<b>\$ 3,470,358</b>

\$1,389,389 reported as deferred outflows of resources related to pensions resulting from the Districts' 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:

<b>Year Ended June 30,</b>			
2016		\$	(686,840)
2017			(686,840)
2018			(686,840)
2019			(686,840)
2020			50,612
		\$	(2,696,748)

There are no non-employer contributing entities at IPERS.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015**

**NOTE 5 - 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% per annum.
Rates of salary increase (effective June 30, 2010)	4.00 to 17.00 percent, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.5 percent, 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>	

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015**

**NOTE 5 - IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS) (CONTINUED)**

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.

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.50 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-percentage-point higher (8.5 percent) than the current rate.

	<u>1% Decrease (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
District's proportionate share of the net pension liability	17,193,598	9,099,684	2,267,583

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

Payables to the Pension Plan - At June 30, 2015, the College reported payables to the defined benefit pension plan of \$118,338 for legally required employer contributions and \$47,319 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015**

**NOTE 6 - TEACHERS INSURANCE AND ANNUITY ASSOCIATION - COLLEGE RETIREMENT EQUITIES FUND (TIAA-CREF)**

Eastern Iowa Community College District contributes to the TIAA-CREF retirement program which is a defined contribution pension plan. TIAA-CREF administers the retirement plan for the District. The defined contribution retirement plan provides individual annuities for each plan participant. As required by the Code of Iowa, all eligible District 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 District 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 year ended June 30, 2015, employee contributions totaled \$611,078 and the College recognized pension expense of \$917,130.

At June 30, 2015, the District reported payables to the defined contribution pension plan of \$63,806 for legally required employer contributions and \$25,514 for legally required employee contributions which had been withheld from employee wages but not yet remitted to TIAA-CREF.

**NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

Plan Description - Eastern Iowa Community College District operates a single-employer retiree benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are 357 active and 69 retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug coverage is provided through a fully-insured plan. The District pays 100 percent of the single premium for retirees. Covered spouses and surviving spouses must pay the difference between the family and single premium, 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 Eastern Iowa Community College District. Eastern Iowa Community College District currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation - Eastern Iowa Community College District's annual OPEB cost is calculated based on the annual required contribution (ARC) of Eastern Iowa Community College District, 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.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015**

**NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

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

Annual required contribution	\$ 700,036
Interest on net OPEB obligation	46,209
Adjustment to annual required contribution	<u>(42,494)</u>
Annual OPEB cost	703,751
Actual contributions	<u>(508,575)</u>
Increase in net OPEB obligation	195,176
Net OPEB obligation beginning of year	<u>1,025,529</u>
Net OPEB obligation end of year	<u>\$ 1,220,705</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of the year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2015.

For the year ended June 30, 2015, Eastern Iowa Community College District contributed \$508,575 to the medical plan.

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

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2013	798,513	59%	1,026,875
June 30, 2014	703,751	69%	1,025,529
June 30, 2015	703,751	72%	1,220,705

Funded Status and Funding Progress - As of July 1, 2013, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was \$7.553 million, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$7.553 million. The covered payroll (annual payroll of active employees covered by the plan) was not available and the ratio of the UAAL to covered payroll was not available. As of June 30, 2015, there were no trust fund assets.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015**

**NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

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 assumptions 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, presented as required supplementary information in the section following the Notes to the 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.

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, 2013 actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.50% discount rate based on Eastern Iowa Community College District's funding policy. The projected annual medical trend rate is 7.26%. The ultimate medical trend rate is 5.00%. The medical trend rate is reduced by 0.45% each year until reaching the 5.00% ultimate trend rate.

Mortality rates are from the RP-2000 Combined Healthy Mortality Table, applied on a gender-specific basis. Monthly premium costs for the medical plan are \$599 per month for single coverage and \$1,496 per month for family coverage. The salary increase rate was assumed to be 3% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015**

**NOTE 8 - OPERATING LEASES**

The District has leased various facilities, land, and vehicles under operating leases. The leases expire on various dates through 2020 and require various minimum annual rentals. Some of the leases also require the payment of normal maintenance and insurance on the properties.

The following is a schedule, by year, of the future minimum rentals due under these operating leases:

Year Ending June 30,	
2016	\$ 134,220
2017	76,850
2018	59,116
2019	29,713
2020	<u>3,518</u>
<b>Total</b>	<b><u>\$ 303,417</u></b>

Rental payments made during the year ended June 30, 2015 for all operating leases totaled approximately \$140,491.

**NOTE 9 - RISK MANAGEMENT PROGRAM**

The District is a member in the Insurance Management Program for Area Community Colleges (IMPACC) as allowed by Chapter 504A of the Code of Iowa. IMPACC is a group self-insurance program currently consisting of five Iowa community colleges. IMPACC was incorporated in May, 1988 for the purpose of giving its members more control over their property, liability and workers compensation insurance expenditures. The Program provides coverage for the following exposures: general liability, automobile liability and physical damage, property and inland marine, wrongful acts and educators' legal liability, workers compensation and employer's liability, crime and employee fidelity, and equipment breakdown (boiler & machinery). There have been no reductions in insurance from prior years.

Each member's annual contribution provides capital sufficient to fund, on a cash basis, IMPACC's general and administrative expenses, claims, claims expenses and reinsurance expenses payable in the current year.

The District's contributions to the risk-sharing pool are recognized as expenditures at the time of payment. The District's total contributions to IMPACC for the year ended June 30, 2015 were \$511,668.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 9 - RISK MANAGEMENT PROGRAM (CONTINUED)**

As do all insurance companies, IMPACC uses reinsurance and excess insurance to reduce its exposure to large losses. The program has a self-insured retention of \$100,000 per occurrence for wrongful acts and educators' legal liability; \$250,000 per occurrence for workers compensation and employer's liability; and \$200,000 per occurrence for most other claims. IMPACC purchases excess insurance on the following basis: For liability claims, up to \$10,000,000 per occurrence; for Property claims, up to \$250,000,000 per occurrence; for workers compensation, coverage is provided to statutory limits.

An independent actuary reviews IMPACC's losses annually to provide an estimate of IMPACC's ultimate loss at a 70 percent confidence level. The District does not report a liability for losses in excess of reinsurance unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, as of June 30, 2015, no liability has been recorded by the District. As of June 30, 2015, settled claims have not exceeded the risk pool or reinsurance coverage in any of the past three fiscal years.

Members agree to continue membership in the Program for a period of not less than three full years. After such period, a member who has given sufficient notice, in compliance with the bylaws, may withdraw. Upon withdrawal, payments for all claims and claims expenses for the years of membership continue until all claims for those years are settled.

The District also carries commercial insurance purchased from other insurers for coverage associated with the Workforce Investment Act and for employee health claims. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

**NOTE 10 - TERMINATION BENEFITS**

The District has an approved Early Retirement Incentive Plan (ERIP) for fiscal and academic years 2013, 2014, 2015 and 2016. To be eligible for the ERIP, an employee must be employed full-time and be 55 years of age with 10 or more years of consecutive service with the District. Retirement is to begin at the end of the academic year for instructional staff and the end of the fiscal year for administration, professional, and support staff. Participation must be approved by the administrative office.

Early retirement benefits are equal to 75-95% of the employee's regular contractual salary in effect during the employee's year of service prior to retirement based on years of service.

Early retirement benefits will be divided into payments over a minimum of two and maximum of five calendar years.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015**

**NOTE 10 - TERMINATION BENEFITS (CONTINUED)**

At June 30, 2015, the District has obligations to 25 participants with a total liability of \$1,555,632. Actual early retirement expenditures for the year ended June 30, 2015 totaled \$1,545,841.

Enrollment for ERIP related to 2014, 2015 and 2016 was open until November 1, 2013. The District will have future obligations to 39 participants with a total liability of \$2,530,264.

**NOTE 11 - CONTINGENCIES**

The District is a defendant in various legal proceedings. The amount of possible loss, if any cannot be estimated at this time but, in the opinion of management, the settlement of these matters is not expected to have a material effect on the District.

**NOTE 12 - JOBS TRAINING PROGRAMS**

The District administers the Iowa Industrial New Jobs Training Program (NJTP) in Area IX 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 District 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 taxes. The District is currently administering 145 projects receiving project funding or in the repayment stage. In cases where projects exceed the budgeted amounts, the District intends to obtain additional withholding revenue from the companies.

The District also administers the Iowa Jobs Training Program (IJTP) in Area IX in accordance with Chapter 260F of the Code of Iowa. The IJTP's purpose is to provide customized training for existing employers. Approved businesses receive loans from the Iowa Department of Economic Development. The District is currently administering 53 projects.

**NOTE 13 - COMMITMENTS**

At June 30, 2015, the District had the following construction contract outstanding:

<u>Project</u>	<u>Total Contract</u>	<u>Portion at June 30, 2015</u>	
	<u>Amount</u>	<u>Completed</u>	<u>Committed</u>
MCC Back Driveway Renovation	\$ 399,292	\$ -	\$ 399,292

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015**

**NOTE 14 - 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 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, as follows:

	<b>Net Position</b>
Net position June 30, 2014, as previously reported	\$ 89,159,363
Net pension liability at June 30, 2014	(12,392,288)
Deferred outflows of resources related to contributions made after the June 30, 2013 measurement date	1,340,757
Net position July 1, 2014, as restated	<b>\$ 78,107,832</b>

**NOTE 15 - SUBSEQUENT EVENT**

On October 19, 2015, the Board approved the issuance of \$4,400,000 Industrial New Jobs Training Certificates, Series 2015-2.

**REQUIRED SUPPLEMENTARY INFORMATION**

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Iowa Public Employees' Retirement System  
Last Fiscal Year\***

**Required Supplementary Information**

	<u>2015</u>
District's proportion of the net pension liability	0.229448%
District's proportionate share of the net pension liability	\$ 9,099,684
District's covered-employee payroll	\$ 15,558,667
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	58.49%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

\* The amounts presented for each fiscal year were determined as of June 30.

See accompanying independent auditor's report.

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

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS**

**Iowa Public Employees' Retirement System  
Last 10 Fiscal Years**

**Required Supplementary Information**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Statutorily required contribution	\$ 1,389,389	\$ 1,340,757	\$ 1,226,915	\$ 1,129,617	\$ 1,012,524	\$ 908,214	\$ 937,070	\$ 851,730	\$ 774,619	\$ 759,134
Contributions in relation to the statutorily required contribution	<u>(1,389,389)</u>	<u>(1,340,757)</u>	<u>(1,226,915)</u>	<u>(1,129,617)</u>	<u>(1,012,524)</u>	<u>(908,214)</u>	<u>(937,070)</u>	<u>(851,730)</u>	<u>(774,619)</u>	<u>(759,134)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 15,558,667	\$ 15,014,076	\$ 14,151,269	\$ 13,997,732	\$ 14,568,691	\$ 13,657,353	\$ 14,757,008	\$ 14,078,182	\$ 13,471,635	\$ 13,202,330
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.67%	8.07%	6.95%	6.65%	6.35%	6.05%	5.75%	5.75%

See accompanying independent auditor's report.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY  
Year Ended 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.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY  
Year Ended June 30, 2015**

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.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN**

**REQUIRED SUPPLEMENTARY INFORMATION**

<b>Year Ended June 30,</b>	<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UALL) (b - a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b - a)/c)</b>
2009	July 1, 2008	-	\$5,495,418	\$5,495,418	0.00%	\$12,253,001	44.8%
2010	July 1, 2009	-	\$5,214,869	\$5,214,869	0.00%	Not avail	Not avail
2011	July 1, 2009	-	\$5,214,869	\$5,214,869	0.00%	Not avail	Not avail
2012	July 1, 2011	-	\$6,799,601	\$6,799,601	0.00%	Not avail	Not avail
2013	July 1, 2011	-	\$6,799,601	\$6,799,601	0.00%	Not avail	Not avail
2014	July 1, 2013	-	\$7,553,079	\$7,553,079	0.00%	Not avail	Not avail
2015	July 1, 2013	-	\$7,553,079	\$7,553,079	0.00%	Not avail	Not avail

See Note 7 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

See accompanying independent auditor's report.

**SUPPLEMENTARY INFORMATION**

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
 BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES -  
 BUDGET TO ACTUAL  
 Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Between Actual and Final Budget</u>
Unrestricted	<u>\$ 50,667,127</u>	<u>\$ 50,667,127</u>	<u>\$ 42,928,388</u>	<u>\$ (7,738,739)</u>
Restricted	\$ 16,728,786	\$ 16,728,786	\$ 15,906,103	\$ (822,683)
Unemployment	35,989	35,989	53,988	17,999
Insurance	551,301	551,301	562,415	11,114
Early retirement	1,482,326	1,482,326	2,861,562	1,379,236
Equipment replacement	1,841,282	1,841,282	515,781	(1,325,501)
Standby	<u>381,060</u>	<u>381,060</u>	<u>383,875</u>	<u>2,815</u>
<b>Total restricted</b>	<u>\$ 21,020,744</u>	<u>\$ 21,020,744</u>	<u>\$ 20,283,724</u>	<u>\$ (737,020)</u>
Plant	\$ 7,175,000	\$ 7,175,000	\$ 950,623	\$ (6,224,377)
Bond and Interest	<u>3,633,857</u>	<u>3,633,857</u>	<u>3,840,491</u>	<u>206,634</u>
<b>Total</b>	<u>\$ 82,496,728</u>	<u>\$ 82,496,728</u>	<u>\$ 68,003,226</u>	<u>\$ 14,493,502</u>

See accompanying independent auditor's report.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTE TO BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES  
BUDGETARY REPORTING  
Year Ended June 30, 2015**

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

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

For the year ended June 30, 2015, the District's expenditures did not exceed the amount budgeted.

See accompanying independent auditor's report.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**BALANCE SHEET - ALL FUNDS**  
June 30, 2015

	<u>Current Funds</u>		<u>Loan Funds</u>
	<u>Unrestricted</u>	<u>Restricted</u>	
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>ASSETS</b>			
Cash and cash equivalents	\$ 37,883,686	\$ 1,179,053	\$ 500
Investments	-	19,446,205	-
Receivables:			
Property taxes	3,304,126	2,559,829	-
Other	857,677	863,569	-
Due from other governments	-	2,095,298	-
Due from Iowa Industrial New Jobs Training Program	-	10,940,464	-
Due from other funds	17,811,051	17,725,572	36,714
Prepaid expenses	-	-	-
Capital assets:			
Land	-	-	-
Buildings	-	-	-
Other structures and improvements	-	-	-
Furniture and equipment	-	-	-
Accumulated depreciation	-	-	-
Total assets	<u>59,856,540</u>	<u>54,809,990</u>	<u>37,214</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related deferred outflows	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
	<u>\$ 59,856,540</u>	<u>\$ 54,809,990</u>	<u>\$ 37,214</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 1,431,932	\$ 178,301	\$ -
Salaries and benefits payable	2,941,516	139,158	-
Accrued interest payable	-	-	-
Due to other funds	31,893,122	5,920,740	913
Advances from grantors	-	80,738	-
Advances from others	2,218,494	250,160	-
Compensated absences	1,222,946	183,458	-
Early retirement payable	-	1,555,632	-
Assets held in custody for others	-	-	-
Certificates payable	-	31,725,000	-
Notes and bonds payable	-	-	-
Net pension liability	-	-	-
Net OPEB liability	-	-	-
Total liabilities	<u>39,708,010</u>	<u>40,033,187</u>	<u>913</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Succeeding year property tax	3,304,126	2,559,829	-
Pension related deferred inflows	-	-	-
Total deferred inflows of resources	<u>3,304,126</u>	<u>2,559,829</u>	<u>-</u>
<b>FUND BALANCES</b>			
Net investment in capital assets	-	-	-
Restricted for:			
Education and support	-	11,812,506	-
Property tax cash reserve	-	404,468	-
Unrestricted	5,048,167	-	36,301
Auxiliary enterprises	11,796,237	-	-
Total fund balances	<u>16,844,404</u>	<u>12,216,974</u>	<u>36,301</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
	<u>\$ 59,856,540</u>	<u>\$ 54,809,990</u>	<u>\$ 37,214</u>

See accompanying independent auditor's report.

<u>Plant Funds</u>	<u>Agency Funds</u>	<u>Adjustments</u>	<u>Total</u>
\$ 17,719,106	\$ -	\$ -	\$ 56,782,345
-	-	-	19,446,205
6,558,872	-	-	12,422,827
58,151	103,114	-	1,882,511
-	1,261,458	-	3,356,756
-	-	-	10,940,464
2,454,509	3,973,200	(42,001,046)	-
-	3,148	-	3,148
4,174,178	-	-	4,174,178
85,697,580	85,433	-	85,783,013
11,317,245	9,206	-	11,326,451
15,541,697	9,995	-	15,551,692
-	-	(50,937,134)	(50,937,134)
<u>143,521,338</u>	<u>5,445,554</u>	<u>(92,938,180)</u>	<u>170,732,456</u>
-	-	2,162,999	2,162,999
<u>\$ 143,521,338</u>	<u>\$ 5,445,554</u>	<u>\$ (90,775,181)</u>	<u>\$ 172,895,455</u>
\$ 181,644	\$ -	\$ -	\$ 1,791,877
-	4,813	-	3,085,487
66,250	-	-	66,250
10,397	4,175,874	(42,001,046)	-
-	100,220	-	180,958
1,046,800	-	-	3,515,454
-	53,490	-	1,459,894
-	-	-	1,555,632
-	1,111,157	-	1,111,157
-	-	-	31,725,000
20,285,000	-	-	20,285,000
-	-	9,099,684	9,099,684
-	-	1,220,705	1,220,705
<u>21,590,091</u>	<u>5,445,554</u>	<u>(31,680,657)</u>	<u>75,097,098</u>
6,558,872	-	-	12,422,827
-	-	3,470,358	3,470,358
<u>6,558,872</u>	<u>-</u>	<u>3,470,358</u>	<u>15,893,185</u>
96,775,460	-	(50,937,134)	45,838,326
-	-	-	11,812,506
-	-	-	404,468
18,596,915	-	(11,627,748)	12,053,635
-	-	-	11,796,237
<u>115,372,375</u>	<u>-</u>	<u>(62,564,882)</u>	<u>81,905,172</u>
<u>\$ 143,521,338</u>	<u>\$ 5,445,554</u>	<u>\$ (90,775,181)</u>	<u>\$ 172,895,455</u>

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL FUNDS**  
**Year Ended June 30, 2015**

	<u>Current Funds</u>		<u>Loan Funds</u>
	<u>Unrestricted</u>	<u>Restricted</u>	
<b>REVENUES</b>			
General:			
Tuition and fees	\$ 20,955,038	\$ 450,671	\$ -
Property taxes	2,671,967	3,997,613	-
State appropriations	17,331,676	4,154,550	-
Federal appropriations	280,205	16,261,575	-
Gifts and grants	28,652	-	-
Sales and services	217,980	1,134,637	-
Interest on investments	82,756	4,920	-
Iowa Industrial New Jobs Training Program	-	6,521,210	-
Increase in plant investment due to plant expenditures (including \$1,170,853 in current fund expenditures)	-	-	-
Increase in plant investment due to retirement of debt	-	-	-
Miscellaneous	1,398,094	1,379,815	-
	<u>42,966,368</u>	<u>33,904,991</u>	<u>-</u>
Auxiliary enterprises:			
Sales and services	581,433	-	-
Miscellaneous	688,577	-	-
	<u>1,270,010</u>	<u>-</u>	<u>-</u>
<b>Total revenues</b>	<u>44,236,378</u>	<u>33,904,991</u>	<u>-</u>
<b>EXPENDITURES</b>			
Education and support:			
Liberal arts and sciences	11,070,742	-	-
Vocational technical	8,285,180	5,652,682	-
Adult education	3,872,697	1,486,558	-
Cooperative services	152,182	1,841,939	-
General administration	2,237,708	3,888,175	-
Student services	4,662,000	157,351	-
Learning resources	739,459	-	-
Physical plant	5,012,901	562,415	-
General institution	6,895,519	1,354,730	-
<b>Total education and support</b>	<u>42,928,388</u>	<u>14,943,850</u>	<u>-</u>
Auxiliary enterprises	1,118,475	-	-
Scholarships and grants	-	12,645,217	-
Workforce Investment Act	-	715,335	-
Iowa Industrial New Jobs Training Program	-	4,136,472	-
Plant asset acquisitions	-	-	-
Retirement of indebtedness	-	-	-
Disposal of plant assets	-	-	-
Interest on indebtedness	-	1,203,402	-
Depreciation expense	-	-	-
<b>Total expenditures</b>	<u>44,046,863</u>	<u>33,644,276</u>	<u>-</u>
<b>Net change in fund balances</b>	<b>189,515</b>	<b>260,715</b>	<b>-</b>
<b>FUND BALANCES</b>			
Beginning	16,654,869	11,956,259	36,301
Ending	<u>\$ 16,844,404</u>	<u>\$ 12,216,974</u>	<u>\$ 36,301</u>

See accompanying independent auditor's report.

<b>Plant Funds</b>				
<u>Unexpended</u>	<u>Retirement of Indebtedness</u>	<u>Investment in Plant</u>	<u>Adjustments</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ (9,732,082)	\$ 11,673,627
2,681,528	3,033,550	-	-	12,384,658
5,296	-	-	(9,867)	21,481,655
-	-	-	(209,852)	16,331,928
55,174	-	-	-	83,826
177,943	-	-	(771,960)	758,600
40,847	-	-	-	128,523
-	-	-	-	6,521,210
-	-	1,463,127	(1,463,127)	-
-	-	2,950,000	(2,950,000)	-
<u>1,076,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,854,177</u>
<u>4,037,056</u>	<u>3,033,550</u>	<u>4,413,127</u>	<u>(15,136,888)</u>	<u>73,218,204</u>
-	-	-	(572)	580,861
-	-	-	-	688,577
-	-	-	(572)	1,269,438
<u>4,037,056</u>	<u>3,033,550</u>	<u>4,413,127</u>	<u>(15,137,460)</u>	<u>74,487,642</u>
-	-	-	(113,861)	10,956,881
-	-	-	(1,409,025)	12,528,837
-	-	-	(40,322)	5,318,933
-	-	-	(850,606)	1,143,515
-	-	-	(28,426)	6,097,457
-	-	-	(72,576)	4,746,775
-	-	-	(9,297)	730,162
658,349	-	-	(13,505)	6,220,160
-	-	-	(74,226)	8,176,023
<u>658,349</u>	<u>-</u>	<u>-</u>	<u>(2,611,844)</u>	<u>55,918,743</u>
-	-	-	-	1,118,475
-	-	-	(9,732,654)	2,912,563
-	-	-	-	715,335
-	-	-	-	4,136,472
292,274	-	-	(292,274)	-
140,000	2,810,000	-	(2,950,000)	-
-	-	62,634	(62,634)	-
66,634	823,857	-	-	2,093,893
-	-	-	3,794,821	3,794,821
<u>1,157,257</u>	<u>3,633,857</u>	<u>62,634</u>	<u>(11,854,585)</u>	<u>70,690,302</u>
2,879,799	(600,307)	4,350,493	(3,282,875)	3,797,340
<u>16,213,735</u>	<u>103,688</u>	<u>92,424,967</u>	<u>(59,282,007)</u>	<u>78,107,832</u>
<u>\$ 19,093,534</u>	<u>\$ (496,619)</u>	<u>\$ 96,775,460</u>	<u>\$ (62,564,882)</u>	<u>\$ 81,905,172</u>

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
UNRESTRICTED CURRENT FUNDS  
EDUCATION AND SUPPORT  
Year Ended June 30, 2015**

	<u>Education</u>			
	<u>Liberal Arts and Sciences</u>	<u>Vocational Technical</u>	<u>Adult Education</u>	<u>Cooperative Services</u>
<b>REVENUES</b>				
Tuition:				
Resident	\$ 11,069,549	\$ 3,467,205	\$ 2,722,974	\$ 141,530
Non-resident	1,430,226	1,012,028	-	-
Fees	873,557	135,254	74,939	-
Property taxes	-	-	-	-
State appropriations	17,229,348	-	92,461	-
Federal appropriations	-	-	-	-
Gifts and grants	6,244	5,000	-	-
Sales and services	8,314	-	10,000	-
Interest on investments	-	-	-	-
Miscellaneous	16,580	156,173	-	-
	<u>30,633,818</u>	<u>4,775,660</u>	<u>2,900,374</u>	<u>141,530</u>
Allocation of support services revenues	1,896,294	1,715,695	902,997	-
Total revenues	<u>32,530,112</u>	<u>6,491,355</u>	<u>3,803,371</u>	<u>141,530</u>
<b>EXPENDITURES</b>				
Salaries and benefits	9,753,450	7,305,942	2,732,620	144,608
Services	1,123,273	440,056	756,501	-
Materials and supplies	143,703	442,689	311,135	3,167
Travel	50,316	71,143	51,421	4,407
Plant asset acquisitions	-	25,350	21,020	-
Miscellaneous	-	-	-	-
	<u>11,070,742</u>	<u>8,285,180</u>	<u>3,872,697</u>	<u>152,182</u>
Allocation of support services revenues	8,209,987	7,428,083	3,909,517	-
Total expenditures	<u>19,280,729</u>	<u>15,713,263</u>	<u>7,782,214</u>	<u>152,182</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 13,249,383</u>	<u>\$ (9,221,908)</u>	<u>\$ (3,978,843)</u>	<u>\$ (10,652)</u>
<b>FUND BALANCES</b>				
Beginning				
Ending				

See accompanying independent auditor's report.

<b>Support</b>					
<b>General Admini- stration</b>	<b>Student Services</b>	<b>Learning Resources</b>	<b>Physical Plant</b>	<b>General Institution</b>	<b>Education and Support Total</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,401,258
-	-	-	-	-	2,442,254
-	27,776	-	-	-	1,111,526
2,671,967	-	-	-	-	2,671,967
9,867	-	-	-	-	17,331,676
277,676	2,529	-	-	-	280,205
-	17,383	-	-	25	28,652
191,239	95	4,177	4,155	-	217,980
82,756	-	-	-	-	82,756
<u>1,014,718</u>	<u>2,358</u>	<u>736</u>	<u>158,299</u>	<u>49,230</u>	<u>1,398,094</u>
4,248,223	50,141	4,913	162,454	49,255	42,966,368
<u>(4,248,223)</u>	<u>(50,141)</u>	<u>(4,913)</u>	<u>(162,454)</u>	<u>(49,255)</u>	<u>-</u>
-	-	-	-	-	42,966,368
1,624,457	4,434,454	603,921	1,041,881	3,847,419	31,488,752
397,419	166,060	62,919	2,716,276	2,904,267	8,566,771
27,168	36,196	62,808	233,825	45,200	1,305,891
28,226	25,290	9,811	3,233	98,633	342,480
-	-	-	-	-	46,370
<u>160,438</u>	<u>-</u>	<u>-</u>	<u>1,017,686</u>	<u>-</u>	<u>1,178,124</u>
2,237,708	4,662,000	739,459	5,012,901	6,895,519	42,928,388
<u>(2,237,708)</u>	<u>(4,662,000)</u>	<u>(739,459)</u>	<u>(5,012,901)</u>	<u>(6,895,519)</u>	<u>-</u>
-	-	-	-	-	42,928,388
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>37,980</u>
					5,010,187
					<u>\$ 5,048,167</u>

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**UNRESTRICTED CURRENT FUNDS**  
**AUXILIARY ENTERPRISES**  
**Year Ended June 30, 2015**

	<u>Cafeteria</u>	<u>Bookstore</u>	<u>Daycare</u>	<u>Parts</u>
<b>REVENUES</b>				
Fees	\$ -	\$ -	\$ -	\$ -
Federal appropriations	-	-	12,690	-
Gifts and grants	-	775	-	-
Sales and services	23,927	1,689	195,901	10,137
Miscellaneous, primarily gifts	4,922	480,079	52,242	-
Total revenues	<u>28,849</u>	<u>482,543</u>	<u>260,833</u>	<u>10,137</u>
<b>EXPENDITURES</b>				
Salaries and benefits	-	21,608	233,167	-
Services	1,516	167,990	5,134	227
Materials and supplies	3,301	44,591	16,938	10,873
Merchandise purchased for sale	4,035	-	1,436	-
Travel	-	-	36	-
Expended for plant assets	-	-	6,139	-
Miscellaneous	18	296,655	-	-
Total expenditures	<u>8,870</u>	<u>530,844</u>	<u>262,850</u>	<u>11,100</u>
Net change in fund balances	19,979	(48,301)	(2,017)	(963)
<b>FUND BALANCES</b>				
Beginning	147,753	2,576,001	4,388	12,456
Ending	<u>\$ 167,732</u>	<u>\$ 2,527,700</u>	<u>\$ 2,371</u>	<u>\$ 11,493</u>

See accompanying independent auditor's report.

<u>Printing</u>	<u>Student Housing</u>	<u>Video Consortium</u>	<u>Kahl Auxiliary</u>	<u>Other</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 126	\$ 126
-	-	-	-	-	12,690
-	-	-	-	-	775
104,681	24,486	92,939	126,891	782	581,433
-	-	550	122,413	14,780	674,986
<u>104,681</u>	<u>24,486</u>	<u>93,489</u>	<u>249,304</u>	<u>15,688</u>	<u>1,270,010</u>
27,170	2,353	90,039	-	-	374,337
44,873	25,076	-	12,436	-	257,252
33,826	1,718	9,858	536	-	121,641
-	-	-	-	-	5,471
-	-	41	-	16,885	16,962
-	-	-	-	-	6,139
40,000	-	-	-	-	336,673
<u>145,869</u>	<u>29,147</u>	<u>99,938</u>	<u>12,972</u>	<u>16,885</u>	<u>1,118,475</u>
(41,188)	(4,661)	(6,449)	236,332	(1,197)	151,535
386,040	937,870	27,333	5,622,343	1,930,518	11,644,702
<u>\$ 344,852</u>	<u>\$ 933,209</u>	<u>\$ 20,884</u>	<u>\$ 5,858,675</u>	<u>\$ 1,929,321</u>	<u>\$ 11,796,237</u>

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**RESTRICTED CURRENT FUNDS**  
**Year Ended June 30, 2015**

	<u>Scholarships and Grants</u>	<u>Equipment Replacement</u>	<u>Insurance</u>	<u>Early Retirement</u>	<u>Unemployment Compensation</u>
<b>REVENUES</b>					
Tuition, resident	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes	-	1,187,539	676,318	1,712,571	37,314
State appropriations	883,335	-	-	-	-
Federal appropriations	10,697,539	-	-	-	-
Sales and services	-	-	-	-	-
Interest	-	-	-	-	-
Iowa Industrial New Jobs Training Program	1,066,550	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>12,647,424</u>	<u>1,187,539</u>	<u>676,318</u>	<u>1,712,571</u>	<u>37,314</u>
<b>EXPENDITURES</b>					
Salaries and benefits	-	-	-	2,861,562	53,988
Services	-	-	562,415	-	-
Materials and supplies	508	170,182	-	-	-
Travel	-	-	-	-	-
Expended for plant assets	-	345,599	-	-	-
Interest on indebtedness	-	-	-	-	-
Employer reimbursements	-	-	-	-	-
Federal Pell Grant Program	10,188,127	-	-	-	-
Federal Supplemental Educational Opportunity Grant (SEOG)	185,944	-	-	-	-
Other miscellaneous scholarships	2,270,638	-	-	-	-
Miscellaneous	-	-	-	-	-
Total expenditures	<u>12,645,217</u>	<u>515,781</u>	<u>562,415</u>	<u>2,861,562</u>	<u>53,988</u>
Net change in fund balances	2,207	671,758	113,903	(1,148,991)	(16,674)
<b>FUND BALANCES (DEFICITS)</b>					
Beginning	96,551	1,941,792	(274,553)	690,347	26,751
Ending	<u>\$ 98,758</u>	<u>\$ 2,613,550</u>	<u>\$ (160,650)</u>	<u>\$ (458,644)</u>	<u>\$ 10,077</u>

See accompanying independent auditor's report.

<b>Workforce Investment Act</b>	<b>Iowa Industrial New Jobs Training Program</b>	<b>Economic Development</b>	<b>Other Federal Programs</b>	<b>Miscellaneous</b>	<b>Cash Reserve</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ -	\$ 450,671	\$ -	\$ 450,671
-	383,871	-	-	-	-	3,997,613
-	354,033	-	2,644	2,914,538	-	4,154,550
715,335	-	-	4,848,701	-	-	16,261,575
-	233,513	697,594	-	203,530	-	1,134,637
-	(1,054,613)	1,059,533	-	-	-	4,920
-	5,122,581	-	-	332,079	-	6,521,210
-	254,635	-	-	1,125,180	-	1,379,815
<u>715,335</u>	<u>5,294,020</u>	<u>1,757,127</u>	<u>4,851,345</u>	<u>5,025,998</u>	<u>-</u>	<u>33,904,991</u>
518,305	-	348,526	2,191,297	2,147,357	-	8,121,035
96,459	3,476,992	144,684	1,238,445	699,493	-	6,218,488
9,070	-	2,478	280,604	221,623	-	684,465
10,207	-	4,603	218,448	72,621	-	305,879
-	-	-	720,310	48,927	-	1,114,836
-	1,203,402	-	-	-	-	1,203,402
-	659,480	-	-	-	-	659,480
-	-	-	-	-	-	10,188,127
-	-	-	-	-	-	185,944
-	-	-	200,752	245,537	-	2,716,927
81,294	-	1,017,686	1,525	1,145,188	-	2,245,693
<u>715,335</u>	<u>5,339,874</u>	<u>1,517,977</u>	<u>4,851,381</u>	<u>4,580,746</u>	<u>-</u>	<u>33,644,276</u>
-	(45,854)	239,150	(36)	445,252	-	260,715
-	332,116	6,027,346	36	2,711,405	404,468	11,956,259
<u>\$ -</u>	<u>\$ 286,262</u>	<u>\$ 6,266,496</u>	<u>\$ -</u>	<u>\$ 3,156,657</u>	<u>\$ 404,468</u>	<u>\$ 12,216,974</u>

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF CHANGES IN ASSETS HELD IN CUSTODY FOR OTHERS -**  
**AGENCY FUNDS**  
**Year Ended June 30, 2015**

	<u>Athletics</u>	<u>Clubs, Organizations, and Activities</u>	<u>Other</u>	<u>Total</u>
<b>BALANCES, BEGINNING</b>	\$ 9,523	\$ 457,141	\$ 658,387	\$ 1,125,051
Additions:				
Fees	-	422,067	-	422,067
Federal appropriations	-	-	5,320	5,320
Gifts and grants	1,333	14,428	160,951	176,712
Sales and services	76,419	37,018	985	114,422
Other	426,133	137,956	447,438	1,011,527
Total additions	<u>503,885</u>	<u>611,469</u>	<u>614,694</u>	<u>1,730,048</u>
Deductions:				
Salaries and benefits	17,893	90,793	140,549	249,235
Services	217,947	99,439	446,137	763,523
Materials and supplies	30,923	46,904	608	78,435
Merchandise purchased for sale	-	5,800	-	5,800
Travel	123,111	98,617	5,349	227,077
Expended for plant assets	-	5,750	-	5,750
Scholarships	44,900	7,000	-	51,900
Other	31,908	299,088	31,226	362,222
Total deductions	<u>466,682</u>	<u>653,391</u>	<u>623,869</u>	<u>1,743,942</u>
<b>BALANCES, ENDING</b>	<u>\$ 46,726</u>	<u>\$ 415,219</u>	<u>\$ 649,212</u>	<u>\$ 1,111,157</u>

See accompanying independent auditor's report.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTE TO SUPPLEMENTARY INFORMATION  
Year Ended June 30, 2015**

Statements presented in the supplementary information are reported using the current financial resources measurement focus and the accrual basis of accounting, except for depreciation. The schedule of revenues, expenditures and changes in fund balances is the 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. In order to ensure observance of limitations and restrictions placed on the use of resources available to the District, the accounts of the District are maintained in accordance with the principles of "fund accounting". This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in the financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions are accounted for and reported by fund group. Within each fund group, fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated for specific purposes by action of the governing board. Externally restricted funds may only be utilized in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which the governing board retains full control to use in achieving any of its institutional purposes.

All gains and losses arising from the sale, collection, or other disposition of investments and other noncash assets are accounted for in the fund which owned such assets. Ordinary revenue derived from investments, receivables, and the like, is accounted for in the fund owning such assets.

The District utilizes the following fund groups:

**Current Funds**

These funds are utilized to account for those economic resources that are expendable for the purpose of performing the primary and supporting missions of the District. These include the following unrestricted and restricted subfunds:

Unrestricted - The Education and Support subgroup of the Unrestricted Current Funds accounts for the general operations of the District. All property taxes and other revenues that are not allocated by law or contractual agreement to some other fund are accounted for in this subgroup. From this subgroup are paid the general operating costs, the fixed charges and the acquisition of plant assets that are not paid from other funds.

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

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTE TO SUPPLEMENTARY INFORMATION  
Year Ended June 30, 2015**

Restricted - The Restricted Current Funds are 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.

The Scholarships and Grants subgroup accounts for resources available for awards to students which are not in payment of services rendered to the District and which will not require repayment to the District.

The District has agreements with various businesses under the Iowa Industrial New Jobs Training Program (NJTP). The District administers the program, with the revenues and expenditures being restricted by the State for use in this program. The District is accounting for the activity of the NJTP in the Restricted Current Funds.

**Loan Funds**

These funds are used to account for student loan transactions.

**Plant Funds**

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

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

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

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

**Agency Funds**

The Agency Funds are used to account for assets held by the District in a custodial capacity or as an agent for others. Transactions of Agency Funds do not affect the schedule of revenues, expenditures, and changes in fund balances.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF CREDIT AND CONTACT HOUR ENROLLMENT  
Year Ended June 30, 2015**

Category	Credit Hours			Contact Hours		
	Eligible for Aid	Not Eligible for Aid	Total	Eligible for Aid	Not Eligible for Aid	Total
Arts and sciences	84,142	-	84,142	-	-	-
Vocational education	65,183	-	65,183	-	-	-
Adult/continuing education	-	-	-	650,759	61,676	712,435
Cooperative programs/services	-	-	-	-	1,683	1,683
<b>Total</b>	<b>149,325</b>	<b>-</b>	<b>149,325</b>	<b>650,759</b>	<b>63,359</b>	<b>714,118</b>

See accompanying independent auditor's report.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF TAXES AND INTERGOVERNMENTAL REVENUES  
FOR THE LAST TEN YEARS**

	<u>Years Ended June 30,</u>									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Local (property tax)	\$ 12,384,658	\$ 11,898,855	\$ 11,533,507	\$ 12,383,877	\$ 10,768,028	\$ 9,896,031	\$ 6,521,951	\$ 6,234,473	\$ 6,146,983	\$ 5,675,994
State	21,481,655	20,150,625	18,403,089	16,503,880	15,709,803	17,786,482	18,440,501	17,904,822	15,551,674	14,848,484
Federal	16,331,928	16,016,921	17,648,332	20,713,970	22,930,378	22,866,414	14,032,972	11,820,809	11,376,763	11,581,712
	<u>\$ 50,198,241</u>	<u>\$ 48,066,401</u>	<u>\$ 47,584,928</u>	<u>\$ 49,601,727</u>	<u>\$ 49,408,209</u>	<u>\$ 50,548,927</u>	<u>\$ 38,995,424</u>	<u>\$ 35,960,104</u>	<u>\$ 33,075,420</u>	<u>\$ 32,106,190</u>

See accompanying independent auditor's report.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
June 30, 2015

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	New Loans
<b>Direct Programs:</b>				
U.S. Department of Agriculture:				
New ERA Rural Technology Competitive Grants Program	10.314	N/A	\$ 97,262	\$ -
<b>Total U.S. Department of Agriculture</b>			<u>97,262</u>	<u>-</u>
U.S. Department of Labor:				
Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants	17.282	N/A	1,587,576	-
Mine Health and Safety Grants	17.600	N/A	78,945	-
<b>Total U.S. Department of Labor</b>			<u>1,666,521</u>	<u>-</u>
U.S. National Endowment for the Humanities:				
National Leadership Grants	45.312	N/A	148,498	-
<b>Total U.S. National Endowment for the Humanities</b>			<u>148,498</u>	<u>-</u>
National Science Foundation:				
Education and Human Resources	47.076	N/A	433,833	-
<b>Total National Science Foundation</b>			<u>433,833</u>	<u>-</u>
U.S. Department of Veterans Affairs:				
Post-9/11 Veterans Educational Assistance	64.027	N/A	325,996	-
<b>Total U.S. Department of Veterans Affairs</b>			<u>325,996</u>	<u>-</u>
U.S. Environmental Protection Agency:				
Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements	66.814	N/A	201,541	-
<b>Total U.S. Environmental Protection Agency</b>			<u>201,541</u>	<u>-</u>
U.S. Department of Education:				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	199,238	-
Federal Work-Study Program	84.033	N/A	165,216	-
Federal Pell Grant Program	84.063	N/A	10,188,127	-
Federal Direct Student Loans	84.268	N/A	-	12,565,945
<b>Total Student Financial Assistance Cluster</b>			<u>10,552,583</u>	<u>12,565,945</u>
Higher Education Institutional Aid	84.031	N/A	182,370	-
TRIO Student Support Services	84.042	N/A	252,010	-
<b>Total U.S. Department of Education</b>			<u>10,986,963</u>	<u>12,565,945</u>
U.S. Department of Health and Human Services:				
USAID Development Partnerships for University Cooperation and Development	98.012	N/A	156,750	-
<b>Total U.S. Department of Health and Human Services</b>			<u>156,750</u>	<u>-</u>
<b>Total Direct Programs</b>			<u>14,017,364</u>	<u>12,565,945</u>

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2015**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	New Loans
<b>Indirect Programs:</b>				
U.S. Department of Agriculture:				
Passed through Iowa Department of Education:				
Child and Adult Care Food Program	10.558	N/A	\$ 12,690	\$ -
<b>Total U.S. Department of Agriculture</b>			<u>12,690</u>	<u>-</u>
U.S. Department of Labor:				
Passed through Iowa Workforce Development:				
Workforce Investment Act (WIA) Cluster:				
WIA Adult Program	17.258	13-W-09-FR-0	202,703	
WIA Youth Activities	17.259	13-W-09-FR-0	207,775	
WIA/WIOA Dislocated Worker Formula Grants	17.278	13-W-09-FR-0	330,363	
WIA Administration	17.258, 17.259, 17.278	13-W-09-FR-0	100,972	
WIA Training Cost Pool	17.258, 17.259, 17.278	13-W-09-FR-0	1,208	-
WIOA Transition	17.258, 17.259, 17.278	13-W-09-FR-0	1,735	-
Early Intervention - Evergreen	17.278	15-W-PF-RR-D-02	10,464	-
<b>Total Workforce Investment Act (WIA) Cluster</b>			<u>855,220</u>	<u>-</u>
Passed through Des Moines Area Community College:				
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282	N/A	264,916	-
<b>Total U.S. Department of Labor</b>			<u>1,120,136</u>	<u>-</u>
Department of State:				
Passed through IREX				
One-Time International Exchange Grant Program	19.014	N/A	77,991	-
<b>Total Department of State</b>			<u>77,991</u>	<u>-</u>
National Science Foundation:				
Passed through the National Partnership for Environmental Technology Education:				
Education and Human Resources	47.076	N/A	32,355	-
<b>Total National Science Foundation</b>			<u>32,355</u>	<u>-</u>
U.S. Small Business Administration:				
Passed through Iowa State University:				
Small Business Development Centers	59.037	N/A	107,649	-
<b>Total U.S. Small Business Administration</b>			<u>107,649</u>	<u>-</u>
Passed through Georgetown University:				
USAID Foreign Assistance for Programs Overseas	98.001	SCC-RX2050-705-14-E	317,852	-
Passed through Iowa Department of Education:				
Adult Education - Basic Grants to States	84.002	N/A	276,076	-
Career and Technical Education - Basic Grants to States	84.048	N/A	405,972	-
<b>Total U.S. Department of Education</b>			<u>999,900</u>	<u>-</u>
U.S. Department of Health and Human Services:				
Passed through the National Partnership for Environmental Technology Education:				
NIEHS Hazardous Waste Worker Health and Safety Training	93.142	N/A	69,756	-
<b>Total U.S. Department of Health and Human Services</b>			<u>69,756</u>	<u>-</u>
<b>Total Indirect Programs</b>			<u>2,420,477</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 16,437,841</u>	<u>\$ 12,565,945</u>

See accompanying independent auditor's report.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2015**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the accrual basis of accounting. The information in 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 basic financial statements.

**NOTE 2 - STUDENT FINANCIAL ASSISTANCE**

The District is responsible only for the performance of certain administrative duties with respect to the Federal Direct Student Loan Program, and accordingly, these loans are not included in its financial statements. It is not practical to determine the balance of the loans outstanding to students and former students of the District under this program as of June 30, 2015.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS  
Year Ended June 30, 2015**

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
	N/A	

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

To the Board of Directors  
Eastern Iowa Community College District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Eastern Iowa Community College District, Davenport, Iowa, and the 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 Eastern Iowa Community College District's basic financial statements, and have issued our report thereon dated November 2, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Eastern Iowa Community College District'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 Eastern Iowa Community College District's internal control. Accordingly, we do not express an opinion on the effectiveness of Eastern Iowa Community College District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Eastern Iowa Community College District'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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District as identified in Part IV of the accompanying Schedule of Findings and Questioned Costs. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*Winkel, Parker & Foster, CPA PC*

Clinton, Iowa  
November 2, 2015



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

To the Board of Directors  
Eastern Iowa Community College District

**Report on Compliance for Each Major Federal Program**

We have audited Eastern Iowa Community College District'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 Eastern Iowa Community College District's major federal programs for the year ended June 30, 2015. Eastern Iowa Community College District's major federal programs are identified in the summary of auditor's results section 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Eastern Iowa Community College District'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 Eastern Iowa Community College District'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 of Eastern Iowa Community College District's compliance.

## Opinion on Each Major Federal Program

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

Our consideration of internal control over compliance was for the limited purpose described in the 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. 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.

*Winkel, Parker & Foster, CPA PC*

Clinton, Iowa  
November 2, 2015

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2015**

**Part I - Summary of Independent Auditor's Results:**

**Financial Statements**

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  yes  none reported
- Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  yes  none reported

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

Unmodified opinion

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?  yes  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>47.076</u>	<u>Education and Human Resources</u>
	<u>Student Financial Aid Cluster:</u>
<u>84.007</u>	<u>Federal Supplemental Educational Opportunity Grants</u>
<u>84.033</u>	<u>Federal Work-Study Program</u>
<u>84.063</u>	<u>Federal Pell Grant Program</u>
<u>84.268</u>	<u>Federal Direct Student Loans</u>

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2015**

**Part I - Summary of Independent Auditor's Results:** (continued)

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee?                      x   yes              no

**Part II: Findings Related to the Financial Statements:**

**INTERNAL CONTROL DEFICIENCIES:**

No matters were reported

**INSTANCES OF NONCOMPLIANCE:**

No matters were reported

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2015**

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

**INSTANCES OF NONCOMPLIANCE:**

No matters were reported

**INTERNAL CONTROL DEFICIENCIES:**

No matters were reported

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2015**

**Part IV: Other Findings Related to Required Statutory Reporting:**

- 2015-001 Certified budget - Expenditures for the year ended June 30, 2015 did not exceed the amount budgeted.
- 2015-002 Questionable expenditures - No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- 2015-003 Travel expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- 2015-004 Business transactions - No business transactions between the District and District officials or employees were noted.
- 2015-005 Bond coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- 2015-006 Board minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.
- 2015-007 Publication - The District published a statement showing all receipts and disbursements of all funds for fiscal year 2015, including the names of all persons, firms, or corporations to which disbursements were made, as required by Section 260C.14(12) of the Code of Iowa.
- 2015-008 Deposits and investments - No instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the District's investment policy were noted.
- 2015-009 Credit/Contact Hours - Eligible credit and contact hours reported to the Iowa Department of Education by the District were supported by detailed records maintained by the District.

**EASTERN IOWA COMMUNITY COLLEGE DISTRICT  
CORRECTIVE ACTION PLAN  
Year Ended June 30, 2015**

<u>Comment Number</u>	<u>Comment Title</u>	<u>Corrective Action Plan</u>	<u>Contact Person, Title, Phone Number</u>	<u>Anticipated Date of Completion</u>
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N/A