

WESTERN IOWA TECH COMMUNITY COLLEGE  
SIoux CITY, IOWA

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

JUNE 30, 2015

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WESTERN IOWA TECH COMMUNITY COLLEGE

OFFICIALS

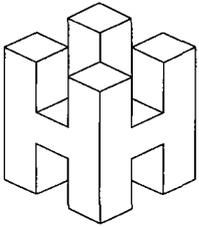
<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>Board of Directors</u> <u>(After September, 2014 Election)</u>		
Dr. Robert Rasmus	President	2015
Russell Wray	Vice President	2017
Deborah Cook	Member	2017
Derrick Franck	Member	2015
Curt Grigg	Member	2015
Michael Hunter	Member	2017
Neal Adler	Member	2017
William Lyle	Member	2015
Eldon Schroder	Member	2015

Board of Directors  
(Before September, 2014 Election)

Dr. Robert Rasmus	President	2015
Russell Wray	Vice President	2017
Deborah Cook	Member	2017
Derrick Franck	Member	2015
Curt Grigg	Member	2015
Michael Hunter	Member	2017
Neal Adler	Member	2017
William Lyle	Member	2015
Eldon Schroder	Member	2015

Community College

Dr. Terry Murrell	President
Troy A. Jasman	Vice President of Finance and Administrative Services
Brenda S. Bradley	Board Secretary/Treasurer and Dean of Quality and Human Resources



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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Western Iowa Tech Community College  
Sioux City, Iowa

**Report on the Financial Statements**

We have audited the accompanying financial statements of WESTERN IOWA TECH COMMUNITY COLLEGE, Sioux City, Iowa, and its discretely presented component unit as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. 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 conducted our audit in accordance with U.S. generally accepted auditing standards 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 the component unit were not audited in accordance with *Government Auditing Standards*.

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 Community College'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 Community College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Western Iowa Tech Community College and its discretely presented component unit 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 U.S. generally accepted accounting principles.

## Other Matters

### *Required Supplementary Information*

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Schedule of the Community College's proportionate share of the net pension liability, and the Schedule of Funding Progress for the Retiree Health Plan on pages 4-11 and 40-45 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 which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, 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 an opinion on the financial statements that collectively comprise Western Iowa Tech Community College's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2014, (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 11, including the schedule of expenditures of federal awards required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

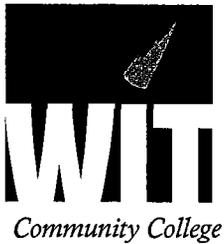
The supplementary information is the responsibility of Western Iowa Tech Community College's management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

*Huges, Cooney & Williams, P.C.*  
Certified Public Accountants

Sioux City, Iowa  
November 2, 2015



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

### FINANCIAL HIGHLIGHTS

- Operating revenues increased 2.4%, or \$619,650, from fiscal year 2014 (FY14). Tuition and fees net, federal appropriations, sales and services, Iowa Industrial New Jobs Training Program, and auxiliary enterprises revenues increased while miscellaneous revenues decreased.
- Operating expenses were 0.8%, or \$416,499, more in FY15 than in FY14. Vocational technical, adult education, administration, student services, general institution, auxiliary enterprises, workforce investment act and depreciation increased while liberal arts and sciences, cooperative services, learning resources, physical plant, scholarships and grants, and fundraising expenses decreased.
- Net non-operating revenue increased 0.6%, or \$177,216, from FY14 mainly due to an increase in state appropriations, property tax, gifts and grants, loss on sales of capital assets and interest on indebtedness offset by a decrease in Pell grant and earnings on investments.
- The Community College's net position decreased 4.0%, or \$1,880,101 from FY14.

### USING THIS ANNUAL REPORT

This 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 management's analytical overview of the Community College's financial activities.

The Basic Financial Statements consist of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and a Statement of Cash Flows. These provide information about the activities of the Community College as a whole and present an overall view of the Community College's finances.

Notes to the 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 Schedule of Funding Progress for the Retiree Health Plan.

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

■  
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■  
Cherokee Campus  
& Conference Center  
Denison Campus  
Le Mars Center  
Mapleton Center  
Sioux City Campus

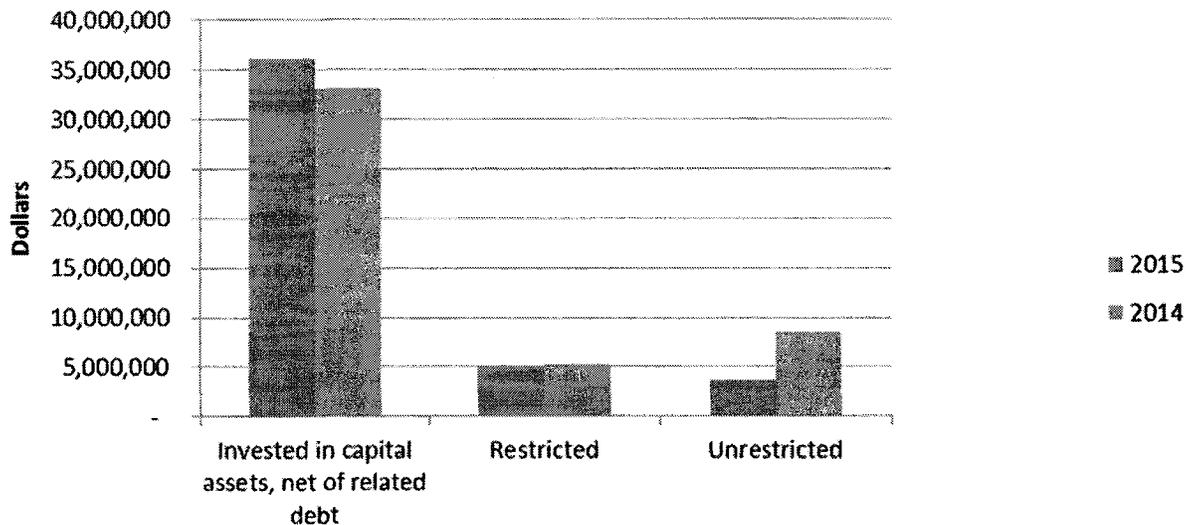
## REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES

### The Statement of Net Position

The Statement of Net Positions presents the assets, liabilities and net position of the Community College as a whole, as of June 30, 2015 which is the end of the fiscal year. 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 Community College to the readers of the financial statements. The Statement of Net Position includes year-end information concerning current and non-current assets, current and non-current liabilities and net position (assets less liabilities). Over time, readers of the financial statements will be able to determine the Community College's financial position by analyzing the increases and decreases in net position. This statement is also a good source for readers to determine how much the Community College owes to outside vendors and creditors. The statement also presents the available assets that can be used to satisfy those liabilities.

	<b>Net Position</b>	
	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Current assets	\$ 38,398,845	\$ 44,378,266
Non-current assets	<u>53,305,293</u>	<u>50,753,052</u>
Total assets	91,704,138	95,131,318
Deferred outflows of resources	<u>902,357</u>	<u>-</u>
Total assets and deferred outflows	<u>92,606,495</u>	<u>95,131,318</u>
Current liabilities	11,426,542	15,426,358
Non-current liabilities	<u>28,901,447</u>	<u>26,938,389</u>
Total liabilities	<u>40,327,989</u>	<u>42,364,747</u>
Deferred inflows of resources	7,331,900	5,939,864
Invested in capital assets, net of related debt	36,162,535	33,150,296
Restricted	5,118,656	5,238,120
Unrestricted	<u>3,665,415</u>	<u>8,438,291</u>
Total net position	<u>44,946,606</u>	<u>46,826,707</u>
Total liabilities, deferred inflows, and net position	<u>\$ 92,606,495</u>	<u>\$ 95,131,318</u>

## Comparison of Net Assets



The largest portion of the Community College's net position (81%) is invested in capital assets (e.g., land, buildings and equipment), less the related debt. The debt related to the capital assets is liquidated with resources other than capital assets. The restricted portion of the net position (11%) includes resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The remaining net position (8%) is the unrestricted net position which can be used to meet the Community College's obligations as they come due.

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment to GASB Statement No. 27 was implemented during fiscal year 2015. The beginning net position as of July 1, 2014 was restated by \$4,443,735 to retroactively report the net pension liability as of June 30, 2013 and deferred outflow 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 Community College, both operating and non-operating, and the expenses incurred by the Community College, both operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the Community College.

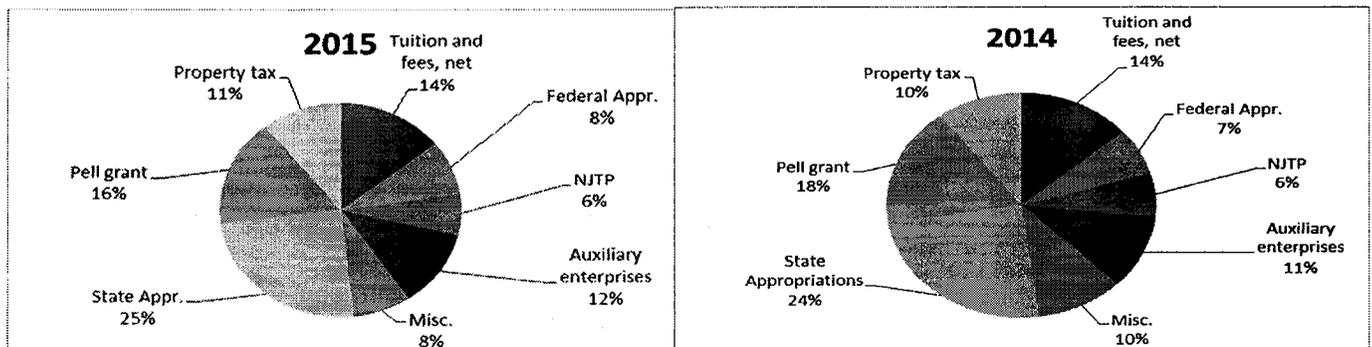
In general, a public community college, such as Western Iowa Tech Community College, will report an operating loss since the financial reporting model classifies state appropriations, Pell grants, and property tax as non-operating revenues. Operating revenues are received for providing goods and services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

### Change in Net Assets

	Year Ended June 30, 2015	Year Ended June 30, 2014
<b>Operating revenue:</b>		
Tuition and fees, net of scholarship allowances	\$ 7,925,764	\$ 7,388,174
Federal appropriations	4,440,985	3,592,430
Sales and services	137,712	132,312
Iowa Industrial New Job Training Program	3,411,647	3,389,613
Auxiliary Enterprises	6,488,985	5,824,393
Miscellaneous	3,896,780	5,355,301
Total operating revenue	26,301,873	25,682,223
 Total operating expenses	 51,082,842	 50,666,343
 Operating loss	 (24,780,969)	 (24,984,120)
<b>Non-operating revenue (expenses):</b>		
State appropriations	13,554,384	13,179,506
Pell grant	8,987,651	9,438,527
Property tax	5,866,373	5,524,254
Earnings on investments	58,222	81,331
Gifts and grants	219,294	72,751
Loss on sale of capital assets	(51,232)	(34,957)
Interest on Indebtedness	(741,263)	(545,199)
Net non-operating revenues	27,893,429	27,716,213
 Change in Net Position	 3,112,460	 2,732,093
Net position beginning of year	46,826,707	44,335,864
Prior period restatement - note 20	(4,992,561)	(241,250)
Net position beginning of year, as restated	41,834,146	44,094,614
 Net position end of year	 \$ 44,946,606	 \$ 46,826,707

The Statement of Revenues, Expenses and Changes in Net Position reflects a positive year with an increase in the net position at the end of the fiscal year.

### Total Revenues by Source



In fiscal year 2015, operating revenues increased \$619,650 or 2.4%. The increase was a result of the following changes:

Tuition and fees, net of scholarship allowances, increased \$537,590 due to a modest tuition fee increase.

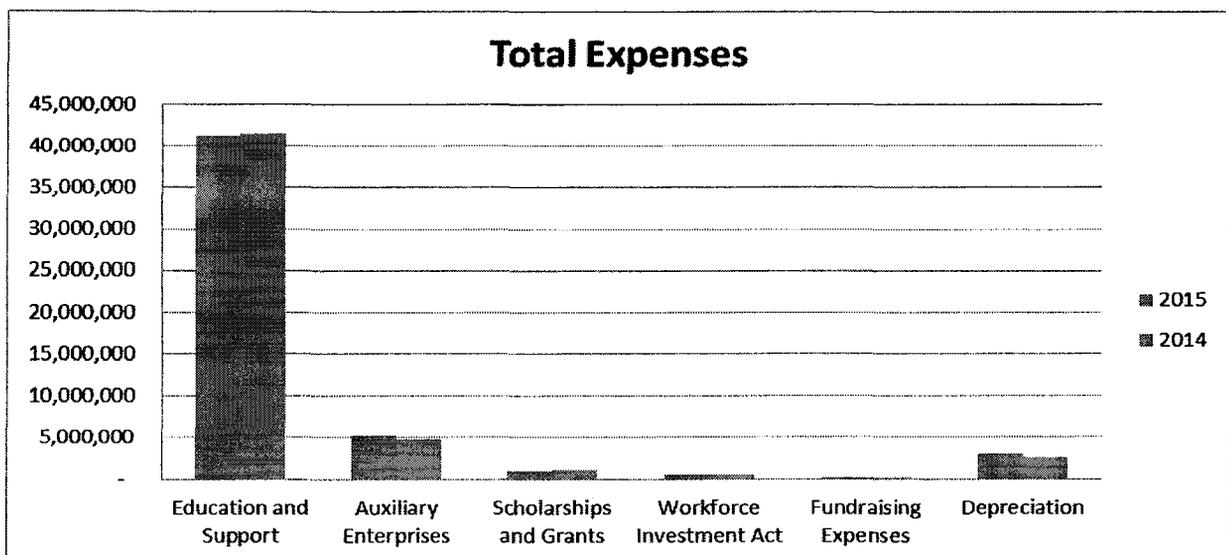
Federal revenues increased \$848,555 mainly due to new federal grants.

The Iowa Industrial New Jobs Training Program increased \$22,034 mainly due to having a larger bond issue than the previous year.

Auxiliary enterprises revenue increased \$664,592 due mostly to the additional dormitory housing unit, an increase in students purchasing books and supplies and increased cafeteria sales related to the new housing unit.

Miscellaneous revenues decreased \$1,458,521 due to the Iowa Industrial New Jobs Training Program. Additional information is presented in Note 15 to the financial statements.

	<b>Operating Expenses</b>	
	Year Ended	Year Ended
	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Education and Support:		
Liberal Arts and Sciences	\$ 4,320,931	\$ 4,366,976
Vocational Technical	9,401,633	9,221,315
Adult Education	2,829,933	2,596,005
Cooperative Services	5,076,412	6,372,184
Administration	2,011,406	1,991,180
Student Services	2,628,912	2,315,630
Learning Resources	259,421	276,631
Physical Plant	6,043,355	6,323,845
General Institution	8,661,080	8,024,382
Auxiliary Enterprises	5,213,149	4,864,556
Scholarships and Grants	970,467	1,115,027
Workforce Investment Act	538,130	488,786
Fundraising Expenses	39,024	44,735
Depreciation	3,088,989	2,665,091
<b>Total</b>	<b><u>\$ 51,082,842</u></b>	<b><u>\$ 50,666,343</u></b>



In fiscal year 2015, operating expenses increased \$416,499 or 0.8%. The following factors explain some of the changes:

Liberal arts and sciences, vocational technical and adult education, the three functions relating to student instruction, increased \$368,201. Cooperative Services decreased \$1,295,772 due to the Iowa Industrial New Jobs Training Program. General institution increased \$636,698. This increase is mainly attributable to new grants.

Auxiliary enterprises increased \$348,593 as a result of increased dormitory, food service and bookstore volume.

#### Statement of Cash Flows

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

	<b>Cash Flows</b>	
	Year Ended	Year Ended
	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Cash provided (used) by:		
Operating Activities	\$ (24,234,537)	\$ (23,564,541)
Non-capital Financing Activities	26,023,339	27,452,861
Capital and Related Financing Activities	(6,626,510)	(9,623,853)
Investing Activities	<u>58,223</u>	<u>81,331</u>
Net Increase (Decrease) in Cash	(4,779,485)	(5,654,202)
Cash and Cash Equivalents Beginning of Year	30,034,794	35,688,996
Cash at the end of the year	<u><u>\$ 25,255,309</u></u>	<u><u>\$ 30,034,794</u></u>

Cash used by operating activities includes tuition and fees, grants and contracts, Iowa Industrial New Jobs Training Program (NJTP), and auxiliary enterprise, net of payments to employees, suppliers and to NJTP recipients. Cash provided by non-capital financing activities includes state appropriations, Pell grant, local property tax received by the Community College and gifts and grants as well as agency fund receipts and disbursements. Cash used by capital and related financing activities represent the proceeds from debt, the principal and interest payments on debt and the purchase of capital assets. Cash used by investing activities includes investment income received as well as investment activities.

#### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

At June 30, 2015, the Community College had approximately \$52.2 million invested in capital assets, net of accumulated depreciation of \$39.0 million. Depreciation charges totaled \$3,088,989 for Fiscal Year 2015. Details of the capital assets are shown below.

**Capital Assets, at Year End**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Land	\$ 854,907	\$ 854,907
Buildings	46,782,252	45,653,068
Construction in Progress	936,993	205,276
Furniture and equipment	3,643,383	2,952,045
Total	<u>\$ 52,217,535</u>	<u>\$ 49,665,296</u>

Planned capital expenditures for the fiscal year to end June 30, 2016 and beyond includes the completion of Phase III of the Culinary Arts Program production kitchen and dining room to be completed for fall of 2015. Funding is from existing College resources. More detailed information about the Community College's capital assets is presented in Note 4 to the financial statements.

**DEBT**

At June 30, 2015, the Community College had \$26.5 million in debt outstanding, a decrease of \$2.8 million from 2014. The table below summarizes these amounts by type.

	<b>Outstanding Debt</b>	
	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Capital lease	\$ 43,770	\$ 114,119
NJTP certificates payable	10,390,000	12,700,000
Bonds payable	16,055,000	16,515,000
	<u>\$ 26,488,770</u>	<u>\$ 29,329,119</u>

More detailed information about the Community College's outstanding debt is presented in Note 7 to the financial statements.

The Community College called and redeemed \$2.32 million of NJTP certificates payable in September, 2014.

**ECONOMIC FACTORS**

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

State aid for fiscal year 2016 is expected to remain unchanged with no increase over the prior year. The flat funding was taken into consideration when building the fiscal year 2016 budget.

The College experienced an enrollment decrease for the fall of 2015 with a decrease in credit hours of approximately 4.25% from the previous fall semester. The College has adjusted expenditures to offset the revenue decrease.

Expenses will continue to increase. Costs associated with serving students will continue to increase. The increased cost of health insurance benefits continues to prove problematic in budgeting.

Facilities at the Community College will continue to require constant maintenance and upkeep.

Technology continues to expand and current technology becomes outdated presenting an ongoing challenge to maintain up-to-date technology at a reasonable cost. The College purchased laptop computers for all credit students for the fall 2015 semester. Funding is from existing sources as well as from increased technology fees assessed to students.

The Community College anticipates the current fiscal year will be much like the last and will maintain a close watch over resources to maintain the Community College's ability to react to unknown issues as well as the decrease in enrollment for the fall semester.

### **CONTACTING THE COMMUNITY COLLEGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our customers, taxpayers in the community college merged area and our creditors with a general overview of the Community College's finances and to demonstrate the Community College's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Western Iowa Tech Community College, 4647 Stone Avenue, Sioux City, Iowa 51106.



LIABILITIES AND NET POSITION

	<u>PRIMARY GOVERNMENT</u>	<u>COMPONENT UNIT</u>
<u>CURRENT LIABILITIES</u>		
Payables:		
Accounts	\$ 3,251,053	
Iowa Industrial New Jobs Training Program	1,237,544	
Salaries and Benefits Payable	1,260,441	\$ 4,507
Accrued Interest	59,767	
Early Retirement Payable - Note 17	40,643	
Advances from Others	2,506,005	
Compensated Absences	736,797	
Deposits Refundable	62,226	
Deposits Held in Custody for Others	138,296	
Current Portion of Capital Lease Obligation - Note 9	43,770	
Certificates Payable - Note 7	1,520,000	
Bonds Payable - Note 7	570,000	
Total Current Liabilities	<u>\$ 11,426,542</u>	<u>\$ 4,507</u>
<u>NONCURRENT LIABILITIES</u>		
Early Retirement Payable - Note 17	\$ 31,678	
Certificates Payable - Note 7	8,870,000	
Bonds Payable - Note 7	15,485,000	
Net Pension Liability - Note 10	3,678,200	
Net OPEB Liability - Note 12	836,569	
Total Noncurrent Liabilities	<u>\$ 28,901,447</u>	<u>\$ -</u>
Total Liabilities	\$ 40,327,989	\$ 4,507
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Unavailable Property Tax Revenue	\$ 5,929,141	
Pension Related Deferred Inflows - Note 10	1,402,759	
Total Deferred Inflows of Resources	<u>\$ 7,331,900</u>	<u>\$ -</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 36,162,535	
Restricted		
Nonexpendable:		
Scholarships and Grants		\$ 557,350
Expendable:		
Scholarships and Grants	726	1,906,254
Loans	216,024	
Debt Service	3,853,230	
Cash Reserve	678,851	
Other	369,825	283,163
Unrestricted	3,665,415	771,100
Total Net Position	<u>\$ 44,946,606</u>	<u>\$ 3,517,867</u>
Total Liabilities and Net Position	<u>\$ 92,606,495</u>	<u>\$ 3,522,374</u>

See Accompanying Notes to Financial Statements

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2015

	PRIMARY GOVERNMENT	COMPONENT UNIT
<u>OPERATING REVENUES</u>		
Tuition and Fees, Net of Scholarship Allowances of \$8,119,696	\$ 7,925,764	
Federal Appropriations	4,440,985	
Sales and Services	137,712	
Iowa Industrial New Jobs Training Program	3,411,647	
Auxiliary Enterprises Revenue	6,488,985	
Contributions and Pledges, Net of Doubtful Pledges of \$0	-	1,207,198
Miscellaneous	3,896,780	
Total Operating Revenues	\$ 26,301,873	\$ 1,207,198
<u>OPERATING EXPENSES</u>		
Education and Support:		
Liberal Arts and Sciences	\$ 4,320,931	
Vocational Technical	9,401,633	
Adult Education	2,829,933	
Cooperative Services	5,076,412	
Administration	2,011,406	
Student Services	2,628,912	
Learning Resources	259,421	
Physical Plant	6,043,355	
General Institution	8,661,080	
Auxiliary Enterprises	5,213,149	
Scholarships and Grants	970,467	
Workforce Investment Act	538,130	
Fundraising Expenses	39,024	150,901
Depreciation/Amortization	3,088,989	
Total Operating Expenses	\$ 51,082,842	\$ 150,901
Operating Income (Loss)	\$ (24,780,969)	\$ 1,056,297
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
State Appropriations	\$ 13,554,384	
Pell Grant	8,987,651	
Property Tax	5,866,373	
Earnings on Investments	58,222	130,175
Gifts and Grants	219,294	132,110
Scholarships to Western Iowa Tech Community College Students	-	(822,457)
Loss on Sale of Capital Assets	(51,232)	
Interest on Indebtedness	(741,263)	
Miscellaneous	-	(12,094)
Net Non-Operating Revenues	\$ 27,893,429	\$ (572,266)
Change in Net Position	\$ 3,112,460	\$ 484,031
Net Position Beginning of Year	46,826,707	3,033,836
Prior Period Adjustment - Note 20	(4,992,561)	-
Net Position Beginning of Year - Restated	41,834,146	3,033,836
Net Position End of Year	\$ 44,946,606	\$ 3,517,867

See Accompanying Notes to Financial Statements

STATEMENT OF CASH FLOWSFOR THE YEAR ENDED JUNE 30, 2015

	<u>PRIMARY GOVERNMENT</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Tuition and Fees	\$ 8,302,550
Federal Appropriations	4,296,548
Iowa Industrial New Jobs Training Program	3,411,647
Payments to Employees for Salaries and Benefits	(25,789,509)
Payments to Suppliers for Goods and Services	(17,504,883)
Payments to NJTP Recipients	(6,503,900)
Scholarships	(970,467)
Auxiliary Enterprise Receipts	6,488,985
Other Receipts	4,034,492
Net Cash (Used) by Operating Activities	<u>\$ (24,234,537)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>	
State Appropriations	\$ 13,554,384
Pell Grant	8,987,651
Property Tax	5,866,373
Gifts and Grants	159,294
Proceeds from Issuance of Debt	1,410,000
Principal Paid on Debt	(3,720,000)
Interest Paid on Debt	(287,243)
Agency Receipts	636,592
Agency Disbursements	(583,712)
Net Cash Provided by Non-Capital Financing Activities	<u>\$ 26,023,339</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Acquisition of Capital Assets	\$ (5,632,461)
Addition to Restricted Cash	(2)
Principal Paid on Debt	(530,349)
Interest Paid on Debt	(463,698)
Net Cash (Used) by Capital and Related Financing Activities	<u>\$ (6,626,510)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Gain on Investments	\$ 58,223
Net Cash Provided by Investing Activities	<u>\$ 58,223</u>
Net (Decrease) in Cash and Cash Equivalents	\$ (4,779,485)
Cash and Cash Equivalents - Beginning of Year	<u>30,034,794</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 25,255,309</u></u>

See Accompanying Notes to Financial Statements

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2015

PRIMARY  
GOVERNMENTRECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED)  
BY OPERATING ACTIVITIES

Operating (Loss)	\$ (24,780,969)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities:	
Depreciation/Amortization	\$ 3,088,989
(Increase) Decrease in:	
Receivables	1,023,883
Due from Other Governments	(144,437)
Prepaid Expenses	470,969
Inventories	(164,908)
Increase (Decrease) in:	
Accounts Payable	(681,615)
Payable for Cost of Iowa Industrial New Jobs Training Program	(2,292,141)
Salaries and Benefits Payable	62,696
Advances to Others	(647,097)
Early Retirement Payable	(56,526)
Compensated Absences	41,967
Deposits Refundable	8,126
Net Pension Liability	305,540
Other Postemployment Benefits	101,659
Deferred Inflows of Resources	(570,673)
Total Adjustments	\$ 546,432
Net Cash (Used) by Operating Activities	\$ (24,234,537)

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Western Iowa Tech Community College is a publicly supported school established and operated by Merged Area XII under the provisions of Chapter 260C of the Code of Iowa. Western Iowa Tech Community College offers programs of adult and continuing education, lifelong learning, community education and up to two years of liberal arts, pre-professional or occupational instruction partially fulfilling the requirements for a baccalaureate degree but confers no more than an associate degree. The Community College also offers up to two years of vocational or technical education, training or retraining to persons who are preparing to enter the labor market. Western Iowa Tech Community College maintains campuses in Sioux City, Cherokee, Denison, Mapleton, and LeMars, Iowa, and has its administrative offices in Sioux City, Iowa. Western Iowa Tech Community College is governed by a Board of Directors whose members are elected from each director district within Merged Area XII.

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

- A. Reporting Entity - For financial reporting purposes, Western Iowa Tech Community College has included all funds, organizations, agencies, boards, commissions and authorities. The Community College has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Community College are such that exclusion would cause the Community College's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Community College to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Community College.

These financial statements present Western Iowa Tech Community College (the primary government) and its component unit, Western Iowa Tech Community College Foundation. The component unit discussed below is included in the Community College's reporting entity because of the significance of its financial relationship with the Community College.

Discrete Component Unit - Western Iowa Tech Community College Foundation is a legally separate not-for-profit foundation. The Foundation was established for the purpose of providing support to the Community College and scholarships for its students. Although the Community College does not control the timing or amount of receipts from the Foundation, the resources held are used for the benefit of Western Iowa Tech Community College and its students.

The Foundation is a non-profit organization which reports under accounting standards established by the Financial Accounting Standards Board (FASB). The Foundation's financial statements were prepared in accordance with the provisions of FASB No. 117, *Financial Statements of Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the Community College's financial reporting for these differences. The Foundation reports net assets, which is equivalent to net position reported by the Community College.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.) B. Basis of Presentation - GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires resources to be classified for accounting and reporting purposes into the following net position categories/components:

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

Restricted Net Position:

Nonexpendable - Net position subject to externally imposed stipulations that they be maintained permanently by the Community College, including the Community College's permanent endowment funds. Western Iowa Tech has no nonexpendable restricted net position.

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

Unrestricted Net Position - Net position not subject to externally imposed situations. Resources may be designated for specific purposes by action of management or by the Board of 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 Community College.

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

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

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.) D. Assets, Liabilities, Deferred Inflows of Resources and Net Position

Cash, Cash Equivalents, Restricted Cash and Pooled Investments - Investments are stated at fair value except for non-negotiable certificates of deposit which are stated at cost.

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

Cash and Cash Equivalents that are externally restricted to make debt service payments, maintain sinking or reserved funds or to purchase or construct capital or other restricted assets, are classified as restricted.

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

Inventories - Inventories are valued at the lower of cost or market. Bookstore cost is determined using a percentage of retail (principally the first-in, first-out method). All other inventory costs are determined using the specific identification method. The cost is recorded as an expense at the time individual inventory items are consumed.

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

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

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

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.) Capital assets are defined by the Community College as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years:

<u>Assets</u>	<u>Amount</u>
Land, Buildings and Improvements .....	\$ 25,000
Intangible Assets .....	\$ 25,000
Equipment and Vehicles .....	\$ 5,000

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements .....	30
Equipment .....	5 - 10
Vehicles .....	5

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

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.

Payable for Iowa Industrial New Jobs Training Programs (NJTP) - This represents the amount that has been remitted to the Community College for training projects entered into between the Community College and employers under the provisions of Chapter 260E of the Code of Iowa. The payable amount is based on reimbursements received through June 30, 2015 on NJTP projects, less interest incurred on NJTP certificates and expenses incurred to date.

Salaries and Benefits Payable - Payroll and related expenses for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities, as have payroll and related expenses for the portion of June salaries paid in July.

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

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

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.)

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.

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 Enterprise Revenues - Auxiliary enterprise revenues primarily represent revenues generated by the bookstore, parts department, cafeteria, and dormitories.

Summer Session - The Community College operates summer sessions during May, June, and July. Revenues and expenses for the summer sessions are recorded in the appropriate fiscal year. Tuition and fees are allocated based on the course start date for all summer session student registrations as of the end of the fiscal year.

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

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

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

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.) F. 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. Accordingly, actual results could differ from those estimates.

Note 2 - CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS

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

The Community College is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of 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.

Included in the Community College's cash and pooled investments is \$10,605,198 which is restricted for specific purposes, such as the Iowa Industrial New Jobs Training Program.

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

Investments held by the Community College's component unit at June 30, 2015, are as follows:

Money Markets .....	\$ 24,567
Certificate of Deposit .....	100,981
Equity Securities .....	208,929
Corporate Bonds .....	52,205
Mutual Funds .....	<u>2,530,231</u>
	\$ <u>2,916,913</u>

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

Credit Risk - The Community college's component unit's investment in Money Market Funds has not been rated and the investment in open-end Mutual Funds is not exposed to custodial credit risk.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 2 - CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS

(Cont.) Concentration of Credit Risk - The Community College's policy is to diversify its investments by limiting investments in prime bankers acceptances or commercial paper to no more than 10% of its portfolio.

Note 3 - INVENTORIES

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

Bookstore (Merchandise Held for Resale) .....	\$ 1,052,986
Cafeteria (Supplies and Materials) .....	<u>28,759</u>
	\$ <u>1,081,745</u>

Note 4 - CAPITAL ASSETS

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

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
<b>Capital Assets Not Being Depreciated:</b>				
Land .....	\$ 854,907			\$ 854,907
Construction in Progress .....	<u>205,276</u>	\$ <u>936,993</u>	\$ <u>205,276</u>	<u>936,993</u>
Total Capital Assets Not Being Depreciated .....	\$ 1,060,183	\$ 936,993	\$ 205,276	\$ 1,791,900
<b>Capital Assets Being Depreciated:</b>				
Buildings and Other Structures ..	\$ 73,294,735	\$ 3,144,275		\$ 76,439,010
Furniture and Equipment .....	<u>11,508,448</u>	<u>1,810,964</u>	\$ <u>303,802</u>	<u>13,015,610</u>
Total Capital Assets Being Depreciated .....	\$ 84,803,183	\$ 4,955,239	\$ 303,802	\$ 89,454,620
<b>Less Accumulated Depreciation:</b>				
Buildings and Other Structures ..	\$ 27,641,667	\$ 2,015,091		\$ 29,656,758
Furniture and Equipment .....	<u>8,556,403</u>	<u>1,073,898</u>	\$ <u>258,074</u>	<u>9,372,227</u>
Total Accumulated Depreciation .....	\$ <u>36,198,070</u>	\$ <u>3,088,989</u>	\$ <u>258,074</u>	\$ <u>39,028,985</u>
Total Capital Assets Being Depreciated, Net .....	\$ <u>48,605,113</u>	\$ <u>1,866,250</u>	\$ <u>45,728</u>	\$ <u>50,425,635</u>
Capital Assets, Net .....	\$ <u>49,665,296</u>	\$ <u>2,803,243</u>	\$ <u>251,004</u>	\$ <u>52,217,535</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 5 - SECURITY INSTITUTE AGREEMENTS

Intergovernmental Agencies

In 2006, the Community College entered into an intergovernmental agreement to form a seven member commission to build and operate a tri-governmental security institute.

The purpose of the institute is to (1) establish the Regional Institute for Preparedness Agency, (2) through the Agency, to apply for grants and other funds from the State of Iowa which the State has made available for the construction of a new Regional Preparedness Building Facility on the Sioux City Campus of the College, (3) to provide space within the building for the purpose of conducting training classes for the first responders and other related training, (4) to provide space within the building to house the 911 emergency dispatching employees and equipment who operate under the control and direction of the Woodbury County Information and Communication Commission, (5) to provide space within the building to house the emergency operations center and its equipment, and (6) to establish joint operational guidelines and procedures for use of the building by the different entities who will occupy the building.

The building is owned by the Community College but subject to use by the City of Sioux City and Woodbury County as described above. The term of the above agreement and the existence of the commission is twenty years.

Third Party Agreements

In 2007, the Community College contracted with a third party to construct and finish a secure unit consisting of approximately 4,600 square feet of space on the lower level of the building described above. The \$2.0 million dollar cost to construct and finish the unit was paid by the third party, on behalf of the Community College. In turn, the Community College has agreed to allow exclusive use of this portion of the facility for an initial term of 10 years with options to extend the initial term for up to 5 additional 10 year renewal terms, which the company has exercised. At the end of the initial and all renewal terms, or on the 60<sup>th</sup> anniversary of the agreement, the Community College shall have the right and option to take control and exercise exclusive use of the Facility from the third party. The Community College, however, is the legal owner of the constructed space.

There are no payments as part of this agreement as the third party desires a backup server facility for their telecommunications and computer information systems data and the Community College is engaged in providing vocational education services to area students including networking, telecommunications, and information security. The Community College will take advantage of the educational opportunities to provide job training and instruction for its students through the shared use of equipment and technology in the facility area of the building in cooperation with the third party.

Note 6 - ANTICIPATORY WARRANTS

Anticipatory warrants are warrants which are legally drawn on Community College funds but are not paid for lack of funds, in accordance with Chapter 74 of the Code of Iowa. The warrants bear interest at rates in effect at the time the warrants are first presented for redemption.

During the year ended June 30, 2015, the Community College issued no anticipatory warrants.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 7 - CHANGES IN LONG-TERM LIABILITIES

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

	<u>Balance at</u> <u>06/30/14</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>06/30/15</u>	<u>Current</u> <u>Obligation</u>
Early Retirement Payable ....	\$ 128,847	-	\$( 56,526)	\$ 72,321	\$ 40,643
Capital Lease .....	114,119	-	( 70,349)	\$ 43,770	\$ 43,770
Certificates Payable .....	12,700,000	1,410,000	(3,720,000)	\$ 10,390,000	\$ 1,520,000
Bonds Payable .....	16,515,000	-	( 460,000)	\$ 16,055,000	\$ 570,000
Net Pension Liability .....	4,985,685	-	(1,307,485)	\$ 3,678,200	-
Net OPEB Liability .....	<u>734,910</u>	<u>197,101</u>	<u>( 95,442)</u>	<u>\$ 836,569</u>	<u>-</u>
	<u>\$ 35,178,561</u>	<u>\$ 1,607,101</u>	<u>\$( 5,709,802)</u>	<u>\$ 31,075,860</u>	<u>\$ 2,174,413</u>

Certificates Payable

In accordance with agreements dated between December 1, 1984 and June 30, 2015, the Community College issued certificates totaling \$51,815,000 with interest rates ranging from .45% to 9.8% per annum. The debt was incurred to fund the development and training costs related to implementing Chapter 260E of the Code of Iowa, Iowa Industrial New Jobs Training Program (NJTP). NJTP's purpose is to provide tax-aided training for employees of industries which are new to or are expanding their operations within the State of Iowa. Interest is payable semiannually, while principal payments are due annually. The certificates are to be retired by proceeds from anticipated job credits from withholding tax, incremental property tax, budgeted reserves and, in the case of default, from standby property tax.

The certificates will mature as follows:

<u>Years Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016 .....	\$ 1,520,000	\$ 257,307	\$ 1,777,307
2017 .....	1,490,000	229,516	1,719,516
2018 .....	1,485,000	197,636	1,682,636
2019 .....	1,485,000	161,543	1,646,543
2020 .....	1,335,000	122,178	1,457,178
2021 - 2025 .....	<u>3,075,000</u>	<u>177,475</u>	<u>3,252,475</u>
	<u>\$ 10,390,000</u>	<u>\$ 1,145,655</u>	<u>\$ 11,535,655</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 7 - CHANGES IN LONG-TERM LIABILITIES

(Cont.)

Bonds Payable

The Community College issued bonds dated February 1, 2008, for the purchase and construction of Bur Oak Suites as allowed by Section 260C.19 of the Code of Iowa. On May 29, 2013, the Community College issued bonds to refinance the 2008 issued bonds. As such, the Community College has pledged the related housing revenue to payment of the bonds.

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

<u>Year Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016 .....	0.80-0.85 %	\$ 570,000	\$ 140,727	\$ 710,727
2017 .....	0.75-1.00	580,000	136,078	716,078
2018 .....	1.10-1.25	585,000	130,495	715,495
2019 .....	1.25-1.50	590,000	123,369	713,369
2020 .....	1.55-1.65	600,000	114,775	714,775
2021-2025 .....	1.75-2.50	3,175,000	398,477	3,573,477
2026-2027 .....	2.50-3.00	<u>1,475,000</u>	<u>55,803</u>	<u>1,530,803</u>
		\$ <u>7,575,000</u>	\$ <u>1,099,724</u>	\$ <u>8,674,724</u>

The Community College issued bonds dated May 29, 2013, for the purchase and construction of Prairie Place as allowed by Section 260C.19 of the Code of Iowa. As such, the Community College has pledged the related housing revenue to payment of the bonds.

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

<u>Year Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016 .....	4.00 %		\$ 318,037	\$ 318,037
2017 .....	4.00		318,038	318,038
2018 .....	4.00		318,037	318,037
2019 .....	4.00		318,038	318,038
2020 .....	4.00		318,037	318,037
2021-2025 .....	4.00		1,590,188	1,590,188
2026-2030 .....	4.00	\$ 1,930,000	1,499,188	3,429,188
2031-2035 .....	3.5-4.0	3,870,000	899,687	4,769,687
2036-2038 .....	3.75	<u>2,680,000</u>	<u>178,500</u>	<u>2,858,500</u>
		\$ <u>8,480,000</u>	\$ <u>5,757,750</u>	\$ <u>14,237,750</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 8 - OPERATING LEASES

The Community College, as the operator of KWIT-KOJI FM Radio Station, leases tower and transmitter space to various other communications companies in the area. These leases have been classified as operating leases. The estimated minimum rent receipts for the duration of the leases are as follows:

<u>Years Ending</u> <u>June 30,</u>	<u>Amount</u>
2016 .....	\$ 37,531
2017 .....	1,216
2018 .....	-
2019 .....	-
2020 .....	-
2021 and Thereafter .....	<u>-</u>
	\$ <u>38,747</u>

The Community College has leased various pieces of office equipment, as well as various facilities within the area to house different divisions of the Community College. These leases have been classified as operating leases and accordingly, all rents are expensed as incurred. The leases expire between 2015 and 2021, and require various minimum annual rentals. Certain leases are renewable for additional periods. Some of the leases also require the payment of normal maintenance and insurance on the properties. In most cases, management expects that the leases will be renewed or replaced by other leases. The following is a schedule by year of future minimum rental payments required under operating leases which have initial or remaining non-cancelable lease terms in excess of one year, as of June 30, 2015:

<u>Years Ending</u> <u>June 30,</u>	<u>Amount</u>
2016 .....	\$ 65,363
2017 .....	38,580
2018 .....	30,705
2019 .....	28,080
2020 .....	24,810
2021 and Thereafter .....	<u>7,500</u>
	\$ <u>195,038</u>

Rent expenses for the year ended June 30, 2015, for all operating leases, except those with terms of a month or less which were not renewed, totaled \$83,169.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 9 - CAPITAL LEASE

The Community College is the lessee of equipment under two capital leases, one which expired in 2015 and another expiring in 2016. The assets and liabilities under the capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are depreciated over their productive life. Depreciation of assets under capital leases is included in depreciation expense. The following is a summary of property held under the capital lease:

Equipment .....	\$ 193,241
Less: Accumulated Depreciation .....	( <u>112,183</u> )
	\$ <u>81,058</u>

Future minimum lease payments under the capital lease, as of June 30, 2015, for each of the next five years and in the aggregate are:

<u>Years Ending</u> <u>June 30,</u>	<u>Amount</u>
2016 .....	\$ <u>44,451</u>
Total Future Minimum Lease Payments .....	\$ 44,451
Less: Amounts Representing Interest .....	( <u>681</u> )
Present Value of Net Future Minimum Lease Payments .....	\$ 43,770
Less: Current Obligation .....	<u>43,770</u>
Net Long-Term Obligation .....	\$ <u>-</u>

Payments under these agreements for the year ended June 30, 2015 totaled \$71,362.

Note 10 - IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IPERS)

Plan Description

Western Iowa Tech Community College contributes to the Iowa Public Employees Retirement System (IPERS). IPERS membership is mandatory for employees of the Community College except for those covered by another retirement system. Employees of the Community College are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by IPERS. IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive, P. O. Box 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](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.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 10 - IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IPERS)

(Cont.)

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 a member reaches 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.

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.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 10 - IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IPERS)

(Cont.) In fiscal years 2015 and 2014, 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 \$570,673.

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 \$3,678,200 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 0.090885%, which was an increase of 0.005912% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the College recognized pension expense of \$305,540. At June 30, 2015, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience .....	\$ 39,975	-
Changes of assumptions .....	162,327	-
Net difference between projected and actual earnings on pension plan investments .....	-	\$ 1,402,759
Changes in proportion and differences between Community College contributions and proportionate share of contributions .....	129,382	-
Community College contributions subsequent to the measurement date .....	<u>570,673</u>	<u>-</u>
Total	\$ <u>902,357</u>	\$ <u>1,402,759</u>

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 10 - IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IPERS)

(Cont.) The \$570,673 reported as deferred outflows of resources related to pensions resulting from the Community College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2016	\$( 273,194)
2017	( 273,194)
2018	( 273,194)
2019	( 273,194)
2020	21,701
Thereafter	-
	\$( <u>1,071,075</u> )

There are no non-employer contributing entities at IPERS.

Actuarial Assumptions

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

Rate of inflation (effective June 30, 2014)	3.00 percent 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)	7.50 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.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 10 - IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IPERS)

(Cont.)

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	<u>1</u>	( 0.69)
Total	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the College will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Community College's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the Community 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.

	1% Decrease <u>(6.5%)</u>	Discount Rate <u>(7.5%)</u>	1% Increase <u>(8.5%)</u>
Community College's proportionate share of the net pension liability...	\$6,949,855	\$3,678,200	\$916,584

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 10 - IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IPERS)

(Cont.) 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 \$38,790 for legally required employer contributions and \$25,845 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Note 11 - TEACHERS INSURANCE AND ANNUITY ASSOCIATION - COLLEGE RETIREMENT EQUITIES FUND (TIAA-CREF)

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

Benefit terms, including contribution requirements, for TIAA-CREF are established and specified by the contract with TIAA-CREF, and in accordance with the Code of Iowa. For each employee in the pension plan, the Community College is required to contribute 8.93 percent of annual salary, including overtime pay, to an individual employee account. Each employee is required to contribute 5.95 percent. Contributions made by both employer and employee vest immediately. For the year ended June 30, 2015, employee contributions totaled \$538,240 and the Community College recognized pension expense of \$807,812.

At June 30, 2015, the Community College reported payables to the defined contribution pension plan of \$51,129 for legally required employer contributions and \$34,067 for legally required employee contributions which had been withheld from employee wages but not yet remitted to TIAA-CREF.

Note 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description - The Community College operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. There are 199 active and 10 retired members in the plan. Retired participants must be age 55 or older at retirement. The plan does not issue a publicly available financial report.

The medical/prescription drug benefits are provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees, which results in an implicit subsidy and an OPEB liability.

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

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

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

Annual Required Contribution .....	\$ 228,087
Interest on Net OPEB Obligation .....	8,315
Adjustment to Annual Required Contribution .....	( 39,301)
Annual OPEB Cost .....	\$ 197,101
Contributions Made .....	( 95,442)
Increase in Net OPEB Obligation .....	\$ 101,659
Net OPEB Obligation Beginning of Year .....	\$ 734,910
Expected Net OPEB Obligation End of Year .....	\$ <u>836,569</u>

For calculation of the net OPEB obligation, the actuary has set the transition date as July 1, 2014. The end of 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, the Community College contributed \$95,442 to the medical plan. Plan members eligible for benefits contributed \$43,757 or 33% of the premium costs.

The Community College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2015 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	\$ 345,113	51.79%	\$ 568,697
June 30, 2014	\$ 315,563	47.33%	\$ 734,910
June 30, 2015	\$ 197,101	48.43%	\$ 836,569

Funded Status and Funding Progress - As of July 1, 2014, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was \$1,238,684, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,238,684. The covered payroll (annual payroll of active employees covered by the plan) was \$11,582,511 and the ratio of the UAAL to covered payroll was 10.7%. As of June 30, 2015, there were no trust fund assets.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

(Cont.) Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumption about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the section following the notes to financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

As of the July 1, 2014 actuarial valuation date, the frozen entry age actuarial cost method was used. The actuarial value of assets is to be equal to the fair market value of assets. The actuarial assumptions include a 2.50% investment return. The projected annual medical trend (inflation) rate is 6%.

Mortality rates are from the 94 Group Annuity Mortality Table, applied on a gender-specific basis. The UAAL is being amortized as a level dollar amount on an open basis over 30 years.

Note 13 - INSURANCE PROGRAM

The Community College is a member of the Insurance Management Program for Area Community Colleges (IMPACC), as allowed by Chapter 504A of the Code of Iowa. IMPACC (Program) is a group self-insurance program whose five members are Iowa Community Colleges. The Program was incorporated in May 1988 for the purpose of managing and funding insurance for its members. The Program provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, property and inland marine, wrongful acts and educators' legal liability, workers compensation and employer's liability, crime and employee fidelity, equipment breakdown (boiler and machinery), foreign liability and cyber liability. There have been no reductions in insurance coverage from prior years.

Each member's annual contributions to the Program fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Program's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year.

The Community College's contributions to the risk pool are recorded as prepaid expense from its operating funds at the time of payment. The Community College amortizes the expense over the periods for which the pool is expected to provide coverage.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 13 - INSURANCE PROGRAM

(Cont.)

The Program uses reinsurance 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. Excess insurance is \$800,000 per occurrence for property, general and automobile liability, \$900,000 per occurrence for educators' legal liability and \$250,000 per occurrence for workers compensation. For liability claims there is additional excess above that for another \$9,000,000 per occurrence. Property is insured with excess coverage over the self-insured retention and underlying layer of up to \$250,000,000 per occurrence. Flood and earthquake exposures are covered in the property program each having \$16,000,000 limits. Also covered is employee fidelity up to \$1,000,000 having a deductible of \$10,000 per member, boiler and machinery coverage up to \$100,000,000 with a deductible of \$10,000 per member loss, foreign travel coverage with limits of \$1,000,000, as well as identity theft protection up to \$1,000,000 aggregate per member with a deductible of \$25,000 per member loss. Stop gap loss protection is provided above the Program's loss fund.

The Program's intergovernmental contract with its members provides that in the event any claim or series of claims exceeds the amount of aggregate excess insurance, then payment of such claims shall be the obligation of the respective individual member. The Community College does not report a liability for losses in excess of reinsurance unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2015, no liability has been recorded in the Community College's financial statements. As of June 30, 2015, settled claims have not exceeded the Program's 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 By-laws, may withdraw from the Program. Upon withdrawal, payments for all claims and claims expenses for the years of membership continue until all claims for those years are settled.

Note 14 - RELATED ORGANIZATIONS

Western Iowa Tech Community College participates in the Friends of FM90, which is a related organization for which the Community College is not financially accountable and its relationship with the Community College is such that exclusion does not cause the Community College's financial statements to be misleading.

Significant financial data for Friends of FM90 for the year ended June 30, 2015, follows:

Total Assets .....	\$ 1,512,014
Total Liabilities .....	-
Total Net Assets .....	\$ 1,512,014
Total Revenues .....	\$ 131,456
Investment Gain .....	\$ 8,934
Total Expenses .....	\$ 7,941
Contributions to the Community College .....	\$ 145,552

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 15 - NEW JOBS TRAINING PROGRAMS

The Community College administers the Iowa Industrial New Jobs Training Program (NJTP) in Area XII in accordance with Chapter 260E of the Code of Iowa. NJTP's purpose is to provide tax-aided training or retraining for employees of industries which are new to or are expanding their operations within the State of Iowa. Certificates are sold by the Community College to fund approved projects and are to be retired by proceeds from anticipated jobs credits from withholding taxes, incremental property tax, budgeted reserves and in the case of default, from standby property tax. Since inception, the Community College has administered 135 projects with 36 currently receiving project funding. The remaining 99 projects have been completed and the certificates have been paid off.

Program parameters specify that the Community College is entitled to retain any interest earned by NJTP funds in excess of the amount required to provide training and retire the certificates. During the year ended June 30, 2015, the Community College did not recognize any miscellaneous revenue from excess interest.

Note 16 - IN-KIND CONTRIBUTIONS - KWIT-KOJI FM

Not included in the financial statements of the Community College are donated services for KWIT-KOJI FM Radio Station. The value of the in-kind contributions, calculated at estimated fair market value, was \$33,163 during the year ended June 30, 2015.

Note 17 - EARLY RETIREMENT PAYABLE

The early retirement payable reflected on the statement of net position represents the Community College's liability for remuneration and health insurance coverage for all employees who had accepted early retirement under a policy offered by the Community College. Early retirement is funded on a pay-as-you-go basis through property tax levies. The Community College's voluntary early retirement policy was terminated on June 30, 2011.

Note 18 - SEGMENT REPORTING

A segment is an identifiable activity reported as a stand-alone entity for which one or more revenue bond issues are outstanding. A segment has a specifically identifiable revenue stream pledged in support of revenue bonds and has related expenses, assets, and liabilities required by an external party to be accounted for separately. The Community College has one segment meeting the reporting requirements of GASB Statement No. 35. The segment is the Residence System. The Community College is required to present the following condensed statements: Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows for the segment.

Dormitory revenue bonds were issued for the construction of two residence halls. The bonds are payable from the net rents, profits and income derived from operation of the system. The primary source of revenue is dormitory room rental.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 18 - SEGMENT REPORTING  
(Cont.)

	<u>Residence</u> <u>System</u>
<u>Condensed Statement of Net Position</u>	
Assets:	
Current Assets .....	\$ 268,066
Noncurrent Assets .....	1,087,758
Capital Assets, Net of Accumulated Depreciation .....	<u>18,471,652</u>
Total Assets .....	<u>\$ 19,827,476</u>
Liabilities:	
Current Liabilities .....	\$ 670,508
Noncurrent Liabilities .....	<u>15,485,000</u>
Total Liabilities .....	<u>\$ 16,155,508</u>
Net Position:	
Net Investment in Capital Assets .....	\$ 2,416,652
Restricted .....	<u>1,255,316</u>
Total Net Position .....	<u>\$ 3,671,968</u>
<u>Condensed Statement of Revenues, Expenses and Changes in Net Position</u>	
Operating Revenue:	
Sales and Services .....	\$ 1,564,552
Operating Expenses .....	( 1,074,711)
Depreciation .....	( 686,323)
Operating Income .....	\$( 196,482)
Nonoperating Revenues (Expenses):	
Investment Income .....	\$ 347
Interest on Indebtedness .....	( 462,157)
Transfers In .....	<u>904,667</u>
Net Nonoperating Revenues (Expenses) .....	<u>\$ 442,857</u>
Change in Net Position .....	\$ 246,375
Net Position Beginning of Year .....	<u>\$ 3,425,593</u>
Net Position End of Year .....	<u>\$ 3,671,968</u>
<u>Condensed Statement of Cash Flows</u>	
Net Cash Provided by Operating Activities .....	\$ 1,383,745
Net Cash (Used) by Capital and Related Financing Sources .....	( 1,987,173)
Net Cash Provided by Investing Activities .....	<u>347</u>
Net Decrease in Cash and Cash Equivalents .....	\$( 603,081)
Cash and Cash Equivalents Beginning of Year .....	<u>868,437</u>
Cash and Cash Equivalents End of Year .....	<u>\$ 265,356</u>

Note 19 - COMMITMENTS AND CONTINGENCIES

The Community College had an outstanding commitment to purchase laptops for all credit students at June 30, 2015.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 19 - COMMITMENTS AND CONTINGENCIES

(Cont.) The Community College is currently involved in certain legal matters which are being defended and handled in the ordinary course of business. The liability, if any, associated with these matters is not determinable at June 30, 2015. The College's attorney and insurance carrier are defending the lawsuits, and it is the opinion of management that their resolution will not have a material effect on the Community College's financial position.

Note 20 - ACCOUNTING CHANGE/RESTATEMENT

During the fiscal year, the Community College determined the Iowa Industrial New Jobs Training Program and Workforce Investment Act payables were understated. Beginning net position was restated to reflect this change, as follows.

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.

Net position June 30, 2014, as previously reported	\$ 46,826,707
Understated payables related to Iowa New Jobs Training Program	( 545,120)
Understated payables related to Workforce Investment Act	( 3,706)
Net pension liability at June 30, 2014	( 4,985,685)
Deferred Outflows of Resources related to contributions made after the June 30, 2013 measurement date	<u>541,950</u>
Net position July 1, 2014, as restated	<u>\$ 41,834,146</u>

Note 21 - SUBSEQUENT EVENT

The Community College has evaluated all subsequent events through November 2, 2015, the date the financial statements were available to be issued.

WESTERN IOWA TECH COMMUNITY COLLEGE  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
IOWA PUBLIC EMPLOYEE'S RETIREMENT SYSTEM  
FISCAL YEAR 2015\*  
(IN THOUSANDS)  
REQUIRED SUPPLEMENTARY INFORMATION

	<u>2015</u>
College's proportion of the net pension liability .....	0.0908852 %
College's proportionate share of the net pension liability .....	\$ 3,678
College's covered-employee payroll .....	\$ 6,069
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll .....	60.61 %
Plan fiduciary net position as a percentage of the total pension liability .....	0.0908852 %

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

**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 Community College will present information for those years for which information is available.

WESTERN IOWA TECH COMMUNITY COLLEGE

SCHEDULE OF CONTRIBUTIONS

IOWA PUBLIC EMPLOYEE'S RETIREMENT SYSTEM

LAST 10 FISCAL YEARS

REQUIRED SUPPLEMENTARY INFORMATION

	<u>YEARS ENDED JUNE 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Statutorily required contribution	\$ 570,673	\$ 541,762	\$ 493,685	\$ 456,081
Contributions in relation to the statutorily required contribution	<u>\$ 570,673</u>	<u>\$ 541,762</u>	<u>\$ 493,685</u>	<u>\$ 456,081</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered-employee payroll	\$ 6,390,513	\$ 6,066,764	\$ 5,694,172	\$ 5,651,567
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.67%	8.07%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 401,431	\$ 347,581	\$ 337,763	\$ 300,382	\$ 248,145	\$ 264,096
<u>\$ 401,431</u>	<u>\$ 347,581</u>	<u>\$ 337,763</u>	<u>\$ 300,382</u>	<u>\$ 248,145</u>	<u>\$ 264,096</u>
<u>\$ -</u>					
\$ 5,775,991	\$ 5,226,782	\$ 5,319,100	\$ 4,964,987	\$ 4,315,572	\$ 4,592,975
6.95%	6.65%	6.35%	6.05%	5.75%	5.75%

See Accompanying Independent Auditors' Report

WESTERN IOWA TECH COMMUNITY COLLEGE

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.

WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY

YEAR ENDED JUNE 30, 2015

(Continued)

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

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

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

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

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

WESTERN IOWA TECH COMMUNITY COLLEGE

SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN  
(IN THOUSANDS)

REQUIRED SUPPLEMENTARY INFORMATION

<u>Year Ended</u> <u>June 30,</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b - a)</u>	<u>Funded Ratio (a / b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b - a) / c)</u>
2013	July 1, 2012	-	\$ 1,614	\$ 1,614	0.0%	10,964	14.7%
2014	July 1, 2012	-	\$ 1,614	\$ 1,614	0.0%	10,756	15.0%
2015	July 1, 2014	-	\$ 1,239	\$ 1,239	0.0%	11,583	10.7%

See Note 12 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

WESTERN IOWA TECH COMMUNITY COLLEGE

OTHER SUPPLEMENTARY INFORMATION

JUNE 30, 2015

Supplementary information of the Community College is presented on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, net position, revenue and expenditures. The various fund groups and their designated purposes are as follows:

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

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

The Auxiliary Enterprises subgroup accounts for activities which are intended to provide non-instructional services and sales to students, staff and/or institutional departments, and which are supplemental to the educational and general objectives of the Community College.

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

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

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

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

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

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

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

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

WESTERN IOWA TECH COMMUNITY COLLEGE

OTHER SUPPLEMENTARY INFORMATION

JUNE 30, 2015

(Continued)

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

The Community College has two individual fund deficits in the restricted fund group at June 30, 2015. These deficits are attributable to current and prior years' unexpected expenditures exceeding revenue. The Community College intends to eliminate these deficits with future revenues.

BUDGETARY COMPARISON SCHEDULE OF EXPENDITURESBUDGET TO ACTUALFOR THE YEAR ENDED JUNE 30, 2015

<u>Funds/Levy</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Between Actual and Budget</u>
Unrestricted	\$ 31,789,159	\$ 29,827,141	\$ 1,962,018
Restricted	\$ 18,050,000	\$ 10,797,238	\$ 7,252,762
Unemployment	53,536	16,215	37,321
Tort Liability	240,921	258,402	(17,481)
Insurance	1,441,852	1,275,488	166,364
Early Retirement	40,005	8,999	31,006
Equipment Replacement	688,516	676,478	12,038
Total Restricted	\$ 20,514,830	\$ 13,032,820	\$ 7,482,010
Plant	\$ 10,549,159	\$ 5,024,053	\$ 5,525,106
Total	<u>\$ 62,853,148</u>	<u>\$ 47,884,014</u>	<u>\$ 14,969,134</u>

NOTE TO BUDGETARY REPORTING

JUNE 30, 2015

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

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

The variance in the Unrestricted Fund is due to flattening enrollment and a continuing, concentrated effort by the Community College to reduce expenditures.

The variance in Restricted is due to the Community College administering fewer Iowa New Jobs Training Program projects than anticipated. The variance in Insurance is due to fewer claims than anticipated.

The variance in the Plant Fund is caused by fewer expenditures than anticipated for the Community College's building and remodeling projects.

WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF NET POSITION

JUNE 30, 2015

<u>ASSETS</u>	<u>Current Funds</u>		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Loan Funds</u>
Cash and Investments:			
Cash and Pooled Investments	\$ 10,393,928	\$ 10,339,343	\$ 215,024
Receivables:			
Accounts (Net of Allowance of \$1,028,385)	1,477,096	976,870	1,000
Property Tax	1,552,874	2,823,393	
Due from Other Funds	9,607,577	3,995,644	
Due from Other Governments	512,669	147,887	
Prepaid Expenditures	325,641	1,909,235	
Inventories	1,081,745		
Restricted Cash and Pooled Investments	1,037,758		
Capital Assets:			
Land			
Buildings and Other Structures			
Furniture and Equipment			
Construction in Process			
Accumulated Depreciation			
Total Assets	\$ 25,989,288	\$ 20,192,372	\$ 216,024
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension Related Deferred Outflows			
Total Assets and Deferred Outflows	<u>\$ 25,989,288</u>	<u>\$ 20,192,372</u>	<u>\$ 216,024</u>

SCHEDULE 2

<u>Unexpended</u>	<u>Plant Funds</u>		<u>Agency Funds</u>	<u>Adjustments</u>	<u>Total</u>
	<u>Retirement of Indebtedness</u>	<u>Investment in Plant</u>			
\$ 163,040	\$ 3,853,230		\$ 290,744		\$ 25,255,309
55,500			50,897		2,561,363
1,552,874					5,929,141
2,211,472			3,713	\$ (15,818,406)	-
			675,855		1,336,411
					2,234,876
					1,081,745
50,000					1,087,758
		\$ 854,907			854,907
		76,314,555		124,455	76,439,010
		13,015,610			13,015,610
		936,993			936,993
				(39,028,985)	(39,028,985)
<u>\$ 4,032,886</u>	<u>\$ 3,853,230</u>	<u>\$ 91,122,065</u>	<u>\$ 1,021,209</u>	<u>\$ (54,722,936)</u>	<u>\$ 91,704,138</u>
				902,357	902,357
<u>\$ 4,032,886</u>	<u>\$ 3,853,230</u>	<u>\$ 91,122,065</u>	<u>\$ 1,021,209</u>	<u>\$ (53,820,579)</u>	<u>\$ 92,606,495</u>

See Accompanying Independent Auditors' Report

WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF NET POSITION

JUNE 30, 2015

<u>LIABILITIES AND NET POSITION</u>	<u>Current Funds</u>		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Loan Funds</u>
<u>LIABILITIES</u>			
Payables:			
Accounts	\$ 1,822,152	\$ 472,051	
Iowa Industrial New Jobs Training Program		1,237,544	
Salaries and Benefits Payable	1,150,592	109,849	
Accrued Interest		21,442	
Due to Other Funds	8,700,757	1,730,447	
Advances from Others	194,134	2,132,399	
Early Retirement Payable		72,321	
Compensated Absences	583,273	153,524	
Deposits Refundable	62,226		
Deposits Held in Custody for Others			
Capital Lease Obligation			
Certificates Payable		10,390,000	
Bonds Payable			
Net Pension Liability			
Net OPEB Liability			
Total Liabilities	\$ 12,513,134	\$ 16,319,577	\$ -
 <u>DEFERRED INFLOWS OF RESOURCES</u>			
Succeeding Year Property Tax	\$ 1,552,874	\$ 2,823,393	
Pension Related Deferred Inflows			
Total Deferred Inflows	\$ 1,552,874	\$ 2,823,393	\$ -
 <u>NET POSITION</u>			
Net Investment in Capital Assets			
Restricted:			
Expendable:			
Scholarships and Grants		\$ 726	
Loans			\$ 216,024
Debt Service			
Cash Reserve		678,851	
Other		369,825	
Unrestricted	\$ 4,703,915		
Auxiliary Enterprises	7,219,365		
Total Net Position	\$ 11,923,280	\$ 1,049,402	\$ 216,024
Total Liabilities, Deferred Inflows, and Net Position	\$ 25,989,288	\$ 20,192,372	\$ 216,024

SCHEDULE 2  
(Cont.)

<u>Unexpended</u>	<u>Plant Funds</u>		<u>Agency Funds</u>	<u>Adjustments</u>	<u>Total</u>
	<u>Retirement of Indebtedness</u>	<u>Investment in Plant</u>			
\$ 933,972			\$ 22,878		\$ 3,251,053
					1,237,544
					1,260,441
38,325					59,767
4,706,639			680,563	\$ (15,818,406)	-
			179,472		2,506,005
					72,321
					736,797
					62,226
			138,296		138,296
43,770					43,770
					10,390,000
		\$ 16,055,000			16,055,000
				3,678,200	3,678,200
				836,569	836,569
<u>\$ 5,722,706</u>	<u>\$ -</u>	<u>\$ 16,055,000</u>	<u>\$ 1,021,209</u>	<u>\$ (11,303,637)</u>	<u>\$ 40,327,989</u>
\$ 1,552,874					\$ 5,929,141
				\$ 1,402,759	1,402,759
<u>\$ 1,552,874</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,402,759</u>	<u>\$ 7,331,900</u>
		\$ 75,067,065		\$ (38,904,530)	\$ 36,162,535
					726
					216,024
	\$ 3,853,230				3,853,230
					678,851
					369,825
<u>\$(3,242,694)</u>				<u>(5,015,171)</u>	<u>(3,553,950)</u>
					7,219,365
<u>\$(3,242,694)</u>	<u>\$ 3,853,230</u>	<u>\$ 75,067,065</u>	<u>\$ -</u>	<u>\$ (43,919,701)</u>	<u>\$ 44,946,606</u>
<u>\$ 4,032,886</u>	<u>\$ 3,853,230</u>	<u>\$ 91,122,065</u>	<u>\$ 1,021,209</u>	<u>\$ (53,820,579)</u>	<u>\$ 92,606,495</u>

See Accompanying Independent Auditors' Report

WESTERN IOWA TECH COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2015

<u>REVENUES</u>	<u>Current Funds</u>		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Loan Funds</u>
<b>General:</b>			
State Appropriations	\$ 11,209,112	\$ 2,324,043	
Tuition and Fees	16,045,310	150	
Property Tax	1,524,063	2,818,247	
Federal Appropriations	127,296	13,301,340	
Sales and Services	137,712		
Earnings on Investments	29,817	9,961	\$ 443
Iowa Industrial New Jobs Training Program		3,411,647	
Increase in Plant Investment Due to Plant Expenditures (Including \$1,639,761 in Current Fund Expenditures)			
Increase in Plant Investment Due to Retirement of Debt			
Miscellaneous	2,242,500	1,645,725	8,555
Gifts and Grants			
Loss on Disposal of Capital Assets			
	<u>\$ 31,315,810</u>	<u>\$ 23,511,113</u>	<u>\$ 8,998</u>
<b>Auxiliary Enterprises:</b>			
Federal Appropriations	\$ 662		
Sales and Services	6,424,601		
Interest on Investments	24		
Miscellaneous	63,698		
	<u>\$ 6,488,985</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Revenues</b>	<b>\$ 37,804,795</b>	<b>\$ 23,511,113</b>	<b>\$ 8,998</b>
<u>EXPENDITURES</u>			
<b>Education and Support:</b>			
Liberal Arts and Sciences	\$ 4,353,239	\$ 1,124	
Vocational Technical	8,382,254	2,661,162	
Adult Education	1,909,890	1,233,745	
Cooperative Services	369,006	4,709,729	
Administration	2,023,250	-	
Student Services	2,646,296	-	
Learning Resources	267,903	-	
Physical Plant	3,402,919	1,492,849	
General Institution	6,472,384	2,118,238	
	<u>\$ 29,827,141</u>	<u>\$ 12,216,847</u>	<u>\$ -</u>
<b>Total Education and Support</b>	<b>\$ 29,827,141</b>	<b>\$ 12,216,847</b>	<b>\$ -</b>

SCHEDULE 3

Unexpended	Plant Funds		Adjustments	Total
	Retirement of Indebtedness	Investment in Plant		
\$ 21,229				\$ 13,554,384
1,524,063			\$ (8,119,696)	7,925,764
				5,866,373
				13,428,636
				137,712
	\$ 18,001			58,222
				3,411,647
		\$ 10,655,126	(10,655,126)	-
		460,000	(460,000)	-
		60,000		3,896,780
159,294				219,294
			(51,232)	(51,232)
\$ 1,704,586	\$ 18,001	\$ 11,175,126	\$ (19,286,054)	\$ 48,447,580
				\$ 662
				6,424,601
				24
				63,698
\$ -	\$ -	\$ -	\$ -	\$ 6,488,985
\$ 1,704,586	\$ 18,001	\$ 11,175,126	\$ (19,286,054)	\$ 54,936,565
			\$ (33,432)	\$ 4,320,931
			(1,641,783)	9,401,633
			(313,702)	2,829,933
			(2,323)	5,076,412
			(11,844)	2,011,406
			(17,384)	2,628,912
			(8,482)	259,421
\$ 799,718		\$ 5,152,625	(4,804,756)	6,043,355
			109,482	8,700,104
\$ 799,718	\$ -	\$ 5,152,625	\$ (6,724,224)	\$ 41,272,107

See Accompanying Independent Auditors' Report

WESTERN IOWA TECH COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Current Funds</u>		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Loan Funds</u>
<u>EXPENDITURES</u> - (Continued)			
Auxiliary Enterprises	\$ 5,213,149		
Scholarships and Grants		\$ 9,090,163	
Workforce Investment Act		538,130	
Bad Debts and Collection Costs			
Plant Asset Acquisitions			
Retirement of Indebtedness			
Disposal of Plant Assets			
Interest on Indebtedness		277,843	
Depreciation			
	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Deductions	\$ 35,040,290	\$ 22,122,983	\$ -
Excess (Deficiency) of Revenues and Other Additions Over Expenditures and Other Deductions	\$ 2,764,505	\$ 1,388,130	\$ 8,998
<u>TRANSFERS</u>			
Mandatory Transfers	\$ (462,157)		
Non-Mandatory Transfers	(1,126,692)	\$ (1,312,487)	
	<hr/>	<hr/>	<hr/>
Net	\$ 1,175,656	\$ 75,643	\$ 8,998
Net Position (Deficit) Beginning of Year	10,747,624	1,522,585	207,026
Prior Period Restatement - Note 20	-	(548,826)	-
	<hr/>	<hr/>	<hr/>
Net Position (Deficit) Beginning of Year - Restated	10,747,624	973,759	207,026
	<hr/>	<hr/>	<hr/>
Net Position (Deficit) End of Year	<u>\$ 11,923,280</u>	<u>\$ 1,049,402</u>	<u>\$ 216,024</u>

SCHEDULE 3  
(Cont.)

<u>Unexpended</u>	<u>Plant Funds</u>		<u>Adjustments</u>	<u>Total</u>
	<u>Retirement of Indebtedness</u>	<u>Investment in Plant</u>		
				\$ 5,213,149
			\$ (8,119,696)	970,467
				538,130
				-
\$ 4,224,335			(4,224,335)	-
	\$ 460,000		(460,000)	-
		\$ 303,802	(303,802)	-
	463,420			741,263
			3,088,989	3,088,989
<u>\$ 5,024,053</u>	<u>\$ 923,420</u>	<u>\$ 5,456,427</u>	<u>\$ (16,743,068)</u>	<u>\$ 51,824,105</u>
\$ (3,319,467)	\$ (905,419)	\$ 5,718,699	\$ (2,542,986)	\$ 3,112,460
				\$ (462,157)
\$ 2,386,106	\$ 515,230			462,157
\$ (933,361)	\$ (390,189)	\$ 5,718,699	\$ (2,542,986)	\$ 3,112,460
(2,309,333)	4,243,419	69,348,366	(36,932,980)	46,826,707
-	-	-	(4,443,735)	(4,992,561)
<u>(2,309,333)</u>	<u>4,243,419</u>	<u>69,348,366</u>	<u>(41,376,715)</u>	<u>41,834,146</u>
<u>\$ (3,242,694)</u>	<u>\$ 3,853,230</u>	<u>\$ 75,067,065</u>	<u>\$ (43,919,701)</u>	<u>\$ 44,946,606</u>

See Accompanying Independent Auditors' Report

WESTERN IOWA TECH COMMUNITY COLLEGE

UNRESTRICTED FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION

EDUCATION AND SUPPORT

FOR THE 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>
<u>REVENUES</u>				
State Appropriations				
Tuition and Fees	\$ 7,655,628	\$ 6,067,650	\$ 1,459,520	\$ 398,637
Property Tax				
Federal Appropriations	13,468	28,459	214	
Sales and Services			4,425	33,341
Interest on Indebtedness				
Miscellaneous	165	12,462	271,654	325,465
<b>Total Revenues</b>	<b>\$ 7,669,261</b>	<b>\$ 6,108,571</b>	<b>\$ 1,735,813</b>	<b>\$ 757,443</b>
<u>EXPENDITURES</u>				
Salaries and Benefits	\$ 4,236,177	\$ 6,836,911	\$ 1,377,285	\$ 304,794
Services	78,191	524,916	240,320	18,560
Materials and Supplies	31,478	663,311	170,942	37,739
Plant Asset Acquisitions		37,556	3,390	
Travel	7,393	46,571	77,528	7,913
Collection Costs		272,989	40,425	
Awards to Subrecipients				
<b>Total Expenditures</b>	<b>\$ 4,353,239</b>	<b>\$ 8,382,254</b>	<b>\$ 1,909,890</b>	<b>\$ 369,006</b>
Excess of Revenues Over (Under)				
Expenditures	\$ 3,316,022	\$ (2,273,683)	\$ (174,077)	\$ 388,437
<u>TRANSFERS</u>				
Non-Mandatory Transfers	(240,243)	(507,899)	448,820	
<b>Net</b>	<b>\$ 3,075,779</b>	<b>\$ (2,781,582)</b>	<b>\$ 274,743</b>	<b>\$ 388,437</b>

Net Position Beginning of Year

Net Position End of Year

Support					
General Administration	Student Services	Learning Resources	Physical Plant	General Institution	Education and Support Total
\$ 10,837,858			\$ 24,500	\$ 346,754	\$ 11,209,112
3,752	\$ 460,123				16,045,310
			1,524,063		1,524,063
6,804	58,777	\$ 6,786		12,788	127,296
	43,069		17,424	39,453	137,712
29,817					29,817
467,017	55,804	273	135,407	974,253	2,242,500
\$ 11,345,248	\$ 617,773	\$ 7,059	\$ 1,701,394	\$ 1,373,248	\$ 31,315,810
\$ 1,553,014	\$ 2,279,421	\$ 156,811	\$ 1,077,979	\$ 3,613,079	\$ 21,435,471
386,088	233,877	18,063	1,596,942	2,288,078	5,385,035
17,497	97,756	85,743	724,485	455,860	2,284,811
		7,286		35,717	83,949
67,383	35,242		3,513	72,259	317,802
(732)					312,682
				7,391	7,391
\$ 2,023,250	\$ 2,646,296	\$ 267,903	\$ 3,402,919	\$ 6,472,384	\$ 29,827,141
\$ 9,321,998	\$ (2,028,523)	\$ (260,844)	\$ (1,701,525)	\$ (5,099,136)	1,488,669
(22)	(25,004)	(68)	(1,125,000)	7,172	(1,442,244)
\$ 9,321,976	\$ (2,053,527)	\$ (260,912)	\$ (2,826,525)	\$ (5,091,964)	\$ 46,425
					4,657,490
					\$ 4,703,915

See Accompanying Independent Auditors' Report

WESTERN IOWA TECH COMMUNITY COLLEGE

UNRESTRICTED FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION

AUXILIARY ENTERPRISES

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Bookstore</u>	<u>Parts Department</u>	<u>Cafeteria</u>
<u>REVENUES</u>			
Federal Appropriations			
Sales and Services	\$ 3,423,461	\$ 195,382	\$ 1,152,378
Interest on Indebtedness			
Miscellaneous			13,701
	<hr/>	<hr/>	<hr/>
Total Revenues	\$ 3,423,461	\$ 195,382	\$ 1,166,079
 <u>EXPENDITURES</u>			
Salaries and Benefits	\$ 236,555	\$ 17,719	\$ 155,269
Services	33,885		244,237
Materials and Supplies	22,747	28	16,901
Plant			
Travel			385
Cost of Goods Sold	2,498,502	194,009	631,779
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 2,791,689	\$ 211,756	\$ 1,048,571
Excess (Deficiency) of Revenues Over Expenditures	\$ 631,772	\$ (16,374)	\$ 117,508
 <u>TRANSFERS</u>			
Mandatory Transfers			
Non-Mandatory Transfers			
	<hr/>	<hr/>	<hr/>
Net	\$ 631,772	\$ (16,374)	\$ 117,508
Net Position Beginning of Year	3,917,301	4,090	260,822
	<hr/>	<hr/>	<hr/>
Net Position End of Year	<u>\$ 4,549,073</u>	<u>\$ (12,284)</u>	<u>\$ 378,330</u>

SCHEDULE 5

Vocational Servicing Accounts	Dormitories	Other	Total
	\$ 662		\$ 662
	1,540,028	\$ 113,352	6,424,601
	3	21	24
\$ 9,050	23,849	17,098	63,698
\$ 9,050	\$ 1,564,542	\$ 130,471	\$ 6,488,985
	\$ 298,631	\$ 2,045	\$ 710,219
	327,462	53,965	659,549
\$ 8,282	318,516	123,508	489,982
24,731			24,731
	2,496	1,497	4,378
			3,324,290
\$ 33,013	\$ 947,105	\$ 181,015	\$ 5,213,149
\$ (23,963)	\$ 617,437	\$ (50,544)	\$ 1,275,836
	(462,157)		(462,157)
50,214		265,338	315,552
\$ 26,251	\$ 155,280	\$ 214,794	\$ 1,129,231
5,695	881,028	1,021,198	6,090,134
\$ 31,946	\$ 1,036,308	\$ 1,235,992	\$ 7,219,365

See Accompanying Independent Auditors' Report

WESTERN IOWA TECH COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION

RESTRICTED FUND

FOR THE YEAR ENDED JUNE 30, 2015

	Scholarship and Grants	Equipment Replacement	Cash Reserve
<u>REVENUES</u>			
State Appropriations			
Tuition and Fees			
Property Tax		\$ 677,359	
Federal Appropriations	\$ 9,090,163		
Earnings on Investments	47		
Iowa Industrial New Jobs Training Program			
Miscellaneous			
Total Revenues	\$ 9,090,210	\$ 677,359	\$ -
 <u>EXPENDITURES</u>			
Salaries and Benefits			
Services			
Materials and Supplies			
Plant Asset Acquisitions		\$ 676,478	
Travel			
Interest on Indebtedness			
Awards to Subrecipients			
Federal Pell Grant Program	\$ 8,987,651		
Federal Supplemental Educational Opportunity Grant (FSEOG)	102,512		
Total Expenditures	\$ 9,090,163	\$ 676,478	\$ -
Excess (Deficiency) of Revenues Over Expenditures	\$ 47	\$ 881	\$ -
 <u>TRANSFERS</u>			
Non-Mandatory Transfers			
Net	\$ 47	\$ 881	\$ -
Net Position (Deficit) Beginning of Year - Restated	679	427,504	678,851
Net Position (Deficit) End of Year	\$ 726	\$ 428,385	\$ 678,851

Tort Liability	Insurance	Unemployment Compensation	Early Retirement	TRiO	Workforce Investment Act	Iowa Industrial New Jobs Training Program	ACE Infrastructure	Title III	Health Simulation Grant	Other	Total
							\$ 400,000			\$ 1,924,043 150	\$ 2,324,043 150
\$ 221,943	\$ 1,719,688	\$ 82,439	\$ 116,818	\$ 1,022,053	\$ 538,130			\$ 1,169,614	\$ 270,900	1,210,480	2,818,247
				11,665		\$ 9,914 3,411,647 1,078,746		9		555,305	13,301,340 9,961 3,411,647 1,645,725
\$ 221,943	\$ 1,719,688	\$ 82,439	\$ 116,818	\$ 1,033,718	\$ 538,130	\$ 4,500,307	\$ 400,000	\$ 1,169,623	\$ 270,900	\$ 3,689,978	\$ 23,511,113
\$ 258,402	\$ 41,041 1,234,447	\$ 16,215	\$ 8,999	\$ 791,528 83,380 48,933	\$ 367,201 51,274 16,349	\$ 4,211,759		\$ 524,373 158,414 404,643	\$ 8,034 262,866	\$ 1,942,599 292,513 389,810	\$ 3,691,956 6,290,189 867,769
				15,390	12,175	277,843		69,472 12,721		522,265 90,174	1,531,081 130,460
				30,820	91,131					121,571	277,843 243,522 8,987,651
											102,512
\$ 258,402	\$ 1,275,488	\$ 16,215	\$ 8,999	\$ 970,051	\$ 538,130	\$ 4,489,602	\$ -	\$ 1,169,623	\$ 270,900	\$ 3,358,932	\$ 22,122,983
\$ (36,459)	\$ 444,200	\$ 66,224	\$ 107,819	\$ 63,667	\$ -	\$ 10,705	400,000	\$ -	\$ -	\$ 331,046	\$ 1,388,130
				(63,667)			(800,000)			(448,820)	(1,312,487)
\$ (36,459)	\$ 444,200	\$ 66,224	\$ 107,819	\$ -	\$ -	\$ 10,705	(400,000)	\$ -	\$ -	\$ (117,774)	\$ 75,643
14,640	(646,254)	(9,152)	(17,152)	-	1,705	-	400,000	-	-	122,938	973,759
\$ (21,819)	\$ (202,054)	\$ 57,072	\$ 90,667	\$ -	\$ 1,705	\$ 10,705	\$ -	\$ -	\$ -	\$ 5,164	\$ 1,049,402

See Accompanying Independent Auditors' Report

SCHEDULE OF CHANGES IN DEPOSITS HELD IN CUSTODY FOR OTHERSAGENCY FUNDSFOR THE YEAR ENDED JUNE 30, 2015

	<u>Retraining Grants</u>	<u>Other</u>	<u>Total</u>
Balance Beginning of Year	\$ 2	\$ 85,414	\$ 85,416
<u>ADDITIONS</u>			
State Appropriations	\$ 111,392		\$ 111,392
Tuition and Fees		\$ 77,002	77,002
Earnings on Investments		1	1
Miscellaneous		448,197	448,197
Total Additions	\$ 111,392	\$ 525,200	\$ 636,592
<u>DEDUCTIONS</u>			
Services	\$ 111,392	\$ 60,241	\$ 171,633
Materials and Supplies		150,938	150,938
Plant Asset Acquisitions		5,000	5,000
Travel		256,141	256,141
Total Deductions	\$ 111,392	\$ 472,320	\$ 583,712
Net	\$ -	\$ 52,880	\$ 52,880
Balance End of Year	<u>\$ 2</u>	<u>\$ 138,294</u>	<u>\$ 138,296</u>

SCHEDULE OF CREDIT AND CONTACT HOURSFOR THE 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	58,916		58,916	1,031,468		1,031,468
Vocational Education	54,064		54,064	1,151,946		1,151,946
Adult Education/ Continuing Education			-	456,733	31,175	487,908
Cooperative Programs/ Services			-			-
Related Services and Activities			-			-
Total	<u>112,980</u>	<u>-</u>	<u>112,980</u>	<u>2,640,147</u>	<u>31,175</u>	<u>2,671,322</u>

WESTERN IOWA TECH COMMUNITY COLLEGE  
SCHEDULE OF TAX 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>
Local (Property Tax)	\$ 5,866,373	\$ 5,524,254	\$ 5,522,076	\$ 5,206,420
State	13,554,384	13,179,506	11,353,767	9,965,396
Federal	<u>13,429,298</u>	<u>13,039,049</u>	<u>13,033,739</u>	<u>17,016,433</u>
Total	<u>\$ 32,850,055</u>	<u>\$ 31,742,809</u>	<u>\$ 29,909,582</u>	<u>\$ 32,188,249</u>

SCHEDULE 9

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 5,208,564	\$ 4,995,062	\$ 4,796,578	\$ 4,116,197	\$ 3,916,092	\$ 3,698,263
9,924,624	9,497,293	12,771,514	10,709,902	9,921,957	9,270,872
<u>20,230,794</u>	<u>17,208,782</u>	<u>10,076,967</u>	<u>8,524,100</u>	<u>7,935,290</u>	<u>7,086,963</u>
<u>\$ 35,363,982</u>	<u>\$ 31,701,137</u>	<u>\$ 27,645,059</u>	<u>\$ 23,350,199</u>	<u>\$ 21,773,339</u>	<u>\$ 20,056,098</u>

See Accompanying Independent Auditors' Report

WESTERN IOWA TECH COMMUNITY COLLEGE

SCHEDULE OF CURRENT FUND REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION

FOR THE LAST TEN YEARS

	<u>YEARS ENDED JUNE 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b><u>REVENUES</u></b>				
State Appropriations	13,533,155	13,179,506	11,077,810	9,908,636
Tuitions and Fees	16,045,460	15,797,833	16,407,048	17,188,413
Property Tax	4,342,310	4,058,867	4,085,679	3,853,512
Federal Appropriations	13,429,298	13,039,049	13,033,739	17,016,433
Sales and Services	137,712	132,312	159,567	140,381
Earnings on Investments	39,802	47,737	53,587	65,207
Iowa Industrial New Jobs				
Training Program	3,411,647	3,389,613	1,997,450	2,592,414
Auxiliary Enterprises	6,488,299	5,816,281	6,058,838	6,357,700
Miscellaneous	3,888,225	5,348,426	2,754,829	3,555,971
Total Revenues	<u>\$ 61,315,908</u>	<u>\$ 60,809,624</u>	<u>\$ 55,628,547</u>	<u>\$ 60,678,667</u>
<b><u>EXPENDITURES</u></b>				
Liberal Arts and Sciences	4,354,363	4,341,449	4,370,310	4,271,045
Vocational Technical	11,043,416	9,732,433	9,308,953	10,275,357
Adult Education	3,143,635	2,707,034	2,671,558	2,434,069
Cooperative Services	5,078,735	6,369,802	2,619,474	4,155,735
Administration	2,023,250	1,985,641	1,761,874	1,912,796
Student Services	2,646,296	2,317,397	2,199,048	2,082,469
Learning Resources	267,903	287,538	295,929	343,138
Physical Plant	4,895,768	5,202,221	4,865,277	4,510,974
General Institution	8,590,622	8,098,744	7,381,213	8,064,558
Auxiliary Enterprises	5,213,149	4,864,556	5,245,205	5,005,179
Scholarships and Grants	9,090,163	9,524,686	10,201,726	11,196,454
Workforce Investment Act	538,130	488,786	674,457	1,640,182
Interest on Indebtedness	277,843	396,825	447,503	481,922
Total Expenditures	<u>\$ 57,163,273</u>	<u>\$ 56,317,112</u>	<u>\$ 52,042,527</u>	<u>\$ 56,373,878</u>

SCHEDULE 10

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
9,810,044	9,497,293	12,656,445	10,559,746	9,754,187	9,155,272
17,294,197	15,370,565	12,264,649	11,100,584	10,834,157	10,800,821
3,918,882	3,763,703	3,621,344	2,982,270	2,787,654	2,623,537
20,230,794	17,208,782	10,076,967	8,524,100	7,935,290	7,086,963
136,351	146,295	117,104	98,934	121,751	106,525
81,801	78,929	192,349	558,060	809,138	666,651
1,131,312	1,411,410	1,241,317	3,104,955	1,171,738	3,672,907
6,286,331	5,526,531	4,459,829	3,566,745	3,354,158	3,043,232
2,426,769	3,160,304	3,540,966	5,122,112	2,589,157	4,958,998
<u>\$ 61,316,481</u>	<u>\$ 56,163,812</u>	<u>\$ 48,170,970</u>	<u>\$ 45,617,506</u>	<u>\$ 39,357,230</u>	<u>\$ 42,114,906</u>
4,430,927	4,042,897	3,980,539	3,643,430	3,438,704	3,293,910
10,657,696	8,851,547	7,886,823	8,407,204	7,527,893	7,426,871
3,084,861	3,046,384	2,926,465	2,034,962	2,004,817	1,809,915
1,594,767	2,804,446	3,248,611	6,500,618	1,927,432	6,697,364
2,309,035	1,735,794	1,696,747	1,804,641	1,668,920	1,476,720
2,251,059	1,884,318	1,821,919	1,759,810	1,548,750	1,597,998
348,653	375,403	335,525	336,368	300,938	319,772
4,551,567	4,012,449	3,803,634	3,823,678	4,151,919	3,319,010
9,495,373	8,108,521	7,914,354	6,106,456	6,032,523	6,676,005
5,309,513	4,361,093	3,717,389	3,061,656	2,951,213	2,613,278
11,325,703	9,462,137	5,223,567	4,394,709	4,113,238	4,058,105
2,799,503	1,240,032	1,168,458	1,446,775	1,704,877	1,053,859
393,045	458,593	477,651	470,187	491,408	533,297
<u>\$ 58,551,702</u>	<u>\$ 50,383,614</u>	<u>\$ 44,201,682</u>	<u>\$ 43,790,494</u>	<u>\$ 37,862,632</u>	<u>\$ 40,876,104</u>

See Accompanying Independent Auditors' Report

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDSFOR THE YEAR ENDED JUNE 30, 2015

<u>Grantor/Program</u>	<u>Agency or Pass-Through Number</u>	<u>Federal CFDA Number</u>	<u>Program Expenditures</u>	<u>New Loans and New Loan Guarantees</u>
Direct:				
U.S. Department of Education:				
Student Financial Aid Cluster:				
Federal Supplemental Educational				
Opportunity Grant (FSEOG)	N/A	84.007	\$ 103,045	
Federal Direct Student Loans	N/A	84.268		\$ 9,951,257
Federal Work Study Program (FWS)	N/A	84.033	116,810	
Federal Pell Grant Program	N/A	84.063(a)	8,987,651	
Federal Pell Grant Program-Administration	N/A	84.063(a)	13,800	
			<u>\$ 9,221,306</u>	
Higher Education - Institutional Aid - Title III	N/A	84.031	\$ 1,169,614	
TRiO Cluster:				
Student Support Services	N/A	84.042	\$ 545,227	
Talent Search	N/A	84.044	238,111	
Upward Bound	N/A	84.047	236,586	
			<u>\$ 1,019,924</u>	
Occupational Safety and Health Administration:				
Susan Harwood Training Grant Program	N/A	17.502	\$ 124,170	
			<u>\$ 124,170</u>	
Total Direct			\$11,535,014	\$ 9,951,257
Indirect:				
U.S. Department of Labor:				
Indirect Through Iowa Workforce				
Development:				
Workforce Investment Act (WIA) Cluster:				
WIA Adult Program	7-W-17-FR-0	17.258	\$ 156,959	
WIA Youth Activities	7-W-17-FR-0	17.259	217,597	
WIA State Emergency Grant	15-W-PF-RR-0	17.278(b)	16,137	
WIA Early Intervention	15-W-PF-RR-0	17.278(b)	15,005	
WIA Dislocated Workers	7-W-17-FR-0	17.278(b)	131,076	
			<u>\$ 536,774</u>	
Indirect Through Des Moines Area Community College				
Trade Adjustment Assistance Community College				
and Career Training (TAACCCT) Grants Program				
Advanced Manufacturing Industry Project	N/A	17.261	\$ 295,424	

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDSFOR THE YEAR ENDED JUNE 30, 2015

<u>Grantor/Program</u>	<u>Agency or Pass-Through Number</u>	<u>Federal CFDA Number</u>	<u>Program Expenditures</u>	<u>New Loans and New Loan Guarantees</u>
<i>Indirect (Cont.):</i>				
Indirect Through Hawkeye Community College				
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants Program				
Health Simulation Grant	N/A	17.282	\$ 270,900	
U.S. Department of Transportation:				
Indirect Through Iowa State University:				
Business Development Program Phase I	474-08-01	20.205	\$ 7,000	
U.S. Department of Education:				
Indirect Through the Iowa Department of Education:				
Adult Education - State Grant Program		84.002	\$ 233,121	
Vocational Education - Basic Grants to States	12-97-9912	84.048	\$ 447,750	
Small Business Administration:				
Indirect Through Iowa State University:				
Small Business Development Centers	435-08-02; 435-08-69 109-08-65; 109-08-69	59.037	\$ 103,015	
Total Indirect			\$ 1,893,984	\$ -
Total			\$ 13,428,998	\$ 9,951,257

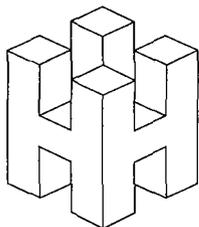
(a) Total expenditures for CFDA Number 84.063 were \$9,001,451

(b) Total expenditures for CFDA Number 12.278 were \$162,218

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2015

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



**HENJES, CONNER &  
WILLIAMS, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

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

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To the Board of Directors  
Western Iowa Tech Community College  
Sioux City, Iowa

We have audited, in accordance with U.S. generally accepted auditing standards 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 WESTERN IOWA TECH COMMUNITY COLLEGE, Sioux City, Iowa, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Community College'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 Western Iowa Tech Community College's internal control over financial reporting 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 the Western Iowa Tech Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of Western Iowa Tech Community College's internal control.

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

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

## Compliance and Other Matters

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

Comments involving statutory and other legal matters about the Community College'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 Community College. 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.

We noted certain matters that we reported to management of Western Iowa Tech Community College in a separate communication dated November 2, 2015.

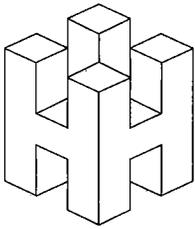
### Purpose of this Report

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 Community College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Community College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

*Henjo, Connors & Williams, P.C.*  
Certified Public Accountants

Sioux City, Iowa  
November 2, 2015



**HENJES, CONNER &  
WILLIAMS, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors  
Western Iowa Tech Community College  
Sioux City, Iowa

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

We have audited WESTERN IOWA TECH COMMUNITY COLLEGE's compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of Western Iowa Tech Community College's major federal programs for the year ended June 30, 2015. Western Iowa Tech Community College's major federal programs are identified in the summary of auditors' 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.

**Auditors' Responsibility**

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

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

**Opinion on Each Major Federal Program**

In our opinion, Western Iowa Tech Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

## Report on Internal Control Over Compliance

Management of Western Iowa Tech Community College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Western Iowa Tech Community College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to 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 Western Iowa Tech Community College's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, 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 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.

*Harjes Comm & Wilkins, P.C.*  
Certified Public Accountants

Sioux City, Iowa  
November 2, 2015

WESTERN IOWA TECH COMMUNITY COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015

Part I: Summary of the Independent Auditors' Results:

Financial Statements

Type of Auditor's Report Issued:		Unmodified
Internal Control Over Financial Reporting:		
Material Weakness(es) Identified?	___ Yes	<u>X</u> No
Significant Deficiencies Identified?	___ Yes	<u>X</u> None Reported
Noncompliance Material to Financial Statements Noted?	___ Yes	<u>X</u> No

Federal Awards

Internal Control Over Major Programs:		
Material Weakness(es) Identified?	___ Yes	<u>X</u> No
Significant Deficiencies Identified?	___ Yes	<u>X</u> None Reported
Type of Auditor's Report Issued on Compliance for Major Programs:		Unmodified
Any Audit Findings Disclosed That are Required to be Reported in Accordance With Section 510(a) of Circular A-133?	___ Yes	<u>X</u> No

Major Programs

- Student Financial Aid Cluster, Including:
  - CFDA Number 84.007      Federal Supplemental Educational Opportunity Grant (FSEOG)
  - CFDA Number 84.268      Federal Direct Student Loans
  - CFDA Number 84.033      Federal Work Study Program (FWS)
  - CFDA Number 84.063      Federal Pell Grant Program
  
- TRiO Cluster, Including:
  - CFDA Number 84.042      Student Support Services
  - CFDA Number 84.044      Talent Search
  - CFDA Number 84.047      Upward Bound
  
- CFDA Number 17.261      Advanced Manufacturing Industry Project
  
- CFDA Number 17.282      Health Simulation Grant
  
- CFDA Number 84.002      Adult Education - State Grant Program

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

Auditee Qualified as Low-Risk Auditee?      X Yes      \_\_\_ No

WESTERN IOWA TECH COMMUNITY COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015

Part II: Findings Related to the Financial Statements:

None reported

WESTERN IOWA TECH COMMUNITY COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015

Part III: Findings and Questioned Costs for Federal Awards:

None reported.

WESTERN IOWA TECH COMMUNITY COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-15 Certified Budget - Expenditures in total for the year ended June 30, 2015, did not exceed the amounts budgeted.
- IV-B-15 Questionable Disbursements - No expenditures we believe did not meet the requirements of public purpose as defined in the Attorney General's opinion, dated April 25, 1979, were noted.
- IV-C-15 Travel Expense - No expenditures of Community College money for travel expenses of spouses of Community College officials or employees were noted. No travel advances to Community College officials or employees were noted.
- IV-D-15 Business Transactions - No business transactions between the Community College and Community College officials or employees were noted.
- IV-E-15 Bond Coverage - Surety bond coverage of Community College officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- IV-F-15 Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-G-15 Publication - The Community College published a statement showing the receipts and disbursements of all funds, 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.
- IV-H-15 Deposits and Investments - No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the Community College's investment policy were noted.
- IV-I-15 Credit and Contact Hours - Eligible credit and contact hours reported to the Iowa Department of Education by the Community College were supported by detailed records maintained by the Community College.