Financial Statements
June 30, 2024

Northeast Iowa Community College

EideBailly®

Independent Auditor's Report

To the Board of Trustees
Northeast Iowa Community College
Calmar, Iowa

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of the Northeast Iowa Community College (the College), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of employer's share of net pension liability (asset) and employer contributions, the notes to required supplementary information – pension liability, the schedule of changes in total OPEB liability, and the notes to the required supplementary information – OPEB liability and related ratios, as noted in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The financial statements for the eight years ended June 30, 2022 (which are not presented herein) were audited by other auditors who expressed unmodified opinions on the financial statements of the College. The supplementary information included in Schedules 1 through 9, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Re*quirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information included in Schedules 1 through 9 and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Financial Statements. The other information comprises the schedule of Board of Trustees and College Officials but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2024, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering College's internal control over financial reporting and compliance.

Eide Bailly LLP

Dubuque, Iowa
November 15, 2024

Northeast Iowa Community College (College) provides this management's discussion and analysis of its annual financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2024.

The intent of this discussion and analysis is to look at Northeast Iowa Community College's financial performance as a whole with comparisons to the previous fiscal year activities. Readers should also review the basic financial statements and notes to enhance their understanding of the College's financial performance. This information does not include the discretely presented component unit, Northeast Iowa Community College Foundation; therefore, readers should review the basic financial statements and notes of the discretely presented component unit.

2024 Financial Highlights

Operating revenues decreased overall by 25.6% or approximately $8,002,000 from fiscal year 2023 due to a decrease in federal appropriations and Iowa Industrial New Jobs Training Program fees. Nonoperating revenues (expenses) increased by 12.6% or approximately $3,682,000 due to an increase in state appropriations, investment income and property tax.

Operating expenses decreased 4.9% or approximately $2,749,000 from fiscal year 2023. The College had an approximately $1,766,000 decrease in cooperative services and an approximately $1,175,000 increase in depreciation/amortization.

The College's net position increased 5.7% or approximately $3,928,000, during fiscal year 2024.

Using this Annual Report

These statements are organized so the reader can understand Northeast Iowa Community College as a financial whole or as an entire operating entity. The annual report consists of a series of financial statements, notes to those statements and other information, as follows:

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

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

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

Required supplementary information presents the College's proportionate share of the net pension liability and related contributions, as well as presenting the changes in the College's total OPEB liability, related ratios and notes.

Supplementary information provides detailed information about the individual funds. The budgetary comparison schedule of expenditures - budget to actual further explains and supports the financial statements with a comparison of the College's budget for the year. The schedule of expenditures of federal awards provides details of various federal programs benefiting the College.

Reporting the College's Financial Activities

The Statement of Net Position

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

Comparison of Net Position

The largest portion of the College's net position is invested in capital assets (e.g., land, buildings, intangibles and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. The net investments in capital assets balance at June 30, 2024 was approximately $42,027,000 or 57.9% of total net position.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations – balance at June 30, 2024 was approximately $23,499,000 or 32.4% of total net position.

Statements of net position as of June 30, 2024 and 2023 are as follows:

	Condensed Statement of Net Position (Expressed in Thousands)	
	2024	2023
Current and Other Assets	$ 71,018	$ 70,927
Other Noncurrent Assets	3,310	3,646
Capital Assets, Net	75,224	77,189
Total assets	$ 149,552	$ 151,762
Deferred Outflows of Resources	$ 2,574	$ 1,593
Current Liabilities	$ 14,574	$ 15,987
Noncurrent Liabilities	51,373	55,159
Total liabilities	$ 65,947	$ 71,146
Deferred Inflows of Resources	$ 13,548	$ 13,505
Net Position		
Net investment in capital assets	$ 42,027	$ 40,217
Restricted for specific purposes	7,105	6,547
Unrestricted	23,499	21,940
Total net position	$ 72,631	$ 68,704

Statement of Revenues, Expenses and Changes in Net Position

Changes in total net position presented in the statement of net position are based on the activity presented in the statement of revenues, expenses and changes in net position. The purpose of the statement is to present the revenues earned by the College, both operating and nonoperating, the expenses incurred by the College, both operating and nonoperating, and any other revenues, expenses, gains and losses received or spent by the College.

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

The statements of activities for the years ended June 30, 2024 and 2023 are as follows:

	Changes in Net Position (Expressed in Thousands)	
	2024	2023
Operating Revenues		
Tuition and fees	$ 10,105	$ 9,103
Federal appropriations	2,077	10,535
Iowa Industrial New Jobs Training Program	4,192	5,853
Sales and services	3,182	2,183
Miscellaneous	3,685	3,569
Total operating revenues	23,241	31,243
Total operating expenses	52,271	55,020
Operating loss	(29,030)	(23,777)
Non-Operating Revenues (Expenses)		
State appropriations	15,283	13,511
Pell Grant	3,878	3,508
Property taxes	12,781	12,206
Investment income (loss)	2,345	1,511
Gain on sale of capital assets	10	(10)
Interest on indebtedness	(1,340)	(1,451)
Net nonoperating revenues (expenses)	32,957	29,275
Change in net position	3,927	5,498
Net Position Beginning of Year, as Restated	68,704	63,206
Net Position End of Year	$ 72,631	$ 68,704

The statement of revenues, expenses and changes in net position reflects an increase in the net position at the end of the fiscal year.

In fiscal year 2024, operating revenues decreased approximately $8,002,000 as a result of the following changes:

- Federal appropriations decreased as there was no COVID-19 relief funding in fiscal year 2024.
- Revenue from the New Jobs Training Program declined in fiscal year 2024 compared to fiscal year 2023.

Operating expenses for the years ended June 30, 2024 and 2023 are as follows:

	Operating Expenses (Expressed in Thousands)	
	2024	2023
Operating Expenses		
Liberal arts and sciences	$ 4,195	$ 3,946
Vocational technical	10,529	9,715
Adult education	3,952	4,651
Cooperative services	6,250	8,016
General administration	660	1,081
Student services	3,057	3,160
Learning resources	1,259	1,070
Physical plant	4,399	4,216
General institution	5,692	5,473
Auxiliary Enterprises	4,118	3,892
Scholarships and Grants	1,688	4,315
Depreciation/Amortization	5,120	3,945
Other	1,351	1,540
Total operating expenses	$ 52,270	$ 55,020

In fiscal year 2024, operating expenses resulted in the following changes:

- The decrease in Adult Education is attributed to a reduction in Business and Community Solutions training and tuition revenue.
- Cooperative services expenses decreased due to fewer payments made to companies participating in the Iowa Industrial New Jobs Training Program, which are dependent on the needs of participating companies.
- General administration expenses declined due to lower-than-anticipated health insurance claims.
- Depreciation and amortization expenses increased following the capitalization of the Peosta Main Building and Calmar Student Center renovations.

Capital Assets

At June 30, 2024, the College had approximately $133.5 million invested in capital assets, less accumulated depreciation and amortization of $58.3 million. Depreciation and amortization expense totaled approximately $5.1 million fiscal year 2024. Details of net capital assets are shown below:

	Capital Assets, Net (Expressed in Thousands)	
	2024	2023
Land	$ 1,017	$ 1,017
Buildings	65,437	44,330
Construction in progress	570	22,857
Other structures and improvements	1,750	1,871
Right-to-use leased building and vehicles	35	322
Right-to-use subscription asset	999	1,231
Intangibles	39	41
Furniture and equipment	5,377	5,520
Total	$ 75,224	$ 77,189

More detailed information about the College's capital assets is presented in Note 6 to the financial statements.

Debt

At June 30, 2024, the College had $51.6 million in debt outstanding, a decrease of $5.3 million from 2023. The table below summarizes these amounts by type.

	Long-term Debt (Expressed in Thousands)	
	2024	2023
Termination benefits	$ 230	$ 399
Lease agreements	412	622
Software subscription payable	689	869
Certificates payable	18,160	19,525
Bonds Payable	32,095	35,481
Total	$ 51,586	$ 56,896

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

Northeast Iowa Community College Economic Factors

In fiscal year 2024, the College continued to strengthen its financial position, despite several economic factors shaping its financial outlook. College officials remain vigilant in navigating these challenges, which include:

- Demographic Shifts: The region continues to experience a declining population and fewer high school graduates, which poses a challenge to enrollment. Additionally, increased competition from four-year institutions and a growing number of students entering the workforce directly after high school further complicate recruitment efforts.
- State General Aid: Uncertainty surrounding the future of state general aid funding remains a concern. Ensuring that these funds adequately meet the educational needs of our students is a top priority for the College.
- Rising Expenses: Fiscal year 2025 is projected to see increased expenses, primarily driven by salary and benefit adjustments as well as rising costs for professional services and supplies, all compounded by inflationary pressures.
- Technological Challenges: The rapid pace of technological advancement and the need to replace outdated systems continue to present challenges in maintaining up-to-date technology at an affordable cost.

Despite these challenges, the College remains steadfast in its mission and is actively implementing strategies to ensure financial resilience and adaptability. As we expect the current fiscal year to mirror past trends, we will continue to carefully monitor our resources to effectively manage any unforeseen economic challenges.

Contacting the College's Financial Management

This financial report is designed to provide our constituents with a general overview of the College's finances and to demonstrate the College's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Lexi Wagner, Vice President, Finance & Administration at Northeast Iowa Community College, telephone 844-642-2338.

	Business-type Activities	Component Unit Foundation
Assets		
Current Assets		
Cash and cash equivalents	$ 51,777,743	$ 498,164
Investments	-	454,349
Receivables		
Accounts, less allowance of $235,930	2,785,302	-
Promises, net discount	-	46,290
Accrued interest	6,333	-
Property tax		
Current year delinquent	89,003	-
Succeeding year	13,365,460	-
Notes	93,068	-
Iowa Industrial New Jobs Training Program	1,229,334	-
Leases	30,851	-
Due from other governments	1,359,686	-
Prepaid expenses	194,752	-
Inventories	87,046	-
Total current assets	71,018,578	998,803
Noncurrent Assets		
Investments	-	5,136,352
Promises, net discount	-	563,080
Due from Iowa Industrial New Jobs Training Program	3,309,739	-
Capital assets, non-depreciable	1,586,407	-
Capital assets, net accumulated depreciation/amortization	73,637,696	-
Total noncurrent assets	78,533,842	5,699,432
Total assets	149,552,420	6,698,235
Deferred Outflows of Resources		
Pension related deferred outflows	2,518,260	-
OPEB related deferred outflows	55,281	-
Total deferred outflows of resources	2,573,541	-
Total assets and deferred outflows of resources	$ 152,125,961	$ 6,698,235

	Business-type Activities	Component Unit Foundation
Liabilities		
Current Liabilities		
Accounts payable	$ 1,891,313	$ 14,636
Salaries and benefits payable	2,244,715	-
Accrued interest payable	69,831	-
Compensated absences payable	158,111	-
Unearned revenues	3,143,037	-
Termination benefits	81,694	-
Lease agreements	156,313	-
Software subscription payable	218,987	-
Certificates payable	3,390,000	-
Bonds payable	3,220,000	-
Total current liabilities	14,574,001	14,636
Noncurrent Liabilities		
Termination benefits	147,996	-
Lease agreements	256,368	-
Software subscription payable	470,352	-
Certificates payable	14,770,000	-
Bonds payable	28,874,706	-
Net pension liability	6,386,770	-
Total OPEB liability	466,241	-
Total noncurrent liabilities	51,372,433	-
Total liabilities	65,946,434	14,636
Deferred Inflows of Resources		
Succeeding year property tax	13,365,460	-
Lease related	30,811	-
Pension related deferred inflows	68,197	-
OPEB related deferred inflows	83,570	-
Total deferred inflows of resources	13,548,038	-
Net Position		
Net investment in capital assets	42,027,377	-
Restricted for specific purposes	7,104,782	5,563,490
Unrestricted	23,499,330	1,120,109
Total net position	72,631,489	6,683,599
Total liabilities, deferred inflows of resources and net position	$ 152,125,961	$ 6,698,235

	Business-type Activities	Component Unit Foundation
Operating Revenues		
Tuition and fees, net of scholarship allowances of $4,555,647	$ 10,105,360	$ -
Federal appropriations	2,077,117	-
Iowa Industrial New Jobs Training Program	4,191,980	-
Sales and services	3,181,546	-
Miscellaneous	3,684,548	1,248,162
Total operating revenues	23,240,551	1,248,162
Operating Expenses		
Liberal arts and sciences	4,194,875	-
Vocational technical	10,528,632	-
Adult education	3,952,482	-
Cooperative services	6,250,395	-
General administration	660,170	64,144
Student services	3,057,344	-
Learning resources	1,259,272	-
Physical plant	4,398,947	-
General institution	5,691,655	-
Auxiliary enterprises	4,118,282	-
Scholarships and grants	1,688,356	365,083
Depreciation/amortization	5,119,449	-
Other	1,350,773	1,270,335
Total operating expenses	52,270,632	1,699,562
Operating (loss) income	(29,030,081)	(451,400)
Non-Operating Revenues (Expenses)		
State appropriations	15,283,024	-
Pell Grant	3,878,308	-
Property taxes	12,780,687	-
Investment income (loss)	2,345,439	705,249
Gain on sale of capital assets	10,210	-
Interest on indebtedness	(1,339,810)	-
Net nonoperating revenues (expenses)	32,957,858	705,249
Change in Net Position	3,927,777	253,849
Net Position, Beginning of Year	68,703,712	6,155,400
Services Received from Personnel of an Affiliate	-	274,350
Net Position End of Year	$ 72,631,489	$ 6,683,599

	Business-type Activities
Cash Flows from Operating Activities	
Tuition and fees	$ 10,217,484
Federal appropriations	356,816
Iowa Industrial New Jobs Training Program	3,186,403
Payments to employees for salaries and benefits	(30,163,068)
Payments to suppliers for goods and services	(11,352,987)
Payments to NJTP recipients	(2,790,859)
Cost of goods sold	(1,968,260)
Scholarships	81,138
Auxiliary enterprise receipts	3,065,662
Other operating receipts	3,794,729
Net cash used in operating activities	(25,572,942)
Cash Flows from Non-Capital Financing Activities	
State appropriations	15,283,024
Pell Grant	3,878,308
Property taxes	12,777,566
Proceeds from issuance of debt	2,255,000
Principal paid on New Jobs Training certificates	(3,620,000)
Interest paid on New Jobs Training certificates	(626,717)
Net cash provided by non-capital financing activities	29,947,181
Cash Flows from Capital and Related Financing Activities	
Proceeds from sale of capital assets	26,000
Acquisition of capital assets	(3,420,284)
Principal paid on debt and leases	(3,792,467)
Interest paid on debt and leases	(1,026,159)
Net cash used in capital and related financing activities	(8,212,910)
Cash Flows from Investing Activities	
Dividends reinvested	
Interest on investments	2,340,374
Net (decrease) increase in cash	(1,498,297)
Cash and Cash Equivalents, Beginning of Year	53,276,040
Cash and Cash Equivalents, End of Year	$ 51,777,743

	Business-type Activities
Reconciliation of Operating (Loss) Income to Net Cash (Used in) Operating Activities	
Operating (loss) income	$ (29,030,081)
Adjustments to reconcile operating (loss) income to net cash (used in) operating activities	
Depreciation/amortization	5,119,449
Changes in assets and liabilities	
Accounts receivable	(808,633)
Notes receivable	3,976
NJTP receivable	282,530
Lease receivable	79,995
Due from other governments	49,193
Prepaid expenses	(6,227)
Inventories	(5,569)
Accounts payable and accrued liabilities	126,915
Net pension liability	943,616
OPEB	43,369
Deferred outflows of resources	(980,721)
Deferred inflows of resources	(770,510)
Unearned revenues	(457,024)
Termination benefits	(169,519)
Compensated absences payable	6,299
Net cash (used in) operating activities	$ (25,572,942)

Noncash Investing, Capital and Financing Activities
Capital asset additions included in accounts payable $264,711

Note 1 - Nature of Operations and Significant Accounting Policies

Nature of Operations

Northeast Iowa Community College (College) is a publicly supported school established and operated by Merged Area I under the provisions of Chapter 260C of the Code of Iowa. The College offers programs of adult and continuing education, lifelong learning, community education and up to two years of liberal arts, pre-professional or occupational instruction partially fulfilling the requirements for a baccalaureate degree but confers no more than an associate degree. The College also offers up to two years of career and technical education, training or retraining to persons who are preparing to enter the labor market. The College maintains campuses in Calmar and Peosta, Iowa, and has its administrative offices in Calmar. The College also has service locations in Cresco, Dubuque, Manchester, New Hampton, Oelwein, and Waukon. The College is governed by a Board of Trustees whose members are elected from each director district within Merged Area 1.

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

Significant Accounting Policies

Scope of Reporting Entity

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

These financial statements present Northeast Iowa Community College (the primary government) and its component unit. The component unit discussed below is included in the College’s reporting entity because of the significance of its operational or financial relationship with the College. Certain disclosures about the component unit are not included because the component unit has been audited separately and a report has been issued under separate cover. The audited financial statements are available at the Northeast Iowa Community College District Office located at Hwy 150 South, Calmar, Iowa 52132.

Discrete Component Unit

The College has one component unit that meets the Governmental Accounting Standards Board (GASB) criteria. The Northeast Iowa Community College Foundation (College Foundation) is a nonprofit corporation that is governed by a separate Board of Directors. The College Foundation's purpose is to support the College through donations to provide scholarships to students and for the enhancement and extension of facilities, equipment, and services. The activities of the College Foundation are reported using the discrete method. The independent auditor's report on the component unit financial statements for year ended June 30, 2024 expresses an unmodified opinion dated November 15, 2024.

The College Foundation is a nonprofit organization that reports under accounting standards established by the Financial Accounting Standards Board (FASB). The College Foundation's financial statements were prepared in accordance with the provisions of 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 College Foundation's financial information in the College's financial reporting for these differences. The College Foundation reports net assets, which is equivalent to net position reported by the College.

Related Party

The Northeast Iowa Dairy & Agriculture Foundation (Dairy Foundation) is a nonprofit corporation that is governed by a separate Board of Directors. The Dairy Foundation's purpose is to support educational efforts relating to the needs of dairy and agriculture industry research, development, instruction, and outreach in Northeast Iowa. The Dairy Foundation is considered a related party but is not considered a part of the financial reporting entity of the College.

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:

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

Restricted Net Position:

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

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

Unrestricted Net Position – Net position not subject to externally imposed situations. Resources may be designated for specific purposes by action of management or by the Board of Trustees or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is designated for academic and general programs of the College.

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

Measurement Focus and Basis of Accounting

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

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

The following accounting policies are followed in preparing the statement of net position:

Cash and Investments

Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The College's policy is to classify non-negotiable certificates of deposit as investments on the financial statements.

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 known amount of cash and, at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable

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

Accounts Receivable

Accounts receivable consists of payments due from students and third parties for tuition and reimbursements. Accounts receivable are shown at the amount expected to be collected after determining the allowance for doubtful accounts based on an aging of all the individual balances. The College does not deem student accounts uncollectible if the student re-enrolls, as the account must be paid in full before re-enrollment.

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

Receivable for Iowa Industrial New Jobs Training Program (NJTP)

This represents the amount to be remitted to the College for training projects entered into between the College and employers under the provisions of Chapter 260E of the Code of Iowa. The receivable amount is based on expenditures incurred through June 30, 2024 on NJTP projects, including interest incurred on NJTP certificates, less revenues received to date.

Capital Assets

Capital assets, which include property, intangibles, buildings, other structures and improvements, and furniture and equipment are recorded at cost or estimated historical cost if actual historical cost records are not available (except for intangible right-to-use lease assets, the measurement of which is discussed under “Leases” and “IT Subscription-Based Information Technology Arrangements” below). Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Capital assets are defined by the College as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years:

Asset Class	Amount
Land	$ 25,000
Buildings and improvements	25,000
Furniture and equipment	5,000
Intangible assets	200,000
Right-to-use leased assets	100,000
Right-to-use IT subscription	100,000

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, and the right-to-use leased assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

Asset Class	In Years
Buildings and improvements	30
Furniture and equipment	5-10
Intangible assets	25
Right-to-use leased assets	2-15
Right-to-use IT subscription	2-15

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

Leases - College as Lessee

Northeast Iowa Community College is the lessee for noncancellable leases of buildings and vehicles. The College has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The College recognizes leases liabilities with an initial, individual value of $100,000 or more.

At the commencement of the lease, the College initially measures the lease liability at the present value of payment expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payment made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how Northeast Iowa Community College determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

The College uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the College generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and a purchase option price the College is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported as long-term debt on the statement of net position.

Leases - College as Lessor

The College is the lessor for noncancellable leases of buildings. The College recognizes a lease receivable and a deferred inflow of resources in the financial statements.

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

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

The College uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

Subscription-Based Information Technology Arrangements (SBITA)

The College has entered into contracts that conveys control of the right to use information technology software. The College has recognized an IT subscription liability and an intangible right-to-use IT subscription asset in the financial statements. The College recognized IT subscription liabilities with an initial, individual value of $100,000, or more.

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

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

The College uses the interest rate charged by the IT subscription vendor as the discount rate. When the interest rate charged by the vendor is not provided, the College generally uses its estimated incremental borrowing rate as the discount rate.

The IT subscription term includes the noncancellable period of the subscription. Payments included in the measurement of the liability are composed of fixed payments.

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

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

Deferred Outflows of Resources

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

Salaries and Benefits Payable

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

Compensated Absences

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 of the appropriate fund and have been computed based on rates of pay in effect as of June 30, 2024.

Pensions

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

Total OPEB Liability

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on Northeast Iowa Community College's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position applicable to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources in the statement of net position consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied, unrecognized items not yet charged to pension and OPEB expense, the unamortized portion of the net difference between projected and actual earnings on pension plan assets and deferred amounts related to leases.

Auxiliary Enterprise Revenues

Auxiliary enterprise revenues primarily represent revenues generated by the bookstore, food service, childcare, farm, trade and industry, professional development and miscellaneous items.

Tuition and Fees

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

Summer Session

The College operates summer sessions during June, July, and August. Revenues and expenses for the summer sessions are recorded in the appropriate fiscal year. Tuition and fees are allocated based on the load study distributions supplied by the College Registrar and the College’s refund policy.

Operating and Nonoperating Activities

Operating activities, as reported in the statement of revenues, expenses and changes in net position, are transactions that result from exchange transactions, such as payments received for providing services and payments made for services or goods received. Nonoperating activities include state appropriations, Pell Grant, property tax and investment income.

Use of Estimates

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

Scholarship Allowances and Student Aid

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

Note 2 - Cash and Investments

The College's deposits in banks at June 30, 2024 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

The College's cash and investments as of June 30, 2024 consist of the following:

Petty cash	$ 2,705
Deposit accounts	34,715,926
Iowa Schools Joint Investment Trust	17,059,112
Total	$ 51,777,743

Iowa Schools Joint Investment Trust (ISJIT)

At June 30, 2024, the College had investments in the ISJIT Diversified Fund (DVF) which are valued at an amortized cost. There were no limitations or restrictions on withdrawals for the ISJIT investments. The investments in ISJIT were rated AAAm by Standard & Poor's Financial Services.

Interest Rate Risk

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

Component Unit

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, considering factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the College Foundation's assessment of the quality, risk, or liquidity profile of the asset or liability.

A significant portion of investment assets are classified within Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values.

The College Foundation's investments are stated at fair value, are subject to risk categorization and consist of the following:

Investments	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds (at cost)	$ 163,675	$ -	$ -	$ -
Corporate bonds	1,571,810	1,571,810	-	-
Common stock	3,515,928	3,515,928	-	-
Equity mutual funds	339,288	339,288	-	-
	$ 5,590,701	$ 5,427,026	$ -	$ -

Note 3 - Inventories

The College's inventories as of June 30, 2024 are as follows:

Type	Amount
Supplies and materials	$ 16,296
Merchandise held for resale	70,750
Total	$ 87,046

Note 4 - Note Receivable

The Northeast Iowa Dairy & Agriculture Foundation (Dairy Foundation) has entered into a five-year note payable with the College. The note payable is due in monthly payments of $337 with an interest rate of 2.96%. The notes receivable is for the purchase of a New Holland skid loader. The Dairy Foundation has also entered into a revolving loan in the amount of $150,000 with the College, which is due in monthly payments of $8,600 with interest rate of 4.0%. A summary of the principal and interest maturities are as follows:

	Total	
Year Ending June 30,	Principal	Interest
2025	$ 93,068	$ 5,397

Note 5 - Town Clock Center Lease Receivable

The College owns the Town Clock Center. The College entered into two separate three-year lease agreements to rent the top floor of the building. The College is to receive $77,700 in building rent annually with an implicit rate of .1% and .2%. The following is a schedule by year of future minimum lease payments and the present value of net minimum lease payments following June 30, 2024.

Year Ending June 30,	Total
2025	$ 30,861
Total minimum lease payments	30,861
Less amount representing interest	(10)
Present value of net minimum lease payments	$ 30,851

Note 6 - Capital Assets

Capital assets activity for the year ended June 30, 2024 is as follows:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Capital non-Depreciable Assets				
Land	$ 1,016,866	$ -	$ -	$ 1,016,866
Construction in progress	22,857,061	569,542	22,857,062	569,541
Capital non-depreciable assets	23,873,927	569,542	22,857,062	1,586,407
Capital Assets, Being Depreciated/ Amortized				
Buildings	87,429,675	24,329,707	-	111,759,382
Other structures and improvements	4,449,560	-	-	4,449,560
Right to-use leased buildings and vehicles	1,031,867	-	68,722	963,145
Right-to-use subscription asset	1,752,044	271,201	650,988	1,372,257
Intangibles	48,369	-	-	48,369
Furniture and equipment	12,592,359	841,375	77,146	13,356,588
Gross capital assets being depreciated/amortized	107,303,874	25,442,283	796,856	131,949,301
Less Accumulated Depreciation/ Amortization				
Buildings	43,100,061	3,222,686	-	46,322,747
Other structures and improvements	2,578,249	121,327	-	2,699,576
Right to-use leased buildings and vehicles	710,135	286,304	68,722	927,717
Right-to-use subscription asset	520,789	502,812	650,988	372,613
Intangibles	7,738	1,935	-	9,673
Furniture and equipment	7,071,861	984,564	77,146	7,979,279
Total accumulated depreciation/ amortization	53,988,833	5,119,628	796,856	58,311,605
Net Capital Assets Being Depreciated/Amortized	53,315,041	20,322,655	-	73,637,696
Capital Assets, Net	$ 77,188,968	$ 20,892,197	$ 22,857,062	$ 75,224,103

Note 7 - Long-term Obligations

Long-term liability activity for the year ended June 30, 2024 was as follows:

	Balance June 30, 2023 As Restated	Additions	Deletions	Balance June 30, 2024	Amounts Due Within One year
Termination benefits	$ 399,209	$ -	$ 169,519	$ 229,690	$ 81,694
Lease agreements	621,983	42,450	251,752	412,681	156,313
Software subscription payable	868,853	271,201	450,715	689,339	218,987
Certificates payable	19,525,000	2,255,000	3,620,000	18,160,000	3,390,000
Bonds payable	33,820,000	-	3,090,000	30,730,000	3,220,000
Premium on bonds	1,660,779	-	296,073	1,364,706	-
Long-term Liabilities	$ 56,895,824	$ 2,568,651	$ 7,878,059	$ 51,586,416	$ 7,066,994

Certificates Payable

In accordance with agreements dated between July 1, 2013 and June 30, 2024, the College issued certificates totaling $18,160,000 with interest rates ranging from 1.00% to 5.50% 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. During the year ended June 30, 2024, principal and interest paid were $3,620,000 and $626,713, respectively. $2,225,000 of NJTP certificates were issued during the year ended June 30, 2024.

Year Ending June 30,	Principal	Interest	Total
2025	$ 3,390,000	$ 534,969	$ 3,924,969
2026	2,990,000	441,144	3,431,144
2027	2,840,000	359,289	3,199,289
2028	2,300,000	279,774	2,579,774
2029	1,970,000	212,384	2,182,384
2030-2033	4,670,000	333,565	5,003,565
Total	$ 18,160,000	$ 2,161,125	$ 20,321,125

Lease Agreements

The College has entered into various lease agreements for facilities within the area to house different divisions of the College. The agreements require various monthly payments over five years with various implicit interest rates. The leases expire in 2025 through 2028.

The College entered into thirty agreements to lease thirty fleet vehicles. The agreements are for a period of four years. The agreements require various monthly payments over four years with various implicit interest rates. The leases expire in 2025 and require the payment of normal maintenance charges.

Future principal and interest payments as of June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 156,313	$ 14,029	$ 170,342
2026	111,859	8,141	120,000
2027	100,703	4,297	105,000
2028	43,806	1,186	44,992
Total	$ 412,681	$ 27,653	$ 440,334

IT Subscription Liability

The College has entered into multiple subscription license and services technology agreements with vendors for financial and educational software. The agreements require annual payments over five years with various implicit interest rates. The subscriptions expire in 2025 through 2028.

Future principal and interest payments as of June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 218,987	$ 19,070	$ 238,057
2026	220,241	12,939	233,180
2027	123,103	6,609	129,712
2028	127,008	4,510	131,518
Total	$ 689,339	$ 43,128	$ 732,467

Bonded Indebtedness

$8,885,000 General Obligation School Refunding Bonds Series 2019, due annually in varying installments June 1, 2024 through June 1, 2036 plus interest semiannually with interest rate of 3.00%. The proceeds of these bonds were used to refinance existing debt and provide resources to improve the College’s infrastructure, security, technology, and create innovative learning spaces.

$12,265,000 General Obligation School Bonds Series 2020, due annually in varying installments June 1, 2024 through June 1, 2033 plus interest semiannually with interest rates of 1.50% to 2.00%. The proceeds of these bonds were used to provide resources to improve the College’s infrastructure, security, technology, and create innovative learning spaces.

$7,550,000 General Obligation School Bonds Series 2021, due annually in varying installments June 1, 2024 through June 1, 2028 plus interest semiannually with interest rate of 3.00%. The proceeds of these bonds were used to provide resources to improve the College’s infrastructure, security, technology, and create innovative learning spaces.

$8,035,000 General Obligation School Bonds Series 2022, due annually in varying installments June 1, 2024 through June 1, 2026 plus interest semiannually with interest rate of 5.00%. The proceeds of these bonds were used to provide resources to improve the College's infrastructure, security, technology, and create innovative learning spaces.

Year Ending June 30,	Principal	Interest	Total
2025	$ 3,220,000	$ 833,350	$ 4,053,350
2026	3,380,000	703,350	4,083,350
2027	2,000,000	594,350	2,594,350
2028	1,000,000	534,350	1,534,350
2029	1,500,000	504,350	2,004,350
2030-2034	14,975,000	1,791,550	16,766,550
2035-2036	4,655,000	172,500	4,827,500
Total	$ 30,730,000	$ 5,133,800	$ 35,863,800

Note 8 - Termination Benefits

In April of 2021, the College offered a voluntary early retirement plan with options to retire between June 30, 2021 and August 16, 2022. Staff eligible under this offer could retire on June 30, 2021 or select a retirement date in fiscal year 2022 (July 1, 2021 through June 30, 2022). Faculty eligible under this offer could retire August 15, 2021, December 31, 2021, or August 15, 2022.

In the College's policy, employees qualifying for early retirement must have completed at least ten years of full time staff and regular part-time (minimum of 80% FTE) service with the College and must have reached the minimum age of 55 years. The application for early retirement was subject to approval by the Board of Trustees during the year the plan was offered.

Those eligible employees who were approved to receive benefits under the early retirement plan received a cash payment equal to 50% plus an additional .75% of their regular contractual salary for each full year of consecutive service beyond ten years. Retirees in the 2021 plan receive their cash payout in their choice of one year (26 biweekly payments) or two years (two equal installments). All cash payments have been made as of June 30, 2024.

The College also contributes a set amount toward single plan health insurance for the retiree, if the retiree chooses to remain in the employer's health insurance plan. This contribution continues until the day the retiree is eligible under another group plan or until the end of the month prior to the month in which the retiree becomes eligible for Medicare. The plan is funded on a pay-as-you-go basis through property tax levies. At June 30, 2024, the College has health insurance obligations to twelve participants with a total early retirement liability of $229,690. Actual early retirement expenditures for the year ended June 30, 2024 totaled $169,519.

Note 9 - Iowa Public Employees' Retirement System (IPERS)

Plan Description

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

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

Pension Benefits

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

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

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

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

Disability and Death Benefits

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

Contributions

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

In fiscal year 2024, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the College contributed 9.44% of covered payroll, for a total rate of 15.73%.

The College's contributions to IPERS for the year ended June 30, 2024 totaled $1,269,994.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the College reported a net pension liability of $6,386,770 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2023, the College's proportion was 0.141499%, which was a decrease of 0.002571% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the College recognized pension expense of $468,959. At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 540,329	$ 26,252
Changes of assumptions	-	101
Net Difference between projected and actual earnings on IPERS' investments	591,492	-
Changes in proportion and differences between College contributions and College's proportionate share of contributions	116,445	41,844
College contributions subsequent to the measurement date	1,269,994	-
	$ 2,518,260	$ 68,197

$1,269,994 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2025	$ (145,894)
2026	(435,364)
2027	1,460,453
2028	263,938
2029	36,936
	$ 1,180,069

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement.

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2023 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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

Asset Class	Asset Allocation	Long-term Expected Real Rate of Return
Domestic equity	21.0 %	4.56 %
International equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core plus fixed income	23.0	2.69
Public credit	3.0	4.38
Cash	1.0	1.59
Private equity	17.0	10.44
Private real assets	9.0	3.88
Private credit	4.5	4.60
	100.0 %	

Discount Rate

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

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
College's proportionate share of the net pension liability	$ 13,579,696	$ 6,386,770	$ 358,979

IPERS' Fiduciary Net Position

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

Payables to IPERS

At June 30, 2024, the College reported payables to IPERS of $183,284 for legally required College contributions and $122,124 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

Note 10 - Teachers Insurance and Annuity Association

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

Benefit terms, including contribution requirements, for TIAA are established and specified by the plan with TIAA and in accordance with the Code of Iowa. For each employee in the pension plan, the College is required to contribute 9.44% of annual salary, including overtime pay, to an individual employee account. Each employee is required to contribute 6.29%. Contributions made by both the College and employees vest immediately. For the year ended June 30, 2024, employee contributions totaled $476,520 and the College recognized pension expense of $715,157.

At June 30, 2024, the College reported payables to the TIAA of $43,681 for legally required College contributions and $29,104 for legally required employee contributions which had been withheld from employee wages but not yet remitted to TIAA.

Note 11 - Other Postemployment Benefits (OPEB)

Plan Description

The College administers a single-employer benefit plan which provides medical and prescription drug benefits for employees, retirees, and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits

Individuals who are employed by the College are eligible to participate in the group health plan and are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical and prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2023, there were 296 active employees covered by the benefit terms.

Total OPEB Liability

The College's total OPEB liability of $466,241 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2022.

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation	3.0% per year
Rates of salary increase	3.0% per year
Discount rate	3.54% per year
Healthcare cost trend rate	7.50% initial rate decreasing by .50% annually to an ultimate rate of 5.00%.

Discount Rate

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

Mortality rates are from the RP-2014 annuitant distinct mortality table adjusted to 2006 with MP 2021 generational projection of future mortality improvement.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability Beginning of Year	$ 422,872
Changes for the Year	
Service cost	42,836
Interest cost	16,209
Benefit payments	(15,676)
Net Change	43,369
Total OPEB Liability End of Year	$ 466,241

Sensitivity of the College's Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.54%) or 1% higher (4.54%) than the current discount rate.

	1% Decrease 2.54%	Discount Rate 3.54%	1% Increase 4.54%
Total OPEB liability	$ 498,978	$ 466,241	$ 435,537

Sensitivity of the College's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (6.50%) or 1% higher (8.5%) than the current healthcare cost trend rates.

	1% Decrease 6.5% Decreasing to 4.0%	Current Healthcare Cost Trend Rate 7.5% Decreasing to 5.0%	1% Decrease 8.5% Decreasing to 6.0%
Total OPEB liability	$ 417,697	$ 466,241	$ 522,692

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the College recognized OPEB expense of $52,439. At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 33,320	$ 80,966
Changes of assumptions	21,961	2,604
	$ 55,281	$ 83,570

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

Year Ending June 30,	Amount
2025	$ (6,606)
2026	(6,606)
2027	(7,872)
2028	(9,762)
2029	(2,355)
Thereafter	4,912
	$ (28,289)

Note 12 - Related Organizations

Northeast Iowa Dairy & Agriculture Foundation is a nonprofit organization whose goal is to support educational efforts and whose financial activities are not included in these financial statements. The Board of Trustees of the College has a member who is an ex-officio member of the Board of Directors of the above Foundation. However, these members do not compromise a majority in the above Foundation’s Board. Audited financial statements of Northeast Iowa Dairy & Agriculture Foundation are available at the Northeast Iowa Community College District Office located at Hwy 150 South, Calmar, Iowa 52132.

Significant financial data for the year ended June 30, 2024, which is audited, is as follows:

Total assets	$ 1,890,655
Total liabilities	861,397
Total net assets	1,029,258
Total revenue	1,694,816
Total expenses	2,583,053
Total non-operating income	1,538,837

Note 13 - New Jobs Training Programs

The College administers the Iowa Industrial New Jobs Training Program (NJTP) in Area I 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 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 College has administered 368 projects. There are 307 projects that have been completed and 61 are currently open.

The College also administers the Iowa Jobs Training Program (IJTP) in Area I in accordance with Chapter 260F of the Code of Iowa. The current program’s purpose is to provide tax aided training or retraining for employers of businesses whose training costs cannot be economically funded under Chapter 260E. Approved businesses received forgivable loans from the Workforce Development Fund, a state administered fund. Since inception of this program, the College has administered 586 projects with 22 new projects in the year ended June 30, 2024.

Note 14 - Commitments

As of June 30, 2024, the College has entered into various agreements for equipment and construction contracts for a total of $197,186.

The College entered into an operational agreement on September 16, 2019 with the Dairy & Ag Foundation. The Dairy & Ag Foundation will manage the livestock and day-to-day operations of the agricultural items. The College will provide fiscal, custodial and maintenance personnel. The College entered into a two-year agreement on August 26, 2022 to rent the buildings and land to the Dairy & Ag Foundation.

Note 15 - Contingent Liabilities

The College participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenses financed by grants were subjected to local audit but still remain open to audit by the appropriate grantor government. If the grantor government disallows expenses due to noncompliance with grant program regulations, the College may be required to reimburse the grantor government. As of June 30, 2024, significant amounts of grant expenses have not been audited by granting authorities, but the College believes that disallowed expenses, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the College.

Note 16 - Risk Management Policies

The College carries commercial insurance coverage for coverage associated with property and inland marine, general liability, automobile liability, automobile physical damage, fidelity bonds, health, cyber, and worker's compensation. The College also carries coverage for operating equipment protection insurance up to $1.4 million of costs. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The College is self-insured with respect to their health insurance coverage. The College maintains reinsurance that carries a specific stop loss of $100,000 per employee covered and an aggregate stop loss of 125% of total estimated claims. Claims payable include all known claims and an amount for claims that have been incurred but not reported (IBNR).

The changes in the aggregate liabilities for claims included in accounts payable for the years ended June 30, 2024 and 2023 are as follows:

	2024	2023
Estimated claims payable, beginning of year	$ 632,455	$ 703,262
Claims recognized	4,503,631	4,405,627
Claim payments	(4,418,554)	(4,476,434)
Estimated claims payable, end of year	$ 717,532	$ 632,455

Note 17 - Tax Abatements

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

College Tax Abatements

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

For the year ended June 30, 2024, the College had no abatements of property tax and $3,822,131 of state income tax withholding under the projects.

Tax Abatements of Other Entities

Other entities within the College also provide tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. Additionally, the following cities and counties offered an urban revitalization tax abatement program pursuant to Chapter 404 of the Code of Iowa. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by improvements.

Property tax revenues of the College were reduced by the following amounts for the year ended June 30, 2024 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Tax Abated
City of Calmar	Other tax abatement program	$ 1,022
City of Cascade	Other tax abatement program	2,961
City of Decorah	Other tax abatement program	2,995
City of Delhi	Other tax abatement program	150
City of Dyersville	Other tax abatement program	18,940
City of Edgewood	Other tax abatement program	426
City of Elkader	Other tax abatement program	871
City of Epworth	Other tax abatement program	755
City of Farley	Other tax abatement program	11,439
City of Farley	Urban renewal and economic	4,562
Fayette County	Other tax abatement program	4,332
City of Hawkeye	Other tax abatement program	275
Howard County	Other tax abatement program	34,459
City of Luana	Other tax abatement program	265
City of Manchester	Other tax abatement program	5,866
City of McGregor	Other tax abatement program	148
City of Monona	Other tax abatement program	2,444
City of New Hampton	Other tax abatement program	6,788
City of Oelwein	Other tax abatement program	3,092
City of Oelwein	Urban renewal and economic	1,201
City of Ossian	Urban renewal and economic	505
City of Peosta	Other tax abatement program	6,888
City of Waukon	Other tax abatement program	128
City of West Union	Other tax abatement program	869

Note 18 - Net Position

The statement of net position reports $7,104,782 of restricted net position, of which $6,179,889 is restricted by enabling legislation.

Note 19 - Subsequent Events

Iowa Industrial New Jobs Training Program (NJTP) – On July 9, 2024, the College issued certificates totaling $2,260,000 for NJTP projects with interest rates ranging from 4.8% to 5.0%. The debt was incurred as allowed by Chapter 260E of the Code of Iowa and will mature beginning on June 1, 2025.

Required Supplementary Information
June 30, 2024

Northeast Iowa Community College

Schedule of the College's Proportionate Share of the Net Pension Liability
Iowa Public Employees' Retirement System
For the Last Ten Years (In Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
College's proportion of the net pension liability	0.141499%	0.144069%	-0.055613%	0.135367%	0.134215%	0.141353%	0.153889%	0.155812%	0.155012%	0.143749%
College's proportionate share of the net pension liability	$ 6,387	$ 5,443	$ 192	$ 9,509	$ 7,772	$ 8,945	$ 10,251	$ 9,806	$ 7,658	$ 5,701
College's covered payroll	$ 12,415	$ 11,600	$ 11,130	$ 10,752	$ 10,244	$ 10,616	$ 11,630	$ 11,254	$ 10,621	$ 9,410
College's proportionate share of the net pension liability as a percentage of its covered payroll	51.45%	46.92%	1.73%	88.44%	75.87%	84.26%	88.14%	87.13%	72.10%	60.58%
IPERS' net position as a percentage of the total pension liability	90.13%	91.41%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

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

Schedule of College Contributions
Iowa Public Employees' Retirement System
For the Last Ten Years (In Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 1,270	$ 1,172	$ 1,095	$ 1,051	$ 1,015	$ 967	$ 948	$ 1,039	$ 1,005	$ 948
Contributions in relation to the statutorily required contribution	(1,270)	(1,172)	(1,095)	(1,051)	(1,015)	(967)	(948)	(1,039)	(1,005)	(948)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 13,453	$ 12,415	$ 11,600	$ 11,130	$ 10,752	$ 10,244	$ 10,616	$ 11,630	$ 11,254	$ 10,621
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%

Changes of Benefit Terms:
There are no significant changes in benefit terms.

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

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

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

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

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

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

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

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

	2024	2023	2022	2021	2020	2019	2018
Service cost	$ 42,836	$ 41,589	$ 35,035	$ 34,014	$ 22,921	$ 22,253	$ 27,682
Interest cost	16,209	14,630	7,381	6,657	12,084	11,090	12,951
Difference between expected and actual experiences	-	40,486	-	(68,262)	-	(88,024)	-
Changes in assumptions	-	959	-	19,794	-	(6,330)	30,294
Benefit payments	(15,676)	(10,091)	(12,120)	(5,792)	(11,500)	(5,140)	(26,946)
Net change in total OPEB liability	43,369	87,573	30,296	(13,589)	23,505	(66,151)	43,981
Total OPEB liability beginning of year	422,872	335,299	305,003	318,592	295,087	361,238	317,257
Total OPEB liability end of year	$ 466,241	$ 422,872	$ 335,299	$ 305,003	$ 318,592	$ 295,087	$ 361,238
Covered-employee payroll	$ 17,442,916	$ 16,934,870	$ 16,251,923	$ 15,265,890	$ 14,772,964	$ 13,826,660	$ 14,781,549
Total OPEB liability as a percentage of covered-employee payroll	2.67%	2.50%	2.06%	2.00%	2.16%	2.13%	2.44%

Changes in Benefit Terms:
There were no significant changes in benefit terms.

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

Year ended June 30, 2024	3.54%
Year ended June 30, 2023	3.54%
Year ended June 30, 2022	2.21%
Year ended June 30, 2021	2.21%
Year ended June 30, 2020	3.87%
Year ended June 30, 2019	3.87%
Year ended June 30, 2018	3.58%
Year ended June 30, 2017	4.50%

No assets were accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Supplementary Information
June 30, 2024

Northeast Iowa Community College

Funds/Levy	Original Budget	Actual	Variance Actual and Budget
Unrestricted	$ 41,871,223	$ 31,867,179	$ 10,004,044
Restricted	18,600,000	7,009,929	11,590,071
Unemployment	30,000	22,061	7,939
Insurance	2,279,407	1,936,569	342,838
Early retirement	110,000	97,054	12,946
Equipment replacement	1,204,897	1,057,987	146,910
Total restricted	22,224,304	10,123,600	12,100,704
Plant	6,910,095	1,350,773	5,559,322
Bonds and interest	4,139,833	5,141,218	(1,001,385)
Total plant	11,049,928	6,491,991	4,557,937
Total	$ 75,145,455	$ 48,482,770	$ 26,662,685

Note to Budgetary Reporting:
The Board of Trustees annually prepares a budget designating the proposed expenditures for operation of the College on a statutory (regulatory) basis. Following required public notice and hearing, and in accordance with Chapter 260C of the Code of Iowa, the Board of Trustees certifies the approved budget to the appropriate County Auditors and then submits the budget to the State Board of Education for approval. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Formal and legal budgetary control is based on total operating expenditures.

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

For the year ended June 30, 2024, the College's expenditures did not exceed the amount budgeted.

Northeast Iowa Community College
Schedule 2 – Combining Balance Sheet – All Funds
June 30, 2024

	Current Funds				Plant Funds				
	Unrestricted	Auxiliary	Restricted	Scholarships	Unexpended	Retirement of Indebtedness	Investment in Plant	GAAP Adjustments	GAAP Basis
Assets									
Cash and cash equivalents	$ 14,034,295	$ 8,601,140	$ 20,488,240	$ 641,256	$ 8,012,812	$ -	$ -	$ -	$ 51,777,743
Receivables									
Accounts, less allowance of $210,012	701,137	607,360	1,472,838	-	3,967	-	-	-	2,785,302
Accrued interest	-	5,397	936	-	-	-	-	-	6,333
Property tax:									
Current year delinquent	19,231	-	21,550	-	-	48,222	-	-	89,003
Succeeding year	2,800,116	-	3,435,041	-	-	7,130,303	-	-	13,365,460
Notes	-	93,068	-	-	-	-	-	-	93,068
Iowa Industrial New Jobs Training Program	-	-	4,539,073	-	-	-	-	-	4,539,073
Leases	-	-	-	-	30,851	-	-	-	30,851
Due from other governments	593,143	5,135	677,041	71,835	-	12,532	-	-	1,359,686
Prepaid expenses	-	-	42,876	-	-	151,876	-	-	194,752
Inventories	-	87,046	-	-	-	-	-	-	87,046
Capital assets									
Land	-	-	-	-	-	-	1,016,866	-	1,016,866
Construction in progress	-	-	-	-	-	-	569,541	-	569,541
Buildings	-	-	-	-	-	-	111,759,383	-	111,759,383
Other structures and improvements	-	-	-	-	-	-	4,449,560	-	4,449,560
Right to-use leased buildings and vehicles	-	-	-	-	-	-	963,145	-	963,145
Right-to-use subscription asset	-	-	-	-	-	-	1,372,257	-	1,372,257
Intangibles	-	-	-	-	-	-	48,369	-	48,369
Furniture and equipment, including assets acquired	-	-	-	-	-	-	13,356,588	-	13,356,588
Accumulated depreciation and amortization	-	-	-	-	-	-	(58,311,606)	-	(58,311,606)
Total assets	18,147,922	9,399,146	30,677,595	713,091	8,047,630	7,342,933	75,224,103	-	149,552,420
Deferred Outflows of Resources									
Pension related deferred outflows	-	-	-	-	-	-	-	2,518,260	2,518,260
OPEB related deferred outflows	-	-	-	-	-	-	-	55,281	55,281
Total deferred outflows of resources	-	-	-	-	-	-	-	2,573,541	2,573,541
Total assets and deferred outflows of resources	$ 18,147,922	$ 9,399,146	$ 30,677,595	$ 713,091	$ 8,047,630	$ 7,342,933	$ 75,224,103	$ 2,573,541	$ 152,125,961

	Current Funds				Plant Funds				
	Unrestricted	Auxiliary	Restricted	Scholarships	Unexpended	Retirement of Indebtedness	Investment in Plant	GAAP Adjustments	GAAP Basis
Liabilities									
Accounts payable	$ 1,153,748	$ 183,672	$ 167,989	$ -	$ 385,904	$ -	$ -	$ -	$ 1,891,313
Salaries and benefits payable	2,243,021	-	-	-	1,694	-	-	-	2,244,715
Accrued interest payable	-	-	-	-	69,831	-	-	-	69,831
Compensated absences payable	145,807	12,304	-	-	-	-	-	-	158,111
Unearned revenues	636,866	357	2,505,814	-	-	-	-	-	3,143,037
Termination benefits	-	-	229,690	-	-	-	-	-	229,690
Lease agreements	-	-	-	-	-	-	412,681	-	412,681
Software subscription payable	-	-	-	-	-	-	689,339	-	689,339
Certificates payable	-	-	18,160,000	-	-	-	-	-	18,160,000
Bonds payable	-	-	-	-	-	-	32,094,706	-	32,094,706
Net pension liability	-	-	-	-	-	-	-	6,386,770	6,386,770
Total OPEB liability	-	-	-	-	-	-	-	466,241	466,241
Total liabilities	4,179,442	196,333	21,063,493	-	457,429	-	33,196,726	6,853,011	65,946,434
Deferred Inflows of Resources									
Succeeding year property tax	2,800,116	-	3,434,213	-	-	7,131,131	-	-	13,365,460
Lease related	-	-	-	-	30,811	-	-	-	30,811
Pension related deferred inflows	-	-	-	-	-	-	-	68,197	68,197
OPEB related deferred inflows	-	-	-	-	-	-	-	83,570	83,570
Total deferred inflows of resources	2,800,116	-	3,434,213	-	30,811	7,131,131	-	151,767	13,548,038
Fund Balances									
Net investment in capital assets	-	-	-	-	-	-	42,027,377	-	42,027,377
Fund balances:									
Restricted for specific purposes	-	-	6,179,889	713,091	-	211,802	-	-	7,104,782
Unrestricted (deficit)	11,168,364	9,202,813	-	-	7,559,390	-	-	(4,431,237)	23,499,330
Total fund balance	11,168,364	9,202,813	6,179,889	713,091	7,559,390	211,802	42,027,377	(4,431,237)	72,631,489
Total liabilities, deferred inflows of resources and fund balance	$ 18,147,922	$ 9,399,146	$ 30,677,595	$ 713,091	$ 8,047,630	$ 7,342,933	$ 75,224,103	$ 2,573,541	$ 152,125,961

	Current Funds				Plant Funds				
	Unrestricted	Auxiliary	Restricted	Scholarships	Unexpended	Retirement of Indebtedness	Investment in Plant	GAAP Adjustments	GAAP Basis
Revenues									
General									
State appropriations	$ 11,453,697	$ 4,900	$ 2,131,421	$ 1,609,336	$ 83,670	$ -	$ -	$ -	$ 15,283,024
Tuition and fees	14,543,452	117,555	-	-	-	-	-	(4,555,647)	10,105,360
Property taxes	2,725,746	-	3,171,737	-	1,733,992	5,149,212	-	-	12,780,687
Federal appropriations	5,035	30,125	1,872,962	7,408,257	-	-	-	(3,360,954)	5,955,425
Investment income	1,840,548	4,206	333,752	-	166,933	-	-	-	2,345,439
Iowa Industrial New Jobs Training Program	-	-	4,191,980	-	-	-	-	-	4,191,980
Sales and services	24,114	-	-	-	71,209	-	-	-	95,323
Miscellaneous	427,121	-	1,875,873	518,737	145,481	-	-	-	2,967,212
Total	31,019,713	156,786	13,577,725	9,536,330	2,201,285	5,149,212	-	(7,916,601)	53,724,450
Auxiliary enterprises									
Sales and services	-	3,086,223	-	-	-	-	-	-	3,086,223
Miscellaneous	-	717,336	-	-	-	-	-	-	717,336
Total auxiliary enterprises	-	3,803,559	-	-	-	-	-	-	3,803,559
Total revenues	31,019,713	3,960,345	13,577,725	9,536,330	2,201,285	5,149,212	-	(7,916,601)	57,528,009
Expenditures									
Education and support									
Liberal arts and sciences	4,326,776	-	10,870	-	-	-	-	(142,771)	4,194,875
Vocational technical	9,754,396	-	1,056,975	-	-	-	-	(282,739)	10,528,632
Adult education	3,517,072	-	737,258	-	-	-	-	(301,848)	3,952,482
Cooperative services	2,359,097	-	4,947,126	-	-	-	-	(1,055,828)	6,250,395
General administration	666,841	-	-	-	-	-	-	(6,671)	660,170
Student services	2,967,225	-	145,609	-	-	-	-	(55,490)	3,057,344
Learning resources	641,691	-	643,035	-	-	-	-	(25,454)	1,259,272
Physical plant	2,428,070	-	2,006,207	-	-	-	-	(35,330)	4,398,947
General institution	5,206,011	-	576,520	-	-	-	-	(90,876)	5,691,655
Total education and support	31,867,179	-	10,123,600	-	-	-	-	(1,997,007)	39,993,772
Auxiliary enterprises	-	4,162,047	-	-	-	-	-	(43,765)	4,118,282
Scholarships and grants	-	-	-	9,604,957	-	-	-	(7,916,601)	1,688,356
Plant asset acquisitions	-	-	-	-	2,249,543	-	-	(2,249,543)	-
Interest on indebtedness	-	-	-	-	-	713,093	-	626,717	1,339,810
Other	-	-	-	-	1,350,773	-	-	-	1,350,773
Expended for plant assets	-	-	-	-	-	-	(2,899,352)	2,899,352	-
Retirement of indebtedness	-	-	-	-	(408,214)	4,428,125	(4,019,911)	-	-
Disposal of plant assets	-	-	-	-	-	-	(10,210)	-	(10,210)
Depreciation	-	-	-	-	-	-	5,119,449	-	5,119,449
Total expenditures	31,867,179	4,162,047	10,123,600	9,604,957	3,192,102	5,141,218	(1,810,024)	(8,680,847)	53,600,232

	Current Funds				Plant Funds				
	Unrestricted	Auxiliary	Restricted	Scholarships	Unexpended	Retirement of Indebtedness	Investment in Plant	GAAP Adjustments	GAAP Basis
Excess (deficiency) of revenues over (under) expenditures	$ (847,466)	$ (201,702)	$ 3,454,125	$ (68,627)	$ (990,817)	$ 7,994	$ 1,810,024	$ 764,246	$ 3,927,777
Transfers									
Mandatory	744,918	-	(764,576)	19,070	588	-	-	-	-
Nonmandatory	1,366,306	967,158	(2,129,002)	39,273	(243,735)	-	-	-	-
Total transfers	2,111,224	967,158	(2,893,578)	58,343	(243,147)	-	-	-	-
Net increase (decrease) in fund balance	1,263,758	765,456	560,547	(10,284)	(1,233,964)	7,994	1,810,024	764,246	3,927,777
Fund Balances Beginning of Year	9,904,606	8,437,357	5,619,342	723,375	8,793,354	203,808	40,217,353	(5,195,483)	68,703,712
Fund Balances End of Year	$ 11,168,364	$ 9,202,813	$ 6,179,889	$ 713,091	$ 7,559,390	$ 211,802	$ 42,027,377	$ (4,431,237)	$ 72,631,489

	Education			Support						
	Liberal Arts and Sciences	Vocational Technical	Adult Education	Cooperative Services	General Administration	Student Services	Learning Resources	Physical Plant	General Institution	Total
Revenues										
State appropriations	$ 5,060,388	$ 4,538,192	$ 1,799,249	$ -	$ 34,538	$ -	$ -	$ 21,330	$ -	$ 11,453,697
Tuition and fees	4,231,943	6,608,991	2,043,692	1,637,084	-	9,047	-	-	12,695	14,543,452
Property taxes	-	-	-	-	2,725,746	-	-	-	-	2,725,746
Federal appropriations	-	5,035	-	-	-	-	-	-	-	5,035
Sales and services	-	-	11,805	-	-	-	12,300	-	9	24,114
Investment income	-	-	-	-	1,840,548	-	-	-	-	1,840,548
Miscellaneous	-	-	39,498	300,000	47	-	31,677	2,343	53,556	427,121
Total revenues	9,292,331	11,152,218	3,894,244	1,937,084	4,600,879	9,047	43,977	23,673	66,260	31,019,713
Expenditures										
Salaries and wages	3,107,298	6,513,441	1,908,532	1,666,063	1,189,614	2,052,529	449,496	695,001	2,873,412	20,455,386
Employee fringe benefits	1,122,586	2,328,184	605,548	561,908	(889,251)	831,367	149,025	318,781	1,201,033	6,229,181
Services	3,821	192,471	896,746	96,656	315,300	45,846	2,440	1,243,371	950,616	3,747,267
Materials and supplies	23,267	477,690	51,660	13,528	2,112	27,073	40,170	170,736	114,952	921,188
Travel	2,569	42,911	54,586	20,942	40,942	10,410	560	181	59,592	232,693
Loan cancellation and bad debts	67,235	109,699	-	-	8,109	-	-	-	-	185,043
Miscellaneous expenditure	-	90,000	-	-	15	-	-	-	6,406	96,421
Total expenditures	4,326,776	9,754,396	3,517,072	2,359,097	666,841	2,967,225	641,691	2,428,070	5,206,011	31,867,179
Excess (deficiency) of revenues over (under) expenditures	4,965,555	1,397,822	377,172	(422,013)	3,934,038	(2,958,178)	(597,714)	(2,404,397)	(5,139,751)	(847,466)
Transfers										
Mandatory	-	6,370	-	690,267	48,281	-	-	-	-	744,918
Nonmandatory	-	(6,380)	604,077	(2,665)	249,449	(40)	-	521,865	-	1,366,306
Total transfers	-	(10)	604,077	687,602	297,730	(40)	-	521,865	-	2,111,224
Net increase (decrease) in fund balance	$ 4,965,555	$ 1,397,812	$ 981,249	$ 265,589	$ 4,231,768	$ (2,958,218)	$ (597,714)	$ (1,882,532)	$ (5,139,751)	1,263,758
Fund Balances Beginning of Year										9,904,606
Fund Balances End of Year										$ 11,168,364

	Bookstore	Food Services	Child Care	Farm	Trade and Industry	Professional Development	Miscellaneous	Total
Revenues								
State appropriations	$ -	$ -	$ 4,900	$ -	$ -	$ -	$ -	$ 4,900
Tuition and fees	-	-	-	-	-	25,133	92,422	117,555
Federal appropriations	-	-	30,125	-	-	-	-	30,125
Sales and services	1,835,367	273,115	928,777	-	48,964	-	-	3,086,223
Investment income	-	-	-	4,206	-	-	-	4,206
Miscellaneous	50,300	-	45,825	-	875	-	620,336	717,336
Total revenues	1,885,667	273,115	1,009,627	4,206	49,839	25,133	712,758	3,960,345
Expenditures								
Salaries and wages	88,345	201,105	859,816	-	30,715	3,025	180,583	1,363,589
Employee fringe benefits	29,808	79,197	214,395	-	7,141	231	60,434	391,206
Services	29,548	11,893	34,393	-	14,105	8,659	85,551	184,149
Materials and supplies	8,351	15,143	103,629	540	39,197	1,251	40,512	208,623
Travel	520	-	129	-	1,207	5,932	44,001	51,789
Cost of goods sold	1,613,888	144,385	-	-	26,408	-	178,010	1,962,691
Total expenditures	1,770,460	451,723	1,212,362	540	118,773	19,098	589,091	4,162,047
Excess (deficiency) of revenues over (under) expenditures	115,207	(178,608)	(202,735)	3,666	(68,934)	6,035	123,667	(201,702)
Transfers								
Nonmandatory	23,890	-	-	-	64,899	150	878,219	967,158
Net (decrease) increase in fund balance	139,097	(178,608)	(202,735)	3,666	(4,035)	6,185	1,001,886	765,456
Fund Balances Beginning of Year	2,279,572	(586,822)	(569,064)	(637,742)	89,116	38,504	7,823,793	8,437,357
Fund Balances End of Year	$ 2,418,669	$ (765,430)	$ (771,799)	$ (634,076)	$ 85,081	$ 44,689	$ 8,825,679	$ 9,202,813

	Restricted Property Tax Levies	Iowa Industrial New Jobs Training	Other Federal Programs	Miscellaneous	Total
Revenues					
State appropriations	$ 40,190	$ 229,042	$ 90,323	$ 1,771,866	$ 2,131,421
Property taxes	3,171,737	-	-	-	3,171,737
Federal appropriations	-	-	1,508,479	364,483	1,872,962
Investment income	-	336,498	-	(2,746)	333,752
Iowa Industrial New Jobs Training Program	-	4,191,980	-	-	4,191,980
Miscellaneous	-	-	-	1,875,873	1,875,873
Total revenues	3,211,927	4,757,520	1,598,802	4,009,476	13,577,725
Expenditures					
Salaries and wages	-	-	749,901	509,301	1,259,202
Employee fringe benefits	251,332	-	243,250	152,502	647,084
Services	1,860,612	2,790,859	157,275	275,512	5,084,258
Materials and supplies	861,809	-	55,328	626,530	1,543,667
Travel	-	-	47,239	38,868	86,107
Plant asset acquisitions	139,918	-	290,884	219,007	649,809
Interest on indebtedness	-	626,717	-	-	626,717
Miscellaneous expenditure	-	93,300	21,000	112,456	226,756
Total expenditures	3,113,671	3,510,876	1,564,877	1,934,176	10,123,600
Excess (deficiency) of revenues over (under) expenditures	98,256	1,246,644	33,925	2,075,300	3,454,125
Transfers					
Mandatory	-	-	31,007	(795,583)	(764,576)
Nonmandatory	-	(540,505)	(104,469)	(1,484,028)	(2,129,002)
Total transfers	-	(540,505)	(73,462)	(2,279,611)	(2,893,578)
Net increase (decrease) in fund balance	98,256	706,139	(39,537)	(204,311)	560,547
Fund balances beginning of year	3,933,933	1,124,417	160,395	400,597	5,619,342
Fund balances end of year	$ 4,032,189	$ 1,830,556	$ 120,858	$ 196,286	$ 6,179,889

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Local (property tax)	$ 12,780,687	$ 12,206,448	$ 11,838,742	$ 12,123,047	$ 12,708,408	$ 13,230,509	$ 12,540,258	$ 10,376,338	$ 9,544,851	$ 9,328,085
State appropriations	15,283,024	13,510,453	13,124,745	12,885,522	13,636,511	12,294,936	12,336,125	12,358,774	12,262,797	12,468,392
Federal appropriations	5,955,425	14,043,132	18,476,254	17,702,815	13,030,670	13,217,605	14,090,430	13,888,483	17,072,041	21,953,991
Total	$ 34,019,136	$ 39,760,033	$ 43,439,741	$ 42,711,384	$ 39,375,589	$ 38,743,050	$ 38,966,813	$ 36,623,595	$ 38,879,689	$ 43,750,468

Northeast Iowa Community College

Schedule 8 – Schedule of Current Funds Revenues by Source and Expenditures by Function

For the Last Ten Years

Year Ended June 30, 2024

	Statutory Basis									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
State appropriations	$ 15,199,354	$15,859,822	$ 15,021,353	$ 14,699,363	$ 13,934,735	$ 12,528,025	$ 12,608,131	$ 12,498,883	$ 12,491,879	$ 12,770,142
Tuition and fees	14,661,007	14,444,282	14,238,229	13,486,883	14,265,310	14,541,728	14,003,180	14,495,965	15,005,062	15,610,737
Property taxes	5,897,483	5,470,862	5,307,865	5,728,520	6,541,041	7,208,365	6,611,738	4,490,655	3,639,966	3,503,188
Federal appropriations	9,316,379	11,337,285	16,361,256	15,701,850	12,456,976	12,533,127	13,410,996	13,302,701	16,322,449	21,249,569
Investment income	2,178,506	1,296,324	139,137	185,690	704,399	682,959	438,773	342,710	294,668	265,419
Iowa Industrial New Jobs Train	4,191,980	5,852,520	6,437,117	2,675,052	4,113,714	4,917,599	4,394,955	3,809,580	3,997,803	4,857,292
Auxiliary enterprises	3,803,559	3,388,477	3,164,532	2,909,110	3,614,252	3,821,997	3,556,143	3,914,866	4,010,072	4,306,681
Miscellaneous	2,845,845	2,334,814	2,139,547	2,307,390	2,590,476	3,316,878	3,544,066	3,099,802	1,006,592	2,131,992
	$ 58,094,113	$ 59,984,386	$ 62,809,036	$ 57,693,858	$ 58,220,903	$ 59,550,678	$ 58,567,982	$ 55,955,162	$ 56,768,491	$ 64,695,020
Expenditures										
Liberal arts and sciences	$ 4,337,646	$ 4,178,287	$ 3,920,012	$ 3,807,138	$ 3,685,252	$ 6,127,445	$ 6,285,530	$ 6,713,289	$ 7,509,574	$ 6,280,039
Vocational technical	10,811,371	10,470,850	10,177,160	9,117,504	9,155,223	6,353,620	7,298,510	8,299,617	8,313,748	9,678,016
Adult education	4,254,330	4,806,852	4,254,195	3,687,809	3,372,709	3,576,329	3,654,389	3,251,667	4,492,912	3,929,376
Cooperative services	7,306,223	8,868,736	9,653,693	5,771,151	6,962,259	8,090,806	7,397,329	8,153,577	7,750,338	8,848,642
General administration	666,841	1,079,168	2,271,366	1,108,296	1,382,393	1,275,410	1,149,425	1,363,372	1,521,997	1,418,394
Student services	3,112,834	3,276,727	6,988,227	3,938,403	3,110,699	2,494,062	2,102,627	2,057,071	2,352,556	2,215,141
Learning resources	1,284,726	1,110,613	738,696	751,312	892,573	812,952	838,155	885,016	1,288,052	879,430
Physical plant	4,434,277	4,271,884	3,762,860	3,571,972	4,247,397	4,354,466	4,143,121	3,965,725	4,221,979	3,503,794
General institution	5,782,531	5,693,146	6,472,051	7,648,047	5,560,188	6,103,723	8,183,360	6,692,742	6,472,382	8,063,921
Auxiliary enterprises	4,162,047	3,950,551	3,760,070	3,241,461	3,697,006	4,424,482	3,564,208	4,349,088	4,164,126	4,622,210
Scholarships and grants	9,604,957	10,220,851	10,139,285	10,932,503	12,470,146	11,914,390	12,051,299	11,980,379	13,761,880	16,122,715
	$ 55,757,783	$ 57,927,665	$ 62,137,615	$ 53,575,596	$ 54,535,845	$ 55,527,685	$ 56,667,953	$ 57,711,543	$ 61,849,544	$ 65,561,678

	Credit Hours			Contact Hours		
Category	Eligible for Aid	Not Eligible for Aid	Total	Eligible for Aid	Not Eligible for Aid	Total
Arts and sciences	41,616	-	41,616	-	-	-
Career and technical education	27,611	-	27,611	-	-	-
Adult education / continuing education	-	-	-	252,825	32,426	285,251
Related services activities	-	-	-	-	16,832	16,832
Total	69,227	-	69,227	252,825	49,258	302,083

Single Audit Information
June 30, 2024

Northeast Iowa Community College

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees
Northeast Iowa Community College
Calmar, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and the discretely presented component unit, of the Northeast Iowa Community College (the College), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated November 15, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about Northeast Iowa Community College's operations for the year ended June 30, 2024 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the 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.

Purpose of this Report

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

Eide Bailly LLP

Dubuque, Iowa
November 15, 2024

Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

The Board of Trustees
Northeast Iowa Community College
Calmar, Iowa

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Northeast Iowa Community College's (the College) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the College's major federal program for the year ended June 30, 2024. The College's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 to be significant deficiencies.

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

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Eide Bailly LLP

Dubuque, Iowa
November 15, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Program Expenditures
U.S. Department of Agriculture			
Passed through Iowa Department of Education			
Child and Adult Care Food Program	10.558	318022 / 968012	$ 30,125
Passed through Northeast Community College			
Soil and Water Conservation	10.902	NR203A750007C001	14,831
Subtotal U.S. Department of Agriculture			44,956
U.S. Department of Commerce:			
Economic Development Cluster:			
Passed through East Central Intergovernmental Association			
Economic Adjustment Assistance	11.307	05-79-06051	44,041
U.S. Department of the Treasury			
Passed through Iowa Workforce Development:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	209,761
National Science Foundation			
Passed through Upper Iowa University:			
Research and Development Cluster			
STEM Education	47.076	2050497	15,123
Small Business Development Center			
Passed through Iowa State University:			
Small Business Development Centers	59.037	026829G	59,814
U.S. Department of Veteran Affairs			
Direct:			
Post 9/11 Veterans Educational Assistance	64.027	Not applicable	54,686
U.S. Department of Education			
Passed through Iowa Department of Education:			
Adult Education - Basic Grants to States	84.002	V002A220015	158,066
Direct:			
Higher Education Institutional Aid	84.031	Not applicable	353,619

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Program Expenditures
U.S. Department of Education (continued)			
Direct:			
TRIO Cluster:			
TRIO Student Support Services	84.042	Not applicable	$ 269,386
Student Financial Assistance Cluster			
Federal Supplemental Educational Opportunity Grants	84.007	Not applicable	92,610
Federal Work - Study Program	84.033	Not applicable	41,292
Federal Pell Grant Program	84.063	Not applicable	3,883,343
Federal Direct Student Loans - Plus Loans	84.268	Not applicable	26,967
Federal Direct Student Loans - Subsidized Loans	84.268	Not applicable	1,591,460
Federal Direct Student Loans - Unsubsidized Loans	84.268	Not applicable	1,769,494
			7,405,166
Passed through Iowa Vocational Rehabilitation Services			
Fund for the Improvement of Postsecondary Education	84.116Z	P116Z220126	33,475
Passed through Iowa Vocational Rehabilitation Services			
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	23-COORD-10	86,114
Vocational Education - Basic Grants to States			
Passed through Iowa Department of Education			
Career and Technical Education - Basic Grants to States	84.048	G-PER 23-180	322,612
Subtotal U.S. Department of Education			8,628,438
U.S. Department of Health and Human Services			
Congressional Directives	93.493	Not applicable	194,969
Total Federal Financial Assistance			$ 9,251,788

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Northeast Iowa Community College under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Northeast Iowa Community College, it is not intended to and does not present the financial position, changes in net position or cash flows of Northeast Iowa Community College.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available. No federal financial assistance has been provided to a subrecipient.

Note 3 - Indirect Cost Rate

The College has not elected to use the 10% de minimus cost rate.

Part I – Summary of Auditor's Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
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 Uniform Guidance 2 CFR 200.516(a):	Yes

Identification of major programs:

Name of Federal Programs	Federal Financial Assistance Listing
Student Financial Assistance Cluster	
Federal Supplemental Educational Opportunity Grants	84.007
Federal Work - Study Program	84.033
Federal Pell Grant Program	84.063
Federal Direct Student Loans - Plus Loans	84.268
Federal Direct Student Loans - Subsidized Loans	84.268
Federal Direct Student Loans - Unsubsidized Loans	84.268

Dollar threshold used to distinguish between type A and type B programs	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

2024-001 U.S. Department of Education
Student Financial Assistance Cluster
Federal Financial Assistance Listing Number(s): 84.007, 84.033, 84.063, 84.268
Compliance Requirement(s): Special Tests and Provisions – Enrollment Reporting
Significant Deficiency in Internal Control

Criteria: 34 CFR 690.83(b)(2) and 34 CFR 685.309 states that Institutions are responsible for timely and accurate reporting of a student's enrollment status and changes in those enrollment statuses, whether they report directly or via a third-party servicer. When an Institution is made aware of a change in a student's enrollment status, the Institution has 60 days to update the change in enrollment status via NSLDS.

Condition: During our testing of compliance for Enrollment Reporting, there was 1 instance out of 60 where the College did not report a student's change in enrollment status accurately or within the required time frame of 60 days from the effective date of the student's change in enrollment status. In addition, evidence of the review of this submission was not retained.

Cause: Enrollment Services did not catch that a student who was auditing a course should have been marked as withdrawn for reporting purposes to NSLDS.

Effect: The student's change in enrollment status was not accurately reported in NSLDS and/or was not reported timely.

Questioned Costs: None reported.

Context/Sampling: A nonstatistical sample of 60 participants out of 721 students who had a change in enrollment status were selected for testing.

Repeat Finding from Prior Year(s): No

Recommendation: The Enrollment Services Office should review their current practices and controls over reporting changes in student's enrollment statuses to ensure any change to a student's enrollment status is reported both accurately and timely to NSLDS.

Views of Responsible Officials: Management agrees with the finding. The Registrar's Office will review clearing house batch errors reports and any students that go from enrolled in a course to auditing a course. In addition, the Registrar's Office will conduct and retain evidence of quality sampling once a semester.

2024-002 U.S. Department of Education
Student Financial Assistance Cluster
Federal Financial Assistance Listing Number(s): 84.063, 84.007, 84.268, 84.033
Compliance Requirement(s): Reporting – COD Reporting
Significant Deficiency in Internal Control

Criteria: 34 CFR 685.215 states that Institutions are responsible for submitting a loan award record to the Department of Education's Common Origination and Disbursement (COD) System and receive an accepted response prior to disbursing the loan. The institution is also responsible for implementing an effective control over this process.

Condition: During our testing of compliance for COD Reporting, it was noted that there was no documented control over the Student Account Statement (SAS) reconciliation that is performed after loans have been submitted to COD and disbursed.

Cause: The College did not have a documented control over the SAS reconciliation process.

Effect: Without a secondary review and approval, there is a possibility that the COD Reporting could be incorrect.

Questioned Costs: None reported.

Context/Sampling: A nonstatistical sample of 3 monthly SAS reconciliations out 12 monthly reconciliations.

Repeat Finding from Prior Year(s): No

Recommendation: The College should review its current controls over COD Reporting and SAS reconciliations and ensure those controls are properly documented.

Views of Responsible Officials: Management agrees with the finding. The Financial Aid Office will retain documentation of the control over the SAS reconciliation process.

Part IV: Other Findings Related to Statutory Reporting:

2024-IA-A **Certified Budget** – Disbursements during year ended June 30, 2024 did not exceed the amount budgeted.

2024-IA-B **Questionable Disbursements** – We noted no disbursements that fail to meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

2024-IA-C **Travel Expense** – No disbursements of College money for travel expenses of spouses of College officials or employees were noted.

2024-IA-D **Business Transactions** – Business transactions between the College and College officials and employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Wendy Knight, trustee, is owner of Focus Forward	Services	$ 1,000
Thomas Ward, employee, is owner of 5 Star Auto Detailing	Services	885
Erin Powers Daley, employee, is owner of Clarity Growth Consulting	Services	150
Dorothy Wehling, employee	Supplies	176

2024-IA-E **Restricted Donor Activity** – No transactions were noted between the College, College officials, employees, and restricted donors in compliance with Chapter 68B of the Code of Iowa.

2024-IA-F **Bond Coverage** – Surety bond coverage of College officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

2024-IA-G **Board Minutes** – No transactions were found that we believe should have been approved in the Board minutes but were not.

2024-IA-H **Publication** – The College published a statement showing the receipt and disbursement of all funds, including the names of all persons, firms or corporations to which disbursements were made, as required by Section 260C.14(12) of the Code of Iowa.

2024-IA-I **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 College’s investment policy were noted.

2024-IA-J **Credit and Contact Hours** – Eligible credit and contact hours reported to the Iowa Department of Education by the College for the year ended June 30, 2024 were supported by detailed records maintained by the College.