

Financial Statements  
June 30, 2025

# Northeast Iowa Community College

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Northeast Iowa Community College  
Board of Trustees and College Officials

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Board of Trustees

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Name	Title	Term Expires
Jim Anderson	Chair	2027
Kathy Gunderson	Vice Chair	2025
John Finley	Member	2027
Wendy Knight	Member	2027
Gary McAndrew	Member	2025
Sue Runyon	Member	2025
Geri Schilling-Johnson	Member	2025
Dean Sherman	Member	2025
Jason Norton	Member	2025

Community College Officials

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David Dahms	Interim President
Lexi Wagner	Vice President of Finance & Administration
Anna Berns	Executive Director of Advancement
Amy Gaffney	Vice President of Student Services
Amy Lasack	Vice President of Business & Community Solutions
Kathy Nacos-Burds	Vice President of Teaching & Learning
Heather Groth	Board Secretary
Renaë Parker	Board Treasurer, Director of Accounting



## **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, 2025, 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, 2025, 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 GAAS, 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 seven 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 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 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 10, 2025, 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.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Dubuque, Iowa  
November 10, 2025

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, 2025.

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.

### **2025 Financial Highlights**

Operating revenues decreased overall by 4.8% or approximately \$1,115,000 from fiscal year 2024 due to a decrease in sales and services. Nonoperating revenues increased by 3.72% or approximately \$1,276,000 due to an increase in Pell Grant and property tax.

Operating expenses increased .82% or approximately \$428,000 from fiscal year 2024.

The College's net position increased 5.2% or approximately \$3,765,000, during fiscal year 2025.

### **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.

### **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, 2025, was approximately \$43,914,000 or 57.5% 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, 2025, was approximately \$25,478,000 or 33.4% of total net position.

Statements of net position as of June 30, 2025 and 2024, are as follows:

	Condensed Statement of Net Position (Expressed in Thousands)	
	2025	2024
Current and Other Assets	\$ 70,865	\$ 71,018
Other Noncurrent Assets	2,860	3,310
Capital Assets, Net	73,934	75,224
Total assets	\$ 147,659	\$ 149,552
Deferred Outflows of Resources	\$ 2,111	\$ 2,574
Current Liabilities	\$ 13,850	\$ 14,574
Noncurrent Liabilities	45,603	51,373
Total liabilities	\$ 59,453	\$ 65,947
Deferred Inflows of Resources	\$ 13,921	\$ 13,548
Net Position		
Net investment in capital assets	\$ 43,914	\$ 42,027
Restricted for specific purposes	7,004	7,105
Unrestricted	25,478	23,499
Total net position	\$ 76,396	\$ 72,631

*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, 2025 and 2024, are as follows:

	Changes in Net Position (Expressed in Thousands)	
	2025	2024
Operating Revenues		
Tuition and fees	\$ 10,520	\$ 10,105
Federal appropriations	2,055	2,077
Iowa Industrial New Jobs Training Program	3,993	4,192
Sales and services	2,137	3,182
Miscellaneous	3,421	3,685
	22,126	23,241
Total operating revenues		
Total operating expenses	52,699	52,271
Operating loss	(30,573)	(29,030)
Non-Operating Revenues (Expenses)		
State appropriations	15,069	15,283
Pell Grant	4,864	3,878
Property taxes	13,632	12,781
Investment income (loss)	2,124	2,345
Gain (loss) on sale of capital assets	(116)	10
Interest on indebtedness	(1,235)	(1,340)
	34,338	32,957
Net nonoperating revenues (expenses)		
Change in net position	3,765	3,927
Net Position Beginning of Year	72,631	68,704
Net Position End of Year	\$ 76,396	\$ 72,631

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 2025, operating revenues decreased approximately \$1,115,000 as a result of the following changes:

- Revenue from the New Jobs Training Program declined in fiscal year 2025 compared to fiscal year 2024.

Operating expenses for the years ended June 30, 2025 and 2024, are as follows:

	Operating Expenses (Expressed in Thousands)	
	2025	2024
Operating Expenses		
Liberal arts and sciences	\$ 4,058	\$ 4,195
Vocational technical	10,510	10,529
Adult education	4,396	3,952
Cooperative services	6,755	6,250
General administration	684	660
Student services	3,059	3,057
Learning resources	1,346	1,259
Physical plant	4,267	4,399
General institution	5,860	5,692
Auxiliary Enterprises	4,328	4,118
Scholarships and Grants	1,446	1,688
Depreciation/Amortization	5,030	5,120
Other	960	1,351
	\$ 52,699	\$ 52,270

In fiscal year 2025, operating expenses resulted in the following changes:

- The increase in Adult Education is attributed to a rise in Business and Community Solutions training and tuition revenue.

### Capital Assets

At June 30, 2025, the College had approximately \$136.5 million invested in capital assets, less accumulated depreciation and amortization of \$62.5 million. Depreciation and amortization expense totaled approximately \$5 million fiscal year 2025. Details of net capital assets are shown below:

	Capital Assets, Net (Expressed in Thousands)	
	2025	2024
Land	\$ 1,017	\$ 1,017
Buildings	64,127	65,437
Construction in progress	4	570
Other structures and improvements	1,939	1,750
Right-to-use leased building and vehicles	273	35
Right-to-use subscription asset	1,503	999
Intangibles	37	39
Furniture and equipment	5,034	5,377
Total	<u>\$ 73,934</u>	<u>\$ 75,224</u>

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

### Debt

At June 30, 2025, the College had \$47 million in debt outstanding, a decrease of \$4.5 million from 2024. The table below summarizes these amounts by type.

	Long-term Debt (Expressed in Thousands)	
	2025	2024
Termination benefits	\$ 148	\$ 230
Lease agreements	258	412
Software subscription payable	1,454	689
Certificates payable	16,880	18,160
Bonds Payable	28,308	32,095
Total	<u>\$ 47,048</u>	<u>\$ 51,586</u>

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

### **Northeast Iowa Community College Economic Factors**

In fiscal year 2025, the College continued to strengthen its financial position, despite several economic factors shaping its financial outlook. College officials remain attentive and proactive in addressing 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 2026 is projected to see increased expenses, primarily driven by salary and benefit adjustments along with rising costs for professional services, supplies, and other operating expenses. These increases are further compounded by ongoing inflationary pressures affecting goods and services across the higher education sector.
- **Technological Challenges:** The rapid pace of technological advancement and the ongoing need to replace outdated systems continue to present challenges for the College. Maintaining up-to-date technology that supports academic and operational effectiveness while managing costs remains a key priority.

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.

Northeast Iowa Community College  
Statement of Net Position  
June 30, 2025

	Business-type Activities	Component Unit Foundation
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 53,270,970	\$ 458,063
Investments	-	565,487
Receivables		
Accounts, less allowance of \$215,680	1,544,211	-
Promises, net discount	-	42,856
Accrued interest	9,395	-
Property tax		
Current year delinquent	95,532	-
Succeeding year	13,767,612	-
Notes	92,732	-
Iowa Industrial New Jobs Training Program	942,659	-
Due from other governments	866,310	-
Prepaid expenses	185,725	-
Inventories	90,011	-
	<u>70,865,157</u>	<u>1,066,406</u>
<b>Noncurrent Assets</b>		
Investments	-	5,792,442
Promises, net discount	-	401,508
Due from Iowa Industrial New Jobs Training Program	2,860,151	-
Capital assets, non-depreciable	1,020,414	-
Capital assets, net accumulated depreciation/amortization	72,913,410	-
	<u>76,793,975</u>	<u>6,193,950</u>
<b>Total noncurrent assets</b>	<u>76,793,975</u>	<u>6,193,950</u>
<b>Total assets</b>	<u>147,659,132</u>	<u>7,260,356</u>
<b>Deferred Outflows of Resources</b>		
Pension related deferred outflows	2,053,354	-
OPEB related deferred outflows	58,109	-
	<u>2,111,463</u>	<u>-</u>
<b>Total deferred outflows of resources</b>	<u>2,111,463</u>	<u>-</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 149,770,595</u>	<u>\$ 7,260,356</u>

Northeast Iowa Community College  
Statement of Net Position  
June 30, 2025

	Business-type Activities	Component Unit Foundation
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1,232,619	\$ -
Salaries and benefits payable	2,126,464	-
Accrued interest payable	58,907	-
Compensated absences payable	202,211	-
Unearned revenues	3,076,247	-
Termination benefits	58,429	-
Lease agreements	113,561	-
Software subscription payable	446,723	-
Certificates payable	3,155,000	-
Bonds payable	3,380,000	-
Total current liabilities	13,850,161	-
<b>Noncurrent Liabilities</b>		
Termination benefits	89,567	-
Lease agreements	144,516	-
Software subscription payable	1,007,070	-
Certificates payable	13,725,000	-
Bonds payable	24,928,241	-
Net pension liability	5,322,092	-
Total OPEB liability	386,894	-
Total noncurrent liabilities	45,603,380	-
Total liabilities	59,453,541	-
<b>Deferred Inflows of Resources</b>		
Succeeding year property tax	13,767,612	-
Pension related deferred inflows	3,380	-
OPEB related deferred inflows	149,673	-
Total deferred inflows of resources	13,920,665	-
<b>Net Position</b>		
Net investment in capital assets	43,913,713	-
Restricted for specific purposes	7,004,459	6,024,718
Unrestricted	25,478,217	1,235,638
Total net position	76,396,389	7,260,356
Total liabilities, deferred inflows of resources and net position	\$ 149,770,595	\$ 7,260,356

Northeast Iowa Community College  
Statement of Revenues, Expenses, and Changes in Net Position  
Year Ended June 30, 2025

	Business-type Activities	Component Unit Foundation
<b>Operating Revenues</b>		
Tuition and fees, net of scholarship allowances of \$4,849,388	\$ 10,520,348	\$ -
Federal appropriations	2,054,538	-
Iowa Industrial New Jobs Training Program	3,992,607	-
Sales and services	2,137,154	-
Miscellaneous	3,421,123	1,443,188
Total operating revenues	<u>22,125,770</u>	<u>1,443,188</u>
<b>Operating Expenses</b>		
Liberal arts and sciences	4,058,294	-
Vocational technical	10,509,582	-
Adult education	4,395,726	-
Cooperative services	6,755,428	-
General administration	683,773	6,408
Student services	3,059,045	-
Learning resources	1,345,565	-
Physical plant	4,267,178	-
General institution	5,860,278	-
Auxiliary enterprises	4,327,545	-
Scholarships and grants	1,446,362	386,220
Depreciation/amortization	5,029,873	-
Other	960,226	1,241,031
Total operating expenses	<u>52,698,875</u>	<u>1,633,659</u>
Operating (loss) income	<u>(30,573,105)</u>	<u>(190,471)</u>
<b>Non-Operating Revenues (Expenses)</b>		
State appropriations	15,068,789	-
Pell Grant	4,863,632	-
Property taxes	13,632,484	-
Investment income (loss)	2,123,838	767,228
Gain (loss) on sale of capital assets	(115,835)	-
Interest on indebtedness	(1,234,903)	-
Net nonoperating revenues (expenses)	<u>34,338,005</u>	<u>767,228</u>
Change in Net Position	3,764,900	576,757
Net Position, Beginning of Year	<u>72,631,489</u>	<u>6,683,599</u>
Net Position End of Year	<u>\$ 76,396,389</u>	<u>\$ 7,260,356</u>

Northeast Iowa Community College  
Statement of Cash Flows  
Year Ended June 30, 2025

	Business-type Activities
Cash Flows from (used in) Operating Activities	
Tuition and fees	\$ 10,813,993
Federal appropriations	751,863
Iowa Industrial New Jobs Training Program	4,482,987
Payments to employees for salaries and benefits	(31,476,353)
Payments to suppliers for goods and services	(11,232,941)
Payments to NJTP recipients	(2,949,835)
Cost of goods sold	(1,828,662)
Scholarships	355,994
Auxiliary enterprise receipts	2,052,657
Other operating receipts	4,663,346
	(24,366,951)
Net cash used in operating activities	
Cash Flows from Non-Capital Financing Activities	
State appropriations	15,068,789
Pell Grant	4,863,632
Property taxes	13,625,955
Proceeds from issuance of debt	2,260,000
Principal paid on New Jobs Training certificates	(3,540,000)
Interest paid on New Jobs Training certificates	(634,955)
	31,643,421
Net cash provided by non-capital financing activities	
Cash Flows from (used in) Capital and Related Financing Activities	
Acquisition of capital assets	(2,941,641)
Principal paid on debt and leases	(4,055,041)
Interest paid on debt and leases	(907,337)
	(7,904,019)
Net cash used in capital and related financing activities	
Cash Flows from Investing Activities	
Interest on investments	2,120,776
	2,120,776
Net increase in cash	1,493,227
Cash and Cash Equivalents, Beginning of Year	51,777,743
Cash and Cash Equivalents, End of Year	\$ 53,270,970

Northeast Iowa Community College  
Statement of Cash Flows  
Year Ended June 30, 2025

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	Business-type Activities
Reconciliation of Operating (Loss) Income to Net Cash (Used in) Operating Activities	
Operating (loss) income	\$ (30,573,105)
Adjustments to reconcile operating (loss) income to net cash (used in) operating activities	
Depreciation/amortization	5,029,873
Changes in assets and liabilities	
Accounts receivable	1,241,091
Notes receivable	336
NJTP receivable	736,263
Lease receivable	30,851
Due from other governments	493,376
Prepaid expenses	9,027
Inventories	(2,965)
Accounts payable and accrued liabilities	(546,653)
Net pension liability	(1,064,678)
OPEB	(79,347)
Deferred outflows of resources	462,078
Deferred inflows of resources	1,286
Unearned revenues	(66,790)
Termination benefits	(81,694)
Compensated absences payable	44,100
Net cash (used in) operating activities	\$ (24,366,951)
Noncash Investing, Capital and Financing Activities	
Capital asset additions included in accounts payable	\$3,548
Issuance of subscription-based IT asset	\$1,174,951

**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, 2025, expresses an unmodified opinion dated November 10, 2025.

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, reimbursements due from the federal government, and reimbursements from other local governments.

*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, 2025 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:

<u>Asset Class</u>	<u>Amount</u>
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:

<u>Asset Class</u>	<u>In Years</u>
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 lease 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. A liability is recorded when each of the following have occurred: the leave is attributable to services already rendered, the leave accumulates and carries forward from one reporting period to the next and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2025.

#### *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, athletics, 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, 2025, 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, 2025, consist of the following:

Petty cash	\$ 2,705
Deposit accounts	31,072,275
Iowa Schools Joint Investment Trust	<u>22,195,990</u>
Total	<u>\$ 53,270,970</u>

**Iowa Schools Joint Investment Trust (ISJIT)**

At June 30, 2025, 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.

**Credit Risk**

Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. To limit its exposure, the College's investment policy prohibits investments in commercial paper and other corporate debt.

**Custodial Credit Risk - Deposits**

This is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College's deposits and investments held at year end are 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.

**Custodial Credit Risk – Investments**

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The College held no such investments during the year.

**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:

<u>Investments</u>	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Money market funds (at cost)	\$ 239,684	\$ -	\$ -	\$ -
Corporate bonds	1,616,179	1,616,179	-	-
Common stock	4,144,099	4,144,099	-	-
Equity mutual funds	<u>357,967</u>	<u>357,967</u>	<u>-</u>	<u>-</u>
	<u>\$ 6,357,929</u>	<u>\$ 6,118,245</u>	<u>\$ -</u>	<u>\$ -</u>

**Note 3 - Capital Assets**

Capital assets activity for the year ended June 30, 2025, is as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
<b>Capital Non-Depreciable Assets</b>				
Land	\$ 1,016,866	\$ -	\$ -	\$ 1,016,866
Construction in progress	569,541	3,548	569,541	3,548
Capital non-depreciable assets	<u>1,586,407</u>	<u>3,548</u>	<u>569,541</u>	<u>1,020,414</u>
<b>Capital Assets, Being Depreciated/ Amortized</b>				
Buildings	111,759,382	1,907,702	-	113,667,084
Other structures and improvements	4,449,560	319,355	-	4,768,915
Right to-use leased buildings and vehicles	963,145	-	36,614	926,531
Right-to-use subscription asset	1,372,257	1,174,951	213,164	2,334,044
Intangibles	48,369	-	-	48,369
Furniture and equipment	<u>13,356,588</u>	<u>1,019,414</u>	<u>677,736</u>	<u>13,698,266</u>
Gross capital assets being depreciated/amortized	<u>131,949,301</u>	<u>4,421,422</u>	<u>927,514</u>	<u>135,443,209</u>
<b>Less Accumulated Depreciation/ Amortization</b>				
Buildings	46,322,747	3,217,529	-	49,540,276
Other structures and improvements	2,699,576	130,750	-	2,830,326
Right to-use leased buildings and vehicles	534,174	155,728	36,614	653,288
Right-to-use subscription asset	486,680	556,967	213,164	830,483
Intangibles	9,673	1,935	-	11,608
Furniture and equipment	<u>8,258,755</u>	<u>966,964</u>	<u>561,901</u>	<u>8,663,818</u>
Total accumulated depreciation/amortization	<u>58,311,605</u>	<u>5,029,873</u>	<u>811,679</u>	<u>62,529,799</u>
Net Capital Assets Being Depreciated/Amortized	<u>73,637,696</u>	<u>(608,451)</u>	<u>115,835</u>	<u>72,913,410</u>
Capital Assets, Net	<u>\$ 75,224,103</u>	<u>\$ (604,903)</u>	<u>\$ 685,376</u>	<u>\$ 73,933,824</u>

**Note 4 - Long-term Obligations**

Long-term liability activity for the year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Amounts Due Within One year
Termination benefits	\$ 229,690	\$ -	\$ 81,694	\$ 147,996	\$ 58,429
Lease agreements	412,681	-	154,604	258,077	113,561
Software subscription payable	689,339	1,174,891	410,437	1,453,793	446,723
Certificates payable	18,160,000	2,260,000	3,540,000	16,880,000	3,155,000
Bonds payable	30,730,000	-	3,490,000	27,240,000	3,380,000
Premium on bonds	1,364,706	-	296,465	1,068,241	-
Long-term Liabilities	<u>\$ 51,586,416</u>	<u>\$ 3,434,891</u>	<u>\$ 7,973,200</u>	<u>\$ 47,048,107</u>	<u>\$ 7,153,713</u>

**Certificates Payable**

In accordance with agreements dated between July 1, 2013, and June 30, 2025, the College issued certificates totaling \$16,880,000 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, 2025, principal and interest paid were \$3,540,000 and \$634,954, respectively. \$2,260,000 of NJTP certificates were issued during the year ended June 30, 2025.

Year Ending June 30,	Principal	Interest	Total
2026	\$ 3,155,000	\$ 551,429	\$ 3,706,429
2027	3,035,000	455,324	3,490,324
2028	2,510,000	366,059	2,876,059
2029	2,190,000	288,169	2,478,169
2030	1,995,000	219,979	2,214,979
2031-2034	<u>3,995,000</u>	<u>313,187</u>	<u>4,308,187</u>
Total	<u>\$ 16,880,000</u>	<u>\$ 2,194,147</u>	<u>\$ 19,074,147</u>

**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 2026 through 2028.

The College entered into ten agreements to lease ten 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 2026 and require the payment of normal maintenance charges.

Future principal and interest payments as of June 30, 2025, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 113,561	\$ 8,142	\$ 121,703
2027	100,702	4,298	105,000
2028	<u>43,814</u>	<u>1,186</u>	<u>45,000</u>
Total	<u>\$ 258,077</u>	<u>\$ 13,626</u>	<u>\$ 271,703</u>

**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 2026 through 2029.

Future principal and interest payments as of June 30, 2025, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 446,723	\$ 57,472	\$ 504,195
2027	373,744	40,982	414,726
2028	402,029	27,501	429,530
2029	<u>231,297</u>	<u>10,657</u>	<u>241,954</u>
Total	<u>\$ 1,453,793</u>	<u>\$ 136,612</u>	<u>\$ 1,590,405</u>

**Bonded Indebtedness**

\$8,885,000 General Obligation School Refunding Bonds Series 2019, due annually in varying installments June 1, 2025 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, 2025 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, 2025 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, 2025 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.

Future principal and interest payments as of June 30, 2025, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	3,100,000	481,850	3,581,850
2031-2035	15,165,000	1,449,350	16,614,350
2036	<u>1,095,000</u>	<u>32,850</u>	<u>1,127,850</u>
Total	<u>\$ 27,240,000</u>	<u>\$ 4,300,450</u>	<u>\$ 31,540,450</u>

**Note 5 - 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, 2025.

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, 2025, the College has health insurance obligations to twelve participants with a total early retirement liability of \$147,996. Actual early retirement expenditures for the year ended June 30, 2025 totaled \$81,694.

**Note 6 - 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](http://www.ipers.org).

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

**Pension Benefits**

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

- A multiplier based on years of service.
- The member's highest five-year average salary, 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 2025, 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, 2025, totaled \$1,323,622.

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

At June 30, 2025, the College reported a net pension liability of \$5,322,092 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2024, the College's proportion was 0.146151%, which was an increase of 0.004653% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the College recognized pension expense of \$664,590. At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 423,483	\$ 3,306
Changes of assumptions	-	74
Net difference between projected and actual earnings on IPERS' investments	66,562	-
Changes in proportion and differences between College contributions and College's proportionate share of contributions	239,687	-
College contributions subsequent to the measurement date	<u>1,323,622</u>	<u>-</u>
	<u>\$ 2,053,354</u>	<u>\$ 3,380</u>

\$1,323,622 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (621,521)
2027	1,353,312
2028	107,604
2029	(128,480)
2030	<u>15,437</u>
	<u>\$ 726,352</u>

There were no non-employer contributing entities to IPERS.

**Actuarial Assumptions**

The total pension liability in the June 30, 2024, 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, 2024, 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 2024 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 %	3.52 %
International equity	13.0	5.18
Global smart beta equity	5.0	4.12
Core plus fixed income	25.5	3.04
Public credit	3.0	4.53
Cash	1.0	1.69
Private equity	17.0	8.89
Private real assets	9.0	4.25
Private credit	5.5	6.62
	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	\$ 13,060,319	\$ 5,322,092	\$ (1,158,713)

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

**Payables to IPERS**

At June 30, 2025, the College reported payables to IPERS of \$84,655 for legally required College contributions and \$56,437 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

**Note 7 - 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, 2025, employee contributions totaled \$483,778 and the College recognized pension expense of \$726,053.

At June 30, 2025, the College reported payables to the TIAA of \$44,039 for legally required College contributions and \$29,344 for legally required employee contributions which had been withheld from employee wages but not yet remitted to TIAA.

**Note 8 - 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, 2025, there were 312 active employees and 6 inactive employees covered by the benefit terms.

**Total OPEB Liability**

The College’s total OPEB liability of \$386,894 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2024.

**Actuarial Assumptions**

The total OPEB liability in the June 30, 2025 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	3.93% per year
Healthcare cost trend rate	7.00% 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 3.93% 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	\$ 466,241
Changes for the Year	
Service cost	34,910
Interest cost	15,608
Difference between expected and actual experience	12,694
Changes of assumptions	(90,796)
Benefit payments	(51,763)
Net Change	(79,347)
Total OPEB Liability End of Year	\$ 386,894

**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 (2.93%) or 1% higher (4.93%) than the current discount rate.

	1% Decrease 2.93%	Discount Rate 3.93%	1% Increase 4.93%
Total OPEB liability	\$ 409,147	\$ 386,894	\$ 366,441

**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%) or 1% higher (8%) than the current healthcare cost trend rates.

	1% Decrease 6.0% Decreasing to 4.0%	Current Healthcare Cost Trend Rate 7.0% Decreasing to 5.0%	1% Increase 8.0% Decreasing to 6.0%
Total OPEB liability	\$ 357,551	\$ 386,894	\$ 420,602

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

For the year ended June 30, 2025, the College recognized OPEB expense of \$35,691. At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 41,095	\$ 66,451
Changes of assumptions	<u>17,014</u>	<u>83,222</u>
	<u>\$ 58,109</u>	<u>\$ 149,673</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (14,827)
2027	(16,093)
2028	(17,983)
2029	(10,576)
2030	(8,732)
Thereafter	<u>(23,353)</u>
	<u>\$ (91,564)</u>

**Note 9 - 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, 2025, which is audited, is as follows:

Total assets	\$ 2,375,196
Total liabilities	1,021,340
Total net assets	1,353,856
Total revenue	1,574,502
Total expenses	2,176,619
Total non-operating income	848,465
Services received from personnel of an affiliate	78,253

**Note 10 - 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 374 projects. There are 318 projects that have been completed and 56 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 605 projects with 19 new projects in the year ended June 30, 2025.

**Note 11 - Commitments**

As of June 30, 2025, the College has entered into various agreements for equipment and construction contracts for a total of \$107,996.

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 an agreement on July 15, 2024, to lease the Farm Manager to the Dairy & Ag Foundation.

**Note 12 - 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, 2025, 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 13 - 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, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Estimated claims payable, beginning of year	\$ 717,532	\$ 632,455
Claims recognized	4,817,855	4,503,631
Claim payments	<u>(4,891,933)</u>	<u>(4,418,554)</u>
Estimated claims payable, end of year	<u>\$ 643,454</u>	<u>\$ 717,532</u>

**Note 14 - 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, 2025, the College had no abatements of property tax and \$3,844,622 of state income tax withholding under the projects.

**Note 15 - Net Position**

The statement of net position reports \$7,004,459 of restricted net position, of which \$6,136,787 is restricted by enabling legislation.

**Note 16 - Subsequent Events**

Iowa Industrial New Jobs Training Program (NJTP) – On July 7, 2025, the College issued certificates totaling \$1,775,000 for NJTP projects with interest rates ranging from 4.5% to 5.0%. The debt was incurred as allowed by Chapter 260E of the Code of Iowa and will mature beginning on June 1, 2026.

Required Supplementary Information  
June 30, 2025

## Northeast Iowa Community College

Northeast Iowa Community College  
Schedules of Employer's Share of Net Pension Liability (Asset) and Employer Contributions  
Year Ended June 30, 2025

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
College's proportion of the net pension liability	0.146151%	0.141499%	0.144069%	-0.055613%	0.135367%	0.134215%	0.141353%	0.153889%	0.155812%	0.155012%
College's proportionate share of the net pension liability	\$ 5,322	\$ 6,387	\$ 5,443	\$ 192	\$ 9,509	\$ 7,772	\$ 8,945	\$ 10,251	\$ 9,806	\$ 7,658
College's covered payroll	\$ 13,453	\$ 12,415	\$ 11,600	\$ 11,130	\$ 10,752	\$ 10,244	\$ 10,616	\$ 11,630	\$ 11,254	\$ 10,621
College's proportionate share of the net pension liability as a percentage of its covered payroll	39.56%	51.45%	46.92%	1.73%	88.44%	75.87%	84.26%	88.14%	87.13%	72.10%
IPERS' net position as a percentage of the total pension liability	92.30%	90.13%	91.41%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%

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)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 1,324	\$ 1,270	\$ 1,172	\$ 1,095	\$ 1,051	\$ 1,015	\$ 967	\$ 948	\$ 1,039	\$ 1,005
Contributions in relation to the statutorily required contribution	(1,324)	(1,270)	(1,172)	(1,095)	(1,051)	(1,015)	(967)	(948)	(1,039)	(1,005)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered payroll	\$ 14,025	\$ 13,453	\$ 12,415	\$ 11,600	\$ 11,130	\$ 10,752	\$ 10,244	\$ 10,616	\$ 11,630	\$ 11,254
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%	9.44%	9.44%	9.44%	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%.

Northeast Iowa Community College  
Schedule of Changes in Total OPEB Liability  
Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 34,910	\$ 42,836	\$ 41,589	\$ 35,035	\$ 34,014	\$ 22,921	\$ 22,253	\$ 27,682
Interest cost	15,608	16,209	14,630	7,381	6,657	12,084	11,090	12,951
Difference between expected and actual experiences	12,694	-	40,486	-	(68,262)	-	(88,024)	-
Changes in assumptions	(90,796)	-	959	-	19,794	-	(6,330)	30,294
Benefit payments	(51,763)	(15,676)	(10,091)	(12,120)	(5,792)	(11,500)	(5,140)	(26,946)
Net change in total OPEB liability	(79,347)	43,369	87,573	30,296	(13,589)	23,505	(66,151)	43,981
Total OPEB liability beginning of year	466,241	422,872	335,299	305,003	318,592	295,087	361,238	317,257
Total OPEB liability end of year	<u>\$ 386,894</u>	<u>\$ 466,241</u>	<u>\$ 422,872</u>	<u>\$ 335,299</u>	<u>\$ 305,003</u>	<u>\$ 318,592</u>	<u>\$ 295,087</u>	<u>\$ 361,238</u>
Covered-employee payroll	\$ 18,245,027	\$ 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	2.12%	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, 2025	3.93%
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, 2025

## Northeast Iowa Community College

Northeast Iowa Community College

Schedule 1 – Budgetary Comparison Schedule of Expenditures – Budget to Actual

June 30, 2025

Funds/Levy	Original Budget	Actual	Variance Actual and Budget
Unrestricted	\$ 42,155,455	\$ 32,558,182	\$ 9,597,273
Restricted	16,100,000	7,357,805	8,742,195
Unemployment	25,000	982	24,018
Insurance	2,296,219	1,985,658	310,561
Early retirement	81,000	-	81,000
Equipment replacement	1,256,939	915,808	341,131
Total restricted	19,759,158	10,260,253	9,498,905
Plant	5,142,333	960,226	4,182,107
Bonds and interest	4,624,318	5,510,967	(886,649)
Total plant	9,766,651	6,471,193	3,295,458
Total	<u>\$ 71,681,264</u>	<u>\$ 49,289,628</u>	<u>\$ 22,391,636</u>

**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, 2025, the College's expenditures did not exceed the amount budgeted.

Northeast Iowa Community College  
Schedule 2 – Combining Balance Sheet – All Funds  
June 30, 2025

	Current Funds				Unexpended	Plant Funds		GAAP Adjustments	GAAP Basis
	Unrestricted	Auxiliary	Restricted	Scholarships		Retirement of Indebtedness	Investment in Plant		
<b>Assets</b>									
Cash and cash equivalents	\$ 14,940,830	\$ 9,331,441	\$ 20,978,451	\$ 497,577	\$ 7,522,671	\$ -	\$ -	\$ -	\$ 53,270,970
Receivables									
Accounts, less allowance of \$215,860	586,107	650,023	308,081	-	-	-	-	-	1,544,211
Accrued interest	-	9,395	-	-	-	-	-	-	9,395
Property tax:									
Current year delinquent	20,336	-	24,943	-	-	50,253	-	-	95,532
Succeeding year	2,889,888	-	3,544,395	-	-	7,333,329	-	-	13,767,612
Notes	-	92,732	-	-	-	-	-	-	92,732
Iowa Industrial New Jobs Training Program	-	-	3,802,810	-	-	-	-	-	3,802,810
Due from other governments	255,439	664	469,785	139,737	-	685	-	-	866,310
Prepaid expenses	-	-	-	-	-	185,725	-	-	185,725
Inventories	-	90,011	-	-	-	-	-	-	90,011
Capital assets									
Land	-	-	-	-	-	-	1,016,866	-	1,016,866
Construction in progress	-	-	-	-	-	-	3,548	-	3,548
Buildings	-	-	-	-	-	-	113,667,084	-	113,667,084
Other structures and improvements	-	-	-	-	-	-	4,768,915	-	4,768,915
Right to-use leased buildings and vehicles	-	-	-	-	-	-	926,531	-	926,531
Right-to-use subscription asset	-	-	-	-	-	-	2,334,044	-	2,334,044
Intangibles	-	-	-	-	-	-	48,369	-	48,369
Furniture and equipment, including assets acquired	-	-	-	-	-	-	13,698,266	-	13,698,266
Accumulated depreciation and amortization	-	-	-	-	-	-	(62,529,799)	-	(62,529,799)
<b>Total assets</b>	<b>18,692,600</b>	<b>10,174,266</b>	<b>29,128,465</b>	<b>637,314</b>	<b>7,522,671</b>	<b>7,569,992</b>	<b>73,933,824</b>	<b>-</b>	<b>147,659,132</b>
<b>Deferred Outflows of Resources</b>									
Pension related deferred outflows	-	-	-	-	-	-	-	2,053,354	2,053,354
OPEB related deferred outflows	-	-	-	-	-	-	-	58,109	58,109
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,111,463</b>	<b>2,111,463</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 18,692,600</b>	<b>\$ 10,174,266</b>	<b>\$ 29,128,465</b>	<b>\$ 637,314</b>	<b>\$ 7,522,671</b>	<b>\$ 7,569,992</b>	<b>\$ 73,933,824</b>	<b>\$ 2,111,463</b>	<b>\$ 149,770,595</b>

Northeast Iowa Community College  
Schedule 2 – Combining Balance Sheet – All Funds  
June 30, 2025

	Current Funds				Plant Funds			GAAP Adjustments	GAAP Basis
	Unrestricted	Auxiliary	Restricted	Scholarships	Unexpended	Retirement of Indebtedness	Investment in Plant		
<b>Liabilities</b>									
Accounts payable	\$ 880,075	\$ 107,822	\$ 150,875	\$ 6,305	\$ 87,542	\$ -	\$ -	\$ -	\$ 1,232,619
Salaries and benefits payable	2,112,859	4,712	8,481	-	412	-	-	-	2,126,464
Accrued interest payable	-	-	-	-	58,907	-	-	-	58,907
Compensated absences payable	183,125	19,086	-	-	-	-	-	-	202,211
Unearned revenues	815,481	835	2,259,931	-	-	-	-	-	3,076,247
Termination benefits	-	-	147,996	-	-	-	-	-	147,996
Lease agreements	-	-	-	-	-	-	258,077	-	258,077
Software subscription payable	-	-	-	-	-	-	1,453,793	-	1,453,793
Certificates payable	-	-	16,880,000	-	-	-	-	-	16,880,000
Bonds payable	-	-	-	-	-	-	28,308,241	-	28,308,241
Net pension liability	-	-	-	-	-	-	-	5,322,092	5,322,092
Total OPEB liability	-	-	-	-	-	-	-	386,894	386,894
<b>Total liabilities</b>	<b>3,991,540</b>	<b>132,455</b>	<b>19,447,283</b>	<b>6,305</b>	<b>146,861</b>	<b>-</b>	<b>30,020,111</b>	<b>5,708,986</b>	<b>59,453,541</b>
<b>Deferred Inflows of Resources</b>									
Succeeding year property tax	2,889,888	-	3,544,395	-	-	7,333,329	-	-	13,767,612
Pension related deferred inflows	-	-	-	-	-	-	-	3,380	3,380
OPEB related deferred inflows	-	-	-	-	-	-	-	149,673	149,673
<b>Total deferred inflows of resources</b>	<b>2,889,888</b>	<b>-</b>	<b>3,544,395</b>	<b>-</b>	<b>-</b>	<b>7,333,329</b>	<b>-</b>	<b>153,053</b>	<b>13,920,665</b>
<b>Fund Balances</b>									
Net investment in capital assets	-	-	-	-	-	-	43,913,713	-	43,913,713
Fund balances:									
Restricted for specific purposes	-	-	6,136,787	631,009	-	236,663	-	-	7,004,459
Unrestricted (deficit)	11,811,172	10,041,811	-	-	7,375,810	-	-	(3,750,576)	25,478,217
<b>Total fund balance</b>	<b>11,811,172</b>	<b>10,041,811</b>	<b>6,136,787</b>	<b>631,009</b>	<b>7,375,810</b>	<b>236,663</b>	<b>43,913,713</b>	<b>(3,750,576)</b>	<b>76,396,389</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 18,692,600</b>	<b>\$ 10,174,266</b>	<b>\$ 29,128,465</b>	<b>\$ 637,314</b>	<b>\$ 7,522,671</b>	<b>\$ 7,569,992</b>	<b>\$ 73,933,824</b>	<b>\$ 2,111,463</b>	<b>\$ 149,770,595</b>

Northeast Iowa Community College  
Schedule 3 – Schedule of Revenues, Expenditures, and Changes in Fund Balance – All Funds  
Year Ended June 30, 2025

	Current Funds				Plant Funds			GAAP Adjustments	GAAP Basis
	Unrestricted	Auxiliary	Restricted	Scholarships	Unexpended	Retirement of Indebtedness	Investment in Plant		
<b>Revenues</b>									
<b>General</b>									
State appropriations	\$ 11,694,789	\$ 7,266	\$ 1,814,156	\$ 1,483,796	\$ 68,782	\$ -	\$ -	\$ -	\$ 15,068,789
Tuition and fees	15,262,068	107,668	-	-	-	-	-	(4,849,388)	10,520,348
Property taxes	2,857,743	-	3,504,921	-	1,733,992	5,535,828	-	-	13,632,484
Federal appropriations	5,660	19,559	1,852,457	8,234,373	-	-	-	(3,193,879)	6,918,170
Investment income	1,623,200	3,999	438,515	-	58,124	-	-	-	2,123,838
Iowa Industrial New Jobs Training Program	-	-	3,992,607	-	-	-	-	-	3,992,607
Sales and services	41,834	-	-	-	74,490	-	-	-	116,324
Miscellaneous	273,491	-	1,795,860	509,322	79,054	-	-	-	2,657,727
<b>Total</b>	<b>31,758,785</b>	<b>138,492</b>	<b>13,398,516</b>	<b>10,227,491</b>	<b>2,014,442</b>	<b>5,535,828</b>	<b>-</b>	<b>(8,043,267)</b>	<b>55,030,287</b>
<b>Auxiliary enterprises</b>									
Sales and services	-	2,839,185	-	-	-	-	-	(818,355)	2,020,830
Miscellaneous	-	763,396	-	-	-	-	-	-	763,396
<b>Total auxiliary enterprises</b>	<b>-</b>	<b>3,602,581</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(818,355)</b>	<b>2,784,226</b>
<b>Total revenues</b>	<b>31,758,785</b>	<b>3,741,073</b>	<b>13,398,516</b>	<b>10,227,491</b>	<b>2,014,442</b>	<b>5,535,828</b>	<b>-</b>	<b>(8,861,622)</b>	<b>57,814,513</b>
<b>Expenditures</b>									
<b>Education and support</b>									
Liberal arts and sciences	4,190,976	-	198	-	-	-	-	(132,880)	4,058,294
Vocational technical	9,943,828	-	1,040,009	-	-	-	-	(474,255)	10,509,582
Adult education	3,626,901	-	755,770	-	-	-	-	13,055	4,395,726
Cooperative services	2,657,686	-	4,992,534	-	-	-	-	(894,792)	6,755,428
General administration	768,293	-	-	-	-	-	-	(84,520)	683,773
Student services	2,976,869	-	131,029	-	-	-	-	(48,853)	3,059,045
Learning resources	608,105	-	760,711	-	-	-	-	(23,251)	1,345,565
Physical plant	2,322,562	-	2,090,442	-	-	-	-	(145,826)	4,267,178
General institution	5,462,962	-	489,560	-	-	-	-	(92,244)	5,860,278
<b>Total education and support</b>	<b>32,558,182</b>	<b>-</b>	<b>10,260,253</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,883,566)</b>	<b>40,934,869</b>
<b>Auxiliary enterprises</b>									
Scholarships and grants	-	4,388,012	-	-	-	-	-	(60,467)	4,327,545
Plant asset acquisitions	-	-	-	10,307,984	-	-	-	(8,861,622)	1,446,362
Interest on indebtedness	-	-	-	-	2,052,055	-	-	(2,052,055)	-
Other	-	-	-	-	960,226	599,948	-	634,955	1,234,903
Expended for plant assets	-	-	-	-	-	-	(2,680,472)	2,680,472	-
Retirement of indebtedness	-	-	-	-	(559,447)	4,911,019	(4,351,572)	-	-
Disposal of plant assets	-	-	-	-	-	-	115,835	-	115,835
Depreciation	-	-	-	-	-	-	5,029,873	-	5,029,873
<b>Total expenditures</b>	<b>32,558,182</b>	<b>4,388,012</b>	<b>10,260,253</b>	<b>10,307,984</b>	<b>2,452,834</b>	<b>5,510,967</b>	<b>(1,886,336)</b>	<b>(9,542,283)</b>	<b>54,049,613</b>

Northeast Iowa Community College  
Schedule 3 – Schedule of Revenues, Expenditures, and Changes in Fund Balance – All Funds  
Year Ended June 30, 2025

	Current Funds				Plant Funds			GAAP Adjustments	GAAP Basis
	Unrestricted	Auxiliary	Restricted	Scholarships	Unexpended	Retirement of Indebtedness	Investment in Plant		
Excess (deficiency) of revenues over (under) expenditures	\$ (799,397)	\$ (646,939)	\$ 3,138,263	\$ (80,493)	\$ (438,392)	\$ 24,861	\$ 1,886,336	\$ 680,661	\$ 3,764,900
Transfers									
Mandatory	730,043	-	(838,865)	4,271		-	-	-	(104,551)
Nonmandatory	712,162	1,485,937	(2,342,500)	(5,860)	254,812	-	-	-	104,551
Total transfers	1,442,205	1,485,937	(3,181,365)	(1,589)	254,812	-	-	-	-
Net increase (decrease) in fund balance	642,808	838,998	(43,102)	(82,082)	(183,580)	24,861	1,886,336	680,661	3,764,900
Fund Balances Beginning 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
Fund Balances End of Year	\$ 11,811,172	\$ 10,041,811	\$ 6,136,787	\$ 631,009	\$ 7,375,810	\$ 236,663	\$ 43,913,713	\$ (3,750,576)	\$ 76,396,389

Northeast Iowa Community College  
Schedule 4 – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Unrestricted  
Education and Support  
Year Ended June 30, 2025

	Education			Support					Total	
	Liberal Arts and Sciences	Vocational Technical	Adult Education	Cooperative Services	General Administration	Student Services	Learning Resources	Physical Plant		General Institution
<b>Revenues</b>										
State appropriations	\$ 5,137,776	\$ 4,683,792	\$ 1,826,765	\$ -	\$ 28,392	\$ -	\$ -	\$ 18,064	\$ -	\$ 11,694,789
Tuition and fees	4,678,036	6,372,786	2,439,218	1,752,293	-	7,947	-	-	11,788	15,262,068
Property taxes	-	-	-	-	2,857,743	-	-	-	-	2,857,743
Federal appropriations	-	5,660	-	-	-	-	-	-	-	5,660
Sales and services	-	-	23,136	-	-	-	12,600	-	6,098	41,834
Investment income	-	-	-	-	1,623,200	-	-	-	-	1,623,200
Miscellaneous	-	161,126	33,622	850	16,434	-	36,643	3,599	21,217	273,491
<b>Total revenues</b>	<b>9,815,812</b>	<b>11,223,364</b>	<b>4,322,741</b>	<b>1,753,143</b>	<b>4,525,769</b>	<b>7,947</b>	<b>49,243</b>	<b>21,663</b>	<b>39,103</b>	<b>31,758,785</b>
<b>Expenditures</b>										
Salaries and wages	3,056,984	6,554,734	1,991,792	1,830,826	819,403	2,040,344	427,384	667,355	3,056,077	20,444,899
Employee fringe benefits	1,076,537	2,483,101	617,214	655,717	(382,916)	822,227	142,272	306,996	1,300,879	7,022,027
Services	8,292	219,203	896,021	135,064	286,988	73,021	1,449	1,187,107	967,820	3,774,965
Materials and supplies	12,733	497,858	24,495	21,693	3,235	30,172	36,929	104,977	80,235	812,327
Travel	3,626	51,726	97,379	14,386	27,942	11,105	71	56,127	55,175	317,537
Loan cancellation and bad debts	32,804	47,206	-	-	13,641	-	-	-	-	93,651
Miscellaneous expenditure	-	90,000	-	-	-	-	-	-	2,776	92,776
<b>Total expenditures</b>	<b>4,190,976</b>	<b>9,943,828</b>	<b>3,626,901</b>	<b>2,657,686</b>	<b>768,293</b>	<b>2,976,869</b>	<b>608,105</b>	<b>2,322,562</b>	<b>5,462,962</b>	<b>32,558,182</b>
Excess (deficiency) of revenues over (under) expenditures	5,624,836	1,279,536	695,840	(904,543)	3,757,476	(2,968,922)	(558,862)	(2,300,899)	(5,423,859)	(799,397)
<b>Transfers</b>										
Mandatory	-	-	-	686,583	43,460	-	-	-	-	730,043
Nonmandatory	(26,205)	(179,145)	400,549	(3,663)	(18,197)	(27)	-	551,395	(12,545)	712,162
<b>Total transfers</b>	<b>(26,205)</b>	<b>(179,145)</b>	<b>400,549</b>	<b>682,920</b>	<b>25,263</b>	<b>(27)</b>	<b>-</b>	<b>551,395</b>	<b>(12,545)</b>	<b>1,442,205</b>
<b>Net increase (decrease) in fund balance</b>	<b>\$ 5,598,631</b>	<b>\$ 1,100,391</b>	<b>\$ 1,096,389</b>	<b>\$ (221,623)</b>	<b>\$ 3,782,739</b>	<b>\$ (2,968,949)</b>	<b>\$ (558,862)</b>	<b>\$ (1,749,504)</b>	<b>\$ (5,436,404)</b>	<b>642,808</b>
Fund Balances Beginning of Year										11,168,364
Fund Balances End of Year										<u>\$ 11,811,172</u>

Northeast Iowa Community College  
Schedule 5 – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Unrestricted  
Auxiliary  
Year Ended June 30, 2025

	Bookstore	Food Services	Child Care	Farm	Trade and Industry	Professional Development	Athletics	Miscellaneous	Total
<b>Revenues</b>									
State appropriations	\$ -	\$ -	\$ 7,266	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,266
Tuition and fees	-	-	-	-	-	24,187	-	83,481	107,668
Federal appropriations	-	-	19,559	-	-	-	-	-	19,559
Sales and services	1,482,253	259,847	985,576	62,013	49,496	-	-	-	2,839,185
Investment income	-	-	-	3,999	-	-	-	-	3,999
Miscellaneous	47,678	5,918	75,673	-	1,871	2,706	26,833	602,717	763,396
<b>Total revenues</b>	<b>1,529,931</b>	<b>265,765</b>	<b>1,088,074</b>	<b>66,012</b>	<b>51,367</b>	<b>26,893</b>	<b>26,833</b>	<b>686,198</b>	<b>3,741,073</b>
<b>Expenditures</b>									
Salaries and wages	98,925	172,932	856,248	84,579	-	3,300	227,828	187,459	1,631,271
Employee fringe benefits	28,771	53,406	176,233	33,013	-	354	88,970	63,533	444,280
Services	12,698	12,690	42,045	-	7,582	9,039	30,589	110,023	224,666
Materials and supplies	7,527	13,975	85,641	233	19,942	903	21,070	48,700	197,991
Travel	126	-	-	-	-	12,226	8,195	42,344	62,891
Cost of goods sold	1,464,015	128,368	-	-	20,737	-	-	212,577	1,825,697
Miscellaneous expenditure	28	-	-	-	-	-	-	1,188	1,216
<b>Total expenditures</b>	<b>1,612,090</b>	<b>381,371</b>	<b>1,160,167</b>	<b>117,825</b>	<b>48,261</b>	<b>25,822</b>	<b>376,652</b>	<b>665,824</b>	<b>4,388,012</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(82,159)</b>	<b>(115,606)</b>	<b>(72,093)</b>	<b>(51,813)</b>	<b>3,106</b>	<b>1,071</b>	<b>(349,819)</b>	<b>20,374</b>	<b>(646,939)</b>
<b>Transfers</b>									
Nonmandatory	31,919	-	-	-	-	(100)	204,673	1,249,445	1,485,937
<b>Net (decrease) increase in fund balance</b>	<b>(50,240)</b>	<b>(115,606)</b>	<b>(72,093)</b>	<b>(51,813)</b>	<b>3,106</b>	<b>971</b>	<b>(145,146)</b>	<b>1,269,819</b>	<b>838,998</b>
<b>Fund Balances Beginning of Year</b>	<b>2,435,824</b>	<b>(765,432)</b>	<b>(771,797)</b>	<b>(634,080)</b>	<b>50,459</b>	<b>44,688</b>	<b>-</b>	<b>8,843,151</b>	<b>9,202,813</b>
<b>Fund Balances End of Year</b>	<b>\$ 2,385,584</b>	<b>\$ (881,038)</b>	<b>\$ (843,890)</b>	<b>\$ (685,893)</b>	<b>\$ 53,565</b>	<b>\$ 45,659</b>	<b>\$ (145,146)</b>	<b>\$ 10,112,970</b>	<b>\$ 10,041,811</b>

Northeast Iowa Community College

Schedule 6 – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Restricted  
Year Ended June 30, 2025

	Restricted Property Tax Levies	Iowa Industrial New Jobs Training	Other Federal Programs	Miscellaneous	Total
<b>Revenues</b>					
State appropriations	\$ 34,822	\$ -	\$ 69,090	\$ 1,710,244	\$ 1,814,156
Property taxes	3,504,921	-	-	-	3,504,921
Federal appropriations	-	-	1,641,133	211,324	1,852,457
Investment income	-	438,515	-	-	438,515
Iowa Industrial New Jobs Training Program	-	3,992,607	-	-	3,992,607
Miscellaneous	-	-	-	1,795,860	1,795,860
<b>Total revenues</b>	<b>3,539,743</b>	<b>4,431,122</b>	<b>1,710,223</b>	<b>3,717,428</b>	<b>13,398,516</b>
<b>Expenditures</b>					
Salaries and wages	-	-	782,497	471,292	1,253,789
Employee fringe benefits	95,832	-	298,392	130,018	524,242
Services	1,890,808	2,949,835	263,480	515,425	5,619,548
Materials and supplies	622,262	-	77,451	674,403	1,374,116
Travel	-	-	68,167	55,969	124,136
Plant asset acquisitions	293,546	-	235,907	114,594	644,047
Interest on indebtedness	-	634,955	-	-	634,955
Miscellaneous expenditure	-	35,935	29,129	20,356	85,420
<b>Total expenditures</b>	<b>2,902,448</b>	<b>3,620,725</b>	<b>1,755,023</b>	<b>1,982,057</b>	<b>10,260,253</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>637,295</b>	<b>810,397</b>	<b>(44,800)</b>	<b>1,735,371</b>	<b>3,138,263</b>
<b>Transfers</b>					
Mandatory	-	-	(43,282)	(795,583)	(838,865)
Nonmandatory	-	(35,367)	65,700	(2,372,833)	(2,342,500)
<b>Total transfers</b>	<b>-</b>	<b>(35,367)</b>	<b>22,418</b>	<b>(3,168,416)</b>	<b>(3,181,365)</b>
<b>Net increase (decrease) in fund balance</b>	<b>637,295</b>	<b>775,030</b>	<b>(22,382)</b>	<b>(1,433,045)</b>	<b>(43,102)</b>
<b>Fund Balances Beginning of Year</b>	<b>4,032,189</b>	<b>1,830,556</b>	<b>120,858</b>	<b>196,286</b>	<b>6,179,889</b>
<b>Fund Balances End of Year</b>	<b>\$ 4,669,484</b>	<b>\$ 2,605,586</b>	<b>\$ 98,476</b>	<b>\$ (1,236,759)</b>	<b>\$ 6,136,787</b>

**Northeast Iowa Community College**  
 Schedule 7 – Schedule of Taxes and Intergovernmental Revenues For the Last Ten Years  
 Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Local (property tax)	\$ 13,632,484	\$ 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
State appropriations	15,068,789	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
Federal appropriations	6,918,170	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
<b>Total</b>	<b><u>\$ 35,619,443</u></b>	<b><u>\$ 34,019,136</u></b>	<b><u>\$ 39,760,033</u></b>	<b><u>\$ 43,439,741</u></b>	<b><u>\$ 42,711,384</u></b>	<b><u>\$ 39,375,589</u></b>	<b><u>\$ 38,743,050</u></b>	<b><u>\$ 38,966,813</u></b>	<b><u>\$ 36,623,595</u></b>	<b><u>\$ 38,879,689</u></b>

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, 2025

	Statutory Basis									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Revenues</b>										
State appropriations	\$ 15,000,007	\$ 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
Tuition and fees	15,369,736	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
Property taxes	6,362,664	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
Federal appropriations	10,112,049	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
Investment income	2,065,714	2,178,506	1,296,324	139,137	185,690	704,399	682,959	438,773	342,710	294,668
Iowa Industrial New Jobs Training Program	3,992,607	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
Auxiliary enterprises	3,602,581	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
Miscellaneous	2,620,507	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
	<u>\$ 59,125,865</u>	<u>\$ 58,094,113</u>	<u>\$ 59,984,386</u>	<u>\$ 62,809,036</u>	<u>\$ 57,693,858</u>	<u>\$ 58,220,903</u>	<u>\$ 59,550,678</u>	<u>\$ 58,567,982</u>	<u>\$ 55,955,162</u>	<u>\$ 56,768,491</u>
<b>Expenditures</b>										
Liberal arts and sciences	\$ 4,191,174	\$ 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
Vocational technical	10,983,837	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
Adult education	4,382,671	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
Cooperative services	7,650,220	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
General administration	768,293	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
Student services	3,107,898	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
Learning resources	1,368,816	1,284,726	1,110,613	738,696	751,312	892,573	812,952	838,155	885,016	1,288,052
Physical plant	4,413,004	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
General institution	5,952,522	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
Auxiliary enterprises	4,388,012	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
Scholarships and grants	10,307,984	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
	<u>\$ 57,514,431</u>	<u>\$ 55,757,783</u>	<u>\$ 57,927,665</u>	<u>\$ 62,137,615</u>	<u>\$ 53,575,596</u>	<u>\$ 54,535,845</u>	<u>\$ 55,527,685</u>	<u>\$ 56,667,953</u>	<u>\$ 57,711,543</u>	<u>\$ 61,849,544</u>

Northeast Iowa Community College  
Schedule 9 – Schedule of Credit and Contact Hours  
Year ended June 30, 2025

Category	Credit Hours			Contact Hours		
	Eligible for Aid	Not Eligible for Aid	Total	Eligible for Aid	Not Eligible for Aid	Total
Arts and Sciences	46,346	-	46,346	-	-	-
Career and Technical Education	25,377	-	25,377	-	-	-
Adult Education / Continuing Education	-	-	-	255,221	30,983	286,204
Related Services Activities	-	-	-	-	20,799	20,799
<b>Total</b>	<b>71,723</b>	<b>-</b>	<b>71,723</b>	<b>255,221</b>	<b>51,782</b>	<b>307,003</b>

Federal Awards Reports in Accordance  
with the Uniform Guidance  
June 30, 2025

**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* ..... 1

Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance ..... 3

Schedule of Expenditures of Federal Awards ..... 7

Notes to the Schedule of Expenditures of Federal Awards ..... 9

Schedule of Findings and Questioned Costs ..... 10



**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, 2025, 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 10, 2025.

**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*. However, we noted a certain immaterial instance of noncompliance or other matters which is described in Part IV of the accompanying schedule of findings and questioned costs.

Comments involving statutory and other legal matters about Northeast Iowa Community College's operations for the year ended June 30, 2025 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.

### **College's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the College's response to the findings identified in our audit and 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 the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

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



Dubuque, Iowa  
November 10, 2025



**Independent Auditor’s Report on Compliance for the Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards 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, 2025. 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 programs for the year ended June 30, 2025.

***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 each 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. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness and significant deficiency.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a material weakness.

*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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-002 to be a significant deficiency.

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.

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the business-type activities and the discretely presented component unit of the College as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated November 10, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Eide Bailly LLP*

Dubuque, Iowa

February 19, 2026, except for the schedule of expenditures of federal awards which is dated November 10, 2025

Northeast Iowa Community College, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025

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	\$ 19,560
Passed through Northeast Community College			
Soil and Water Conservation	10.902	NR203A750007C001 NR243A750018C042	<u>19,671</u>
Subtotal U.S. Department of Agriculture			<u>39,231</u>
U.S. Department of Commerce			
WIOA Cluster			
Passed through Northeast Iowa Local Workforce Development Board			
WIOA Youth Activities	17.259	Unknown	76,365
WIOA Adult Program	17.278	Unknown	<u>92,143</u>
Subtotal WIOA Cluster			<u>168,508</u>
Subtotal U.S. Department of Commerce			<u>168,508</u>
U.S. Department of the Treasury			
Passed through Iowa Workforce Development			
Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	<u>25,384</u>
National Science Foundation			
Research and Development Cluster			
Passed through Upper Iowa University			
STEM Education	47.076	2050497	<u>582</u>
Small Business Development Center			
Passed through Iowa State University			
Small Business Development Centers	59.037	026829G	<u>63,936</u>
U.S. Department of Veteran Affairs			
Direct			
Post 9/11 Veterans Educational Assistance	64.027	Not applicable	<u>37,395</u>
U.S. Department of Education			
Passed through Iowa Department of Education			
Adult Education - Basic Grants to States	84.002	AEL2401 IELCE2401NICC	<u>321,271</u>
Direct			
Higher Education Institutional Aid	84.031	Not applicable	<u>336,183</u>

Northeast Iowa Community College, Iowa  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025

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	\$ <u>312,447</u>
Student Financial Assistance Cluster			
Federal Supplemental Educational Opportunity Grants	84.007	Not applicable	121,600
Federal Work - Study Program	84.033	Not applicable	33,043
Federal Pell Grant Program	84.063	Not applicable	4,869,292
Federal Direct Student Loans - Plus Loans	84.268	Not applicable	40,997
Federal Direct Student Loans - Subsidized Loans	84.268	Not applicable	1,397,828
Federal Direct Student Loans - Unsubsidized Loans	84.268	Not applicable	<u>1,796,051</u>
			<u>8,258,811</u>
Passed through Iowa Vocational Rehabilitation Services Fund for the Improvement of Postsecondary Education	84.116Z	P116Z220126	<u>19,338</u>
Passed through Iowa Vocational Rehabilitation Services Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	23-COORD-10	<u>89,335</u>
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	<u>302,685</u>
Subtotal U.S. Department of Education			<u>9,640,070</u>
U.S. Department of Health and Human Services Congressional Directives	93.493	Not applicable	<u>129,946</u>
Total Federal Financial Assistance			<u>\$ 10,105,052</u>

**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, 2025. 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 minimis cost rate.

**Part I: Summary of the 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	Yes
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**

Type of auditor's report issued on compliance for major programs	Unmodified
<u>Name of Federal Programs</u>	<u>Federal Financial Assistance Listing</u>
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**

**2025-001** 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  
Material Weakness 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 were 9 instances 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.

*Cause:* Enrollment Services did not catch that some status changes that had been reported to the Federal Clearing House did not get updated in NSLDS by the Federal Clearing House. In addition, Enrollment Services did not include Winterim sources in calculating a student’s spring semester enrollment status.

*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 849 students who had a change in enrollment status were selected for testing.

*Repeat Finding from Prior Year(s):* Yes

*Recommendation:* The Enrollment Services Office should review their current practices and controls over reporting changes in student 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 collaborate with the Financial Aid Office to provide oversight to the Enrollment Reporting process.

**2025-002**

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 – Return of Title IV Funds  
Significant Deficiency in Internal Control

*Criteria:* The unearned amount of Title IV assistance to be returned is calculated by subtracting the amount of Title IV assistance earned by the student from the amount of Title IV aid that was disbursed to the student as of the date of the institution's determination that the student withdrew (34 CFR 668.22(e)).

*Condition:* One instance was identified where the amount of funds to be returned was not calculated/remitted correctly.

*Cause:* Although the College has a formal and documented control process in place for R2T4 calculations, an incorrect withdrawal date was used in one instance, which resulted in an error in the calculation and related remittance.

*Effect:* Due to the incorrect withdrawal date, the R2T4 calculation and the related remittance was incorrect.

*Questioned Costs:* None reported.

*Context/Sampling:* Of the 234 students who had an R2T4 calculation performed, 36 students were tested.

*Repeat Finding from Prior Year(s):* No

*Recommendation:* The College should ensure the review process captures the correct withdrawal date used in the R2T4 calculation.

*Views of Responsible Officials:* Management agrees with the finding. The Financial Aid Office will collaborate with the full Student Services team (Advising, Registrar, Financial Aid, Finance) in order to continue a strong focus on the importance of the Return of Title IV Funds (R2T4) policy and procedures.

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

**2025-IA-A Certified Budget** – Disbursements during year ended June 30, 2025 did not exceed the amount budgeted.

**2025-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.

**2025-IA-C Travel Expense** – No disbursements of College money for travel expenses of spouses of College officials or employees were noted.

**2025-IA-D Business Transactions** – Business transactions between the College and College officials and employees are detailed as follows:

<u>Name, Title, and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Wendy Knight, trustee, is owner of Focus Forward	Services	\$ 4,366
Erin Powers Daley, employee, is owner of Clarity Growth Consulting	Services	188

**2025-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.

**2025-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.

**2025-IA-G Board Minutes** – No transactions were found that we believe should have been approved in the Board minutes but were not.

**2025-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.

**2025-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.

**2025-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, 2025, were supported by detailed records maintained by the College.

**2025-IA-K Iowa Department of Education Annual Report** – The fiscal year 2024 annual reports submitted to the Iowa Department of Education were accurate and complete, except for an overstatement of fund balance for the Restricted Fund. The College reported \$6,269,601 in total fund balance, which is \$89,712 more than the actual balance of \$6,179,889.

**Recommendation** – The College should develop procedures to ensure the report submitted to the Iowa Department of Education is supported by detailed records.

**Views of Responsible Officials** – The College has reviewed its reporting procedures and will implement additional reconciliation steps. The Accounting Assistant will prepare the required reports and perform an initial reconciliation, and the Director of Accounting will complete a detailed reconciliation to ensure that all amounts reported to the Iowa Department of Education are fully supported by accounting records and accurately reflected in future submissions.