Northeast Iowa Community College, State of Iowa

(Merged Area I)

$2,510,000*

Taxable Industrial New Jobs Training Certificates, Series 2016-1

(Book Entry Only)

(PARITY® Bidding Permitted)

(FAST Closing)

(Award will occur at a Board of Directors meeting that begins at 3:00pm on June 20, 2016)

DATE:	Friday, June 17, 2016
TIME:	10:00 AM
PLACE:	Office of the Treasurer 1625 Hwy 150 Calmar, IA 52132
Telephone:	(563)562-3263
Fax:	(563)562-3719

Moody's Rating: "Aa2"

* Preliminary, subject to change

PiperJaffray®

3900 Ingersoll Ave., Suite 110
Des Moines, IA 50312
515/247-2340

OFFICIAL BID FORM

TO: Board of Directors of the Northeast Iowa Community College, State of Iowa (Merged Area I), (the "Issuer")
Re: $2,510,000* Taxable Industrial New Jobs Training Certificates, Series 2016-1, dated Date of delivery, of the Issuer (the "Certificates")

For all or none of the above Certificates, we will pay you $ for Certificates bearing interest rates and maturing as follows:

Coupon	Yield	Maturity June 1	Coupon	Yield	Maturity June 1
________	________	2017	________	________	2022
________	________	2018	________	________	2023
________	________	2019	________	________	2024
________	________	2020	________	________	2025
________	________	2021	________	________	2026

________ We hereby elect to have the following issued as term bonds:

Principal Amount	Month and Year (Inclusive)	Maturity Month and Year
$__________	__________ to __________	__________
$__________	__________ to __________	__________
$__________	__________ to __________	__________
$__________	__________ to __________	__________
$__________	__________ to __________	__________
$__________	__________ to __________	__________

Subject to mandatory redemption requirement in the amounts and at the times shown above

__________ We will not elect to have any bonds issued as term bonds

This bid is for prompt acceptance and for delivery of said Certificates to use in compliance with the Official Terms of Offering of Certificates, which is made a part of this proposal, by reference. Award will be made on a True Interest Cost Basis (TIC).

In order to permit bidders for the Certificates and other participating underwriters in the primary offering of the Certificates to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the Issuer will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Certificates, in the Bond Resolution, to provide annual reports of specified information and notice of the occurrence of certain events, if material, as hereinafter described (the "Disclosure Covenants"). The information to be provided, the events as to which notice is to be given, if material, and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in Appendix C to this Official Statement.

According to our computations (the correct computation being controlling in the award), we compute the following:

NET INTEREST COST:$__________________________ TRUE INTEREST RATE ________________________%
(Computed from the dated date)

____ ____
Account Manager Authorized Signature of Account Manager

The foregoing offer is hereby accepted by and on behalf of the Board of Directors of the Northeast Iowa Community College, in the Counties of Allamakee, Bremer, Buchanan, Chickasaw, Clayton, Delaware, Dubuque, Fayette, Howard, Jackson, Jones, Mitchell and Winneshiek, State of Iowa, this 20th day of June 2016.

ATTEST: ____________________________ ____________________________________
District Secretary Board President

* Preliminary, subject to change

TERMS OF OFFERING

This section sets forth the description of certain of the terms of the Certificates as well as the terms of offering with which all bidders and bid proposals are required to comply, as follows:

The Certificates. The Certificates to be offered are the following:

TAXABLE INDUSTRIAL NEW JOBS TRAINING CERTIFICATES, SERIES 2016-1, in the principal amount of $2,510,000*, dated Date of delivery in the denomination of $5,000 or multiples thereof, and maturing as shown on the front page of the official statement (the "Certificates")

* Adjustment to Principal Amount After Determination of Best Bid Each scheduled maturity of the Certificates are subject to increase or decrease. Such adjustments shall be made promptly after the sale and prior to the award of bids by the Issuer. To cooperate with any adjustment in the principal amounts, the Successful Bidder is required, as a part of its bid, to indicate its Initial Reoffering yield and Initial Reoffering price on each maturity of the Certificates (said price shall be calculated to the date as indicated by the Issuer).

The dollar amount bid by the Successful Bidder may be changed if the aggregate principal amount of the Certificates, as adjusted as described below, is adjusted, however the interest rates specified by the Successful Bidder for all maturities will not change. The Issuer's financial advisor will make every effort to ensure that the percentage net compensation to the Successful Bidder (the percentage resulting from dividing (i) the aggregate difference between the offering price of the Certificates to the public and the price to be paid to the Issuer (not including accrued interest), less any bond insurance premium and credit rating fee, if any, to be paid by the Successful Bidder, by (ii) the principal amount of the Certificates) does not increase or decrease from what it would have been if no adjustment was made to principal amounts shown in the maturity schedule.

The Successful Bidder may not withdraw or modify its bid once submitted to the Issuer for any reason, including post bond adjustment. Any adjustment shall be conclusive, and shall be binding upon the Successful Bidder.

Interest: Interest on the Certificates will be payable on June 1, and December 1, beginning June 1, 2017. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or a such other address as is furnished to the Paying Agent in writing by a registered owner.

Optional Redemption: The Certificates maturing 2022-2026, may be called for redemption by the Issuer and paid before maturity on June 1, 2021 or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

Book Entry System: The Certificates will be issued by means of a book entry system with no physical distribution of certificates made to the public. The Certificates will be issued in fully registered form and one certificate, representing the aggregate principal amount of the Certificates maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Certificates. Individual purchases of the Certificates may be made in the principal amount of $5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the Issuer to DTC or its nominee as registered owner of the Certificates. Transfer of principal and interest payments to participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The successful bidder, as a condition of delivery of the Certificates, will be required to deposit the certificates with DTC.

Good Faith Deposit: A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or a wire in the amount of $25,100 for the Certificates, payable to the order of the Issuer, is required for each bid to be considered. If a check is used, it must accompany each bid. If a wire is to be used, it must be received by the Issuer not later than two hours after the time stated for receipt of bids. If a wire is to be used, the Issuer will notify the Purchaser ("Purchaser") of the wire instructions, by fax or email, within ten minutes of the stated time for receipt of bids.

If the wire is not received at the time indicated above, for the Certificates, or any of them, the Issuer will abandon its plan to award to the Purchaser ("Purchaser"), and will contact the next highest bidder received for the particular series of Certificates and offer said bidder the opportunity to become the Purchaser, on the terms as outlined in said bidder's bid, so long as said bidder submits a good faith wire within two hours of the time offered. The Issuer will not award the Certificates to the Purchaser absent receipt of a good faith deposit prior to action awarding the Certificates. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Certificates. In the event the Purchaser fails to honor its bid, the Deposit will be retained by the Issuer.

Form of Bids: All bids shall be unconditional for the entire issue of Certificates for a price of not less than 99.5% of par plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth herein.. Award will be on a TIC basis. The

Board of Directors will consider award of the Certificates outlined herein at their board meeting starting at 3:00pm on June 20, 2016.

Bids must be submitted on or in substantial compliance with the Official Bid Form provided by the Issuer or through the Internet Bid System. The Issuer shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the electronic bid, facsimile facilities or the means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

No bid will be received after the time specified on the front cover of the preliminary official statement. The time as maintained by the Internet Bid System shall constitute the official time with respect to all Bids submitted. A bid may be withdrawn before the bid deadline using the same method used to submit the bid. If more than one bid is received from a bidder, the last bid received shall be considered.

Sealed Bidding: Sealed bids may be submitted and will be received at the office of the Treasurer, Northeast Iowa Community College, 1625 Hwy 150, Calmar, IA 52132.

Internet Bidding: Internet bids must be submitted through Parity® ("the Internet Bid System"). Information about the Internet Bid System may be obtained by calling 212-849-5000.

Each bidder shall be solely responsible for making necessary arrangements to access the Internet Bid System for purpose of submitting its internet bid in a timely manner and in compliance with the requirements of the Official Terms of Offering. The Issuer is permitting bidders to use the services of the Internet Bid System solely as a communication mechanism to conduct the internet bidding and the Internet Bid System is not an agent of the Issuer. Provisions of the Official Terms of Offering shall control in the events of conflict with information provided by the Internet Bid System. The Issuer shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the Internet Bid System. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

Electronic Facsimile Bidding: Bids may be submitted via facsimile at the number listed on the front cover of this Preliminary Official Statement. Electronic facsimile bids will be sealed and treated as sealed bids. Neither the Issuer nor its agents will assume liability for the inability of the bidder to reach the above named fax number prior to the time of sale specified above. Time of receipt shall be the time recorded by the facsimile receiver.

Rates of Interest: The rates of interest specified in the bidder's proposal must conform to the limitations following:

1. All Certificates of the same annual maturity must bear the same interest rate.

2. Rates of interest bid may be in multiples of 1/8, 1/20 or 1/100th of 1%

3. Rates must be in level or ascending order only.

Delivery: The Certificates will be delivered to the purchaser via FAST closing, against full payment in immediately available cash or federal funds. The Certificates are expected to be delivered within sixty days after the sale. Should delivery be delayed beyond sixty days from date of sale for any reason except failure of performance by the Purchaser, the Purchaser may withdraw his bid and thereafter his interest in and liability for the Certificates will cease. (When the Certificates are ready for delivery, the Issuer may give the successful bidder five working days notice of the delivery date and the Issuer will expect payment in full on that date, otherwise reserving the right at its option to determine that the bidder has failed to comply with the offer of purchase.)

Certificate of Purchaser: The Purchaser of the Certificates will be required as a condition of the sale to execute and submit to the Issuer as a part of its bid, a Certificate in a form satisfactory to the Issuer as to the initial offering price of the Certificates to the public (not including bond houses and brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Certificates (not less than 10% of each maturity) were in fact sold, and certifying that the prices are not greater than as shown on the Certificate and that the prices are not unreasonably low.

Official Statement: The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Certificates, and any other information required by law or deemed appropriate by the Issuer, shall constitute a "Final Official Statement" of the Issuer with respect to the Certificates, as that term is defined in Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). By awarding the Certificates to any underwriter or underwriting syndicate submitting an Official Bid Form therefore, the Issuer agrees that, no more than seven (7) business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Certificates are awarded one .pdf version of the Official Statement and the addendum described in the preceding sentence to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The Issuer shall treat the senior managing underwriter of the syndicate to which the Certificates are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Certificates agrees thereby that if its bid is accepted by the Issuer, (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all

Participating Underwriters of the Certificates for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

CUSIP Numbers: It is anticipated that CUSIP numbers will be printed on the Certificates. In no event will the Issuer be responsible for or Bond Counsel review or express any opinion of the correctness of such numbers, and incorrect numbers on said Certificates shall not be cause for the purchaser to refuse to accept delivery of the Certificates. The fee will be paid for by the Issuer.

Responsibility of Bidder: It is the responsibility of the bidder to deliver its signed, completed bid prior to the time of sale as posted on the front cover of the official statement. Neither the Issuer nor its Financial Consultant will assume responsibility for the collection of or receipt of bids. Bids received after the appointed time of sale will not be opened.

Continuing Disclosure: In order to permit bidders for the Certificates and other participating underwriters in the primary offering of the Certificates to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the Issuer will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Certificates, in the Bond Resolution, to provide annual reports of specified information beginning with the fiscal year ending June 30, 2015 and notice of the occurrence of certain events, if material, as hereinafter described (the "Disclosure Covenants"). The information to be provided, the events as to which notice is to be given, if material, and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in Appendix C to this Official Statement.

Breach of the Disclosure Covenants will not constitute a default or an "Event of Default" under the Certificates or Resolution. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Certificates in the secondary market. Thus, a failure on the part of the Issuer to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Certificates and their market price.

Bond Insurance: Application has not been made for municipal bond insurance. Should the Certificates qualify for the issuance of any policy of municipal bond insurance or commitment therefore, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the Purchaser of the Certificates. Any increased costs of issuance on the Certificates resulting from such purchase of insurance shall be paid by the Purchaser, except that, if the Issuer has requested and received a rating on the Certificates from a municipal bond rating service, the Issuer will pay that rating fee. Any other rating service fees shall be the responsibility of the Purchaser. Failure of the municipal bond insurer to issue the policy after the Certificates have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery of the Certificates.

Requested modifications to the Issuance Resolution or other issuance documents shall be accommodated by the Issuer at its sole discretion. In no event will modifications be made regarding the investment of funds created under the Issuance Resolution or other issuance documents without prior Issuer consent, in its sole discretion. Either the purchaser or the insurer must agree, in the insurance commitment letter or separate agreement acceptable to the Issuer in its sole discretion, to pay any future continuing disclosure costs of the Issuer associated with any rating changes assigned to the municipal bond insurer after closing (for example, if there is a rating change on the municipal bond insurer that require a material event notice filing by the Issuer, the purchaser or the municipal bond insurer must agree to pay the reasonable costs associated with such filing). Failure of the municipal bond insurer to issue the policy after the Certificates have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery of the Certificates.

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 1, 2016

NEW ISSUE - DTC BOOK ENTRY ONLY Moody's Rating: "Aa2"

*In the opinion of Ahlers & Cooney, P.C., Bond Counsel, under present law interest on the Certificates is includable in gross income of the owners thereof for purposes of present federal income taxation as more fully discussed under the heading "***TAXABILITY OF INTEREST***" herein.*

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Northeast Iowa Community College, State of Iowa
(Merged Area I)
$2,510,000* Taxable Industrial New Jobs Training Certificates, Series 2016-1

Dated: Date of delivery

The Taxable Industrial New Jobs Training Certificates, Series 2016-1, described above (the "Certificates") are issuable as fully registered Certificates in the denomination of $5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee of the Depository Trust Company, New York, NY ("DTC"). DTC will act as securities depository for the Certificates. Purchases of the Certificates will be made in book-entry form. Purchasers of the Certificates will not receive certificates representing their interest in the Certificates purchased. So long as DTC or its nominee, Cede & Co., is the holder, the principal of, premium, if any, and interest on the Certificates will be paid by Bankers Trust Company as Registrar and Paying Agent (the "Registrar"), or its successor, to DTC, or its nominee, Cede & Co. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants as more fully described herein. Neither the Issuer nor the Registrar will have any responsibility or obligation to such DTC Participants, indirect participants or the persons for whom they act as nominee with respect to the Certificates.

Interest on the Certificates is payable on June 1, and December 1, beginning June 1, 2017 to the registered owners thereof. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or a such other address as is furnished to the Paying Agent in writing by a registered owner.

The Certificates maturing 2022-2026 may be called for redemption by the Issuer and paid before maturity on June 1, 2021 or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

MATURITY SCHEDULE

Maturity	Amount *	Rate*	Yield*	Cusip #'s **	Maturity	Amount *	Rate*	Yield*	Cusip #'s **
June 1, 2017	$145,000			664214	June 1, 2022	$275,000			664214
June 1, 2018	250,000			664214	June 1, 2023	260,000			664214
June 1, 2019	245,000			664214	June 1, 2024	265,000			664214
June 1, 2020	245,000			664214	June 1, 2025	270,000			664214
June 1, 2021	250,000			664214	June 1, 2026	305,000			664214

The Certificates are being offered when, as and if issued by the Issuer and accepted by the Underwriter, subject to receipt of an opinion as to legality and validity by Ahlers & Cooney, P.C., Des Moines, Iowa, Bond Counsel. It is expected that the Certificates in the definitive form will be available for delivery on or about July 12, 2016. The Underwriter intends to engage in secondary market trading of the Certificates subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Certificates at the request of the holder thereof.

The Date of this Official Statement is ___________, 2016

* *Preliminary, subject to change*

** *CUSIP numbers shown above have been assigned by a separate organization not affiliated with the Issuer. The Issuer has not selected nor is responsible for selecting the CUSIP numbers assigned to the Bonds nor do they make any representation as to the correctness of such CUSIP numbers on the Bonds or as indicated above.*

No dealer, salesman or any other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the Issuer or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of any offer to buy any of the securities offered hereby in any state to any persons to whom it is unlawful to make such offer in such state. Except where otherwise indicated, this Official Statement speaks as of the date hereof. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement is not to be construed as a contract with the purchasers of the Certificates. The Issuer considers the Official Statement to be "near final" within the meaning of Rule 15c2-12 of the Securities Exchange Commission. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTIONS 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE REGISTRATION OR QUALIFICATIONS OF THESE SECURITIES IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THESE SECURITIES HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SECURITIES OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

FORWARD-LOOKING STATEMENTS

This Official Statement, including Appendix A, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "plan," "expect," "estimate," "budget" or similar words. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE ISSUER DOES NOT EXPECT OR INTEND TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

OFFICIAL STATEMENT
$2,510,000* TAXABLE INDUSTRIAL NEW JOBS TRAINING CERTIFICATES, SERIES 2016-1
NORTHEAST IOWA COMMUNITY COLLEGE, STATE OF IOWA
(Merged Area I)

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to Northeast Iowa Community College, Iowa (the "Issuer"), in connection with the sale of the Issuer's Taxable Industrial New Jobs Training Certificates, Series 2016-1, (the "Certificates"). The Certificates are being issued to provide funds for new job training programs for 6 different companies who have entered into job training agreements with the Issuer in 2016. See "**THE CERTIFICATES - Sources and Uses of Funds**" herein.

This Official Statement is deemed to be a final official statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of certain pricing and other information which is to be made available through a final Official Statement.

This Introductory Statement is only a brief description of the Certificates and certain other matters. Such description is qualified by reference to the entire Official Statement and the documents summarized or described herein. This Official Statement should be reviewed in its entirety.

The Certificates constitute a valid and binding obligation of Merged Area I (the "Merged Area") which encompasses the corporate boundaries of the College, including all or portions of the following counties: Allamakee, Bremer, Buchanan, Chickasaw, Clayton, Delaware, Dubuque, Fayette, Howard, Jackson, Jones, Mitchell and Winneshiek. The Certificates are payable from the revenues of the Projects. In the event the Project revenues deposited into the sinking fund established by the College, as described herein, (which include new jobs credit from withholding taxes where new jobs are created to be received or derived from new employment resulting from the Projects) are not available and appropriated in any year, all taxable property in the territory of the Merged Area is subject to ad valorem taxation, without limitation as to rate or amount, to pay the Certificate, as provided by Chapter 260E, Code of Iowa, 2015, as amended, and in the Jobs Training Agreements. See "**THE CERTIFICATES - Sources of Security for the Certificates" herein**.

All statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

THE CERTIFICATES

General

The Certificates are dated as of Date of delivery and will bear interest at the rates to be set forth on the cover page herein.

Interest on the Certificates is payable on June 1, and December, 1, beginning June 1, 2017, calculated on the basis of a year of 360 days and twelve 30-day months. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or a such other address as is furnished to the Paying Agent in writing by a registered owner.

Authorization for the Issuance

The Certificates are being issued pursuant to the Iowa Code Chapter 260E, as amended.

Book Entry Only System

The following information concerning The Depository Trust Company ("DTC"), New York, New York and DTC's book-entry system has been obtained from sources the Issuer believes to be reliable. However, neither the Issuer, Bond Counsel, the Financial Advisor or the Underwriter take any responsibility as to the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

The Depository Trust Company ("DTC"), New York, NY will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Securities in the aggregate principal amount of such issue, and will be deposited with DTC.

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* *Preliminary, subject to change*

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S equity, corporate and municipal debt issues and money market instrument from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participations include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, national Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered in the transaction. Transfers of ownership interest in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to taken certain steps to augment transmission to them notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit have agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial owners may wish to provide their names and addresses to the registrar and request that copies of the notices by provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participants in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issue as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from Issuer or Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to

[Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or successor securities depository). In that event Security certificates will be printed and delivered to DTC.

Transfer and Exchange

Any Certificate may, in accordance with its terms, be transferred by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the principal corporate office of the Registrar accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Registrar. Whenever any Bond or Certificates shall be surrendered for transfer, the Registrar shall execute and deliver a new Certificate or Certificates of the same maturity, interest rate, and aggregate principal amount.

Certificates may be exchanged at the principal corporate office of the Registrar for a like aggregate principal amount of Certificates or other authorized denominations of the same maturity and interest rate; provided, however, that the Registrar is not required to transfer or exchange any Certificates which have been selected for prepayment and is not required to transfer or exchange any Certificates during the period beginning 15 days prior to the selection of Certificates for prepayment and ending the date notice of prepayment is mailed. The Registrar may require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. All Certificates surrendered pursuant to the provisions of this and the preceding paragraph shall be canceled by the Registrar and shall not be redelivered.

Prepayment

Optional Prepayment The Certificates maturing in 2022-2026 may be called for redemption by the Issuer and paid before maturity on June 1, 2021 or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

Notice of Prepayment. Prior to the redemption of any Certificates under the provisions of the Resolution, the Registrar shall give written notice not less than thirty (30) days prior to the redemption date to each registered owner thereof.

Any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if funds are not available, such redemption shall be cancelled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed.

THE PROJECTS

Proceeds of the Certificates will be used to fund the new jobs training programs for different companies. The College has entered into certain New Jobs Training Agreements (the "Agreements") with certain Employers to finance the Projects at their respective companies. For a description, see the section title "**THE EMPLOYERS**" located herein.

Sources and Uses of Funds *

SOURCES		USES	
The Certificates		Job Training Costs	$
		State Administration	
		Reserve Fund	
		College Administration	
		Issuance Costs	
Total	$	Total	$

* Preliminary, subject to change

SOURCE OF SECURITY FOR THE CERTIFICATES

The Certificates constitute a valid and binding obligations of the Merged Area and are payable from the revenues of the Projects, as provided in the Agreement entered into by the College with each Employer provides for the following:

Program Costs, including deferred costs, may be paid from one or more of the following sources ("Project Revenues"):

1. New jobs credit from withholding to be received or derived from new employment resulting from the Project. An amount equal to one and one-half percent (1.5%) of the gross wages paid by the Employer to each employee participating in a Project is remitted quarterly to the College in the same manner that the withholding payments are reported to the State Department of Revenue and Finance.
2. Supplemental new jobs credit from withholding to be received or derived from new employment resulting from the Project. An additional amount equal to one and one-half percent (1.5%) of the gross wages paid by the Employer to each employee participating in a Project is remitted quarterly to the College in the same manner that the withholding payments are reported to the State Department of Revenue and Finance.
3. Tuition, student fees, or special charges fixed by the College's Board of Directors to defray Program costs in whole or in part.
4. A standby tax upon all taxable property within the Merged Area.

Payment of the Program Costs shall not be deferred for a period longer than ten years from the date of commencement of the Project.

Costs of on-the-job training for employees shall not exceed fifty percent of the annual gross payroll costs for up to one year of the new jobs.

Any payments required to be made by an Employer are a lien upon the Employer's business property until paid and have equal precedence with ordinary taxes and shall not be divested by a judicial sale. Property subject to the lien may be sold for sums due and delinquent at tax sale, with the same forfeitures, penalties and consequences as for nonpayment of ordinary taxes. The purchaser at tax sale obtains the property subject to the remaining payments.

At closing, taxes will be certified to the county auditor of each county contained within the Merged Area in an amount, sufficient to pay principal and interest on the certificates (the "Standby Levy"). Provided, however, that the College may direct the adjustment and corresponding reduction of any levy of taxes made whenever funds on hand from any source (including Project Revenues) are available in the Revenue Fund (described below) for payment of the Certificates.

APPLICATION OF PROJECT REVENUES

The Resolution establishes a Revenue Fund (the "Revenue Fund") into which shall be deposited all Project Revenues upon collection. Moneys in the Revenue Fund shall be disbursed as follows:

<u>Sinking Fund</u> There is established and maintained within the Revenue Fund a Project Revenue Principal and Interest Fund (the "Sinking Fund"), a special fund from which interest and principal on the Certificates will be paid. The amount to be deposited into the Sinking Fund in any year shall be an amount equal to the interest and principal coming due on the Certificates during the fiscal year. Money shall first be deposited into the interest account of the Sinking Fund in an amount equal to the interest coming due in each fiscal year. Money shall next be deposited into the principal account of the Sinking Fund in an amount equal to the principal coming due in each fiscal year. Money in the Sinking Fund shall be used solely for the purpose of paying principal of and interest on the Certificates and Parity Certificates, as the same shall become due and payable.

<u>Reserve Fund</u> There is established a debt reserve fund (the "Reserve Fund"). Money in the Reserve Fund shall be used solely for the purpose of paying principal at maturity or interest on the Certificates when insufficient money shall be available in the Sinking Fund. The Reserve Fund will be used to pay a portion of the interest due on the Certificates through June 1, 2016 for the Certificates. The initial Reserve Fund requirement will be funded from the proceeds of the Certificates in an amount equal to approximately $__________.

Subordinate Obligations

Revenues of the Projects not required for the Sinking Fund or the Reserve Fund may be used to pay principal of and interest on any obligations (including reasonable reserves), which by their terms shall be payable from the revenues of the Projects, but subordinate to the Certificates and Parity Certificates, and which have been issued for the purposes of the Projects.

Surplus Revenue

All revenues thereafter remaining shall be deposited to remedy any deficiency in any of the funds created by the Resolution; may be used to pay or reimburse the College or the Employer for other loans, moneys advanced to or indebtedness incurred to finance or refinance the Projects in whole or in part, as permitted by law; or may be used to pay or redeem the Certificates or Parity Certificates or for any lawful purpose.

Moneys on hand in any of the funds provided by the Resolution may be invested only in direct obligations of the Untied States government or deposited in banks that are members of the FDIC. All income derived from such investments shall be deposited in the Reserve Fund and shall be regarded as Project Revenues. Such investments shall be liquidated whenever necessary and the proceeds applied to the purpose for which the respective fund was created.

COVENANTS REGARDING THE OPERATION OF THE PROJECTS

The College covenants and agrees with each and every holder of the Certificates and Parity Certificates the following:

Maintenance in Force

The College will maintain each of the Projects in force and will annually cause the taxes and other revenues thereof to be levied and applied as provided by the Resolution.

Accounting and Audits

The College will cause to be kept proper books and accounts adapted to the Projects and in accordance with general accepted accounting principles, and will cause the books and accounts to be audited on an annual basis by an independent auditor and will provide copies of the audit to the original purchaser upon request and will make generally available to the holders of the Certificates, the balance sheet and the operating statement of the Project as certified. The original purchaser and the holders of the Certificates shall have at all reasonable times the right to inspect records, accounts, and data of the College relating to the Projects. The audit reports required shall include, but not be limited to, the following information:

- An evaluation of the manner in which the College has complied with the covenants of the Resolution;
- A statement of tax fund revenues and current expenditures;
- Analyses of each fund and account created under the Resolution, including deposits, withdrawals and beginning and ending balances;
- The tax rates in effect during the fiscal year, and the use of the Projects;
- the names and titles of the principal officers of the College; and
- A general statement covering any events or circumstances that might affect the financial status of the Projects and the Certificates.

In the event the audit provided for is prepared by the State Auditor, the College will cause to be prepared a certified supplemental report containing the required information described above.

State Laws

The College further covenants to faithfully and punctually perform all the duties with reference to the Projects required by the Constitution and the laws of the State of Iowa, and will segregate the Project Revenues and apply said revenues to the funds specified in the Resolution.

PARITY OBLIGATIONS

The College will issue no other certificates or obligations of any kind or nature payable from or enjoying a lien or claim on the property or revenues of the Projects having priority over the Certificates or Parity Certificates.

Additional certificates may be issued on a parity and equality of rank with the Certificates (“Parity Certificates”) with respect to the lien and claim of such additional Certificates to be revenues of the Projects and the money on deposit in the funds adopted by the Resolution, for the following purposes and under the following conditions, but not otherwise:

For the purpose of refunding any of the Certificates or Parity Certificates, which have matured or which shall mature not later than three months after the date of delivery of such refunding Certificates, and for the payment of which there shall be insufficient money in the Sinking Fund and the Reserve Fund;

For the purpose of the Projects or additional projects, so long as revenues of the Project are sufficient to secure the Certificates and additional Certificates. Additional Certificates must be payable as to principal and as to interest on the same month and day as the Certificates herein authorized.

THE EMPLOYERS

With respect to the Certificates, the following describes the Employers who have entered into agreements with the Issuer that are the target of the Certificates.

**Please note that the numbers below are based on preliminary estimates and are not final.*

Cottingham & Butler Insurance Services, Inc.; Self Insured Services Corporation; and Safety Management Services Company, Dubuque

Cottingham & Butler traces its roots to Dixon Cottingham who opened an insurance agency in Dubuque in 1887. Cottingham & Butler is a commercial property and insurance brokerage firms in the Midwest. The company provides a wide range of related services such as business protection, through such services as risk management and risk control, employee benefit counseling and management assistance programs, safety management, self-funded and insured plans, and managed health care services through separate company structures. This is the company's fifth new jobs training agreement with the College since 1999. The estimated amount of new jobs is 90.

East Penn Manufacturing Company, Oelwein

East Penn Manufacturing Company is a manufacturer of high quality, lead-acid batteries and accessories for the automotive, marine, commercial, UPS, telecommunications, and industrial markets. The company, headquartered in Lyon Station, Pennsylvania, moved to Oelwein, Iowa eight years ago where it has operated its distribution center for batteries. The center has continued to grow and expand at its location in the former Donaldson building where they currently have 82 employees. The company has announced plans to expand and build a new facility in the Industrial Park in Oelwein, Iowa. The new facility will fill, form, finish and distribute automotive batteries. This is the company's first agreement with the College. The estimated amount of new jobs is 205.

Hirschbach Motor Lines, Inc., Dubuque

Hirschbach Motor Lines, Inc. is a refrigerated carrier established in 1935. The company offers refrigerated service to the lower 48 states. The company has employees at an array of sites and with a fleet of tractors and trailers providing temperature-controlled transportation for some of the country's largest food producers. In 2015, Hirschbach moved its corporate headquarters to the Iowa side of the Mississippi River from East Dubuque, Illinois to set up shop in Dubuque, Iowa. This is the compay's second agreement with the College. The estimated amount of new jobs is 50 .

Rockfarm Logistics, LLC and RT&T Logistics, Inc., Dubuque

Rockfarm Logistics, LLC and RT&T Logistics, Inc., is a worldwide supply chain management, technology and consulting company. They are a transportation solutions provider specializing in truckload and dedicated fleet services. The company was founded in East Dubuque in 2008 and in 2015, the company moved their global transportation management firm to Dubuque, Iowa. This is the company's second agreement with the College. The estimated amount of new jobs is 16.

Swiss Valley Farms Cooperative, Luana

Swiss Valley is headquartered in Davenport, Iowa. The company's largest manufacturing facility is their cheese manufacturing facility in Luana, Iowa. The facility was built in 1961 and was acquired by Swiss Valley in 1967. Since its acquisition by Swiss Valley, the plant has undergone several renovations and is expanding. This newest expansion will include replacement of the plant's current press vats with a molding system solution, updated press tunnels, new butter tanks and additional system automation. Also included is a 12,000 square foot expansion for the new equipment and additional warehouse space. The plant currently manufactures Swiss, Baby Swiss, Neufchatel and Gouda cheese as well as cream cheese and sweet whey. With the expansion, the company hopes to expand its products to include Maasdam, Havarti and Meunster cheese. This is the company's first agreement with the College. The estimated amount of new jobs is 21.

Transco Railway Products, Inc., Oelwein

Transco Railway Products, Inc. is an independent provider of freight car repair, modification and rebuilding services to the rail transportation industry. The company was organized in its current form in 1967 as a combination of certain predecessor companies that had been in the railcar repair and component manufacturing business since 1936. The company has been in business in Oelwein since 1969 and specializes in railcar repair services including blasting, painting and washing. This is the company's third agreement with the College since 2013. The estimated amount of the agreement is 25 new jobs.

FUTURE FINANCING

The Issuer does not currently anticipate the issuance of additional obligations during calendar year 2016.

LITIGATION

There is no controversy or litigation pending or the College's knowledge, or threatened involving the incorporation, organization or existence of the College, the titles of the officers to their respective positions, or the validity of the Certificates, or the power and duty of the College to provide and apply adequate taxes for the full and prompt payment of the principal and interest of the Certificates.

ACCOUNTANT

The accrual-basis financial statements of the Issuer included as APPENDIX D to this Official Statement have been taken from the audit report prepared by Hacker Nelson & Co, to the extent and for the periods indicated in their report thereon. Such financial statements have been included herein without permission of said CPA, and said CPA expresses no opinion with respect to the Notes or the Official Statement. The audited financial statements contained herein are not complete and cannot be relied on to fully portray the financial position of the Issuer.

UNDERWRITING

The Certificates are being purchased, subject to certain conditions, by ___________ the ("Underwriter"). The Underwriter has agreed, subject to certain conditions, to purchase all, but not less than all, of the Certificates at an aggregate purchase price of $_________ plus accrued interest to the Closing Date.

The Underwriter (the "Underwriter") may offer and sell the Certificates to certain dealers (including dealers depositing the Certificates into unit investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the initial public offering prices stated on the cover page. The initial public offering prices of the Certificates may be changed, from time to time, by the Underwriter.

The Underwriter intends to engage in secondary market trading of the Certificates subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Certificates at the request of the holder thereof.

LEGALITY

The Certificates are subject to approval as to certain matters by Ahlers & Cooney, P.C., Bond Counsel. Bond Counsel has not participated in the preparation of this Official Statement except for guidance concerning the sections "**Tax Matters**" and will not pass upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined nor attempted to verify, any of the financial or statistical statements, or data contained in this Official Statement and will express no opinion with respect thereto. The legal opinions in substantially the forms set out in Appendix B herein will be delivered at closing.

TAX MATTERS

General

The following discussion is a summary of certain Federal income tax consequences relating to the purchase, ownership, and disposition of the Certificates, based on certain relevant provisions of the Internal Revenue Code of 1986, as amended (the "Code"). This discussion does not purport to deal with all aspects of Federal income taxation that may affect particular investors in light of their individual circumstances, and is limited to investors who hold the Certificates as capital assets under Section 1221 of the Code, which generally means property held for investment. Prospective investors, particularly those subject to special rules, should consult their tax advisors regarding the consequences of purchasing, owning, and disposing of the Certificates for Federal income tax purposes, and for State and local tax purposes.

Interest Income Taxable

In the opinion of Bond Counsel, interest on the Certificates is includable in the federal gross income for Federal income tax purposes. Except for original issue discount, which accrues under special rules, interest income on the Certificates is so included in the gross income of the owners when accrued or received in accordance with the owner's regular method of Federal tax accounting.

Sale, Exchange, or Other Disposition

In general, upon the sale, exchange, or redemption of a Certificate, an owner will recognize taxable gain or loss in an amount equal to the difference between the amount realized and the owner's adjusted tax basis in the Certificate. An owner's adjusted tax basis in a Certificate generally will equal the owner's initial cost of the Certificate, plus any accrued original issue discount and accrued market discount previously included in the owner's taxable income. Such gain or loss generally will be capital gain or loss. Such gain or loss generally will be long-term capital gain or loss if the owner has held the Certificate for more than one year. Subject to various special rules, the Code currently provides preferential treatment for certain net long-term capital gains realized by individuals and generally limits the use by any taxpayer of capital losses to reduce ordinary income.

Backup Withholding and Information Reporting

In general, information reporting requirements will apply to non-corporate owners of Certificates with respect to payments of the principal of and interest on the Certificates and proceeds of sale of such Certificates before maturity. Backup withholding at a rate of 28% generally will apply to such payments unless the owner: (i) is a corporation or other exempt recipient and, when required, demonstrates that fact, or (ii) provides a correct taxpayer identification number, certifies under penalties of perjury when required that such owner is not subject to backup withholding, and has not been notified by the IRS that it has failed to report all interest and dividends required to be shown on its Federal income tax returns.

See "**APPENDIX B**" for the draft form of legal opinion for the Certificates.

FINANCIAL ADVISOR

The Issuer has retained Piper Jaffray & Co. as financial advisor (the "Financial Advisor") in connection with the issuance of the Certificates. The Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of the information contained in the official statement. The Financial Advisor is not a public accounting firm and has not been engaged by the Issuer to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards.

CONTINUING DISCLOSURE

In order to permit bidders for the Certificates and other participating underwriters in the primary offering of the Certificates to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the Issuer will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Certificates, in the Bond Resolution, to provide annual reports of specified information commencing with the fiscal year ending June 30, 2016 and notice of the occurrence of certain events, if material, as hereinafter described (the "Disclosure Covenants"). The information to be provided, the events as to which notice is to be given, if material, and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in Appendix C to this Official Statement.

The Issuer has previously failed to timely file its financial statements and required operating data for the fiscal year 2011 and previous fiscal years on certain of its outstanding securities. For certain individual securities, the CUSIP numbers were inadvertently not linked to the filings made, even though the filings were made with respect to the type of security covered by the filing. The Issuer has since corrected this and believes it has since complied in all material respects with the Rule. With respect to the College's other general obligation indebtedness (exclusive of indebtedness for new jobs training), the College's related continuing disclosure obligations includes the disclosure of certain tables that describe the College's educational facilities, collective bargaining matters, contact hours, and certain pension matters. The College has failed to file these tables with respect to said indebtedness during the past 5 years. The College recently on May 25, 2016 updated these filings, and on May 25, 2016 had filed a "failure to file" notice with respect to same. (Although the Issuer had disclosed said pension matters in other of the College's official statements which relate to various issuances the College has annually in each of the past five years). Except as described above, the College, to the best of its knowledge believes it is in material compliance with the Rule.

RATING

Moody's Investors Service has assigned a rating of "Aa2" (stable outlook) to the Certificates. Such rating reflects only the views of the such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address; Moody's Investors Service, 99 Church Street, New York, New York, 10007.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of Moody's, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Certificates.

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I have reviewed the information contained within the Official Statement of the Northeast Iowa Community College, State of Iowa, (Merged Area I) and said Official Statement does not contain any material misstatements of fact nor omissions of any material fact regarding the issue of $2,510,000* Taxable New Jobs Training Certificates, Series 2016-1, of the College to be issued under date of Date of delivery.

NORTHEAST IOWA COMMUNITY COLLEGE, STATE OF IOWA
(Merged Area I)

/s/Thomas M. Ridout
Treasurer

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* Preliminary, subject to change

APPENDIX A

Northeast Iowa Community College
1625 Hwy 150
P.O. Box 400
Calmar, Iowa 52132

Phone: (563) 562-3263
Fax: (563) 562-3719
http://www.nicc.edu

Northeast Iowa Community College
Peosta Campus
10250 Sundown Road
Peosta, Iowa 52068

Phone: (563) 556-5110

NICC BOARD OF DIRECTORS

President	Ken Reimer – Elkader, Iowa
Vice President	Jim Anderson – Decorah, Iowa Bob Shafer – Dubuque, Iowa Gene Fuelling, Oelwein, Iowa Larry Blatz – Dubuque, Iowa John Rothlisberger, - Fredericksburg, Iowa Kathy Gunderson, Postville, Iowa Dave Schueller, Peosta, Iowa Dan White – Dubuque, Iowa
Treasurer	Tom Ridout - Calmar, Iowa
Secretary	Janet Bullerman – Calmar, Iowa

ADMINISTRATIVE CABINET

President	Dr. Liang Chee Wee
Secretary to the President and Board of Directors	Janet Bullerman
Vice President - Academic & Student Affairs	Dr. Kathy Nacos Burds
Vice President – Finance & Administration	David Dahms
Vice President - Economic Development	Dr. Wendy Mihm Herold
Vice President of Student Services	Dr. Linda Peterson
Provost, Peosta Campus, Interim	Doug Binsfeld
Provost, Calmar Campus	Rhonda Seibert, MS, RHIA
Executive Director of Human Services	Dr. Julie Huiskamp

College Profile

In 1966, the State Board of Education approved the formation of the Area One – Vocational-Technical School with Calmar as its administrative headquarters. This included the public school districts in Allamakee, Chickasaw, Clayton, Fayette, Howard and Winneshiek counties, as well as sections of Bremer, Buchanan and Mitchell counties.

On September 5, 1967, career education programs in Calmar began with 170 students enrolled in 12 programs. The school also broke ground on construction of college facilities on the 210-acre Calmar campus, which now include Darwin L. Schrage Administration, Max Clark Hall, Wilder Business Center, Industrial Technologies, Student Center, Agricultural Technologies, Child Development Center and Iowa's Dairy Center, a $4.1 million dairy education center and applied research laboratory built in 2000. The merged Area One Vocational-Technical School was enlarged in 1970 to include the public school districts in Dubuque and Delaware counties and sections of Jones and Jackson counties. In 1971, career education programs in Dubuque began at several locations throughout the city including the Roshek building.

In April 1979, the Area One Vocational-Technical School changed its name to Northeast Iowa Technical Institute. This same year, the Peosta campus was established. The Peosta campus currently includes the main building, the Gas Utilities and Construction building, a child development center, the National Education Center for Agricultural Safety and most recently the Industrial Technologies building, which opened in August 2010.

In 1988, the College was authorized by the Iowa Board of Education to award the Associate of Arts, Associate of Science and Associate of Applied Science degrees as well as diplomas and certificates. The College also changed its name from Northeast Iowa Technical Institute to Northeast Iowa Community College (NICC).

NICC has since expanded to include centers and service locations in Cresco, Dubuque, New Hampton, Manchester, Oelwein and Waukon. The purpose of these centers is to bring education and training to students where they live and to serve as a catalyst for economic development. In 2008, the Town Clock Business Center in Dubuque was expanded to include a one-stop center with Iowa Workforce Development (IWD) and East Central Intergovernmental Association (ECIA).

In December of 2007, taxpayers passed, by supermajority, a $35 million renovation and construction bond levy for NICC. The funds supported construction and renovation of the industrial technologies buildings on each campus, the student center on the Calmar campus, renovations to the health and science labs and a new library on the Peosta campus, Darwin L. Schrage Administration building in Calmar, and the Wilder Business Center, which opened in January 2013.

In fall 2011, the Aspen Institute Community College Excellence Program named NICC to the top ten of community colleges in the nation for the College's successful graduate outcomes, academic excellence and community impact.

Under the leadership of its current President, Dr. Liang Chee Wee, Northeast Iowa Community College is celebrating its 50th anniversary and more committed than ever to transforming and honoring its communities one student at a time.

Enrollment

	2014-15	2013-14	2012-13	2011-12	2010-11
Number of Students	6,864	7,153	7,174	7,236	7,490
Number of Employees	1,275	1,350	1,340	1,332	1,364

Source: Northeast Iowa Community College

Pensions.

The College is a participating employer in two employee retirement plans, Iowa Public Employees Retirement System (IPERS) and TIAA-CREF.

TIAA-CREF is a nationwide retirement and financial services system for people who work at colleges, universities, independent schools and other nonprofit education and research institutions throughout the United States. A nonprofit organization, TIAA-CREF is really two companies working together as one. TIAA is a Teachers Insurance and Annuity Association, an insurance company founded in 1918 by the Carnegie Foundation for the Advance of Teaching. CREF is the College Retirement Equities Fund, first set up in 1952 and now registered with the SEC as an open-end, diversified management company under the federal Investment Company Act of 1940. All permanent employees of the College are eligible for and must participate in one of either IPERS or TIAA-CREF.

Fiscal Year	Amount contributed to TIAA-CREF	% of Covered Payroll paid by Issuer	% paid by Employee
2011	$552,107	6.95	4.50
2012	633,740	8.07	5.38
2013	713,577	8.67	5.78
2014	775,465	8.93	5.95
2015	828,937	8.93	5.95

Plan Description. Iowa Public Employees' Retirement System ("IPERS") membership is mandatory for employees of the Issuer. The Issuer's employees are provided with pensions through a cost-sharing multiple employer defined pension plan administered by IPERS. IPERS benefits are established under Iowa Code, Chapter 97B and the administrative rules thereunder. The Issuer's employee who completed seven years of covered service or has reached the age of 65 while in IPERS covered employment becomes vested. If the Issuer's employee retires before normal retirement age, the employees' monthly retirement benefit will be permanently reduced by an early-retirement reduction. IPERS provides pension benefits as well as disability benefits to Issuer employees and benefits to the employees' beneficiaries upon the death of the eligible employee. See "**APPENDIX D–AUDITED FINANCIAL STATEMENTS OF THE ISSUER–NOTES TO THE FINANCIAL STATEMENTS**" for additional information on IPERS. Additionally, copies of IPERS annual financial report may be obtained from www.ipers.org. Moreover, IPERS maintains a website at www.ipers.com. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Contributions. Although the actuarial contribution rates are calculated each year, the contribution rates were set by state law through June 30, 2012 and did not necessarily coincide with the actuarially calculated contribution rate. As a result, from June 30, 2002 through June 30, 2013, the rate allowed by statute was less than the actuarially required rate. Effective July 1, 2012, as a result of a 2010 law change, IPERS contribution rates for the Issuer and its employees are established by IPERS following the annual actuarial valuation (which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization method.) State statute, however, limits the amount rates can increase or decrease each year to one (1) percentage point. Therefore, any difference between the actuarial contribution rates and the contributions paid is due entirely to statutorily set contributions that may differ from the actual contribution rates. As a result, while the contribution rate in the fiscal year ended June 30, 2014 equaled the actuarially required rate, there is no guarantee, due to this statutory limitation on rate increases, that the contribution rate will meet or exceed the actuarially required rate in the future.

In fiscal year 2015, pursuant to the IPERS' required rate, the Issuer's employees contributed 5.95% of pay and the Issuer contributed 8.93% for a total rate of 14.88 percent. The Issuer's contributions to IPERS for the year ended June 30, 2015 were $986,453 which amount is not less than its actuarially determined calculated annual actuarial valuation. The Issuer's share of the contribution, payable from the applicable funds of the Issuer, is provided by a statutorily authorized annual levy of taxes without limit or restriction as to rate or amount. The Issuer has always made its full required contributions to IPERS.

The following table sets forth the contributions made by the Issuer and its employees to IPERS for the period indicated. The Issuer cannot predict the levels of funding that will be required in the future.

Table 1 – Issuer and Employees Contribution to IPERS.

	Issuer Contribution		Issuer Employees' Contribution	
Fiscal Year	Amount Contributed	% of Covered Payroll	Amount Contributed	% of Covered Payroll
2011	$543,705	6.95%	$352,477	4.50%
2012	635,122	8.07	423,444	5.38
2013	729,721	8.67	486,481	5.78
2014	839,726	8.93	559,440	5.95
2015	986,453	8.93	657,267	5.95
2016 (1)	NA	8.93	NA	5.95

(1) Budgeted
SOURCE: The Issuer

The Issuer cannot predict the levels of funding that will be required in the future as any IPERS unfunded pension benefit obligation could be reflected in future years in higher contribution rates. The investment of moneys, assumptions underlying the same and the administration of IPERS is not subject to the direction of the Issuer. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of IPERS ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, adjustments, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAAL could be substantial in the future, requiring significantly increased contributions from the Issuer which could affect other budgetary matters.

The following table sets forth certain information about the funding status of IPERS that has been extracted from the comprehensive annual financial reports of IPERS for the fiscal years ended June 30, 2015 through, and including, 2011 (collectively, the "IPERS CAFRs (2011-

2015)"), and the actuarial valuation reports provided to IPERS by Cavanaugh MacDonald Consulting, LLC (collectively, the "IPERS Actuarial Reports (2011-2015)"). Additional information regarding IPERS and its latest actuarial valuations can be obtained by contacting IPERS administrative staff.

Table 2 – Funding Status of IPERS

Valuation Date	Actuarial Value of Assets [a]	Market Value of Assets [b]	Actuarial Accrued Liability [c]	Unfunded Actuarial Accrued Liability (Actuarial Value) [c]-[a]	Funded Ratio (Actuarial Value) [a]/[c]	Unfunded Actuarial Accrued Liability (Market Value) [c]-[b]	Funded Ratio (Market Value) [b]/[c]	Covered Payroll [d]	UAAL as a Percentage of Covered Payroll (Actuarial Value) [[c-a]/[d]]
2011	22,575,309,199	22,772,000	28,257,080,114	5,681,770,915	79.89	28,234,308,114	.08	6,574,872,719	86.42
2012	23,530,094,461	23,025,000	29,446,197,486	5,916,103,025	79.91	29,423,172,486	.07	6,786,158,720	87.18
2013	24,711,096,187	24,757,000	30,498,342,320	5,787,246,133	81.02	30,473,585,320	.08	6,880,131,134	84.12
2014	26,460,428,085	28,039,000	32,004,456,088	5,544,028,003	82.68	31,976,417,088	.09	7,099,277,280	78.09
2015	27,915,379,103	28,430,000	33,370,318,731	5,454,939,628	83.65	33,341,888,731	.09	7,326,348,141	74.46

Source: IPERS CAFRs (2011-2015) and IPERS Actuarial Reports (2011-2015)

For a description of the assumptions used when calculating the funding status of IPERS for the fiscal year ended June 30, 2015, see IPERS CAFRs (2011-2015)

Table 3 – Recent returns of IPERS

According to IPERS, the market value investment return on program assets is as follows:

Fiscal Year Ended June 30	Investment Return %
2011	19.91%
2012	3.73
2013	10.12
2014	15.88
2015	3.96

Net Pension Liabilities.

Effective for fiscal years beginning after June 15, 2014, GASB Statement 68 requires all reporting units in a multi-employer cost sharing pension plan to record a balance sheet liability for their proportionate share of the net pension liability of the plan. The Issuer was required to implement GASB 68 in their year end June 30, 2015 financial statements.

At June 30, 2015, the Issuer reported a liability of $5,700,949 for its proportional share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The discount rate used to measure the total pension liability was 7.5%. The Issuer's proportion of the net pension liability was based on the Issuer's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. See "**APPENDIX D–AUDITED FINANCIAL STATEMENTS OF THE ISSUER–NOTES TO THE FINANCIAL STATEMENTS**" for additional information related to the Issuer's deferred outflows and inflows of resources related to pensions, actuarial assumptions, discount rate and discount rate sensitivity.

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

Bond Counsel, Disclosure Counsel, the Issuer, and the Financial Advisor undertake no responsibility for and make no representations as to the accuracy or completeness of the material available from IPERS as discussed above or included on the IPERS website, including, but not limited to, updates of such information on the Auditor of State's website or links to other websites through the IPERS website.

GASB 45

Plan Description - The College operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. There are 339 active and 0 retired members in the plan. Employees must be age 55 or older at retirement.

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

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

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

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

Annual required contribution	$84,193
Interest on net OPEB obligation	27,327
Adjustment to annual required contribution	-35,554
Annual OPEB costs	75,966
Contributions made	-27,042
Increase in net OPEB obligation	48,924
Net OPEB obligation beginning of year	546,543
Net OPEB obligation end of year	595,467

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

For the year ended June 30, 2015, the College contributed $27,042 to the OPEB obligation. Plan members eligible for benefits contributed to none of the premium costs for the OPEB obligation.

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

Year ended	Annual OPEB Cost	% of Annual OPEB cost contributed	Net OPEB Obligation
June 30, 2012	$ 80,634	0%	$419,694
June 30, 2013	63,906	0%	483,600
June 30, 2014	62,943	0%	546,543
June 30, 2015	75,966	35.6%	595,467

Funded Status and Funding Progress – As of July 1, 2014, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was $628,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of $628,000. The covered payroll (annual payroll of active employees covered by the plan) was $16,447,103 and the ratio of the UAAL to the covered payroll was 3.8%. As of June 30, 2015, there were no trust fund assets.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding process presented above, will present multi year trend information about whether other actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

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

As of July 1, 2014, actuarial valuation date, the unit credit actuarial cost method was used. The actuarial assumptions include a 5% discount rate based on the College’s funding policy. The projected annual medical trend rate is 7.5%. The ultimate medical trend rate is 6.5%. The medical trend rate is reduced 0.5% each year until reaching the 6.55% ultimate trend rate.

Mortality rates are from the RP-2014 Group Annunity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from IPERS Actuarial Report as of June 30, 2011, and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2011. Turnover rates are based on T-6 of the actuary's pension handbook.

Projected claim costs of the medical plan are $10,255 per month for retirees less than age 65 and for retirees who have attained age 65 there is no monthly cost. The salary increase rates was assumed to be 5% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

Population for the Area

Presented below are the population figures for the various counties found in the College:

County	2010	2000	1990	1980	1970	1960
Allamakee	14,330	14,675	13,855	15,108	14,968	15,968
Bremer	24,276	23,325	22,813	24,820	22,737	21,108
Buchanan	20,958	21,093	20,844	22,900	21,762	22,293
Chickasaw	12,439	13,095	13,295	15,437	14,969	15,034
Clayton	18,129	18,678	19,054	21,098	20,606	21,962
Delaware	17,764	18,404	18,035	18,933	18,770	18,483
Dubuque	93,653	89,143	86,403	93,745	90,609	80,048
Fayette	20,880	22,008	21,843	25,488	26,898	28,581
Howard	9,566	9,932	9,809	11,114	11,442	12,734
Jackson	19,848	20,296	19,950	22,503	20,839	20,754
Jones	20,638	20,221	19,444	20,401	19,868	20,693
Mitchell	10,776	10,874	10,928	12,329	13,108	14,043
Winneshiek	21,056	21,310	20,847	21,876	21,758	21,651

Source: U.S. Census Bureau

Unemployment Data for the Area

County	2015	2014	2013	2012	2011
Allamakee	4.80%	5.90%	6.40%	6.90%	7.80%
Bremer	3.40	3.90	3.80	3.90	4.60
Buchanan	4.20	4.90	4.80	5.10	6.10
Chickasaw	4.40	4.70	4.70	5.20	6.30
Clayton	4.10	5.20	5.80	6.20	6.90
Delaware	3.30	3.70	4.00	4.40	5.50
Dubuque	3.60	4.20	4.50	4.80	5.50
Fayette	4.50	5.20	5.20	5.70	6.60
Howard	3.50	4.60	4.80	5.20	6.00
Jackson	4.10	5.30	5.30	5.70	6.90
Jones	4.10	5.30	5.50	5.70	6.70
Mitchell	2.80	3.60	4.20	4.80	5.00
Winneshiek	3.60	4.40	4.50	4.70	5.20

Source: Iowa Workforce Development

Retail Sales
(as of June 30, 2015)

County	# Businesses	Taxable Sales
Allamakee	538	$101,388,482
Bremer	694	191,961,205
Buchanan	620	159,852,993
Chickasaw	460	88,306,701
Clayton	713	133,193,801
Delaware	605	133,441,950
Dubuque	2716	1,305,893,119
Fayette	664	130,412,827
Howard	375	74,607,725
Jackson	682	124,782,499
Jones	638	147,637,144
Mitchell	419	70,502,307
Winneshiek	760	214,573,377

Source: Iowa Department of Revenue

Major Employers

Presented below is a listing of the major employers within the Lessee, as provided by the Chamber of Commerce of the respective cities.

Employers	Location	Approximate Employees
John Deere Dubuque Works	Dubuque	2400
Dubuque Community Schools	Dubuque	1946
Hy-Vee	Dubuque	1350
Northeast Iowa Community College	Calmar	1,330
Mercy Medical Center	Dubuque	1313
IBM	Dubuque	1300
Medical Associates Clinic	Dubuque	1011
Unity Point-The Finley Hospital	Dubuque	859
City of Dubuque	Dubuque	698
Agri Star Inc.	Postville	650
Luther College	Decorah	640
Eagle Window & Door	Dubuque	550
Sedgwick	Dubuque	550
Featherlite Trailers	Cresco	517
Diamond Jo Casino / Peninsula Gaming Co.	Dubuque	510
Prudential Retirement	Dubuque	500
Dubuque County	Dubuque	472
Mystic Casino	Dubuque	454
Winneshiek Medical Center	Decorah	430
Regional Medical Center	Manchester	430
Loras College	Dubuque	415
Flexsteel Industries	Dubuque	413
Bruening Rock Products	Decorah	410
Exide Technologies	Manchester	390
Holy Family Catholic Schools	Dubuque	381
Donaldson Company Inc.	Cresco	356
Wal-Mart	Decorah	350
Tri-Mark Corporation	New Hampton	321
Henderson MFG and Henderson Truck Equipment	Manchester	311
XL Specialized Trailers	Manchester	290
Rockwell-Collins	Decorah	270
IL Norplex	Postville	250
Rockwell-Collins	Manchester	250
Decorah Community Schools	Decorah	250
Good Neighbor Home	Manchester	237
West Delaware Schools	Manchester	237
Paladin	Manchester	230
Howard – Winneshiek Community Schools	Cresco	225

Source: Locationone.com

Property Tax Legislation

During the 2013 legislative session, the Iowa General Assembly enacted Senate File 295 (the "Act"), which the Governor signed into law on June 12, 2013. Among other things, the Act (i) reduces the maximum annual taxable value growth percent, due to revaluation of existing residential and agricultural property, from the current 4% to 3%, (ii) assigns a "rollback" (the percentage of a property's value that is subject to tax) to commercial, industrial and railroad property of 95% for the 2013 assessment year and 90% for the 2014 assessment year and all years thereafter, (iii) creates a new property tax classification for multi-residential properties (mobile home parks, manufactured home communities, land-lease communities, assisted living facilities and property primarily used or intended for human habitation containing three or more separate dwelling units) ("Multi-residential Property") that begins in the 2015 assessment year, and assigns a declining rollback percentage of 3.75% to such properties for each subsequent year until 2021 assessment year (the rollback percentage for Multi-residential Properties will be equal to the residential rollback percentage in 2022 assessment year and thereafter) and (iv) exempts a specified portion of the assessed value of telecommunication properties.

The Act includes a standing appropriation to replace some of the tax revenues lost by local governments, including tax increment districts, resulting from the new rollback for commercial and industrial property. Prior to Fiscal Year 2017-18, the appropriation is a standing unlimited appropriation, but beginning in fiscal year 2017-18 the standing appropriation cannot exceed the actual fiscal year 2016-17 appropriation amount. The appropriation does not replace losses to local governments resulting from the Act's provisions that reduce the annual revaluation growth limit for residential and agricultural properties to 3% from 4%, the gradual transition for Multi-residential Property from the commercial rollback percentage (100% of Actual Value in Fiscal Year 2013-14) to the residential rollback percentage (currently 54.4002% of Actual Valuation), or the reduction in the percentage of telecommunications property that is subject to taxation.

Given the wide scope of the statutory changes, and the State of Iowa's discretion in establishing the annual replacement amount that is appropriated each year commencing in fiscal year 2017-18, the impact of the Act on the Issuer's future property tax collections is uncertain and the Issuer is unable to accurately assess the financial impact of the Act's provisions on the Issuer's future operations.

In Moody's Investor Service US Public Finance Weekly Credit Outlook, dated May 30, 2013, Moody's Investor Service ("Moody's") projected that local governments in the State of Iowa are likely to experience modest reductions in property tax revenues starting in fiscal year 2014-15 as a result of the Act, with sizeable reductions possible starting in fiscal year 2017-18. According to Moody's, local governments that may experience disproportionately higher revenue losses include regions that have a substantial commercial base, a large share of Multi-residential Property (such as college towns), or significant amounts of telecommunications property.

Notwithstanding any decrease in property tax revenues that may result from the Act, Iowa Code section 76.2 provides that when an Iowa political subdivision issues general obligation bonds, "the governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full."

From time to time, other legislative proposals may be considered by the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described in this Official Statement. It cannot be predicted whether or in what forms any of such proposals may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for the levy of taxes by the Issuer.

Property Tax Assessment

In compliance with section 441.21 of the Code of Iowa, as amended, the State Director of Revenue annually directs all county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The final values, called Actual Valuation, are then adjusted by the County Auditor. Assessed or Taxable Valuation subject to tax levy is then determined by the application of State determined rollback percentages, principally to residential and commercial property.

Beginning in 1978, the State required a reduction in Actual Valuation to reduce the impact of inflation on its residents. The resulting value is defined as the Assessed or Taxable Valuation. The rollback percentages for residential, agricultural and commercial valuations are as follows:

Fiscal Year	Residential Rollback	Ag. Land & Buildings	Commercial
2016-17	55.6259	46.1068	90.0000
2015-16	55.7335	44.7021	90.0000
2014-15	54.4002	43.3997	95.0000
2013-14	52.8166	59.83340	100.0000
2012-13	50.7518	57.5411	100.0000

Source: Iowa Department of Revenue

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year. For example, the assessments finalized on January 1, 2014 are used to calculate tax liability for the tax year starting July 1, 2015 through June 30, 2016. Presented below are the historic property valuations of the Issuer by class of property.

Property Valuations

Actual Valuation						
Valuation as of January	2015	2014	2013	2012	2011	2010
Fiscal Year	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Residential:	9,746,703,967	9,236,586,350	9,067,334,322	8,827,766,019	8,768,186,614	8,661,075,238
Agricultural Land:	5,825,325,042	5,374,753,526	5,377,577,037	3,689,511,617	3,692,073,251	2,861,295,307
Ag Buildings:	377,330,053	471,951,585	452,172,049	356,361,073	338,020,083	356,984,333
Commercial:	1,592,997,357	1,698,178,256	1,678,769,740	1,603,439,170	1,593,535,312	1,607,022,684
Industrial:	413,592,496	367,018,208	339,222,980	313,295,818	300,649,158	308,626,561
Multiresidential:	296,162,235					
Personal RE:	0	0	0	0	0	0
Railroads:	45,225,872	36,236,732	37,764,468	29,445,838	36,936,734	45,031,252
Utilities:	256,573,647	270,211,157	281,554,181	304,937,385	299,869,231	312,284,945
Other:	536,914	687,870	691,095	705,130	705,130	705,130
Total Valuation:	18,554,447,583	17,455,623,684	17,235,085,872	15,125,462,050	15,029,975,513	14,153,025,450
Less Military:	20,984,047	21,869,673	22,573,633	23,182,838	23,811,514	24,107,734
Net Valuation:	18,533,463,536	17,433,754,011	17,212,512,239	15,102,279,212	15,006,163,999	14,128,917,716
TIF Valuation:	825,931,255	945,237,610	904,022,313	760,943,561	689,973,159	572,622,337
Utility Replacement:	1,077,456,019	963,314,935	752,724,307	667,262,382	630,264,757	587,079,523

Taxable Valuation						
Valuation as of January	2015	2014	2013	2012	2011	2010
Fiscal Year	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Residential:	5,352,352,517	5,154,356,333	4,942,784,234	4,653,573,892	4,418,851,007	4,172,322,534
Agricultural Land:	2,685,380,005	2,402,718,597	2,333,946,322	2,211,188,078	2,124,331,323	1,974,560,411
Ag Buildings:	173,707,831	210,975,417	196,244,238	213,574,677	194,281,044	246,248,169
Commercial:	1,395,643,737	1,528,996,661	1,597,038,768	1,598,156,637	1,604,030,984	1,602,692,211
Industrial:	346,562,454	324,880,856	320,731,154	313,295,818	304,564,528	311,735,241
Multiresidential:	254,167,193					
Personal RE:	0	0	0	0	0	0
Railroads:	40,703,291	32,613,066	35,876,250	29,445,838	36,936,734	45,031,252
Utilities:	256,573,647	270,211,157	281,554,181	304,937,385	299,869,231	312,284,945
Other:	483,222	619,083	656,541	705,130	705,130	705,130
Total Valuation:	10,505,573,897	9,925,371,170	9,708,831,688	9,324,877,455	8,983,569,981	8,665,579,893
Less Military:	20,984,047	21,869,673	22,573,633	23,182,838	23,803,210	24,072,952
Net Valuation:	10,484,589,850	9,903,501,497	9,686,258,055	9,301,694,617	8,959,766,771	8,641,506,941
TIF Valuation:	821,810,461	760,527,400	748,113,448	679,046,724	631,832,871	550,369,494
Utility Replacement:	280,074,436	279,168,325	265,013,952	253,084,049	254,942,276	247,217,273

Valuation Year	Actual Valuation w/ Utilities	% Change in Actual Valuation	Taxable Valuation w/ Utilities	% Change in Taxable Valuation
2015	20,436,850,810	5.66%	11,586,474,747	5.88%
2014	19,342,306,556	2.51%	10,943,197,222	2.28%
2013	18,869,258,859	14.15%	10,699,385,455	4.55%
2012	16,530,485,155	1.25%	10,233,825,390	3.93%
2011	16,326,401,915	6.79%	9,846,541,918	4.32%
2010	15,288,619,576	2.07%	9,439,093,708	4.35%

Source: Iowa Department of Management

Tax Rates

Presented below are the taxes levied by the College for the fund groups as presented, for the period indicated:

Year	General	Unemployment	Tort Liability	Insurance	Retirement	Equipment	Standby	Plant	Debt Service	Total Levy Rate
2016	0.20250	0.00737	0.02111	0.03634	0.00000	0.09000	0.00000	0.20250	0.35054	0.91036
2015	0.20250	0.00000	0.02334	0.03544	0.00000	0.09000	0.00000	0.20250	0.35429	0.90807
2014	0.20250	0.00000	0.02251	0.03197	0.00000	0.09000	0.00000	0.20250	0.35507	0.90455
2013	0.20250	0.00163	0.02122	0.02896	0.05890	0.09000	0.00000	0.20250	0.37836	0.98407
2012	0.20250	0.00281	0.01800	0.04185	0.00000	0.09000	0.12880	0.20250	0.38733	1.07379

Source: Iowa Department of Management

Tax Collection History

Presented below are the actual ad-valorem tax levies and collections for the periods indicated:

Fiscal Year	Amount Levied	Amount Collected	Percentage Collected
2016	$9,523,649	In Collection	NA
2015	9,301,501	$9,440,259	101.49%
2014	8,883,884	8,900,292	100.18%
2013	9,306,980	9,319,216	100.13%
2012	9,759,883	9,722,498	99.62%
2011	9,060,921	9,168,987	101.19%

Source: Northeast Iowa Community College

Largest Taxpayers

Set forth in the following table are the persons or entities which represent the 2015 largest taxpayers within the counties that have land wholly or partially within the Issuer, as provided by the auditors' offices of each of said counties. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the Issuer. The Issuer's tax levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the Issuer from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the tax levies of the other taxing entities which overlap the properties.

Allamakee County

Taxpayer	2015 Valuation
Interstate Power Co/Alliant - electric	53,100,846
SHF Industries LLC	5,613,264
Dakota, Minnesota & Eastern Railroad	5,423,285
Qwest Corporation (CenturyLINK)	5,356,668
Waukon Feed Ranch Inc	4,827,982
Dairyland Power Cooperative	4,655,092
Allamakee Clayton Electric Cooperative Inc	4,605,482
ITC Midwest LLC	4,152,043
Innovative Ag Services	3,752,100
Regancrest Farms	2,450,418

Bremer County

Taxpayer	2015 Valuation
Korporal, Deterd E &	260,356
Schwemm, Alan D	253,960
Axberg, Lorraine LF Est	184,019
Schellhorn, Robert D	121,980
Warnke, Lloyd L &	116,260
Buhr, Jamie B &	113,963
Buhr, Susan K Living Trust	113,870
Muilenberg, Rodney J &	73,628
Wilharm, Larry D &	73,425
Leach, James LF Est &	71,941

Buchanan County

Taxpayer	2015 Valuation
Alliance Pipeline	8,362,612
ITC Midwest LLC	5,912,594
Doyle, Thomas J & Marlene A	2,154,639
Kinder Morgan Cochin	1,874,334
Central Iowa Power Coop	1,716,846
Cook, Donald Ltd	1,098,398
Kerns, Rex	940,968
Paris, Joseph J & Linda L	854,845
Fremont Land Farms LC	822,125
Iowa Telecom	782,560

Chickasaw County

Taxpayer	2015 Valuation
Alliance Pipeline	27,650,851
Homeland Energy Solutions Inc	11,353,155
Five Star Cooperative	7,848,110
Kinder Morgan Cochin	7,693,695
Interstate Power & Light Co.	7,291,326
Dairlyand Power Cooperative	4,734,724
Iowa Telecom	4,441,011
Carlinda Limited Partnership	3,927,510
Dm & E Rr Fka I C & E Railroad	3,555,659
Chickasaw County Care Center, Inc.	3,286,471

Clayton County

Taxpayer	2015 Valuation
Interstate Power And Light Company	10,523,264
Dm&E Railroad	7,982,343
Dairyland Power Cooperative	4,793,177
Alpine Communications	4,550,995
Gamblers Supply Management	4,262,763
Mobile Track Solutions Llc	4,084,107
Pattison Bros Miss River Terminal Inc	3,847,585
Consolidated Grain And Barge Co	3,461,157
Niehaus Inc	3,009,045
Caterpillar Elkader Lc	2,957,543

Delaware County

Taxpayer	2015 Valuation
Alliance Pipeline	30,495,598
Big River United Energy, LLC	28,121,940
Northern Natural Gas Company	11,847,914
Interstate Power & Light Co	10,361,458
Elk Wind Energy LLC	9,948,330
Chicago Central & Pacific Railroad	8,316,425
Central Iowa Power Coop.	8,086,499
ITC Midwest LLC	5,787,580
Iowa Telecommunications (Windstream)	5,466,054
Wal-Mart Realty Company	4,772,520

Dubuque County

Taxpayer	2015 Valuation
Interstate Power & Light Co	59,855,245
Peninsula Gaming Company Llc	57,400,713
Kennedy Mall Inc	35,693,048
Deere & Co	32,466,092
Dupaco Credit Union	31,716,920
Spiegel, A J Trust Dated 2/26/2013	23,382,807
Progressive Processing Llc	22,828,293
Black Hills Energy Corp.	22,465,623
Dutrac Community Credit Union	21,573,180
Medical Associates Realty Llc	19,249,623

Fayette County

Taxpayer	2015 Valuation
Alliance Pipeline	15,006,241
Interstate Power Company - Electric/Gas	13,385,740
Qwest Corporation	5,762,118
Oelwein Grain, LLC	5,619,555
Iowa Telecom	5,547,392
Northeast Iowa Cooperative	3,498,462
Northern Natural Gas Company	2,351,562
Kinder Morgan Cochin	2,253,664
Thompson, Wayne F & Arlene	2,014,849
Traditions at West Union, LLC	1,990,258

Howard County

Taxpayer	2015 Valuation
Wisconsin Public Service Corp	53,890,147
EDP Renewables North America LLC	39,473,658
Featherlite Inc	6,192,686
Alliance Pipeline	5,141,556
Dairyland Power Cooperative	4,155,273
Interstate Power & Light Co	3,698,483
Iowa Telecom	3,573,288
Hawkeye Tri County Electric Co-op	2,947,230
Peddler Real Estate LLC	2,893,628
Farmers Win Cooperative	2,611,440

Jackson County

Taxpayer	2015 Valuation
OH Farm, LLC	1,431,560
Central Iowa Power Co-Op	1,162,433
Hoffmann, Joseph R & Cherie S	825,811
Martin, Rita M Living Trust	680,282
Gravel Living Trust	621,706
Gibbs, Harold E Trust (1/2 Int) &	600,207
Reiter, Jerald A &	561,215
English, Family Farms, Inc.	530,903
Busch, Carlton & Shirley A	521,010
Morehead, David P & Marla S	519,393

Jones County

Taxpayer	2015 Valuation
Hosch Ed & Sons Inc	1,419,424
Manco Farms Inc	983,190
Trumm Bros Llc	946,938
Hosch Land Llc	903,504
Msb Valley Road Farms Inc	714,443
Manternach, Eugene A	600,586
Trumm, Bernard G & Kelli L	594,591
Deshaw, James R & Ruth A	580,649
Manternach 4L Farms Corp	541,885
Krapfl, Ronald & Julia Et Al	532,205

Mitchell County

Taxpayer	2015 Valuation
Pioneer Prairie Wind Farm Llc	66,091,383
Alliance Pipeline	9,338,249
Huftalin, Donald R. & Saundra J	1,386,981
Brothers Farmland Lp	1,198,486
Schfield, Ernest K Rev Liv Tr	835,903
Brincks, Wayne A Rev Tr Et Al	838,664
Franke Farms	726,966
Koenigs, Jerome A & Sandra A	721,480
Koch, Tim & Lynda	687,555
Offen, Sandra K	669,371

Winneshiek County

Taxpayer	2015 Valuation
Wal-Mart Stores, Inc.	8,857,926
Alliant Energy Corporation	8,746,192
CenturyLINK	7,896,332
Farmers Win Cooperative	5,761,062
Dairyland Power Cooperative	5,510,714
Gundersen Clinic, Ltd	4,963,140
Iowa Rotocast Plastics Inc	4,624,524
Dakota, Minnesota & Eastern Railroad	4,012,096
Infastech Decorah LLC	3,539,583
Aase Haugen Properties Inc	3,195,549

Source: Various County Auditors

(1) Utility Property Tax Replacement

Beginning in 1999, the State replaced its previous property tax assessment procedure in valuing the property of entities involved primarily in the production, delivery, service and sale of electricity and natural gas with a replacement tax formula based upon the delivery of energy by these entities. Electric and natural gas utilities now pay replacement taxes to the State in lieu of property taxes. All replacement taxes are allocated among local taxing cities by the State Department of Revenue and Finance and the Department of Management. This allocation is made in accordance with a general allocation formula developed by the Department of Management on the basis of general property tax equivalents. Properties of these utilities are exempt from the levy of property tax by political subdivisions. Utility property will continue to be valued by a special method as provided in the statute and taxed at the rate of three cents per one thousand dollars for the general fund of the State.

The utility replacement tax statute states that the utility replacement tax collected by the State and allocated among local taxing cities (including the Issuer) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. However, utility property is not subject to the levy of property tax by political subdivisions, only the utility replacement tax and statewide property tax. It is possible that the general obligation debt capacity of the Issuer could be adjudicated to be proportionately reduced in future years if utility property were determined to be other than "taxable property" for purposes of computing the Issuer's debt limit under Article XI of the Constitution of the State of Iowa. There can be no assurance that future legislation will not (i) operate to reduce the amount of debt the Issuer can issue or (ii) adversely affect the Issuer's ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Bonds. Approximately 4.59% of the Issuer's tax base currently is utility property. Notwithstanding the foregoing, the Issuer has the obligation to levy taxes against all the taxable property in the Issuer sufficient to pay principal of and interest on the Bonds.

INDEBTEDNESS OF THE COLLEGE

General Obligation Bonds

Presented below is the principal and interest on the College's outstanding general obligation bonds and plant fund capital loan notes, presented by fiscal year and issue:

Year	7/1/09	12/1/09	Total Principal	Total Interest	Total P&I
2017	2,165,000	975,000	3,140,000	809,043	3,949,043
2018	2,245,000	950,000	3,195,000	663,693	3,858,693
2019	2,330,000	900,000	3,230,000	514,955	3,744,955
2020	2,420,000	825,000	3,245,000	361,130	3,606,130
2021	2,515,000	800,000	3,315,000	199,925	3,514,925
2022		800,000	800,000	31,200	831,200
Totals:	11,675,000	5,250,000	16,925,000	3,388,988	20,313,988

(1) The Bonds dated July 1, 2009 were designated Build America Bonds by the College. The rebate payment is assumed to be paid annually by the U.S. Treasury in the amount of 35% of the interest due on said bond.

Source: Northeast Iowa Community College

Direct Debt – New Jobs Training Certificate

Presented below is the principal and interest on the College's nine separate series of New Job Training Certificates:

Year	Total Principal	Total Interest	Total P&I
2017	5,045,000	589,295	5,634,295
2018	4,620,000	498,213	5,118,213
2019	4,515,000	408,443	4,923,443
2020	3,500,000	315,988	3,815,988
2021	2,595,000	233,780	2,828,780
2022	2,295,000	168,328	2,463,328
2023	1,485,000	110,005	1,595,005
2024	1,225,000	67,265	1,292,265
2025	825,000	31,443	856,443
2026	305,000	7,473	312,473
Totals:	26,410,000	3,002,574	29,412,574

Source: Northeast Iowa Community College

Direct Debt – Equipment Leases and Certificates of Participation

Presented below is the principal and interest on the College's Equipment Leases and certificates of participation:

Year	5/1/11	11/1/11	Total Principal	Total Interest	Total P&I
2017	80,000	275,000	355,000	108,895	463,895
2018	85,000	275,000	360,000	102,685	462,685
2019	85,000	275,000	360,000	95,225	455,225
2020	90,000	300,000	390,000	87,215	477,215
2021	95,000	300,000	395,000	77,570	472,570
2022	100,000	250,000	350,000	67,273	417,273
2023	105,000		105,000	57,323	162,323
2024	110,000		110,000	52,755	162,755
2025	120,000		120,000	47,805	167,805
2026	125,000		125,000	42,165	167,165
2027	130,000		130,000	36,290	166,290
2028	140,000		140,000	30,180	170,180
2029	145,000		145,000	23,250	168,250
2030	155,000		155,000	16,000	171,000
2031	165,000		165,000	8,250	173,250
Totals:	1,730,000	1,675,000	3,405,000	961,775	4,366,775

Source: Northeast Iowa Community College

Debt Limit

The amount of general obligation debt a political subdivision of the State of Iowa can incur is controlled by the constitutional debt limit, which is an amount equal to 5% of the actual value of property within the corporate limits, taken from the last County Tax list. The District's debt limit, based upon said valuation, amounts to the following:

1/1/2014 Actual Valuation:	19,342,306,556
X	0.05
Statutory Debt Limit:	967,115,328

Source: Iowa Department of Management

Makeup of Obligations Subject to Debt Limit

The College has issued obligations secured by the taxpayers of the College in three different classes: (voter approved) General Obligation Bonds; Plant Fund Capital Loan Notes; and New Job Training Certificates. Presented below is a summary of the outstanding debt of the College by type of issue:

Total General Obligation Debt:	16,925,000
Total Lease Purchases:	3,405,000
Plant Fund CLN	0
NJTP	26,410,000
Total Debt Subject to Limit:	46,740,000
Percentage of Debt Limit Obligated:	4.83%

Overlapping & Underlying Debt

Presented below is a listing of the overlapping and underlying debt outstanding of Issuers within the Issuer (only City Issuers with outstanding debt are included).

Taxing Authority	Outstanding Debt	2015 Taxable Valuation	Taxable Value Within Issuer	Percentage Applicable	Amount Applicable
Allamakee CSD	6,570,000	505,352,564	505,352,564	100%	6,570,000
Central Clayton CSD	0	182,401,208	182,401,208	100%	0
Decorah CSD	14,260,000	584,624,775	584,624,775	100%	14,260,000
Dubuque CSD	0	3,785,961,755	3,785,961,755	100%	0
Eastern Allamakee CSD	3,175,000	205,178,684	205,178,684	100%	3,175,000
Edgewood-Colesburg CSD	800,000	159,648,463	159,648,463	100%	800,000
Sumner-Fredericksburg CSD (1)	1,840,000	334,014,218	334,014,218	100%	1,840,000
Clayton Ridge CSD	0	316,560,287	316,560,287	100%	0
Howard-Winneshiek CSD	0	519,279,541	519,279,541	100%	0
Maquoketa Valley CSD	1,680,000	314,870,359	314,870,359	100%	1,680,000
MFL Marmac CSD	0	273,742,667	273,742,667	100%	0
New Hampton CSD	0	462,324,143	462,324,143	100%	0
North Fayette CSD	0	280,032,853	280,032,853	100%	0
North Winnieshiek CSD	0	148,502,398	148,502,398	100%	0
Oelwein CSD	0	304,883,844	304,883,844	100%	0
Postville CSD	0	178,692,651	178,692,651	100%	0
Riceville CSD	0	364,859,034	364,859,034	100%	0
South Winneshiek CSD	0	258,085,099	258,085,099	100%	0
Starmont CSD	0	239,326,400	239,326,400	100%	0
Turkey Valley CSD	0	202,547,546	202,547,546	100%	0
Valley CSD	0	131,312,877	131,312,877	100%	0
West Central CSD	6,980,000	142,323,114	142,323,114	100%	6,980,000
West Delware County CSD	5,455,000	544,494,740	544,494,740	100%	5,455,000
Westerm Dubuque CSD	18,580,000	1,369,651,502	1,369,651,502	100%	18,580,000
Alta Vista	0	4,300,658	4,300,658	100%	0
Arlington	277,075	8,716,806	8,716,806	100%	277,075
Asbury	12,682,000	231,958,210	231,958,210	100%	12,682,000
Balltown	0	3,056,072	3,056,072	100%	0
Bankston	0	1,174,330	1,174,330	100%	0
Bernard	250,953	2,595,173	2,595,173	100%	250,953
Calmar	860,000	30,908,553	30,908,553	100%	860,000
Cascade	2,541,844	95,752,597	95,752,597	100%	2,541,844
Castalia	0	3,564,462	3,564,462	100%	0
Centralia	0	4,320,611	4,320,611	100%	0
Chester	0	3,667,080	3,667,080	100%	0
Clayton	0	4,994,875	4,994,875	100%	0
Clermont	175,000	17,898,824	17,898,824	100%	175,000
Colesburg	0	9,777,206	9,777,206	100%	0
Cresco	4,753,000	110,509,640	110,509,640	100%	4,753,000
Decorah	7,348,750	318,308,432	318,308,432	100%	7,348,750
Delaware	0	4,234,847	4,234,847	100%	0
Delhi	0	17,894,669	17,894,669	100%	0
Dubuque	111,380,000	2,728,990,847	2,728,990,847	100%	111,380,000
Dundee	0	3,009,829	3,009,829	100%	0
Durango	0	689,121	689,121	100%	0
Dyersville	9,755,000	253,090,425	253,090,425	100%	9,755,000
Earlville	299,000	22,120,105	22,120,105	100%	299,000
Edgewood	1,600,000	29,936,918	29,936,918	100%	1,600,000
Elgin	346,000	15,624,597	15,624,597	100%	346,000
Elkader	2,662,050	44,280,786	44,280,786	100%	2,662,050
Elkport	0	675,623	675,623	100%	0
Elma	151,912	10,931,299	10,931,299	100%	151,912
Epworth	910,000	58,163,796	58,163,796	100%	910,000
Farley	3,575,000	76,606,767	76,606,767	100%	3,575,000
Farmersburg	55,000	4,894,570	4,894,570	100%	55,000
Fayette	45,823	25,015,344	25,015,344	100%	45,823
Fort Atkinson	89,338	9,669,815	9,669,815	100%	89,338
Fredericksburg	0	26,848,194	26,848,194	100%	0
Garber	0	1,576,935	1,576,935	100%	0
Garnavillo	167,990	19,653,995	19,653,995	100%	167,990
Graf	0	2,234,266	2,234,266	100%	0
Greeley	208,729	4,328,470	4,328,470	100%	208,729

Guttenberg	4,145,000	77,579,087	77,579,087	100%	4,145,000
Harpers Ferry	141,000	28,494,429	28,494,429	100%	141,000
Hawkeye	116,428	9,161,782	9,161,782	100%	116,428
Hazleton	0	13,022,044	13,022,044	100%	0
Holy Cross	0	10,396,260	10,396,260	100%	0
Hopkinton	430,000	13,512,714	13,512,714	100%	430,000
Ionia	0	6,234,739	6,234,739	100%	0
Jackson Junction	0	7,525,918	7,525,918	100%	0
Lamont	37,000	7,481,475	7,481,475	100%	37,000
Lansing	970,000	39,830,439	39,830,439	100%	970,000
Lawler	0	9,486,447	9,486,447	100%	0
Lime Springs	500,000	12,065,667	12,065,667	100%	500,000
Luana	0	8,464,011	8,464,011	100%	0
Luxemburg	0	8,968,914	8,968,914	100%	0
Manchester	4,283,500	178,273,808	178,273,808	100%	4,283,500
Marquette	0	24,441,320	24,441,320	100%	0
Masonville	0	3,091,401	3,091,401	100%	0
Maynard	0	11,071,988	11,071,988	100%	0
McGregor	876,000	32,664,124	32,664,124	100%	876,000
McIntire	0	1,550,477	1,550,477	100%	0
Monona	957,440	40,751,014	40,751,014	100%	957,440
New Albin	0	11,883,413	11,883,413	100%	0
New Hampton	3,170,000	134,582,386	134,582,386	100%	3,170,000
New Vienna	204,312	14,383,246	14,383,246	100%	204,312
North Buena Vista	0	4,135,270	4,135,270	100%	0
North Washington	0	2,266,087	2,266,087	100%	0
Oelwein	10,600,000	133,488,930	133,488,930	100%	10,600,000
Ossian	590,000	25,187,904	25,187,904	100%	590,000
Osterdock	0	1,213,014	1,213,014	100%	0
Peosta	2,890,000	132,649,889	132,649,889	100%	2,890,000
Postville	725,000	48,600,973	48,600,973	100%	725,000
Protivin	91,848	8,352,374	8,352,374	100%	91,848
Randalia	0	806,716	806,716	100%	0
Riceville	400,000	18,195,421	18,195,421	100%	400,000
Ryan	301,000	12,537,062	12,537,062	100%	301,000
Sageville	0	7,326,863	7,326,863	100%	0
St. Donatus	0	4,542,979	4,542,979	100%	0
St. Lucas	127,000	4,242,581	4,242,581	100%	127,000
St. Olaf	0	2,013,168	2,013,168	100%	0
Stanley	57,231	1,279,131	1,279,131	100%	57,231
Strawberry Point	1,320,000	29,937,791	29,937,791	100%	1,320,000
Volga	11,813	3,868,583	3,868,583	100%	11,813
Wadena	0	3,721,373	3,721,373	100%	0
Waukon	8,139,600	128,285,050	128,285,050	100%	8,139,600
West Union	2,015,000	77,026,360	77,026,360	100%	2,015,000
Westgate	0	3,411,482	3,411,482	100%	0
Worthington	0	11,584,977	11,584,977	100%	0
Allamakee County	4,725,000	818,578,413	818,578,413	100.00%	4,725,000
Bremer County	2,345,000	1,311,370,001	1,570,416	0.12%	2,808
Buchanan County	7,650,019	1,039,917,287	132,813,385	12.77%	977,025
Chickasaw County	165,514	778,840,894	624,379,980	80.17%	132,689
Clayton County	2,145,000	986,741,676	986,741,676	100.00%	2,145,000
Delaware County	3,002,361	1,158,992,134	1,117,768,409	96.44%	2,895,571
Dubuque County	5,150,918	4,874,884,935	4,868,478,270	99.87%	5,144,149
Fayette County	44,000	993,942,554	888,674,025	89.41%	39,340
Howard County	1,314,074	648,345,041	648,345,041	100.00%	1,314,074
Jackson County	0	1,018,210,011	67,453,376	6.62%	0
Jones County	0	1,047,432,010	63,277,948	6.04%	0
Mitchell County	38,634,699	809,434,235	153,818,949	19.00%	7,341,855
Winneshiek County	176,471	1,214,574,859	1,214,574,859	100.00%	176,471
Keystone AEA	0	11,586,474,747	11,586,474,747	100.00%	0
				Total	$211,515,746

Source: EMMA, Issuer Audits, Iowa Outstanding Obligations Report

(1) Fredericksburg CSD is now part of Sumner-Fredericksburg CSD, and only a portion of this new district is contained within Northeast Iowa Community College.

FINANCIAL SUMMARY

Actual Value of Property, 2015:	$20,436,850,810
Taxable Value of Property, 2015:	11,586,474,747
Direct General Obligation Debt:	$16,925,000
NJTP Certificates	26,410,000
Leases	3,405,000
Less Self-Supported General Obligation Debt:	-29,815,000
Net Direct General Obligation Debt:	$16,925,000
Overlapping Debt:	211,515,746
Net Direct & Overlapping General Obligation Debt:	$228,440,746
Population, 2010 US Census Bureau:	209,252
Direct Debt per Capita:	$80.88
Total Debt per Capita:	$1,091.70
Net Direct Debt to Taxable Valuation:	0.15%
Total Debt to Taxable Valuation:	1.97%
Net Direct Debt to Actual Valuation:	0.08%
Total Debt to Actual Valuation:	1.12%
Actual Valuation per Capita:	$97,666
Taxable Valuation per Capita:	$55,371

Source: Iowa Department of Management

APPENDIX B – FORM OF LEGAL OPINION

We hereby certify that we have examined a certified transcript of the proceedings of the Board of Directors and acts of administrative officers of the Northeast Iowa Community College (Merged Area I), in the Counties of Allamakee, Bremer, Buchanan, Chickasaw, Clayton, Delaware, Dubuque, Fayette, Howard, Jackson, Jones, Mitchell and Winneshiek, State of Iowa (the "Issuer"), relating to the issuance of its $_______ principal amount of Taxable Industrial New Jobs Training Certificates (2016-1 Multiple Project), Series 2016-1, dated July 12, 2016 (the "Certificates"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion as bond counsel.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the resolution authorizing issuance of the Certificates (the "Resolution") and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based on our examination and in reliance upon the certified proceedings and other certifications described above, we are of the opinion, under existing law, as follows:

1. The Issuer is duly created and validly existing as a body corporate and politic and political subdivision of the State of Iowa with the corporate power to adopt and perform the Resolution and issue the Certificates.

2. The Certificates are lawfully issued and constitute a valid and binding obligation of the Issuer payable from revenues of the 2016-1 Multiple Project including Industrial New Jobs Training Agreements with certain employers. In the event that project revenues including new jobs credit from withholding and supplemental new jobs credit from withholding held by the College in connection with the Project are not available and appropriated in any year, as provided in the Agreements and Chapter 260E, Code of Iowa, all taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Certificates. Taxes have been levied by the Resolution for the payment of the Certificates and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Certificates to the extent the necessary funds are not provided from other sources. The pledge of taxes constitutes a first lien upon the collections thereof.

3. The Issuer does not intend or represent that the interest on the Certificates will be excluded from gross income for federal income tax purposes, and the Issuer is not obligated to take any action to attempt to secure any such exclusion. THE HOLDERS OF THE CERTIFICATES SHOULD TREAT THE INTEREST THEREON AS SUBJECT TO FEDERAL INCOME TAXATION. We express no opinion regarding other federal income tax consequences caused by the receipt or accrual of interest on the Certificates.

We express no opinion regarding the accuracy, adequacy, or completeness of the official statement or other offering material relating to the Certificates. Further, we express no opinion regarding tax consequences arising with respect to the Certificates other than as expressly set forth herein.

The rights of the owners of the Certificates and the enforceability of the Certificates are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Northeast Iowa Community College, State of Iowa (the "Issuer"), in connection with the issuance of $_______ Taxable Industrial New Jobs Training Certificates, Series 2016-1 (the "Certificates") dated July 12, 2016. The Certificates are being issued pursuant to a Resolution of the Issuer approved on June 20, 2016 (the "Resolution"). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Certificates and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Financial Information" shall mean financial information or operating data of the type included in the final Official Statement, provided at least annually by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Certificates for federal income tax purposes.

"Business Day" shall mean a day other than a Saturday or a Sunday or a day on which banks in Iowa are authorized or required by law to close.

"Dissemination Agent" shall mean the Issuer or any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Holders" shall mean the registered holders of the Certificates, as recorded in the registration books of the Registrar.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"Municipal Securities Rulemaking Board" or "MSRB" shall mean the Municipal Securities Rulemaking Board, 1300 I Street NW, Suite 1000, Washington, DC 20005.

"National Repository" shall mean the MSRB's Electronic Municipal Market Access website, a/k/a "EMMA" (emma.msrb.org).

"Official Statement" shall mean the Issuer's Official Statement for the Certificates, dated _______________, 2016.

"Participating Underwriter" shall mean any of the original underwriters of the Certificates required to comply with the Rule in connection with offering of the Certificates.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Iowa.

Section 3. Provision of Annual Financial Information.

a) The Issuer shall, or shall cause the Dissemination Agent to, not later than two hundred seventy (270) days after the end of the Issuer's fiscal year (presently June 30th), commencing with information for the 2015/2016 fiscal year, provide to the National Repository an Annual Financial Information filing consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Financial Information filing must be submitted in such format as is required by the MSRB (currently in "searchable PDF" format). The Annual Financial Information filing may be submitted as a single document or as separate documents comprising a package. The Annual Financial Information filing may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Financial Information filing and later than the date required above for the filing of the Annual Financial Information if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).
b) If the Issuer is unable to provide to the National Repository the Annual Financial Information by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Board, if any, in substantially the form attached as Exhibit A.

c) The Dissemination Agent shall:

i. each year file Annual Financial Information with the National Repository; and
ii. (if the Dissemination Agent is other than the Issuer), file a report with the Issuer certifying that the Annual Financial Information has been filed pursuant to this Disclosure Certificate, stating the date it was filed.

Section 4. Content of Annual Financial Information. The Issuer's Annual Financial Information filing shall contain or incorporate by reference the following:

a) The last available audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under State law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the Issuer's audited financial statements for the preceding years are not available by the time Annual Financial Information is required to be filed pursuant to Section 3(a), the Annual Financial Information filing shall contain unaudited financial statements of the type included in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Financial Information when they become available.

b) A table, schedule or other information prepared as of the end of the preceding fiscal year, of the type contained in the final Official Statement under the captions "Enrollment", "Property Valuations", "Tax Rates", "Tax Collection History", "Indebtedness of the College", and "Financial Summary".

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been filed with the National Repository. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

a) Pursuant to the provisions of this Section, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Certificates in a timely manner not later than 10 Business Days after the day of the occurrence of the event:
   i. Principal and interest payment delinquencies;
   ii. Non-payment related defaults, if material;
   iii. Unscheduled draws on debt service reserves reflecting financial difficulties;
   iv. Unscheduled draws on credit enhancements relating to the Certificates reflecting financial difficulties;
   v. Substitution of credit or liquidity providers, or their failure to perform;
   vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Series Certificates, or material events affecting the tax-exempt status of the Certificates;
   vii. Modifications to rights of Holders of the Certificates, if material;
   viii. Certificate calls (excluding sinking fund mandatory redemptions), if material, and tender offers;
   ix. Defeasances of the Certificates;
   x. Release, substitution, or sale of property securing repayment of the Certificates, if material;
   xi. Rating changes on the Certificates;
   xii. Bankruptcy, insolvency, receivership or similar event of the Issuer;
   xiii. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
   xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

b) Whenever the Issuer obtains the knowledge of the occurrence of a Listed Event, the Issuer shall determine if the occurrence is subject to notice only if material, and if so shall as soon as possible determine if such event would be material under applicable federal securities laws.

c) If the Issuer determines that knowledge of the occurrence of a Listed Event is not subject to materiality, or determines such occurrence is subject to materiality and would be material under applicable federal securities laws, the Issuer shall promptly, but not later than 10 Business Days after the occurrence of the event, file a notice of such occurrence with the Municipal Securities Rulemaking Board through the filing with the National Repository.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Certificates or upon the Issuer's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the Issuer to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

a) If the amendment or waiver relates to the provisions of Section 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Certificates, or the type of business conducted;

b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Certificates, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

c) The amendment or waiver either (i) is approved by the Holders of the Certificates in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Certificates.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Financial Information filing, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Financial Information filing for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Financial Information filing or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Financial Information filing or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Financial Information filing or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Certificates may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. Direct, indirect, consequential and punitive damages shall not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Certificates.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Date: 20th day of June, 2016.

NORTHEAST IOWA COMMUNITY COLLEGE, STATE OF IOWA

By: ____

President of the Board of Directors

ATTEST:

By: ____

Secretary of the Board of Directors

EXHIBIT A - NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE ANNUAL FINANCIAL INFORMATION

Name of Issuer: Northeast Iowa Community College, Iowa.

Name of Certificate Issue: $_______ Taxable Industrial New Jobs Training Certificates, Series 2016-1

Dated Date of Issue: July 12, 2016

NOTICE IS HEREBY GIVEN that the Issuer has not provided Annual Financial Information with respect to the above-named Certificates as required by Section 3 of the Continuing Disclosure Certificate delivered by the Issuer in connection with the Certificates. The Issuer anticipates that the Annual Financial Information will be filed by ____________________.

Dated: __________ day of _______________, 20___.

NORTHEAST IOWA COMMUNITY COLLEGE, STATE OF IOWA

By: ______________________________
Its: ______________________________

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER

This Appendix contains the entire 2015 audited financial statement of the issuer. The Auditor of State of the State of Iowa (the "State Auditor") maintains a webpage that contains prior years' audits of city, county, school district and community college, including audits of the Issuer, which can be found at the following link http://auditor.iowa.gov/reports/index.html.

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NORTHEAST IOWA COMMUNITY COLLEGE
CALMAR, IOWA

FINANCIAL REPORT

JUNE 30, 2015

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NORTHEAST IOWA COMMUNITY COLLEGE

BOARD OF TRUSTEES AND COLLEGE OFFICIALS

HACKER, NELSON & CO., P.C.
Certified Public Accountants
And Business Consultants

www.hackernelson.com

123 West Water Street
PO Box 507
Decorah, IA 52101
Telephone 563-382-3637
Fax 563-382-5797

INDEPENDENT AUDITOR'S REPORT
ON THE FINANCIAL STATEMENTS

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit, and each major fund of Northeast Iowa Community College, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit, and each major fund of Northeast Iowa Community College, as of June 30, 2015, and the respective changes in financial position, and cash flows, thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in Note 21 to the financial statements, Northeast Iowa Community College adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 4 through 4g, the schedule of the college's proportionate share of the net pension liability, the schedule of college contributions, and the schedule of funding progress for the retiree health plan on pages 35 through 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2015, on our consideration of Northeast Iowa Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northeast Iowa Community College's internal control over financial reporting and compliance.

Hacker, Nelson & Co., P.C.

Decorah, Iowa
December 3, 2015

NORTHEAST IOWA COMMUNITY COLLEGE
CALMAR, IOWA

Management's Discussion and Analysis
For the Fiscal Year Ending June 30, 2015

This section of Northeast Iowa Community College's annual financial report presents the College's management discussion and analysis of the College's financial activities during the fiscal year ending June 30, 2015.

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.

FINANCIAL HIGHLIGHTS

College operating revenues decreased overall by 10.03% from fiscal year 2014 mainly due to a decrease in federal appropriations. Nonoperating expenses decreased by 15.83%.

College operating expenses were 1.56% lower from fiscal year 2014. The College had a 21.21% decrease in general institution expenses, 15.10% increase in liberal arts and sciences expenses, 12.26% increase in adult education expenses and 10.75% increase in plant expenses. The College had a 68.22% increase in other expenses and 17.76% decrease in scholarships and grants expenses. The College had moderate changes in all the other expenses. **See page 4d for explanations.**

The College's financial statement and table below reflects total net position increased 4.63% from fiscal year 2014.

CHANGE IN NET POSITION COMPARISON BY FUND

	Unrestricted, restated*	Auxiliary	Restricted	Scholarship	Plant	Total Net Position
FY 2015	(1,924,875)	3,855,856	5,835,415	201,454	29,948,121	37,915,971
FY 2014	(546,792)	4,770,714	5,078,957		26,934,590	36,237,469
$ Change	(1,378,083)	(914,858)	756,458	201,454	3,013,531	1,678,502

*FY 2014 was restated, see Note 21

The following table reflects the changes in net position for the past five years:

CHANGE IN NET POSITION COMPARISON BY FUND

	Unrestricted, restated*	Auxiliary	Restricted	Scholarship	Plant	Total Net Position
FY 2015	(1,924,875)	3,855,856	5,835,415	201,454	29,948,121	37,915,971
FY 2014	(546,792)	4,770,714	5,078,957		26,934,590	36,237,469
FY 2013	5,690,773	4,581,679	4,093,546		24,849,816	39,215,814
FY 2012	4,816,039	3,725,015	2,913,357		21,666,909	33,121,320
FY 2011	3,963,993	3,148,878	3,221,612		18,346,567	28,681,050

*FY 2014 was restated, see Note 21

USING THIS ANNUAL REPORT

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

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 schedule of funding progress for the retiree health plan.

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

REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES

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 that can be used to satisfy those liabilities.

Comparison of Net Position

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

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* was implemented during fiscal year 2015. The beginning net position as of July 1, 2014 was restated by $6,513,969 to retroactively report the net pension liability as of June 30, 2013 and deferred outflows of resources related to contributions made after June 30, 2013 but prior to July 1, 2014. Fiscal year 2013 and 2014 financial statement amounts for net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available. In the past, pension expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of pension expense, which is more reflective of the amounts employees earned during the year.

Comparison of Net Position (Continued)

Condensed Statement of Net Position (Expressed in Thousands)	2015	2014 (not restated)
Current and other assets	$ 57,386	$ 59,535
Other noncurrent assets	9,996	10,016
Capital assets	49,495	50,686
Total assets	$ 116,877	$ 120,237
Deferred outflows of resources	$ 1,765	$ -
Current liabilities	$ 14,306	$ 13,532
Noncurrent liabilities	46,722	46,325
Total liabilities	$ 61,028	$ 59,857
Deferred inflows of resources	$ 19,698	$ 17,629
Net position		
Net investment in capital assets	$ 31,707	$ 29,638
Restricted	6,084	5,128
Unrestricted	125	7,985
Total net position	$ 37,916	$ 42,751

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

In FY15, operating revenues resulted in the following changes:

- Revenues decreased due to enrollment decrease.
- Federal appropriations decreased due to receiving less federal grants.
- An increase in miscellaneous revenue, which is not withholding revenue in the New Jobs Training Program.

REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES (Continued)

Statement of Revenues, Expenses, and Changes in Net Position (Continued)

	Changes in Net Position (Expressed in Thousands)	
	2015	2014 (not restated)
OPERATING REVENUES		
Tuition and fees	$ 9,006	$ 9,360
Federal appropriations	16,207	20,744
Iowa Industrial New Jobs Training Program	4,857	5,525
Sales and services	2,995	3,008
Miscellaneous	2,225	591
Total operating revenues	35,290	39,228
Total operating expenses	59,585	60,529
Operating loss	(24,295)	(21,301)
NONOPERATING REVENUES (EXPENSES)		
State appropriations	12,469	11,659
Pell grant	5,747	6,296
Property taxes	9,328	8,900
Investment income	291	420
Loss on sale of capital assets	(110)	(1)
Donated plant assets received	233	5
Interest on indebtedness	(1,984)	(2,443)
Net nonoperating revenues (expenses)	25,974	24,836
Increase in net position	1,679	3,535
Net position Beginning of Year, restated	36,237	39,216
Net position End of Year	$ 37,916	$ 42,751

Statement of Revenues, Expenses, and Changes in Net Position (Continued)

	Operating Expenses (Expressed in Thousands)	
	2015	2014
Education and support		
Liberal arts and sciences	$ 6,197	$ 5,384
Vocational technical	9,422	8,810
Adult education	3,929	3,500
Cooperative services	7,972	7,430
General administration	1,419	1,415
Student services	2,205	2,141
Learning resources	879	978
Physical plant	3,504	3,164
General institution	7,591	9,634
Auxiliary enterprises	4,359	4,237
Scholarships and grants	8,240	10,019
Depreciation	2,816	2,678
Other	1,052	1,139
Total operating expenses	$ 59,585	$ 60,529

In FY15 operating expenses resulted in the following changes:

- **Decrease in general institution expenses is due to decrease in certain grant activity throughout the year.**
- **Increase in liberal arts and sciences expenses due to increase in salaries and benefits, along with increase in loan cancellations and equipment purchases.**
- **Increase in adult education expenses due to increase in salaries and benefits.**
- **Decrease in scholarships and grants expenses is due to decrease in enrollment.**
- **Increase in physical plant expenses is due to increase in insurance costs.**
- **Decrease in learning resources expenses through providing less to the students.**
- **Increase in other expenses is due to purchasing new software to control the heating and cooling systems.**

Statement of Cash Flows

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

	Cash Flows (Expressed in Thousands)			
	2015		2014	
Cash provided by (used in):				
Operating activities	$	(20,679)	$	(16,777)
Non-capital financing activities		27,638		26,660
Capital and related financing activities		(8,279)		(10,292)
Investing activities		(8,376)		2,359
Net decrease in cash		(9,696)		1,950
Cash beginning of year		26,305		24,355
Cash end of year	$	16,609	$	26,305

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

CAPITAL ASSETS

At June 30, 2015, the College had approximately $80.0 million invested in capital assets, less accumulated depreciation of $31.7 million. Depreciation expense totaled $2,815,595 and $2,677,866 for FY2015 and FY2014, respectively. Details of capital assets are shown below.

	Capital Assets, Net (Expressed in Thousands)			
	2015		2014	
Land	$	683	$	683
Buildings		42,630		44,444
Construction in progress		373		-
Other structures and improvements		2,004		2,114
Equipment and vehicles		3,805		3,445
Total	$	49,495	$	50,686

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

DEBT

At June 30, 2015, the College had $49.2 million in debt outstanding, a decrease of $5.1 million from 2014. The table below summarizes these amounts by type.

	Long-term Debt (Expressed in Thousands)	
	2015	2014
Notes payable	$ 2,375	$ 2,800
Certificates payable	24,930	26,490
Bonds payable	21,770	24,790
Early retirement payable	141	273
Total	$ 49,216	$ 54,353

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

NORTHEAST IOWA COMMUNITY COLLEGE ECONOMIC FACTORS

The College takes great pride in managing its financial position during the current fiscal year. The economic factors of the College are impacted by the State of Iowa's overall economy and educational funding remains a priority of College officials. The College is prepared to address the economic challenges we face in the future. We offer the following highlights in support of this statement:

- **There continues to be positive indicators for business and workforce growth in Northeast Iowa and good prospects for job growth and interest from new industry with evidence by the College's job training activity. Area manufacturers are looking to hire skilled workers. In June 2015, the College completed 4.5 million dollar bond sale for the Iowa New Jobs Training Program. This project will produce an estimated 450 jobs in Northeast Iowa. The College's Business and Community Solutions Division continues to successfully work with area employers to take advantage of the Iowa New Jobs Training Program.**

- **To maintain current levels of services and operations, revenue sources must continue to help offset any shortfall in state funding and enrollment levels. The number of high school graduates in the district will continue to decrease for the next 3 to 4 years.**

- **The College has developed a 3 to 5 year forecasting model to assist management and the Board in maintaining financial solvency. The model stresses budget costs as well as revenue sources for all funds of the College. The financial model and analytics will assist management and the Board in the strategic planning processes to serve the communities in the best possible way with the changing economy.**

- **The Revenue Estimates Conference for the State of Iowa has forecasted a 4.0% increase for FY17 revenues over FY16. Any new revenue growth by the state has been committed to property tax relief. With reduced commodity prices, it will be a challenge for any additional legislative increases for community colleges.**

- **The property tax base for the College, which is fourth largest amongst the community colleges in Iowa, has exhibited steady growth, most recently with an increase of approximately 3 to 4%.**

- **The College continues its efforts to control health care costs. The College employee staff received sufficient salary increases in FY15 to support them bearing more of the health care costs for family coverage. This is a budgetary impact from one category to another category.**

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 demonstrate the College's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Dave Dahms, Vice-President, Finance and Administration at Northeast Iowa Community College, telephone 1-800-728-2256.

EXHIBIT A

NORTHEAST IOWA COMMUNITY COLLEGE
STATEMENT OF NET POSITION
June 30, 2015

	Business-type Activities	Component Unit Foundation
CURRENT ASSETS		
Cash	$ 16,608,630	$ 13,320
Investments	19,555,593	
Receivables		
Accounts, less allowance of $1,759,078	6,128,984	1,811
Promises, net discount		273,185
Accrued interest	12,440	
Property tax		
Current year delinquent	93,903	
Succeeding year	9,536,670	
Due from other governments	1,426,975	
Inventories	654,076	
Lease receivable	154,708	
Due from Iowa Industrial New Jobs Training Program	3,213,824	
Total current assets	57,385,803	288,316
NONCURRENT ASSETS		
Investments		2,776,096
Promises, net discount		493,120
Lease receivable	1,650,292	
Due from Iowa Industrial New Jobs Training Program	8,345,560	
Capital assets, non-depreciable	1,056,781	
Capital assets, net accumulated depreciation	48,438,265	
Total noncurrent assets	59,490,898	3,269,216
DEFERRED OUTFLOWS OF RESOURCES		
Pension related deferred outflows	1,765,354	
Total assets and deferred outflows of resources	$ 118,642,055	$ 3,557,532

	Business-type Activities	Component Unit Foundation
CURRENT LIABILITIES		
Liabilities		
Accounts payable	$ 1,821,688	$ 80,270
Northeast Iowa Community-Based Dairy Foundation	482,787	
Salaries and benefits payable	2,676,438	
Deposits held in custody for others	266,452	
Accrued interest payable	132,816	
Advance from grantors	4,383	
Long-term liabilities due within one year		
Compensated absences	131,230	
Early retirement payable	55,426	
Notes payable	425,000	
Bonds payable	3,115,000	
Certificates payable	5,195,000	
Total current liabilities	14,306,220	80,270
Noncurrent liabilities		
Long-term liabilities due over one year		
Net OPEB liability	595,467	
Net pension liability	5,700,949	
Early retirement payable	85,306	
Notes payable	1,950,000	
Bonds payable	18,655,000	
Certificates payable	19,735,000	
Total noncurrent liabilities	46,721,722	-
Total liabilities	61,027,942	80,270
Deferred Inflows of Resources		
Succeeding year property tax	9,536,670	
Pension related deferred inflows	2,174,177	
Other	7,987,295	
Total deferred inflows of resources	19,698,142	-
Net position		
Net investment in capital assets	31,707,433	
Restricted		
Restricted for specific purposes	6,083,627	2,695,798
Unrestricted	124,911	781,464
Total net position	37,915,971	3,477,262
Total liabilities, deferred inflows of resources and net position	$ 118,642,055	$ 3,557,532

See Notes to Financial Statements.

NORTHEAST IOWA COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended June 30, 2015

	Business-type Activities	Component Unit Foundation
OPERATING REVENUES		
Tuition and fees, net of scholarship allowances of $6,604,353	$ 9,006,384	
Federal appropriations	16,206,877	
Iowa Industrial New Jobs Training Program	4,857,292	
Sales and services, net of scholarship allowances of $1,278,399	2,994,920	
Miscellaneous	2,224,559	$ 1,743,412
Total operating revenues	35,290,032	1,743,412
OPERATING EXPENSES		
Education and support		
Liberal arts and sciences	6,197,166	
Vocational technical	9,422,634	
Adult education	3,929,376	
Cooperative services	7,972,184	
General administration	1,418,394	38,941
Student services	2,205,065	
Learning resources	879,430	
Physical plant	3,503,794	
General institution	7,590,699	
Auxiliary enterprises	4,358,647	
Scholarships and grants	8,239,963	388,000
Depreciation	2,815,595	
Other	1,052,310	1,079,402
Total operating expenses	59,585,257	1,506,343
Operating (loss) income	(24,295,225)	237,069
NONOPERATING REVENUES (EXPENSES)		
State appropriations	12,468,392	
Pell grant	5,747,114	
Property taxes	9,328,085	
Investment income	291,076	50,283
Loss on sale of capital assets	(110,421)	
Donated plant assets received (transferred)	233,320	(233,320)
Interest on indebtedness	(1,983,839)	
Net nonoperating revenues (expenses)	25,973,727	(183,037)
Change in net position	1,678,502	54,032
NET POSITION		
Beginning, restated	36,237,469	3,423,230
Ending	$ 37,915,971	$ 3,477,262

See Notes to Financial Statements.

NORTHEAST IOWA COMMUNITY COLLEGE
STATEMENT OF NET POSITION
BUSINESS-TYPE ACTIVITIES
June 30, 2015

	Current Funds				Plant	
ASSETS	Unrestricted	Auxiliary	Restricted	Scholarships	Fund	Total
Current assets						
Cash	$ 7,146,582	$ 3,734,931	$ 4,954,107		$ 773,010	$ 16,608,630
Investments			16,899,846		2,655,747	19,555,593
Receivables						
Accounts, less allowance of $1,759,078	5,120,106	100,229	856,516		52,133	6,128,984
Accrued interest		4	9,733		2,703	12,440
Property tax						
Current year delinquent	20,585		26,560		46,758	93,903
Succeeding year	2,062,091		1,576,485		5,898,094	9,536,670
Due from other funds	72,388					72,388
Due from other governments	232,228		912,881	$ 281,866		1,426,975
Inventories	552	653,524				654,076
Lease receivable		154,708				154,708
Due from Iowa Industrial New Jobs Training Program			3,213,824			3,213,824
Total current assets	14,654,532	4,643,396	28,449,952	281,866	9,428,445	57,458,191
Noncurrent assets						
Due from Iowa Industrial New Jobs Training Program			8,345,560			8,345,560
Lease receivable		1,650,292				1,650,292
Capital assets, non-depreciable					1,056,781	1,056,781
Capital assets, net					48,438,265	48,438,265
Total noncurrent assets	-	1,650,292	8,345,560	-	49,495,046	59,490,898
Total assets	14,654,532	6,293,688	36,795,512	281,866	58,923,491	116,949,089
DEFERRED OUTFLOWS OF RESOURCES						
Pension related deferred outflows	1,765,354					1,765,354
Total assets and deferred outflows of resources	$ 16,419,886	$ 6,293,688	$ 36,795,512	$ 281,866	$ 58,923,491	$ 118,714,443
LIABILITIES						
Current liabilities						
Accounts payable	$ 585,298	$ 114,962	$ 591,445	$ 3,641	$ 526,342	$ 1,821,688
Northeast Iowa Community-Based Dairy Foundation		482,787				482,787
Salaries and benefits payable	2,166,750		509,688			2,676,438
Deposits held in custody for others	266,452					266,452
Accrued interest payable		14,004			118,812	132,816
Due to other funds				72,388		72,388
Advance from grantors				4,383		4,383
Long-term liabilities due within one year						
Compensated absences	110,151	21,079				131,230
Early retirement payable			55,426			55,426
Notes payable					425,000	425,000
Bonds payable		75,000			3,040,000	3,115,000
Certificates payable			5,195,000			5,195,000
Total current liabilities	3,128,651	707,832	6,351,559	80,412	4,110,154	14,378,608
Noncurrent liabilities						
Long-term liabilities due over one year						
Net OPEB liability	595,467					595,467
Net pension liability	5,700,949					5,700,949
Early retirement payable			85,306			85,306
Notes payable					1,950,000	1,950,000
Bonds payable		1,730,000			16,925,000	18,655,000
Certificates payable			19,735,000			19,735,000
Total noncurrent liabilities	6,296,416	1,730,000	19,820,306	-	18,875,000	46,721,722
Total liabilities	9,425,067	2,437,832	26,171,865	80,412	22,985,154	61,100,330
DEFERRED INFLOWS OF RESOURCES						
Succeeding year property tax	2,062,091		1,576,485		5,898,094	9,536,670
Pension related deferred inflows	2,174,177					2,174,177
Other	4,683,426		3,211,747		92,122	7,987,295
Total deferred inflows of resources	8,919,694	-	4,788,232	-	5,990,216	19,698,142
NET POSITION						
Net investment in capital assets					31,707,433	31,707,433
Restricted for specific purposes			5,835,415	201,454	46,758	6,083,627
Unrestricted (deficit)	(1,924,875)	3,855,856			(1,806,070)	124,911
Total net position (deficit)	(1,924,875)	3,855,856	5,835,415	201,454	29,948,121	37,915,971
Total liabilities, deferred inflows of resources and net position	$ 16,419,886	$ 6,293,688	$ 36,795,512	$ 281,866	$ 58,923,491	$ 118,714,443

See Notes to Financial Statements.

NORTHEAST IOWA COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND OTHER CHANGES IN NET POSITION
BUSINESS-TYPE ACTIVITIES
For the Year Ended June 30, 2015

	Current Funds				Plant	
	Unrestricted	Auxiliary	Restricted	Scholarships	Fund	Total
OPERATING REVENUES						
General						
Tuition and fees	$ 8,646,756	$ 52,766	$ 306,862			$ 9,006,384
Federal appropriations	866,064	1,308,057	5,793,249	$ 7,973,369	$ 266,138	16,206,877
Iowa Industrial New Jobs Training Program			4,857,292			4,857,292
Sales and services	65,919	2,847,669			81,332	2,994,920
Miscellaneous	482,057	180,613	1,175,560	340,347	45,982	2,224,559
Total operating revenues	10,060,796	4,389,105	12,132,963	8,313,716	393,452	35,290,032
OPERATING EXPENSES						
Education and support						
Liberal arts and sciences	6,171,155		26,011			6,197,166
Vocational technical	8,148,366		1,274,268			9,422,634
Adult education	3,433,481		495,895			3,929,376
Cooperative services	2,571,691		5,400,493			7,972,184
General administration	1,418,394					1,418,394
Student services	2,201,848		3,217			2,205,065
Learning resources	721,944		157,486			879,430
Physical plant	2,615,634		888,160			3,503,794
General institution	4,163,730		3,426,969			7,590,699
Auxiliary enterprises		4,358,647				4,358,647
Scholarships and grants				8,239,963		8,239,963
Depreciation					2,815,595	2,815,595
Other					1,052,310	1,052,310
Total operating expenses	31,446,243	4,358,647	11,672,499	8,239,963	3,867,905	59,585,257
Operating (loss) income	(21,385,447)	30,458	460,464	73,753	(3,474,453)	(24,295,225)
NONOPERATING REVENUES (EXPENSES)						
State appropriations	10,004,236	28,984	2,224,707	142,040	68,425	12,468,392
Pell grant	5,747,114					5,747,114
Property taxes	2,020,034		1,483,154		5,824,897	9,328,085
Investment income	68,317	27,907	161,565	7,630	25,657	291,076
Loss on sale of capital assets					(110,421)	(110,421)
Donated plant assets received					233,320	233,320
Interest on indebtedness		(81,358)	(794,960)		(1,107,521)	(1,983,839)
Net nonoperating revenues (expenses)	17,839,701	(24,467)	3,074,466	149,670	4,934,357	25,973,727
Change in net position before transfers	(3,545,746)	5,991	3,534,930	223,423	1,459,904	1,678,502
Transfers	2,167,663	(920,848)	(2,778,473)	(21,969)	1,553,627	-
Change in net position	(1,378,083)	(914,857)	756,457	201,454	3,013,531	1,678,502
NET POSITION (deficit)						
Beginning, restated	(546,792)	4,770,713	5,078,958	-	26,934,590	36,237,469
Ending	$ (1,924,875)	$ 3,855,856	$ 5,835,415	$ 201,454	$ 29,948,121	$ 37,915,971

See Notes to Financial Statements.

EXHIBIT E

NORTHEAST IOWA COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
BUSINESS-TYPE ACTIVITIES
For the Year Ended June 30, 2015

	Current Funds				Plant	
	Unrestricted	Auxiliary	Restricted	Scholarships	Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Tuition and fees	$ 8,422,097	$ 52,766	$ 22,363			$ 8,497,226
Federal appropriations	1,269,141	1,308,057	5,648,365	$ 3,141,426	$ 266,138	11,633,127
Iowa Industrial New Jobs Training Program			6,143,909			6,143,909
Payments to employees for salaries and benefits	(20,078,638)	(1,108,487)	(1,678,998)			(22,866,123)
Payments to suppliers for goods and services	(5,414,428)	(306,994)	(6,785,865)		(1,076,623)	(13,583,910)
Payments to NJTP recipients			(3,034,408)			(3,034,408)
Cost of goods sold		(2,563,544)				(2,563,544)
Scholarships				(3,493,761)		(3,493,761)
Auxiliary enterprise receipts		2,859,990				2,859,990
Other operating payments paid on employees' behalf	(5,880,491)	(314,812)	(489,144)			(6,684,447)
Other operating receipts	547,976	180,613	1,175,560	340,347	168,551	2,413,047
Net cash (used in) provided by operating activities	(21,134,343)	107,589	1,001,782	(11,988)	(641,934)	(20,678,894)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
State appropriations	10,004,236	28,984	2,224,707	142,040	68,425	12,468,392
Pell grant	5,747,114					5,747,114
Property tax	2,017,227		1,469,278		5,827,902	9,314,407
(Increase) decrease in due from other funds	274,767			45,600		320,367
(Decrease) increase in due to other funds			(159,054)	(161,313)		(320,367)
Increase (decrease) in due to affiliate					(40,724)	(40,724)
Transfers	2,167,663	(920,848)	(2,778,473)	(21,969)	1,553,627	-
Federal direct lending receipts	7,949,917	1,278,399	153,740	4,747,081		14,129,137
Federal direct lending disbursements	(7,949,917)	(1,278,399)	(153,740)	(4,747,081)		(14,129,137)
Miscellaneous agency fund receipts	463,447					463,447
Miscellaneous agency fund disbursements	(314,798)					(314,798)
Net cash provided by (used in) noncapital financing activities	20,359,656	(891,864)	756,458	4,358	7,409,230	27,637,838
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from issuance of debt			9,270,000			9,270,000
Acquisition of capital assets					(1,290,504)	(1,290,504)
Principal paid on debt and leases		(75,000)	(10,830,000)		(3,370,000)	(14,275,000)
Interest paid on debt and leases		(81,359)	(794,960)		(1,107,521)	(1,983,840)
Net cash used in capital and related financing activities	-	(156,359)	(2,354,960)	-	(5,768,025)	(8,279,344)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments			(16,899,846)		(2,655,747)	(19,555,593)
Payments made on lease receivable		75,000				75,000
Sale of investments			9,734,628		1,053,501	10,788,129
Interest on investments	68,317	27,907	186,969	7,630	25,778	316,601
Net cash provided by (used in) investing activities	68,317	102,907	(6,978,249)	7,630	(1,576,468)	(8,375,863)
Net increase (decrease) in cash	(706,370)	(837,727)	(7,574,969)	-	(577,197)	(9,696,263)
CASH, beginning of year	7,852,952	4,572,658	12,529,076	-	1,350,207	26,304,893
CASH, end of year	$ 7,146,582	$ 3,734,931	$ 4,954,107	$ -	$ 773,010	$ 16,608,630

See Notes to Financial Statements.

NORTHEAST IOWA COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS (Continued)
BUSINESS-TYPE ACTIVITIES
For the Year Ended June 30, 2015

	Current Funds				Plant	
	Unrestricted	Auxiliary	Restricted	Scholarships	Fund	Total
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities						
Operating (loss) income	$ (21,385,447)	$ 30,458	$ 460,464	$ 73,753	$ (3,474,453)	$ (24,295,225)
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities						
Depreciation					2,815,595	2,815,595
Changes in assets and liabilities						
Decrease (increase) in accounts receivable	(56,438)	12,321	(651,800)		(50,885)	(746,802)
Decrease in NJTP receivable			1,286,617			1,286,617
Decrease (increase) in due from other governments	403,077		484,457	(83,452)		804,082
Decrease in inventories	679	41,991				42,670
Increase (decrease) in accounts payable and accrued liabilities	429,399	22,819	(183,341)	(879)	(24,313)	243,685
Increase in postemployment benefits	48,924					48,924
Decrease in net pension liability	(1,653,004)					(1,653,004)
Decrease in deferred outflows of resources	(925,370)					(925,370)
Increase in deferred inflows of resources	2,174,177					2,174,177
(Decrease) increase in deferred revenue	(168,221)		(262,040)	(1,410)	92,122	(339,549)
Decrease in compensated absences	(2,119)		(132,575)			(134,694)
Net cash (used in) provided by operating activities	$ (21,134,343)	$ 107,589	$ 1,001,782	$ (11,988)	$ (641,934)	$ (20,678,894)

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

The College accepted donated capital assets with a fair value of $233,320 during the year ended June 30, 2015.

See Notes to Financial Statements.

1. Nature of Operations and Significant Accounting Policies

a. 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, and community education. The College also offers up to two years of liberal arts, pre-professional, or occupational instruction which confers an associate degree and partially fulfills the requirements for a baccalaureate degree; or provides as the whole or as part of the curriculum up to two years of vocational or 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 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.

b. Significant Accounting Policies

Scope of Reporting Entity

For financial reporting purposes, Northeast Iowa Community College has included all funds, organizations, account groups, 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.

The College has one component unit, which meets the Governmental Accounting Standards Board (GASB) criteria. The Northeast Iowa Community College Foundation (College Foundation) is a nonprofit corporation, which 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 College Foundation issues a separate financial report. The independent auditor's report on the component unit financial statements for year ending June 30, 2015 expresses an unmodified opinion dated December 9, 2015. Audited financial statements of Northeast Iowa Community College Foundation are available at the Northeast Iowa Community College district office located at Hwy 150 South, Calmar, IA 52132.

The Northeast Iowa Community-Based Dairy Foundation (Dairy Foundation) is a nonprofit corporation, which is governed by a separate Board of Directors. The Dairy Foundation's purpose is to support educational efforts relating to the needs of dairy 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.

1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

Financial Statement Presentation

GASB No. 35 requires the statement of net position, revenues, expenses, and changes in net position, and cash flows are reported on a consolidated basis.

The basic financial statements report information on all of the activities of the College. For the most part, the effect of interfund activity has been eliminated from these statements.

Fund Financial Statements

Separate financial statements are provided for the separate funds. Major individual funds are reported as separate columns in the fund financial statements. The current-unrestricted, auxiliary, restricted and scholarship funds and plant fund are the major funds for the College.

The funds of the financial reporting entity are described below:

Current Funds

These funds are utilized to account for those economic resources that are expendable for the purpose of performing the primary and supporting missions of the College and consist of the following:

Unrestricted Fund

The education and support subgroup accounts for the general operations of the College. All revenues that are not allocated by law or contractual agreement to some other fund are accounted for in this subgroup. From this subgroup are paid the general operating expenses, and the fixed charges that are not paid from other funds.

The agency subgroups are used to account for assets held by the College in a custodial capacity or as an agent for others. Transactions of the agency funds represent charges or credits to the individual asset and liability accounts and do not involve measurement of revenues or expenditures.

Auxiliary Funds

The auxiliary enterprise fund is for activities which are intended to provide non-instructional services for sales to students, staff, and/or institutional departments, and which are supplemental to the educational and general objectives of the College. In addition, this subgroup accounts for activities, which provide instructional and laboratory experiences for students and which incidentally create goods and services that may be sold to students, faculty, staff, and the general public.

Restricted Funds

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

Scholarship Fund

The scholarship fund is used to account for transactions relating to scholarships and grants received for students attending the College.

1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

Current Funds (Continued)

Plant Fund

The plant fund is used to account for transactions relating to investment in the College properties.

Measurement Focus

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities as defined in GASB Statement No. 35. Accordingly, the basic financial statements of the College have been prepared using the economic resources measurement focus. This means that all assets and liabilities, deferred outflows of resources, and deferred inflows of resources whether current or noncurrent, associated with their activity are included on their statement of net position.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements.

The financial statements of the College have been prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

The College distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the College's principal ongoing operations. The principal operating revenues of the College are charges to customers for sales and services. Operating expenses for the College include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 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.

1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

Property Tax Receivable

Property tax receivable is recognized on the levy or lien date, which is the date that the tax asking is certified by the Board of Trustees to the appropriate county auditors. 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 by June 1 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied.

Accounts Receivable

Accounts receivable consists of payments from students and third parties for tuition and reimbursements.

The College considers accounts receivable under 120 days to be fully collectible; accordingly, allowance for doubtful accounts includes accounts, which are over 120 days, which consists mostly from students. The College does not deem student accounts uncollectible if the student re-enrolls. The account must be paid in full before the student can re-enroll.

Due from Other Governments

This represents state aid, grants, and reimbursements due from the State of Iowa, and grants and reimbursements due from the federal government.

Inventories

Inventories are stated 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.

Due from Iowa Industrial New Jobs Training Program (NJTP)

This represents the amount to be remitted to the College for training projects entered into between the College and employers under the provisions of Chapter 260E of the Code of Iowa. The receivable amount is based on expenditures incurred through June 30, 2015 on NJTP projects, including interest incurred on NJTP certificates, less revenues received to date.

Capital Assets

Capital assets, which include property, intangibles, furniture, equipment and vehicles are recorded at cost or estimated historical cost if actual historical cost records are not available. Donated assets are stated at their estimated fair value as of the date received.

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

1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

Capital Assets (Continued)

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

Asset Class	Amount
Equipment and vehicles	$ 5,000
Intangible assets	200,000
Buildings and improvements	25,000

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

Asset Class	Years
Buildings and improvements	30
Intangible assets	25
Equipment	5-10
Vehicles	5-10

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

Deferred Outflows of Resources

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

Salaries and Benefits Payable

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

Advances from Grantors

Advances from grantors represent grant proceeds that have been received by the College, but will be spent in a succeeding fiscal year.

Compensated Absences

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

1. <u>Nature of Operations and Significant Accounting Policies (Continued)</u>

b. <u>Significant Accounting Policies (Continued)</u>

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

Pensions

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

Deferred Inflows of Resources

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources consist of succeeding year property tax, unearned administrative costs for NJTP, advanced student tuition and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

Net Position

Net Investment in Capital Assets

Capital assets, net of accumulated depreciation 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 requiring 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. Restricted net position is used first when an expense is incurred for purposes for both restricted and unrestricted net position.

Unrestricted Net Position

Unrestricted net position represents the difference between assets, deferred inflows of resources, liabilities, and deferred outflows of resources, and deferred inflows of resources that are not restricted and can be used for future obligations of the College.

Auxiliary Enterprise Revenues

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

1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

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.

Tuition and Fees

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

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 includes state appropriations, Pell grants, property tax, and interest 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.

2. Cash and Investments

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

The 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; and certain joint investment trusts; and warrants or improvement certificates of a drainage district.

2. Cash and Investments (Continued)

Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. At June 30, 2015, the College had investments in the Iowa Schools Joint Investment Trust, as follows:

	Amortized Cost
Diversified portfolio	$ 3,532,815
Direct government obligations portfolio	72,098
Total	$ 3,604,913

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

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

The investments in the Iowa Schools Joint Investment Trust were rated AAAm by Standard & Poor's Financial Services.

The College's petty cash and deposit accounts as of June 30, 2015 consist of the following:

Petty cash	$ 3,478
Other deposit accounts	16,605,152
	$ 16,608,630

The College's investments as of June 30, 2015 consist of the following:

Certificates of deposit	$ 19,555,593

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

	Fair Value	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments in money market fund	$ 109,750	$ 109,750	
Investments in bond fund	728,278	728,278	
Investments in corporate bonds	77,168		$ 77,168
Investments in common stock	392,663	392,663	
Investments in preferred stock	99,786	99,786	
Investments in mutual funds	1,368,001	1,368,001	
Investments in alternative assets	450		450
	$ 2,776,096	$ 2,698,478	$ 77,618

2. Cash and Investments (Continued)

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2 inputs are other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

The following schedule summarizes the College Foundation's investment return and its classification in the statement of revenues, expenses, and changes in net position for the year ended June 30, 2015:

Interest and dividend income	$	76,967
Net realized and unrealized gains		(26,684)
Total investment return	$	50,283

The College has $4,946 of contributions that were given to the Community Foundation of Greater Dubuque in the name of the College. The College did not have any contributions that were given to the Community Foundation of Northeast Iowa in the name of the College. These organizations manage the money. These assets are not recorded in the College's financial statements. The College receives unrestricted allocated earnings from these assets.

3. Inventories

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

Type		Amount
Supplies and materials	$	252,882
Merchandise held for resale		401,194
Total	$	654,076

4. Capital Lease, Financing Obligation-Sale-Leaseback

In August 2011, the College entered into a financing agreement with Northeast Iowa Community-Based Dairy Foundation (Dairy Foundation) relating to the Dairy Foundation's real property. The transaction has been accounted for as a financing arrangement, wherein the property remains on the Dairy Foundation's books and will continue to be depreciated.

The lease proceeds of $2,095,000 were utilized as follows:

a) pay-off existing revenue bonds on the land and buildings in the amount of $1,561,000,
b) $289,000 held in reserve for facility/equipment acquisition and/or improvements,
c) $164,385 reserved to meet debt service requirements (purchase reserve payments) and the balance used for transaction expenses.

The Dairy Foundation is leasing back the property over the next twenty years, in which the Dairy Foundation retains the option to purchase land and buildings from the College for a price of $1,850,000. The purchase reserve payments made as of the closing date of the purchase will be used as a credit against the purchase price. The purchase option is available starting on April 30, 2018. The Dairy Foundation has assigned $13,000 of their monthly milk sales to make the annual purchase reserve payments and annual rental fee payments per the lease agreement.

4. **Capital Lease, Financing Obligation-Sale-Leaseback (Continued)**

Future minimum purchase reserve payments and service fee payments under the agreement with the Dairy Foundation are as follows:

	Purchase Reserve Payment	Annual Service Fees	Total
Year ended June 30,			
2016	$ 100,708	$ 54,000	$ 154,708
2017	102,995	54,500	157,495
2018	105,135	55,000	160,135
2019	101,475	55,600	157,075
2020	102,815	56,200	159,015
2021-2025	524,775	290,000	814,775
2026-2030	537,885	305,000	842,885
2031	110,450	62,800	173,250
Minimum lease payments	$ 1,686,238	$ 933,100	2,619,338
Less imputed interest/service fees			(814,338)
			$ 1,805,000

5. **Capital Assets**

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

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Capital non-depreciable assets				
Land	$ 683,366			$ 683,366
Construction in progress	None	$ 373,415		373,415
Capital assets, non-depreciable	683,366	373,415	$ None	1,056,781
Capital assets, being depreciated				
Buildings	68,450,484	93,943		68,544,427
Other structures and improvements	3,643,753			3,643,753
Furniture and equipment	7,215,965	1,267,758	492,843	7,990,880
Gross capital assets being depreciated	79,310,202	1,361,701	492,843	80,179,060
Less accumulated depreciation				
Buildings	24,005,826	1,908,613		25,914,439
Other structures and improvements	1,530,066	109,909		1,639,975
Furniture and equipment	3,771,730	797,073	382,422	4,186,381
Total accumulated depreciation	29,307,622	2,815,595	382,422	31,740,795
Net capital assets being depreciated	50,002,580	(1,453,894)	110,421	48,438,265
Capital assets, net	$ 50,685,946	$ (1,080,479)	$ 110,421	$ 49,495,046

6. **Due from/to Other Funds**

As of June 30, 2015, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due from Other Funds	Due to Other Funds
Unrestricted fund	$ 72,388	
Scholarship fund		$ 72,388
	$ 72,388	$ 72,388

7. **Long-term Obligations**

Long-term liability activity for the year ended June 30, 2015 was as follows:

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Amounts Due Within One Year
Notes payable	$ 2,800,000		$ 425,000	$ 2,375,000	$ 425,000
Certificates payable	26,490,000	$ 9,270,000	10,830,000	24,930,000	5,195,000
Bonds payable	24,790,000		3,020,000	21,770,000	3,115,000
Other liabilities					
Early retirement payable	273,307		132,575	140,732	55,426
Long-term liabilities	$ 54,353,307	$ 9,270,000	$ 14,407,575	$ 49,215,732	$ 8,790,426

a. **Certificates Payable**

In accordance with agreements dated between July 1, 2005 and June 30, 2015, the College issued certificates totaling $24,930,000 with interest rates ranging from .75% to 3.85% per annum. The debt was incurred to fund the development and training costs incurred relative 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 or are expanding their operations within the State of Iowa. Interest is payable semi-annually, while the principal payments are due annually. The certificates are to be retired by proceeds from anticipated job credits from withholding taxes, incremental property taxes, budgeted reserves and in the case of default, from standby property taxes collected.

The annual debt service requirements on these certificates payable are as follows:

	Principal	Interest	Total
Year ending June 30,			
2016	$ 5,195,000	$ 514,125	$ 5,709,125
2017	4,530,000	429,773	4,959,773
2018	3,945,000	348,628	4,293,628
2019	3,835,000	271,733	4,106,733
2020	2,815,000	193,352	3,008,352
2021-2025	4,610,000	256,842	4,866,842
	$ 24,930,000	$ 2,014,453	$ 26,944,453

7. Long-term Obligations (Continued)

b. Notes Payable

The College has issued notes payable for the purchase and construction of College properties. As of June 30, 2015, the notes payable outstanding consist of the following:

$150,000 General Obligation Refunding Capital Loan Notes Series 2012, due annually in varying installments June 1, 2016 plus interest semi-annually with interest rate of 1.0%. The capital loan note was issued to refinance the $720,000 Lease Purchase Certificates of Participation issued to build and maintain buildings.	$	150,000
$2,225,000 Refunding Certificates of Participation Evidencing Undivided Proportionate Interests in Base Lease Payments Pursuant to a Lease Purchase Agreement, due annually in varying installments December 1, 2016 through December 1, 2022 plus interest semi-annually with interest rates of the lease varying from 1.20% to 2.30%. The lease was issued to refund the lease to purchase the Town Clock Center.		2,225,000
	$	2,375,000

The annual debt service requirements on these notes payable are as follows:

		Principal		Interest		Total
Year ending June 30,						
2016	$	425,000	$	37,575	$	462,575
2017		275,000		33,050		308,050
2018		275,000		29,475		304,475
2019		275,000		25,350		300,350
2020		275,000		20,675		295,675
2021-2023		850,000		27,050		877,050
	$	2,375,000	$	173,175	$	2,548,175

c. Bonded Indebtedness

$13,765,000 General Obligation School Bonds Series 2009A, due annually in varying installments June 1, 2016 through June 1, 2021 plus interest semi-annually with interest rates varying from 5.00% to 5.50%. These bonds were issued to renovate, erect, and equip the buildings at the Calmar and Peosta campuses.

$6,200,000 General Obligation School Bonds, Series 2009B, are due annually in varying installments June 1, 2016 through June 1, 2022 plus interest semi-annually with interest rates varying from 3.25% to 3.90%. Bonds are callable after June 1, 2017. These bonds were issued to renovate, erect, and equip the buildings at the Calmar and Peosta campuses.

$1,805,000 Certificates of Participation, Series 2012A, are due annually in varying installments May 1, 2016 through May 1, 2031 plus interest semi-annually with interest rates varying from 2.95% to 5.00%. These bonds were issued to purchase the buildings and equipment of the Dairy Foundation. Bonds are callable after May 1, 2018.

7. Long-term Obligations (Continued)

c. Bonded Indebtedness (Continued)

The annual debt service requirements on these certificates payable are as follows:

	Principal	Interest	Total
Year ending June 30,			
2016	$ 3,115,000	$ 1,024,126	$ 4,139,126
2017	3,220,000	886,538	4,106,538
2018	3,280,000	738,828	4,018,828
2019	3,315,000	587,030	3,902,030
2020	3,335,000	430,145	3,765,145
2021-2025	4,645,000	515,900	5,160,900
2026-2030	695,000	147,885	842,885
2031	165,000	8,250	173,250
Total	$ 21,770,000	$ 4,338,702	$ 26,108,702

d. Operating Leases

The College has leased various facilities within the area to house different divisions of the College. These leases have been classified as operating leases and accordingly, all rents are charged as incurred. These leases expire between 2015 and 2018 and require various minimum annual rentals. Certain leases are renewable for additional periods. Some of the leases also require the payment of normal maintenance and insurance on the properties. In most cases, management expects that the leases will be renewed or replaced by other leases.

The following is a schedule by year of future minimum rental payments required under operating leases, which have initial or remaining non-cancellable lease terms in excess of one year following June 30, 2015:

Year ending June 30,	
2016	$ 90,000
2017	90,000
2018	45,000
Minimum lease payments for all operating leases	$ 225,000

Rents for fiscal year 2015 totaled $93,804 for operating leases, except those with terms of a month or less that were not renewed.

8. <u>Early Retirement</u>

The College offered a voluntary early retirement plan to its employees for the academic years ending June 30, 2010 and 2011. Employees qualifying for NICC early retirement must have completed at least 10 years of full-time staff, and regular part-time service to the College and must have reached the age of 55 on or before July 1 of the year of their retirement. The application for early retirement was subject to approval by the Board of Trustees during the period the plan was offered.

Those eligible employees who were approved to receive benefits under early retirement plan received a cash payment equal to 50% to 72.5% of their regular contractual salary. Retirees receive their cash payment over a three-year period.

A staff member accepting early retirement has three options to choose from as to when the cash benefits would be received. 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 retirees become eligible for Medicare. The plan is funded on a pay-as-you-go basis through property tax levies. At June 30, 2015, the College has obligations to twenty participants with a total early retirement liability of $140,732. Actual early retirement expenditures for the year ended June 30, 2015 totaled $132,575.

9. <u>Iowa Public Employees' Retirement System (IPERS)</u>

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 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

Pension Benefits

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

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

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

9. Iowa Public Employees' Retirement System (IPERS) (Continued)

Pension Benefits (Continued)

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

Disability and Death Benefits

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

Contributions

Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

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

The College's contributions to IPERS for the year ended June 30, 2015 were $986,453.

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

At June 30, 2015, the College reported a liability of $5,700,949 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the College's collective proportion was 0.140866%, which was an increase of 0.010984 from its proportion measured as of June 30, 2013.

9. **Iowa Public Employees' Retirement System (IPERS) (Continued)**

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2015, the College recognized pension expense of $544,280. At June 30, 2015, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 61,958	
Changes of assumptions	251,596	
Net difference between projected and actual earnings on pension plan investments		$ 2,174,177
Changes in proportion and differences between College contributions and proportionate share of contributions	503,324	
College contributions subsequent to the measurement date	948,476	
Total	$ 1,765,354	$ 2,174,177

$948,476 reported as deferred outflows of resources related to pensions resulting from the College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2016	$ (352,685)
2017	(352,685)
2018	(352,685)
2019	(352,685)
2020	53,441
Total	$ (1,357,299)

There are no non-employer contribution entities at IPERS.

Actuarial Assumptions

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

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

9. Iowa Public Employees' Retirement System (IPERS) (Continued)

Actuarial Assumptions (Continued)

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

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

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

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

Discount Rate

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

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

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
College's proportionate share of the net pension liability	$ 10,771,783	$ 5,700,949	$ 1,420,640

9. Iowa Public Employees' Retirement System (IPERS) (Continued)

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

At June 30, 2015, the College reported payables to the defined benefit pension plan of $24,541 for legally required employer contributions and $36,833 for legally required employee contributions, which had been withheld from employee wages but not yet remitted to IPERS.

10. Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF)

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

Benefit terms, including contribution requirements, for TIAA-CREF are established and specified by the contract with TIAA-CREF, and in accordance with the Code of Iowa. For each employee in the pension plan, the College is required to contribute 8.93%, 8.93%, and 8.67% of annual salary, including overtime pay, to an individual employee account for the years ended June 30, 2015, 2014, and 2013, respectively. Each employee is required to contribute 5.95%, 5.95%, and 5.78% for the years ended June 30, 2015, 2014, and 2013, respectively. Contributions made by both employer and employee vest immediately. For the employee's required and actual contributions to TIAA-CREF for the years ended June 30, 2015, 2014, and 2013 were $552,315, $516,652, and $475,714, respectively. The College's required and actual contributions to TIAA-CREF for the years ended June 30, 2015, 2014, and 2013 were $828,937, $775,465, and $713,577, respectively.

At June 30, 2015, the College reported payables to the defined contribution pension plan of $21,809 for legally required employer contributions and $32,732 for legally required employee contributions, which had been withheld from employee wages but not yet remitted to TIAA-CREF.

11. Other Postemployment Benefits (OPEB)

Plan Description

The College operates a single-employer retiree benefit plan, which provides medical/prescription drug benefits for employees, retirees and their spouses. There are 339 active and no retired members in the plan. Retired participants must be age 55 or older at retirement.

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

Funding Policy

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

11. Other Postemployment Benefits (OPEB) (Continued)

Annual OPEB Cost and Net OPEB Obligation

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

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

Annual required contribution	$	84,193
Interest on net OPEB obligation		27,327
Adjustment to annual required contribution		(35,554)
Annual OPEB cost		75,966
Contributions made		(27,042)
Increase in net OPEB obligation		48,924
Net OPEB obligation beginning of year		546,543
Net OPEB obligation end of year	$	595,467

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

For the year ended June 30, 2015, the College contributed $27,042 to the OPEB obligation. Plan members eligible for benefits contributed none of the premium costs for the OPEB obligation.

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

Year Ended June 30,		Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed		Net OPEB Obligation
2013	$	63,906	0.0%	$	483,600
2014		62,943	0.0%		546,543
2015		75,966	35.6%		595,467

Funded Status and Funding Progress

As of July 1, 2014, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was $628,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of $628,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately $16,447,103 and the ratio of the UAAL to covered payroll was 3.8%. As of June 30, 2015, there were no trust fund assets.

11. Other Postemployment Benefits (OPEB) (Continued)

Actuarial Methods and Assumptions

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

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

As of July 1, 2014 actuarial valuation date, the unit credit actuarial cost method was used. The actuarial assumptions include a 5% discount rate based on the College's funding policy. The projected annual medical trend rate is 7.5%. The ultimate medical trend rate is 6.5%. The medical trend rate is reduced 0.5% each year until reaching the 6.5% ultimate trend rate.

Mortality rates are from the RP-2014 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2011 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2011. Turnover rates are based on T-6 of the actuary's pension handbook.

Projected claim costs of the medical plan are $10,255 per month for retirees less than age 65 and for retirees who have attained age 65 there is no monthly cost. The salary increase rate was assumed to be 4% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

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12. Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2015 is as follows:

	Transfers In	Transfers Out
Unrestricted fund		
Restricted fund	$ 2,111,014	$ 677,352
Scholarship fund	21,969	
Auxiliary fund	780,440	41,219
Plant fund		27,189
	2,913,423	745,760
Auxiliary fund		
Unrestricted fund	41,219	780,440
Restricted fund	69,731	23,747
Plant fund		227,611
	110,950	1,031,798
Restricted fund		
Unrestricted fund	677,352	2,111,014
Auxiliary fund	23,747	69,731
Plant fund	73,618	1,372,445
	774,717	3,553,190
Scholarship fund	None	21,969
Plant fund		
Unrestricted fund	27,189	
Restricted fund	1,372,445	
Auxiliary fund	227,611	73,618
	1,627,245	73,618
Total	$ 5,426,335	$ 5,426,335

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

13. Related Organizations

Northeast Iowa Community-Based Dairy Foundation is a nonprofit organization whose goal is to support educational efforts and whose financial activities are not included in these financial statements. The College, Northeast Iowa Community-Based Dairy Foundation, and Iowa State University have an interagency agreement for the purpose of cooperating in the operations of a dairy education and applied research laboratory. 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 Community-Based Dairy Foundation are available at the Northeast Iowa Community College district office located at Hwy 150 South, Calmar, IA 52132.

Significant financial data for the year ended June 30, 2015, which is audited, is as follows:

Total assets	$	4,352,422
Total liabilities	$	2,246,556
Total equity	$	2,105,866
Total revenue	$	2,809,881
Total expenses	$	2,658,247

14. New Jobs Training Program

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 taxes, budgeted reserves and in the case of default, from standby property tax. Since inception, the College has administered 290 projects. There are 196 projects that have been completed and 94 are currently open.

The College also administers the Iowa Jobs Training Program (IJTP) in Area I in accordance with the Code of Iowa. IJTP's purpose is to provide tax-aided training or retraining for existing employees of businesses. Approved businesses receive forgivable loans from the Iowa Economic Development Authority, a state administered fund. Since inception, the College has administered 376 projects with 19 new projects in the year ending June 30, 2015.

15. Commitments

The College is a member of ACCES, Inc. (Alliance for Community Colleges for Electronic Sharing), a computer consortium of ten (10) Iowa community colleges. The College will continue to be a member of ACCES, Inc. for the foreseeable future. ACCES, Inc. has changed its mission from a consortium for providing administrative software services to a buying consortium for the acquisition and maintenance of Datatel Colleague and other administrative software. The ongoing expenditures for the Datatel Colleague software and maintenance will be paid through ACCES Consortium. The College is committed to paying ACCES, Inc. consortium $97,864 for software, licensing, and maintenance for FY15.

The College is also a member of CAST, Inc. (College Alliance Sharing Technology), a computer consortium composed of three (3) Iowa community colleges. Its purpose is to provide administrative support and sharing of computer services. The College is committed to be a member of CAST until July 1, 2015. The percentage of the total annual expenditures of CAST, Inc. is to be paid based on the percentage of unrestricted general fund expenditures of the preceding fiscal year compared to the total of all participating colleges' general fund expenditures for the preceding fiscal year. The College's payments to CAST, Inc. for fiscal year 2015 are estimated to be $298,947 for the consortium, which represents approximately 46% of the budget for CAST, Inc.

15. Commitments (Continued)

As of June 30, 2015, the College has entered into various agreements for equipment for a total amount of $300,632.

16. 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 expenses are disallowed by the grantor government due to noncompliance with grant program regulations, the College may be required to reimburse the grantor government. As of June 30, 2015, 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.

17. 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, and worker's compensation. The College is self-insured with respect to their health insurance coverage. The College maintains reinsurance that carries a specific stop loss of $85,000 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 salaries and benefits payable for the years ended June 30, 2015 and 2014 are as follows:

	2015	2014
Claims payable, beginning of year	$ 1,538,791	$ 1,628,415
Claims recognized	3,423,358	3,849,269
Claim payments	(4,452,461)	(3,938,893)
Claims payable, end of year	$ 509,688	$ 1,538,791

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

18. Net Position

The statement of net position reports $6,083,627 of restricted net position, of which $5,835,415 is restricted by enabling legislation.

19. Subsequent Events

Management has evaluated subsequent events through December 3, 2015, the date on which the financial statements were available to be issued.

20. Net Position Deficit

The unrestricted fund has a deficit net position as of June 30, 2015. The deficit was incurred due to the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB No. 27.*

21. Accounting Change/Restatement

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

	Net Position
Net position June 30, 2014, as previously reported	$ 42,751,438
Net pension liability at June 30, 2014	(7,353,953)
Deferred outflows of resources related to contributions made after the June 30, 2013 measurement date	839,984
Net position July 1, 2014, as restated	$ 36,237,469

NORTHEAST IOWA COMMUNITY COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Last Fiscal Year*
(In Thousands)

	2015
College's proportion of the net pension liability	0.140866%
College's proportionate share of the net pension liability	$ 5,701
College's covered-employee payroll	$ 9,410
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	60.58%
Plan fiduciary net position as a percentage of the total pension liability	86.60%

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

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

See Notes to Required Pension Liability Information and Independent Auditor's Report.

NORTHEAST IOWA COMMUNITY COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COLLEGE CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Last 10 Fiscal Years
(In Thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Statutorily required contribution	$ 948	$ 840	$ 730	$ 635	$ 544	$ 532	$ 507	$ 450	$ 405	$ 406
Contributions in relation to the statutorily required contribution	(948)	(840)	(730)	(635)	(544)	(532)	(507)	(450)	(405)	(406)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered-employee payroll	$ 10,621	$ 9,410	$ 8,420	$ 7,869	$ 7,827	$ 8,000	$ 7,984	$ 7,438	$ 7,043	$ 7,061
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.67%	8.07%	6.95%	6.65%	6.35%	6.05%	5.75%	5.75%

See Notes to Required Pension Liability Information and Independent Auditor's Report.

Changes of Benefit Terms

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

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

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

Changes of Assumptions

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

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

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

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

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

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

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

NORTHEAST IOWA COMMUNITY COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR THE
RETIREE HEALTH PLAN
(in thousands)

Fiscal Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	July 1, 2008	-	$ 1,018	$ 1,018	0.0%	$ 13,453	7.6%
2011	July 1, 2010	-	$ 517	$ 517	0.0%	$ 11,506	4.5%
2012	July 1, 2010	-	$ 517	$ 517	0.0%	$ 12,725	4.1%
2013	July 1, 2012	-	$ 481	$ 481	0.0%	$ 11,661	4.1%
2014	July 1, 2012	-	$ 481	$ 481	0.0%	$ 14,595	3.3%
2015	July 1, 2014	-	$ 628	$ 628	0.0%	$ 16,447	3.8%

See Note 11 in the accompanying notes to financial statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

See Independent Auditor's Report.

HACKER, NELSON & CO., P.C.
Certified Public Accountants
And Business Consultants

www.hackernelson.com

123 West Water Street
PO Box 507
Decorah, IA 52101
Telephone 563-382-3637
Fax 563-382-5797

INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

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

We have audited the financial statements of Northeast Iowa Community College, as of and for the year ended June 30, 2015, and our report thereon dated December 3, 2015, which expressed an unmodified opinion on the financial statements, appears on pages 2 through 3. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. We previously audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements for the nine years ended June 30, 2014 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 12, including the schedule of expenditures of federal awards required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* is presented for purposes of additional analysis using regulatory basis of accounting and is not a required part of the basic financial statements.

The supplementary information presented in Schedules 1 through 12 is the responsibility of the College's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Hacker, Nelson & Co., P.C.

Decorah, Iowa
December 3, 2015

NORTHEAST IOWA COMMUNITY COLLEGE
BALANCE SHEET
June 30, 2015

	Current Funds				Plant Funds				
ASSETS	Unrestricted	Auxiliary	Restricted	Scholarships	Unexpended	Retirement of Indebtedness	Investment in Plant	GAAP Adjustments	GAAP Basis
Cash	$ 7,146,582	$ 3,734,931	$ 4,954,107		$ 773,010				$ 16,608,630
Investments			16,899,846		2,655,747				19,555,593
Receivables									
Accounts, less allowance of $1,759,078	5,120,106	100,229	856,516		52,133				6,128,984
Accrued interest		4	9,733		2,703				12,440
Property tax									
Current year delinquent	20,585		26,560			$ 46,758			93,903
Succeeding year	2,062,091		1,576,485			5,898,094			9,536,670
Due from other funds	72,388								72,388
Due from other governments	232,228		912,881	$ 281,866					1,426,975
Inventories	552	653,524							654,076
Due from Iowa Industrial New Jobs Training Program			11,559,384						11,559,384
Lease receivable		1,805,000							1,805,000
Capital assets									
Land							$ 683,366		683,366
Construction in progress							373,415		373,415
Buildings							68,544,427		68,544,427
Other structures and improvements							3,643,753		3,643,753
Furniture and equipment, including assets acquired under capital leases of $40,724							7,990,880		7,990,880
Accumulated depreciation							(31,740,795)		(31,740,795)
Total assets	14,654,532	6,293,688	36,795,512	281,866	3,483,593	5,944,852	49,495,046	$ -	116,949,089
DEFERRED OUTFLOWS OF RESOURCES									
Pension related deferred outflows								1,765,354	1,765,354
Total assets and deferred outflows of resources	$ 14,654,532	$ 6,293,688	$ 36,795,512	$ 281,866	$ 3,483,593	$ 5,944,852	$ 49,495,046	$ 1,765,354	$ 118,714,443
LIABILITIES									
Accounts payable	$ 585,298	$ 114,962	$ 591,445	$ 3,641	$ 526,342				$ 1,821,688
Northeast Iowa Community-Based Dairy Foundation		482,787							482,787
Salaries and benefits payable	2,166,750		509,688						2,676,438
Accrued interest payable		14,004			118,812				132,816
Deposits held in custody for others	266,452								266,452
Due to other funds				72,388					72,388
Advance from grantors				4,383					4,383
Compensated absences	110,151	21,079							131,230
Early retirement payable			140,732						140,732
Net OPEB liability								$ 595,467	595,467
Net pension liability								5,700,949	5,700,949
Notes payable							$ 2,375,000		2,375,000
Bonds payable		1,805,000			4,552,387		15,412,613		21,770,000
Certificates payable			24,930,000						24,930,000
Total liabilities	3,128,651	2,437,832	26,171,865	80,412	5,197,541	$ -	17,787,613	6,296,416	61,100,330
DEFERRED INFLOWS OF RESOURCES									
Succeeding year property tax	2,062,091		1,576,485			5,898,094			9,536,670
Pension related deferred inflows								2,174,177	2,174,177
Other	4,683,426		3,211,747		92,122				7,987,295
Total deferred inflows of resources	6,745,517	-	4,788,232	-	92,122	5,898,094	-	2,174,177	19,698,142
FUND BALANCE									
Net investment in capital assets							31,707,433		31,707,433
Fund balances									
Restricted for specific purposes			5,835,415	201,454		46,758			6,083,627
Unrestricted (deficit)	4,780,364	3,855,856			(1,806,070)			(6,705,239)	124,911
Total fund equity (deficit)	4,780,364	3,855,856	5,835,415	201,454	(1,806,070)	46,758	31,707,433	(6,705,239)	37,915,971
Total liabilities, deferred inflows of resources and fund equity	$ 14,654,532	$ 6,293,688	$ 36,795,512	$ 281,866	$ 3,483,593	$ 5,944,852	$ 49,495,046	$ 1,765,354	$ 118,714,443

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCE
For the Year Ended June 30, 2015

	Current Funds				Plant Funds				
	Unrestricted	Auxiliary	Restricted	Scholarships	Unexpended	Retirement of Indebtedness	Investment in Plant	GAAP Adjustments	GAAP Basis
REVENUES AND OTHER ADDITIONS									
General									
State appropriations	$ 10,004,236	$ 28,984	$ 2,224,707	$ 512,215	$ 68,425			$ (370,175)	$ 12,468,392
Tuition and fees	15,251,109	52,766	306,862					(6,604,353)	9,006,384
Property taxes	2,020,034		1,483,154		1,309,657	$ 4,515,240			9,328,085
Federal appropriations	8,825	29,658	5,793,249	15,417,837	266,138			438,284	21,953,991
Investment income	68,317	27,907	161,565	7,630	25,657				291,076
Iowa Industrial New Jobs Training Program			4,857,292						4,857,292
Sales and services	65,919				81,332				147,251
Miscellaneous	482,057		1,175,560	408,456	45,982			(68,109)	2,043,946
	27,900,497	139,315	16,002,389	16,346,138	1,797,191	4,515,240	$ -	(6,604,353)	60,096,417
Auxiliary enterprises									
Sales and services		4,126,068						(1,278,399)	2,847,669
Miscellaneous		180,613							180,613
	-	4,306,681	-	-	-	-	-	(1,278,399)	3,028,282
Total revenues and other additions	27,900,497	4,445,996	16,002,389	16,346,138	1,797,191	4,515,240	-	(7,882,752)	63,124,699
EXPENDITURES AND OTHER DEDUCTIONS									
Education and support									
Liberal arts and sciences	6,171,155		108,884					(82,873)	6,197,166
Vocational technical	8,154,594		1,523,422					(488,702)	9,189,314
Adult education	3,433,481		495,895						3,929,376
Cooperative services	2,571,691		6,276,951					(876,458)	7,972,184
General administration	1,418,394								1,418,394
Student services	2,211,924		3,217					(10,076)	2,205,065
Learning resources	721,944		157,486						879,430
Physical plant	2,615,634		888,160						3,503,794
General institution	4,529,888		3,534,033					(789,033)	7,274,888
	31,828,705	-	12,988,048	-	-	-	-	(2,247,142)	42,569,611
Auxiliary enterprises		4,622,210						(263,563)	4,358,647
Scholarships and grants				16,122,715				(7,882,752)	8,239,963
Plant asset acquisitions					597,518			(456,003)	141,515
Interest on indebtedness						1,107,521		876,318	1,983,839
Other					1,226,606				1,226,606
Expended for plant assets							(1,501,797)	1,501,797	-
Retirement of indebtedness					(150,000)	3,410,724	(3,260,724)		-
Disposal of plant assets							110,421		110,421
Depreciation							2,815,595		2,815,595
Donated plant assets received							(233,320)	233,320	-
	-	4,622,210	-	16,122,715	1,674,124	4,518,245	(2,069,825)	(5,990,883)	18,876,586
Total expenditures and other deductions	31,828,705	4,622,210	12,988,048	16,122,715	1,674,124	4,518,245	(2,069,825)	(8,238,025)	61,446,197

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NORTHEAST IOWA COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCE (Continued)
For the Year Ended June 30, 2015

	Current Funds				Plant Funds				
	Unrestricted	Auxiliary	Restricted	Scholarships	Unexpended	Retirement of Indebtedness	Investment in Plant	GAAP Adjustments	GAAP Basis
(Deficiency) excess of revenues and other additions (under) over expenditures and other deductions	$ (3,928,208)	$ (176,214)	$ 3,014,341	$ 223,423	$ 123,067	$ (3,005)	$ 2,069,825	$ 355,273	$ 1,678,502
TRANSFERS									
Mandatory	1,021,040		(916,159)	(21,969)	(3,737)				79,175
Nonmandatory	1,173,812	(738,643)	(1,341,725)		827,381				(79,175)
Total transfers	2,194,852	(738,643)	(2,257,884)	(21,969)	823,644	-	-	-	-
Net (decrease) increase in fund balance	(1,733,356)	(914,857)	756,457	201,454	946,711	(3,005)	2,069,825	355,273	1,678,502
FUND BALANCE (deficit)									
Beginning	6,513,720	4,770,713	5,078,958	-	(2,752,781)	49,763	29,637,608	(7,060,512)	36,237,469
Ending	$ 4,780,364	$ 3,855,856	$ 5,835,415	$ 201,454	$ (1,806,070)	$ 46,758	$ 31,707,433	$ (6,705,239)	$ 37,915,971

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NORTHEAST IOWA COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCE
EDUCATION AND SUPPORT UNRESTRICTED CURRENT FUNDS
For the Year Ended June 30, 2015

	Education			Support						
	Liberal Arts and Sciences	Vocational Technical	Adult Education	Cooperative Services	General Administration	Student Services	Learning Resources	Physical Plant	General Institution	Total
REVENUES AND OTHER ADDITIONS										
State appropriations	$ 4,759,410	$ 4,026,005	$ 1,183,349		$ 24,678			$ 10,794		$ 10,004,236
Tuition and fees	4,511,575	6,528,618	2,440,377	$ 1,770,323		$ 216				15,251,109
Property taxes					2,020,034					2,020,034
Federal appropriations		8,825								8,825
Investment income					68,317					68,317
Sales and services			35,395	1,000			$ 12,000		$ 17,524	65,919
Miscellaneous		16,523	200,038	125,024	3,941		31,943	4,211	100,377	482,057
Total revenues and other additions	9,270,985	10,579,971	3,859,159	1,896,347	2,116,970	216	43,943	15,005	117,901	27,900,497
EXPENDITURES AND OTHER DEDUCTIONS										
Salaries and wages	4,730,570	6,045,564	2,009,110	1,916,802	843,372	1,584,518	488,826	733,206	1,893,014	20,244,982
Employee fringe benefits	1,278,832	1,637,736	479,260	524,980	243,431	529,211	160,004	277,964	749,073	5,880,491
Services	26,842	163,326	817,477	73,468	257,112	51,179	3,805	1,365,085	1,644,687	4,402,981
Materials and supplies	54,385	166,199	52,414	47,927	2,792	35,104	68,377	238,407	154,437	820,042
Travel	14,257	46,775	46,490	8,514	51,911	11,912	932	972	65,909	247,672
Loan cancellations and bad debts	36,681	53,354	28,730		14,954					133,719
Plant asset acquisitions		6,228							10,885	17,113
Miscellaneous	29,588	35,412			4,822				11,883	81,705
Total expenditures and other deductions	6,171,155	8,154,594	3,433,481	2,571,691	1,418,394	2,211,924	721,944	2,615,634	4,529,888	31,828,705
Excess (deficiency) of revenues and other additions over (under) expenditures and other deductions	3,099,830	2,425,377	425,678	(675,344)	698,576	(2,211,708)	(678,001)	(2,600,629)	(4,411,987)	(3,928,208)
TRANSFERS										
Mandatory		21,859	(40,653)	965,165	65,976				8,693	1,021,040
Nonmandatory	(325)	74,589	300,798	2,274	22,023	(308)	(40,000)		814,761	1,173,812
Total transfers	(325)	96,448	260,145	967,439	87,999	(308)	(40,000)	-	823,454	2,194,852
Net increase (decrease) in fund balance	$ 3,099,505	$ 2,521,825	$ 685,823	$ 292,095	$ 786,575	$ (2,212,016)	$ (718,001)	$ (2,600,629)	$ (3,588,533)	(1,733,356)
FUND BALANCE										
Beginning										6,513,720
Ending										$ 4,780,364

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NORTHEAST IOWA COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCE
AUXILIARY ENTERPRISE UNRESTRICTED CURRENT FUNDS
Year Ended June 30, 2015

	Bookstore	Food Services	Child Care	Farm	Trade and Industry	Professional Development	Miscellaneous	Total
REVENUES AND OTHER ADDITIONS								
State appropriations			$ 28,984					$ 28,984
Tuition and fees						$ 46,686	$ 6,080	52,766
Federal appropriations			29,658					29,658
Sales and services	$ 2,805,983	$ 444,514	720,439	$ 52,568	$ 69,578		32,986	4,126,068
Investment income				27,907				27,907
Miscellaneous	16,019	37	41,470			5,320	117,767	180,613
Total revenues and other additions	2,822,002	444,551	820,551	80,475	69,578	52,006	156,833	4,445,996
EXPENDITURES AND OTHER DEDUCTIONS								
Salaries and wages	158,060	197,042	753,385					1,108,487
Employee fringe benefits	51,817	59,464	203,531					314,812
Services	14,383	14,719	11,732	5,000	4,425	17,253	30,319	97,831
Materials and supplies	9,618	32,507	82,035		40,355	5,064	43,325	212,904
Travel	2,833	365			99	32,174	5,498	40,969
Cost of goods sold	2,261,825	227,163		23,750	37,326		13,480	2,563,544
Plant asset acquisitions		5,578					176,627	182,205
Interest on indebtedness				81,358				81,358
Miscellaneous	19,470						630	20,100
Total expenditures and other deductions	2,518,006	536,838	1,050,683	110,108	82,205	54,491	269,879	4,622,210
Excess (deficiency) of revenues and other additions over (under) expenditures and other deductions	303,996	(92,287)	(230,132)	(29,633)	(12,627)	(2,485)	(113,046)	(176,214)
TRANSFERS								
Nonmandatory	(1,100,079)	92,289	227,663	(8,683)			50,167	(738,643)
Net (decrease) increase in fund balance	(796,083)	2	(2,469)	(38,316)	(12,627)	(2,485)	(62,879)	(914,857)
FUND BALANCE (deficit)								
Beginning	3,108,027	72,655	130,950	(95,931)	187,089	110,608	1,257,315	4,770,713
Ending	$ 2,311,944	$ 72,657	$ 128,481	$ (134,247)	$ 174,462	$ 108,123	$ 1,194,436	$ 3,855,856

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NORTHEAST IOWA COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCE
RESTRICTED CURRENT FUNDS
Year Ended June 30, 2015

	Restricted Property Tax Levies	Iowa New Jobs Training	Other Federal Programs	Miscellaneous	Total
REVENUES AND OTHER ADDITIONS					
State appropriations	$ 19,069		$ 859,215	$ 1,346,423	$ 2,224,707
Tuition and fees				306,862	306,862
Property taxes	1,483,154				1,483,154
Federal appropriations			5,440,210	353,039	5,793,249
Investment income	161,565				161,565
Iowa Industrial New Jobs Training Program		$ 4,857,292			4,857,292
Miscellaneous	392,052	361,436	179,588	242,484	1,175,560
Total revenues and other additions	2,055,840	5,218,728	6,479,013	2,248,808	16,002,389
EXPENDITURES AND OTHER DEDUCTIONS					
Salaries and wages			1,006,385	540,124	1,546,509
Employee fringe benefits	37,492		310,855	140,698	489,045
Services	744,383	3,034,408	509,403	334,352	4,622,546
Materials and supplies	777,972		313,710	120,378	1,212,060
Travel			79,648	22,852	102,500
Plant asset acquisitions	201,496		216,720	116,962	535,178
Interest on indebtedness		794,960	2,146		797,106
Miscellaneous		404,627	3,267,650	10,827	3,683,104
Total expenditures and other deductions	1,761,343	4,233,995	5,706,517	1,286,193	12,988,048
Excess of revenues and other additions over expenditures and other deductions	294,497	984,733	772,496	962,615	3,014,341
TRANSFERS					
Mandatory		(876,989)	21,285	(60,455)	(916,159)
Nonmandatory	(500,000)	(107,744)	(448,737)	(285,244)	(1,341,725)
Total transfers	(500,000)	(984,733)	(427,452)	(345,699)	(2,257,884)
Net (decrease) increase in fund balance	(205,503)	-	345,044	616,916	756,457
FUND BALANCE					
Beginning	3,603,564	-	288,439	1,186,955	5,078,958
Ending	$ 3,398,061	$ -	$ 633,483	$ 1,803,871	$ 5,835,415

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY COLLEGE
SCHEDULE OF CHANGES IN DEPOSITS HELD IN CUSTODY FOR OTHERS
AGENCY FUNDS
Year Ended June 30, 2015

	Student Organizations Federal	Federal and Other Programs	Retraining	Dairy Center	Total
Balance, beginning of year (deficit)	$ 28,081	$ 1,072	$ 88,854	$ (204)	$ 117,803
Additions					
State appropriations			131,552		131,552
Tuition and fees	96,274				96,274
Federal appropriations				5,161	5,161
Sales and services	82				82
Miscellaneous	376,527			2,500	379,027
Total additions	472,883	-	131,552	7,661	612,096
Deductions					
Salaries and wages	123,339				123,339
Employee fringe benefits	38,251				38,251
Services	104,969		47,189		152,158
Materials and supplies	80,454			161	80,615
Travel	45,741	123			45,864
Cost of goods sold	7,583				7,583
Miscellaneous	5,561				5,561
Plant asset acquisitions	10,076				10,076
Total deductions	415,974	123	47,189	161	463,447
Balance, end of year	$ 84,990	$ 949	$ 173,217	$ 7,296	$ 266,452

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NORTHEAST IOWA COMMUNITY COLLEGE
COMPARISON OF TAXES AND INTERGOVERNMENTAL REVENUES
Years Ended June 30,

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Local (property tax)	$ 9,328,085	$ 8,900,292	$ 9,319,214	$ 9,722,498	$ 9,168,987	$ 8,338,873	$ 4,437,962	$ 4,710,263	$ 4,617,926	$ 4,434,120
State appropriations	12,468,392	11,659,341	10,490,504	8,976,053	10,590,494	8,561,576	9,926,999	9,582,594	9,318,872	9,225,795
Federal appropriations	21,953,991	27,040,609	28,726,546	26,677,663	28,950,131	26,409,295	18,342,004	15,164,519	13,211,473	13,808,778
Total	$ 43,750,468	$ 47,600,242	$ 48,536,264	$ 45,376,214	$ 48,709,612	$ 43,309,744	$ 32,706,965	$ 29,457,376	$ 27,148,271	$ 27,468,693

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SCHEDULE 8

NORTHEAST IOWA COMMUNITY COLLEGE
COMPARISON OF CURRENT FUND REVENUES BY SOURCE AND EXPENDITURES BY FUNCTIONS
Years Ended June 30,

	Statutory Basis									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
State appropriations	$ 12,770,142	$ 11,982,240	$ 10,825,716	$ 8,922,833	$ 8,901,805	$ 8,630,563	$ 10,045,748	$ 9,646,510	$ 8,585,540	$ 8,273,314
Tuition and fees	15,610,737	16,572,799	17,520,534	17,846,943	17,610,746	17,311,196	14,012,003	12,617,952	12,627,379	11,542,638
Property taxes	3,503,188	3,318,633	3,718,588	4,284,334	3,752,235	3,232,287	2,823,374	3,154,039	3,087,576	2,950,677
Federal appropriations	21,249,569	26,288,608	27,084,729	25,762,439	28,249,100	25,972,051	18,087,030	14,421,197	13,210,561	13,662,743
Investment income	265,419	314,897	277,580	327,185	390,036	433,017	735,656	781,538	770,894	372,952
Iowa Industrial New Jobs Training Program	4,857,292	5,524,871	5,325,255	5,226,224	4,939,286	3,064,989	3,255,689	2,942,389	2,681,762	2,022,297
Auxiliary enterprises	4,306,681	4,265,807	4,472,772	4,331,066	4,457,057	4,383,682	3,615,807	3,364,701	3,165,052	3,019,488
Miscellaneous	2,131,992	612,913	1,641,872	770,406	4,092,595	6,289,740	1,199,579	1,605,837	3,998,906	2,288,211
	$ 64,695,020	$ 68,880,768	$ 70,867,046	$ 67,471,430	$ 72,392,860	$ 69,317,525	$ 53,774,886	$ 48,534,163	$ 48,127,670	$ 44,132,320
Expenditures										
Liberal arts and sciences	$ 6,280,039	$ 5,384,048	$ 5,477,329	$ 5,879,893	$ 5,348,064	$ 5,701,752	$ 5,644,522	$ 3,132,660	$ 4,291,171	$ 4,551,128
Vocational technical	9,678,016	8,992,192	9,002,457	8,845,338	9,098,625	7,530,248	7,332,631	9,028,181	7,406,780	8,270,645
Adult education	3,929,376	3,499,933	3,502,795	3,293,160	3,083,158	2,662,436	2,502,973	2,435,011	2,445,756	2,562,093
Cooperative services	8,848,642	8,655,705	9,027,827	9,102,551	10,946,821	11,532,077	6,866,050	6,318,846	7,611,483	4,633,475
General administration	1,418,394	1,415,492	1,445,495	1,480,985	2,507,767	1,676,056	1,912,926	1,788,637	1,229,762	750,693
Student services	2,215,141	2,140,522	1,955,567	1,776,000	1,701,656	1,734,854	1,775,038	1,653,107	1,514,565	1,572,779
Learning resources	879,430	977,697	877,371	1,070,725	696,452	929,461	886,356	742,207	776,377	756,579
Physical plant	3,503,794	3,165,470	3,298,461	2,781,858	2,554,179	2,774,210	2,219,838	1,910,678	1,650,778	1,604,176
General institution	8,063,921	9,980,980	7,999,519	3,845,296	4,842,903	3,845,175	3,503,043	3,377,247	3,526,426	3,363,388
Auxiliary enterprises	4,622,210	4,445,701	4,302,533	4,220,714	4,020,013	4,478,723	4,337,177	3,558,057	3,406,178	3,188,290
Scholarships and grants	16,122,715	18,494,274	20,952,363	22,680,816	24,988,186	23,560,574	16,485,045	13,315,714	12,730,287	12,890,231
Loan cancellations and bad debts									(234)	8,445
	$ 65,561,678	$ 67,152,014	$ 67,841,717	$ 64,977,336	$ 69,787,824	$ 66,425,566	$ 53,465,599	$ 47,260,345	$ 46,589,329	$ 44,151,922

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY COLLEGE
SCHEDULE OF CONTACT/CREDIT HOUR ENROLLMENT
Year Ended June 30, 2015

	Credit Hours			Contact Hours		
Category	Eligible for Aid	Not Eligible for Aid	Total	Eligible for Aid	Not Eligible for Aid	Total
Arts and Sciences	46,438		46,438			
Vocational Education	43,557		43,557			
Adult/Continuing Education				304,158	75,871	380,029
Related Services and Activities					11,382	11,382
Total	89,995		89,995	304,158	87,253	391,411

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY COLLEGE
BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
For the Year Ended June 30, 2015

Funds/Levy	Original Budget	Actual	Variance Actual and Budget
Unrestricted	$ 31,304,569	$ 31,828,705	$ (524,136)
Restricted	21,075,000	10,726,706	10,348,294
Unemployment		18,518	(18,518)
Insurance	734,974	526,912	208,062
Early retirement	200,000	141,038	58,962
Equipment replacement	895,968	1,574,874	(678,906)
Standby	238,282		238,282
Total restricted	23,144,224	12,988,048	10,156,176
Plant			
Plant	4,015,928	1,824,124	2,191,804
Bonds and interest	3,790,705	4,518,245	(727,540)
Total plant	7,806,633	6,342,369	1,464,264
Total	$ 62,255,426	$ 51,159,122	$ 11,096,304

Note to Budgetary Reporting:

The Board of Directors (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 Directors (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, Loan funds, and Agency funds.

For the year ended June 30, 2015, the College's expenditures for Restricted Fund - Unemployment and Equipment Replacement and Plant Fund, Bonds and Interest subgroups exceeded the amount budgeted.

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015

Part I: Summary of the Independent Auditor's Results:

(a) Unmodified opinions were issued on the financial statements.
(b) No significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements. No material weaknesses noted.
(c) The audit did not disclose any noncompliance, which is material to the financial statements.
(d) No significant deficiencies in internal control over the major programs were disclosed by the audit of the financial statements. No material weaknesses noted.
(e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
(f) The audit disclosed no audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
(g) Major programs were as follows:
- CFDA Number 17.268 - H-1B Job Training Grants
- CFDA Number 17.282 - Trade Adjustment Assistance Community College and Career Training (TAACCCT)
- CFDA Number 64.027 - Post 9/11 Veterans Educational Assistance, Recovery Act
- CFDA Number 84.002 - Adult Education - State Grant Program
- Clustered programs:
  Student Financial Assistance Cluster
  - CFDA Number 84.007 - Federal Supplemental Educational Opportunity Grants
  - CFDA Number 84.033 - Federal Work - Study Program, Recovery Act
  - CFDA Number 84.063 - Federal Pell Grant Program, Recovery Act
  - CFDA Number 84.268 - Federal Direct Student Loans - Subsidized/Unsubsidized, Plus Loans

(h) The dollar threshold used to distinguish between Type A and Type B programs was $300,000.
(i) Northeast Iowa Community College did qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:
No matters were noted.

INSTANCES OF NONCOMPLIANCE:
No matters were noted.

NORTHEAST IOWA COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015

Part III: Findings and Questioned Costs for Federal Awards:

INTERNAL CONTROL DEFICIENCIES:
No matters were noted.

INSTANCES OF NONCOMPLIANCE:
Department of Education
CFDA Number 84.063 Federal Pell Grant Program, Recovery Act
Grant period – year ended June 30, 2015
2015-001

		Questioned Costs
Condition and Criteria:	Parent's IRA deduction was not included as untaxed income when computing the expected family contribution.	
Effect:	Excess payment of Federal Pell Grant.	
Cause:	The deduction was overlooked when the file was verified by financial aid staff.	
Context:	A sample of 40 financial aid files which totaled $158,834 in Federal Pell Grants was selected for audit from a population of 7,861 financial aid files with a total of $5,755,939 in Federal Pell Grants. The test found one file not in compliance with questioned costs totaling $1,300. Our sample was a statistically valid sample.	$ 46,828
Auditor's Recommendation:	We recommend the College carefully review all applications to verify all amounts requested on the FAFSA are included to correctly calculate a student's expected family contribution.	
Views of Responsible Officials and Planned Corrective Actions:	We have corrected the student's file for the Federal Pell Grant overpayment and updated Common Origination and Disbursement (COD) to reflect a reduction of the student's Federal Pell Grant award. We have submitted a corrected FISAP for the reduced Federal Pell Grant award. The student does not owe us for the Federal Pell Grant overpayment since we have reimbursed the student's account with institutional funds.	

Part IV: Other Findings Related to Required Statutory Reporting:
See management letter dated December 3, 2015

Part V: Summary of Prior Federal Audit Findings and Questioned Costs
N/A

NORTHEAST IOWA COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015

Grantor/Program	CFDA Number	Program Expenditures	New Loans and New Loan Guarantees
U.S. Department of Agriculture			
Rural Business Enterprise Grants	10.769	$ 14,618	
Passed through Iowa Department of Education			
Child and Adult Care Food Program	10.558	29,658	
Subtotal Department of Agriculture		44,276	
U.S. Department of Interior			
Passed through Silos and Smokestacks National Heritage Area			
National Heritage Area Federal Financial Assistance	15.939	6,111	
U.S. Department of Labor			
Direct			
H-1B Job Training Grants	17.268	1,313,979	
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282	2,970,947	
Passed through Upper Explorerland Regional Planning Commission			
Youthbuild	17.274	116,701	
Subtotal U.S. Department of Labor		4,401,627	
National Science Foundation			
Passed through Iowa State University			
Education and Human Resources	47.076	174,295	
Small Business Development Center			
Passed through Iowa State University			
Small Business Development	59.037	75,213	
U.S. Department of Veteran Affairs			
Direct			
Post 9/11 Veterans Educational Assistance, Recovery Act	64.027	189,076	
U.S. Department of Education			
Direct			
Adult Education - State Grant Program	84.002	138,455	
Higher Education - Institutional Aid	84.031	394,806	
TRIO Cluster			
TRIO - Student Support Services	84.042	232,135	
Student Financial Assistance Cluster			
Federal Supplemental Educational Opportunity Grants	84.007	76,196	
Federal Work-Study Program, Recovery Act	84.033	89,358	
Federal Pell Grant Program, Recovery Act	84.063	5,755,939	
Federal Direct Student Loans - Plus Loans	84.268		$ 67,190
Federal Direct Student Loans - Subsidized Loans	84.268		4,581,480
Federal Direct Student Loans - Unsubsidized Loans	84.268		4,745,081
		5,921,493	9,393,751
Vocational Education-Basic Grants to States			
Career and Technical Education - Basic Grants to States	84.048	271,792	
Passed through Iowa College Student Aid Commission			
College Access Challenge Grant Program	84.378	11,700	
Subtotal U.S. Department of Education		6,970,381	9,393,751
		$ 11,860,979	$ 9,393,751

See Independent Auditor's Report on the Supplementary Information.

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Northeast Iowa Community College under programs of the federal government for the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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

a. Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments,* wherein certain types of expenditures are not allowable or are limited as to reimbursement.

b. Pass-through entity identifying numbers are presented where available.

HACKER, NELSON & CO., P.C.
Certified Public Accountants
And Business Consultants

www.hackernelson.com

123 West Water Street
PO Box 507
Decorah, IA 52101
Telephone 563-382-3637
Fax 563-382-5797

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 the U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities, the discretely presented component unit, and each major fund of Northeast Iowa Community College, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Northeast Iowa Community College's basic financial statements, and have issued our report thereon dated December 3, 2015.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northeast Iowa Community College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2015-001.

Northeast Iowa Community College's Response to Finding

Northeast Iowa Community College's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Northeast Iowa Community College's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Hacker, Nelson & Co., P.C.

Decorah, Iowa
December 3, 2015

HACKER, NELSON & CO., P.C.
Certified Public Accountants
And Business Consultants

www.hackernelson.com

123 West Water Street
PO Box 507
Decorah, IA 52101
Telephone 563-382-3637
Fax 563-382-5797

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

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

Report on Compliance for Each Major Federal Program

We have audited Northeast Iowa Community College's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Northeast Iowa Community College's major federal programs for the year ended June 30, 2015. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2015-001. Our opinion on each major federal program is not modified with respect to this matter.

Northeast Iowa Community College's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Northeast Iowa Community College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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

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

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

Hacker, Nelson & Co., P.C.

Decorah, Iowa
December 3, 2015

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123 West Water Street
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Fax 563-382-5797

MANAGEMENT LETTER

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

In planning and performing our audit of the financial statements of the Northeast Iowa Community College for the year ended June 30, 2015, we considered the College's internal control to determine our auditing procedures for the purpose of expressing opinions on the financial statements and not to provide assurance on internal control or state statutory compliance matters, accordingly, we provide no such assurance.

In accordance with Chapter 11 of the Code of Iowa, we are required to report on the College's compliance with certain sections of the Iowa Code, Attorney General's Opinions and other matters. Items 1 through 9 below are compliance comments required by the Iowa Auditor of State. A separate report dated December 3, 2015 contains our report on the College's internal control. This letter does not affect our report dated December 3, 2015, on the financial statements of the Northeast Iowa Community College. All prior year comments have been resolved. These comments are not intended to and do not constitute legal opinions. We did not audit the College's responses and, accordingly, we express no opinion on them.

1. Certified Budget
   Expenditures for the year ended June 30, 2015 did not exceed the amounts budgeted in total.

2. Questionable Disbursements
   We noted no expenditures that may not meet the requirements of public purpose as defined in the Attorney General's opinion dated April 25, 1979.

3. Travel Expense
   No expenditures of College money for travel expenses of spouses of College officials and/or employees were noted. No travel advances to College officials or employees were noted.

4. Business Transactions
   No business transactions between the College and College officials and/or employees were noted.

5. 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 insure that the coverage is adequate for current operations.

6. Trustee Minutes
   We noted no transactions requiring Trustee approval, which had not been approved by the Trustees.

7. **Publication**

The College published a statement showing the receipt and disbursement of all funds, including the names of persons, firms, or corporations to which disbursements were made, in accordance with Section 260C.14(12) of the Code of Iowa.

8. **Deposits and Investments**

During our audit, we noted there was an authorized signer on an account, who should no longer be an authorized signer.

Recommendation

We recommend the College update the authorized signers to include only those that are currently approved as authorized signers by the Board of Trustees.

Response

We have reviewed the authorized signers and have made the appropriate changes.

Conclusion

Response accepted.

9. **Contact and Credit Hours**

Eligible contact and credit hours reported to the Iowa Department of Education were supported by detailed records maintained by the College.

10. **Financial Aid**

During our audit, we noted one out of forty student files tested the College did not include the parent's IRA deduction as untaxed income when the expected family contribution was calculated, which resulted in an over award of the Federal Pell Grant.

Recommendation

We recommend the College carefully review all applications to verify all amounts requested on the FAFSA are included to correctly calculate the student's expected family contribution.

Response

The financial aid staff has made the appropriate change to the student's Federal Pell Grant award. The staff will also review files closer in the future.

Conclusion

Response accepted.

11. Payroll

During our audit, we noted one out of sixteen employee files tested did not have a W-4 in the file. We also noted one of the sixteen paychecks tested the time card related to the paycheck tested was not located.

Recommendation

We recommend the College carefully review all employee payroll files to verify all the required documentation are included. We also recommend all the timecards be kept so the hours can be verified.

Response

We have reviewed the recommendation and will comply in the future.

Conclusion

Response accepted.

We have also provided you under separate cover a listing of general steps that you should review and consider implementing to strengthen controls. This list is not all inclusive. You should review all aspects of your operations and implement appropriate controls as deemed necessary. Some of these items may not be applicable or you may have already implemented them.

Other procedural matters were discussed with management and documented in a letter to them.

We would like to acknowledge the many courtesies and assistance extended to us by the personnel of Northeast Iowa Community College during the course of our audit.

Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Hacker, Nelson & Co., P.C.

Decorah, Iowa
December 3, 2015