New Issue Not Rated

Date of Sale: Tuesday, April 23, 2024 *(Alternate Bid Methods)*
Between 10:00 and 10:30 A.M., C.D.T. *(Closed SpeerAuction)*
Before 10:30 A.M., C.D.T. *(Sealed Bids)*

Official Statement

*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.*

$410,000*
HAWKEYE COMMUNITY COLLEGE, IOWA
(Merged Area VII)
Taxable Industrial New Jobs Training Certificates, Series 2024-1

Dated Date of Delivery **Book-Entry** **Due Serially June 1, 2025 - 2034**

The $410,000* Taxable Industrial New Jobs Training Certificates, Series 2024-1 (the "Certificates") are being issued by Hawkeye Community College (Merged Area VII), Iowa (the "College" or the "Merged Area"). Interest is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2024. Interest is calculated based on a 360-day year of twelve 30-day months. The Certificates will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Certificates. The ownership of one fully registered Certificate for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Certificates will be made to purchasers. The Certificates will mature on June 1 in the following years and amounts.

AMOUNTS*, MATURITIES, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS

Principal Amount*	Due June 1	Interest Rate	Price or Yield	CUSIP Number(1)	Principal Amount*	Due June 1	Interest Rate	Price or Yield	CUSIP Number(1)
$40,000	2025	%	%		$40,000	2030	%	%	
45,000	2026	%	%		40,000	2031	%	%	
45,000	2027	%	%		40,000	2032	%	%	
45,000	2028	%	%		40,000	2033	%	%	
40,000	2029	%	%		35,000	2034	%	%	

Any consecutive maturities may be aggregated into term certificates at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

OPTIONAL REDEMPTION

Certificates due June 1, 2025 - 2030, inclusive, are not subject to optional redemption. Certificates due June 1, 2031 – 2034, inclusive, are callable in whole or in part on any date on or after June 1, 2030, at a price of par and accrued interest. If less than all the Certificates are called, they shall be redeemed in such principal amounts and from such maturities as determined by the College and within any maturity by lot. See **"OPTIONAL REDEMPTION"** herein.

PURPOSE, LEGALITY AND SECURITY

The Certificate proceeds will be used to: (i) fund new jobs training projects (the "Projects") pursuant to certain Industrial New Jobs Training Agreements, (ii) fund a Debt Service Reserve Fund in the amount of approximately $41,000*, and (iii) pay certain Certificate issuance costs and administrative expenses. See **"DESCRIPTION OF THE CERTIFICATES - Projects"** and **"DESCRIPTION OF THE CERTIFICATES – Sources and Uses of Proceeds"** herein.

In the opinion of Bond Counsel, Ahlers & Cooney, P.C., Des Moines, Iowa, the Certificates will constitute valid and legally binding obligations of the College and the Certificates are payable from the Net Revenues as more fully described herein under "**DESCRIPTION OF THE CERTIFICATES - Security**". In the event such Net Revenues are insufficient, the Certificates are payable from a special standby tax levied upon all taxable real property within the Merged Area without limitation as to rate or amount, all except as limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to the enforcement of creditors' rights generally and except that enforcement by equitable and similar remedies, such as mandamus, is subject to the exercise of judicial discretion. Additional security for the Certificates is provided by a Debt Service Reserve Fund (the "Reserve Fund") to be applied, until depleted, to pay interest and principal payments due on the Certificates.

This Official Statement is dated April 10, 2024, and has been prepared under the authority of the College. An electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Official Statement Sales Calendar". Additional copies may be obtained from Dan Gillen, Vice President of Administration and Finance, Hawkeye Community College, 1501 E. Orange Road, P.O. Box 8015, Waterloo, Iowa, 50704 or from the Registered Municipal Advisors to the College.

Speer Financial, Inc.
INDEPENDENT MUNICIPAL ADVISORS • ESTABLISHED 1954

**Subject to principal adjustment in accordance with the Official Terms of Offering.*

(1) CUSIP numbers appearing in this Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw Hill Financial Inc. The College is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Certificates or as set forth on the cover of this Official Statement.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the College from time to time (collectively, the "Official Statement"), may be treated as an Official Statement with respect to the Certificates described herein that is deemed near final as of the date hereof (or the date of any such supplement or correction) by the College.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Certificates, together with any other information required by law or deemed appropriate by the College, shall constitute a "Final Official Statement" of the College with respect to the Certificates, as that term is defined in Rule 15c2-12. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Certificates and other information may be included in a separate document entitled "Final Official Statement" rather than through supplementing the Official Statement by an addendum or addenda.

No dealer, broker, salesman or other person has been authorized by the College to give any information or to make any representations with respect to the Certificates other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the College. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the College and, while believed to be reliable, is not guaranteed as to completeness. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COLLEGE SINCE THE RESPECTIVE DATES THEREOF.

No representation is made regarding whether the Certificates constitute legal investments under the laws of any state for banks, savings banks, savings and loan associations, life insurance companies, and other institutions organized in such state, or fiduciaries subject to the laws of such state.

THE CERTIFICATES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTION 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE REGISTRATION OR QUALIFICATIONS OF THE CERTIFICATES IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE CERTIFICATES 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 CERTIFICATES OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

TABLE OF CONTENTS

CERTIFICATE ISSUE SUMMARY

This Certificate Issue Summary is expressly qualified by the entire Official Statement, including the Official Terms of Offering and the Official Bid Form, which are provided for the convenience of potential investors and should be reviewed in their entirety by potential investors.

Issuer:	Hawkeye Community College (Merged Area VII), Iowa.
Issue:	$410,000* Taxable Industrial New Jobs Training Certificates, Series 2024-1.
Dated Date:	Date of delivery (expected to be on or about June 3, 2024).
Interest Due:	Each June 1 and December 1, commencing December 1, 2024.
Principal Due:	Serially each June 1, commencing June 1, 2025 through 2034, as detailed on the cover page of this Official Statement.
Optional Redemption:	Certificates maturing on or after June 1, 2031, are callable at the option of the College on any date on or after June 1, 2030, at a price of par plus accrued interest. See **"OPTIONAL REDEMPTION"** herein.
Authorization:	The Certificates are being issued pursuant to authority established in Code of Iowa, 2023 as amended, Chapter 260E (the "Act"), and all laws amendatory thereof and supplementary thereto, and in conformity with a resolution (the "Resolution" or the "Certificate Resolution") of the College duly passed and approved.
Security:	The Certificates will constitute valid and legally binding obligations of the College payable from the Net Revenues as more fully described herein under "**DESCRIPTION OF THE CERTIFICATES - Security**". In the event such Net Revenues are insufficient, the Certificates are payable from a special standby tax levied upon all taxable real property within the Merged Area without limitation as to rate or amount, all except as limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to the enforcement of creditors' rights generally and except that enforcement by equitable and similar remedies, such as mandamus, is subject to the exercise of judicial discretion. Additional security is provided by a Debt Service Reserve Fund (the "Reserve Fund") to be applied, until depleted, to pay interest and principal payments due on the Certificates.
No Investment Rating:	The College does not intend to apply for an investment rating on the Certificates.
Purpose:	The proceeds of the Certificates will be used to: (i) fund new jobs training projects (the "Projects") pursuant to certain Industrial New Jobs Training Agreements, (ii) fund a Debt Service Reserve Fund in the amount of approximately $41,000*, and (iii) pay certain Certificate issuance costs and administrative expenses. See **"DESCRIPTION OF THE CERTIFICATES - Projects"** and **"DESCRIPTION OF THE CERTIFICATES – Sources and Uses of Proceeds"** herein.
Taxability:	The interest to be paid on the Certificates is subject to federal and Iowa state income taxes as discussed under **"TAXABILITY OF INTEREST"** in this Official Statement. See **APPENDIX C** for a draft form of legal opinion for the Certificates.
Registrar/Paying Agent:	UMB Bank, n.a., West Des Moines, Iowa (the "Registrar").
Delivery:	The Certificates are expected to be delivered on or about June 3, 2024.
Book-Entry Form:	The Certificates will be registered in the name of Cede & Co. as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Certificates. See **APPENDIX B** herein.
Denomination:	$5,000 or integral multiples thereof.
Municipal Advisor:	Speer Financial, Inc., Waterloo, Iowa and Chicago, Illinois.

**Subject to change.*

HAWKEYE COMMUNITY COLLEGE, IOWA
(Merged Area VII)

Board of Directors

Jay A. Nardini, Chair	District II
Casey P. McLaughlin, Vice Chair	District VI
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CERTAIN CERTIFICATEHOLDERS' RISKS

An investment in the Certificates is subject to certain risks. No person should purchase the Certificates unless such person understands the risks described below and is willing to bear those risks. There may be other risks not listed below which may adversely affect the value of the Certificates. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the Appendices hereto) in order to make a judgement as to whether the Certificates are an appropriate investment.

Secondary Market

There can be no guarantee that there will be a secondary market for the Certificates or, if a secondary market exists, that such Certificates can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history of economic prospects connected with a particular issue, secondary marketing practices in connection with a particular bond or note issue are suspended or terminated. Additionally, prices of bond or note issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price of the Certificates.

EACH PROSPECTIVE PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE CERTIFICATES AND MUST BE ABLE TO BEAR THE ECONOMIC RISK OF SUCH INVESTMENT. THE SECONDARY MARKET FOR THE CERTIFICATES, IF ANY, COULD BE LIMITED.

No Investment Rating

The College does not intend to apply for an investment rating on the Certificates.

Redemption Prior to Maturity

In considering whether to make an investment in the Certificates, it should be noted the Certificates are subject to optional redemption, as outlined herein, without Certificateholder discretion or consent. See "**OPTIONAL REDEMPTION**" herein.

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "anticipated," "plan," "expect," "projected," "estimate," "budget," "pro-forma," "forecast," "intend," "expect" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and the actual results. These differences could be material and could impact the availability of funds of the College to pay debt service when due on the Certificates.

DTC-Beneficial Owners

Beneficial Owners of the Certificates may experience some delay in the receipt of distributions of principal of and interest on the Certificates since such distributions will be forwarded by the Paying Agent to DTC and DTC will credit such distributions to the accounts of the Participants which will thereafter credit them to the accounts of the Beneficial Owner either directly or indirectly through Indirect Participants. Neither the College nor the Paying Agent will have any responsibility or obligation to assure that any such notice or payment is forwarded by DTC to any Participants or by any Participant to any Beneficial Owner.

In addition, since transactions in the Certificates can be effected only through DTC Participants, Indirect Participants and certain banks, the ability of a Beneficial Owner to pledge the Certificates to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Certificates, may be limited due to lack of a physical certificate. Beneficial Owners will be permitted to exercise the rights of registered Owners only indirectly through DTC and the Participants. See **APPENDIX B – Describing Book-Entry Only Issuance**.

Pension and OPEB Benefits

The College participates in two public pension systems, Iowa Public Employee's Retirement System (IPERS) and Iowa Association of Community College Trustees 403(a) plan administered by the Teachers Insurance and Annuity Association ("TIAA"). Summary descriptions of each Plan follows, for more detail information including amongst other things pension benefits, Issuer's deferred outflows and inflows on resources related to pensions, actuarial assumptions, discount rate sensitivity, and expenses, as to each available plans, see **APPENDIX A – FISCAL YEAR 2023 AUDIT Notes 9** and **10.**

In fiscal year 2023, pursuant to the IPERS' required rate, the College's Regular employees (members) contributed 6.29% of covered payroll and the College contributed 9.44% of covered payroll, for a total rate of 15.73%. The College's contributions to IPERS for the year ended June 30, 2023 were $1,108,033. The College's share of the contributions, payable from the applicable funds of the College, is provided by a statutorily authorized annual levy of taxes without limit or restriction as to rate or amount. The College has always made its full required contributions to IPERS.

At June 30, 2023, the City reported a liability of $5,271,894 for its proportionate share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2022 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%. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. While the City's contributions to IPERS are controlled by state law, there can be no assurance the City will not be required by changes in State law to increase its contribution requirement in the future, which may have the effect of negatively impacting the finances of the City. See "**APPENDIX A – AUDITED FINANCIAL STATEMENTS"** for additional information on pension and liabilities of the City.

In fiscal year 2023, pursuant to the TIAA's requirements, the College was required to contribute 9.44% of annual salary, including overtime pay. Each employee is required to contribute 6.29%. For the year ending June 30, 2023, employee contributions totaled $762,285 and the College recognized pension expense of $1,144,019.

At June 30, 2023, the College reported payables to the TIAA of $47,237, for legally required employer contributions and $31,475 for legally required employee contributions withheld from employee wages which had not yet been remitted to the TIAA.

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

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

The following table shows the College's changes to the total OPEB liability:

Total OPEB Liability Beginning of Year	$1,034,653
Changes for the year:	
Service Cost	70,777
Interest	34,415
Differences between expected and actual experience	(12,503)
Changes in Assumptions	(83,600)
Benefit Payments	(74,295)
Net Changes	(65,206)
Total OPEB Liability End of Year	$ 969,447

See **APPENDIX A – Notes (9) (10)** and **(11)** herein for further discussion of the College's employee retirement benefit obligations.

Continuing Disclosure

A failure by the College to comply with continuing disclosure obligations (see **"CONTINUING DISCLOSURE"** herein) will not constitute an event of default on the Certificates. Any such failure must be disclosed in accordance with Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and may adversely affect the transferability and liquidity of the Certificates and their market price.

The College will covenant in a Continuing Disclosure Certificate for the benefit of the Owners and Beneficial Owners of the Certificates to provide annually certain financial information and operating data relating to the College (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. See "**APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE**." The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in "**APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE**." These covenants have been made in order to assist the Underwriter in complying with the Rule.

Cybersecurity

The College, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the College will be completely successful to guard against and prevent cyber threats and attacks. Failure to properly maintain functionality, control, security, and integrity of the College's information systems could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant. Along with significant liability claims or regulatory penalties, any security breach could have a material adverse impact on the College's operations and financial condition. The College cannot predict whether its cyber liability policy will be sufficient in the event of a cyberattack. However, the Certificates are secured by an unlimited ad valorem property tax as described herein. See "**DESCRIPTION OF THE CERTIFICATES - Security**" herein.

Suitability of Investment

The interest rate borne by the Certificates is intended to compensate the investor for assuming the risk of investing in the Certificates. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Certificates are an appropriate investment for such investor.

Bankruptcy and Insolvency

The rights and remedies provided in the Resolution may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations in legal remedies against exercise of judicial discretion in appropriate cases and to limitations on legal remedies against municipal corporations in the State. The various opinions of counsel to be delivered with respect to the Certificates and the Resolution, including the opinion of Bond Counsel, will be similarly qualified. If the College were to file a petition under Chapter Nine of the Federal Bankruptcy Code, the owners of the Certificates could be prohibited from taking any steps to enforce their rights under the Resolution. In the event the College fails to comply with its covenants under the Resolution or fails to make payments on the Certificates, there can be no assurance of the availability of remedies adequate to protect the interests of the holders of the Certificates.

Under sections 76.16 and 76.16A of the Iowa Code, as amended, a city, county, or other political subdivision may become a debtor under Chapter Nine of the Federal Bankruptcy Code, if it is rendered insolvent, as defined in 11 U.S.C. §101(32)(c), as a result of a debt involuntarily incurred. As used therein, "debt" means an obligation to pay money, other than pursuant to a valid and binding collective bargaining agreement or previously authorized bond issue, as to which the governing body of the city, county, or other political subdivision has made a specific finding set forth in a duly adopted resolution of each of the following: (1) that all or a portion of such obligation will not be paid from available insurance proceeds and must be paid from an increase in general tax levy; (2) that such increase in the general tax levy will result in a severe, adverse impact on the ability of the city, county, or political subdivision to exercise the powers granted to it under applicable law, including without limitation providing necessary services and promoting economic development; (3) that as a result of such obligation, the city, county, or other political subdivision is unable to pay its debts as they become due; and (4) that the debt is not an obligation to pay money to a city, county, entity organized pursuant to Chapter 28E of the Iowa Code, or other political subdivision.

Matters Relating to Enforceability of Agreements

There is no bond trustee or similar person to monitor or enforce the provisions of the Resolution. The owners of the Certificates should, therefore, be prepared to enforce such provisions themselves if the need to do so arises. In the event of a default in the payment of principal of or interest on the Certificates, there is no provision for acceleration of maturity of the principal of the Certificates. Consequently, the remedies of the owners of the Certificates (consisting primarily of an action in the nature of mandamus requiring the College and certain other public officials to perform the terms of the Resolution) may have to be enforced from year to year.

The remedies available to the owners of the Certificates upon an event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the Bankruptcy Code, the remedies provided in the Resolution may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Certificates and the delivery of the Resolution will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Holders of the Certificates shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Iowa and of the United States of America for the enforcement of payment of the Certificates, including, but not limited to, the right to a proceeding in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required by Iowa law and the Resolution.

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Resolution. The remedies available to the owners of the Certificates upon an event of default under the Resolution, in certain respects, may require judicial action, which is often subject to discretion and delay. Under existing law, including specifically the Federal Bankruptcy Code, certain of the remedies specified in the Resolution may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in these documents. The legal opinions to be delivered concurrently with the delivery of the Certificates will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and public policy and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

No representation is made, and no assurance is given, that the enforcement of any remedies with respect to such assets will result in sufficient funds to pay all amounts due under the Resolution, including principal of and interest on the Certificates.

Legislation

From time to time, there are proposals pending in Congress and in the Iowa General Assembly that could, if enacted, alter or amend one or more of the matters described herein in certain respects or would adversely affect the market value of the Certificates, or otherwise prevent holders of the Certificates from realizing the full benefit of the tax exemption of interest on the Certificates. Further such proposals may impact the marketability or market value of the Certificates simply by being proposed. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Certificates. In addition regulatory actions are from time to time announced or proposed, and litigation threatened or commenced, which if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Certificates. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Certificates would be impacted thereby.

From time to time the Iowa General Assembly has altered the method of property taxation and could do so again. Such alterations could adversely affect the College's financial condition. Historically, changes to property tax calculations and impositions are imposed on a prospective basis. However, there is no assurance future changes to property taxation by the Iowa General Assembly will not be applied retroactively. See "Property Tax Legislation" herein for a discussion on recent changes to the property tax process. It is impossible to predict the outcome of future property taxation changes by the Iowa General Assembly or resulting impacts on the College's financial condition. However, the Certificates are secured by an unlimited ad valorem property tax as described more fully in the "**DESCRIPTION OF THE CERTIFICATES - Security**" herein.

Tax Levy Procedures

The Certificates are general obligations of the College, payable from and secured by a continuing ad valorem tax levied against all of the taxable real property within the corporate limits of the College. See **"PROPERTY ASSESSMENT AND TAX INFORMATION"** herein for more details. As part of the budgetary process each fiscal year, the College will have an obligation to request a debt service levy to be applied against all of the taxable real property within the corporate limits of the College. A failure on the part of the College to make a timely levy request or a levy request by the College that is inaccurate or is insufficient to make full payments of the debt service of the Certificates for a particular fiscal year may cause Certificateholders to experience delay in the receipt of distributions of principal of and/or interest on the Certificates. In the event of a default in the payment of principal of or interest on the Certificates, there is no provision for acceleration of maturity of the principal of the Certificates. Consequently, the remedies of the owners of the Certificates (consisting primarily of an action in the nature of mandamus requiring the College and certain other public officials to perform the terms of the Resolution) may have to be enforced from year to year.

Loss of Tax Base

Economic and other factors beyond the College's control, such as economic recession, deflation of property values, or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire or other natural disaster, could cause a reduction in the assessed value within the corporate boundaries of the College. In addition, the State of Iowa has been susceptible to tornados, flooding and other extreme weather wherein winds and flooding have from time to time caused significant damage, which if such events were to occur, may have an adverse impact on the College's financial position.

Debt Payment History

The College knows of no instance in which it has intentionally defaulted in the payment of principal and interest on any of its debt.

Damage or Destruction to Colleges Facilities

Although the College maintains certain kinds of insurance, there can be no assurance that the College will not suffer uninsured losses in the event of damage to or destruction of the College's facilities, including the Project, due to fire or other calamity or in the event of other unforeseen circumstances.

General Liability Claims

In recent years, the number of general liability suits and the dollar amounts of damage awards have increased nationwide, resulting in substantial increases in insurance premiums. Litigation may also arise against the College from its business activities, such as its status as an employer. While the College maintains general liability insurance coverage, the College is unable to predict the availability or cost of such insurance in the future. In addition, it is possible that certain types of liability awards may not be covered by insurance as in effect at relevant times. Any negative impact resulting from such awards may impact the College's financial condition.

Risks as Employer

The College is a major employer, combining a complex mix of full-time faculty, part-time faculty, technical and clerical support staff and other types of workers in a single operation. As with all large employers, the College bears a wide variety of risks in connection with its employees. These risks include discrimination claims, personal tort actions, work related injuries, exposure to hazardous materials, interpersonal torts (such as between employees or between employees and students) and other risks that may flow from the relationships between employer and employee or between students and employees. Certain of these risks are not covered by insurance, and certain of them cannot be anticipated or prevented in advance.

Financial Aid/Funding

Approximately _____% of the College's full time beginning undergraduate students applying for financial aid currently receive some Federal, State or institutional financial aid covering tuition and fees or living expenses. No assurance can be given that Federal and State financial aid and on-campus employment will continue to be funded at current levels. Curtailment of such aid may cause a decline in enrollment, which may in turn have an adverse effect on the College's financial position and may affect its rating. See **"THE COLLEGE - Enrollment History"** in the Official Statement. Additionally, decreases in general funding at either the state or federal level for education at the community college level may have an adverse effect on the College's financial position and may affect its rating.

Government Funding

The federal and state governments provide funding to support education, including tuition assistance. These sources of funding and the governmental programs that support them have been and will continue to be subject to modification and revision due to state and federal policy decisions, legislative action and government funding limitations. The financial condition of the College could be adversely affected by the actions and the ability of the College to maintain its creditworthiness will be based on its ability to successfully manage the outcome of any such actions.

Financial Condition of the College from Time to Time

No representation is made as to the future financial condition of the College. Certain risks discussed herein could adversely affect the financial condition and/or operations of the College in the future. However, the Certificates are secured by an unlimited ad valorem property tax as described more fully in the **"DESCRIPTION OF THE CERTIFICATES – Security"** herein.

Factors Beyond College's Control

Economic and other factors beyond the College's control, such as economic recession, deflation of property values, or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire or other natural disaster, could cause a reduction in the assessed value within the corporate boundaries of the College. The State of Iowa, including the College, is susceptible to tornados, flooding and extreme weather wherein winds and flooding have from time to time caused significant damage, which may have an adverse impact on the College's financial position.

Environmental and Climate-Related

Due to recent increases in the frequency and intensity of extreme weather events and natural disasters, the College and its residents and businesses may experience operational disruptions and increased costs for mitigation and recovery. The increased costs of risk-mitigation and recovery efforts cannot be determined with certainty due to the multiple factors associated with these costs, including but not limited to, the future frequency and intensity of these events, future legal and regulatory requirements, the costs of labor and materials used in mitigation and recovery, insurance rates and available coverages, and the level of state and federal assistance available.

Clean up Costs and Liens under Environmental Statutes

The College is not aware of any enforcement actions currently in process with respect to any releases of pollutants or contaminants at the Project sites. However, there can be no assurance that an enforcement action or actions will not be instituted under such statutes at future date. In the event such enforcement actions were initiated, the College could be liable for the costs of removing or otherwise treating pollutants or contaminants locate at the Project sites. In addition, under applicable environmental statutes, in the event an enforcement action is initiated, a lien superior to any Certificate holders' lien, if any, could attach to the Project, which may adversely affect the Certificate holders' rights.

Other Factors

An investment in the Certificates involves an element of risk. The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Certificates. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should become thoroughly familiar with this entire Official Statement and the Appendices hereto.

DESCRIPTION OF THE CERTIFICATES

Introduction

This Official Statement, including the cover page and all appendices, is provided to set forth certain information with respect to the College, the Certificates, and the companies involved. None of the references to or summaries of the laws of the State of Iowa or any documents referred to in this Final Official Statement purport to be complete, and all such references are qualified in their entirety by reference to the complete provisions thereof.

Description of Certificates

The Certificates are dated the date of delivery (expected to be on or about June 3, 2024) and will be issued 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 Certificate holder and nominee of the Depository Trust Company, New York, New York ("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 Certificate holder, the principal and interest on the Certificates will be paid to DTC, which will in turn remit such principal and interest to its participants for subsequent dispersal to the beneficial owners of the Certificates as described herein. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants as more fully described in **APPENDIX B**.

The Certificates will bear interest from their dated date at such rates and mature on the dates and in the amounts set forth herein, with interest being payable December 1, 2024 and semiannually thereafter on the first day of June and December in each year until maturity or earlier redemption. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Payments of principal and interest shall be made to the registered holders thereof or to their designated agents as the same appear on the books of the Registrar.

Authority

The Certificates are issued pursuant to the provisions of Chapter 260E of the Code of Iowa, as amended (the "Act"), and in conformity with a resolution of the Board of Directors of the College authorizing the issuance of the Certificates (the "Resolution").

Projects

The Certificates are issued for the purpose of paying a portion of the costs of training arrangements and new jobs training programs (the "Projects") which are the subject of and in conformity with certain Industrial New Jobs Training Agreements (the "Agreements") between the College and the Companies described under "**THE COMPANIES**" herein.

Security

The Certificates constitute a valid and binding obligation of the College, payable from the Net Revenues. The "Net Revenues" are the revenues and funds derived from the Agreements, held in a special fund (the "Revenue Fund") and pledged to the payment of the Certificates. The sources of Net Revenues include new jobs credit from withholding to be received or derived from new employment resulting from the Projects (1½% of the wages paid on the new jobs created); supplemental new jobs credit from withholding to be received or derived from new employment resulting from the Projects (an additional 1½% of the wages paid on those jobs for which the employer has agreed to pay wages of at least the "laborshed wage" established by the Iowa Economic Development Authority); and tuition, student fees or special charges, if any, fixed by the Board of Directors of the College to defray program costs. The Projects are sized in order that the anticipated Net Revenues are sufficient to meet the debt service requirements of the Certificates as the same become due. Additional security is provided by a Reserve Fund to be applied, until depleted, to pay interest and principal payments due on the Certificates.

In the event such Net Revenues are not available and appropriated in any year as provided by the Act and in the Agreement, all the taxable real property in the Merged Area is subject to ad valorem taxation without limitation as to rate or amount (the "Standby Tax") to pay the Certificates, all except as limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to the enforcement of creditors' rights generally and except that enforcement by equitable and similar remedies, such as mandamus, is subject to the exercise of judicial discretion. The Standby Tax has been levied by the Resolution for the payment of debt service on the Certificates and the College 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.

Optional Redemption

The Certificates due June 1, 2025 - 2030, inclusive, are not subject to optional redemption prior to maturity. The Certificates due June 1, 2031 - 2034, inclusive, are subject to optional redemption prior to maturity in whole or in part on any date on or after June 1, 2030 at a price of par and accrued interest. If less than all the Certificates are called, they shall be redeemed in any order of maturity as determined by the College and within any maturity by lot. So long as Certificates are held by DTC, the College will notify DTC of the particular amount of such maturity to be redeemed prior to maturity. DTC will determine by lot the amount of each participant's interest in each maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed.

The Registrar will give written notice of redemption, identifying the Certificates (or portions thereof) to be redeemed not less than thirty (30) days prior to the date fixed for redemption to the registered owner of each Certificate (or portion thereof) to be redeemed. Failure to give such written notice to any registered owner of the Certificates (or portions thereof) or any defect therein shall not affect the validity of any proceedings for the redemption of other Certificates (or portions thereof). Written notice will be deemed completed upon transmission to the owner of record of the Certificate. All Certificates (or portions thereof) so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

Sources and Uses of Proceeds

The proceeds of the Certificates, other than any accrued interest and except as may be provided below, shall be credited to the Project Fund and used to pay the costs of the Projects and the costs of issuance of the Certificates including, but not limited to, underwriting fees, municipal advisor fees, printing costs, and bond counsel fees and expenses. Proceeds of the Certificates shall also be used to fund the Reserve Fund and to pay all College expenses relating to the administration of the new jobs training projects.

The estimated sources and uses of proceeds of the Certificates is as follows:

SOURCES:	
The Certificates	$410,000.00
Total	$410,000.00
USES:	
Underwriter's Discount	$ 3,280.00
Legal and Issuance Costs	9,225.00
Reserve Fund	41,000.00
College Administration Expense	79,950.00
State Administration Expense	4,100.00
New Jobs Training Project	272,445.00
Total	$410,000.00

Summary of the Resolution and Parity Certificates

The Board of Directors of the College is expected to adopt the Resolution on April 23, 2024. Under the Resolution, the College pledges the Net Revenues to the payment of the Certificates (as described previously under **"DESCRIPTION OF THE CERTIFICATES - Security"** herein). A copy of the Resolution shall be filed in the office of the County Auditors of each county contained within the Merged Area. For the purpose of further securing and providing funds to pay the principal and interest of the Certificates, there has been levied and appropriated to the Revenue Fund for each future year the following direct annual tax, the Standby Tax, on all of the taxable real property in the Merged Area:

Preliminary Amount	Fiscal Year (July 1 to June 30) of Collection*(1)*
$61,405	2024/25
64,425	2025/26
62,063	2026/27
59,700	2027/28
52,338	2028/29
50,238	2029/30
48,138	2030/31
46,038	2031/32
43,938	2032/33
36,838	2033/34

Note: (1) For example, a levy made and certified against the taxable valuations of January 1, 2022, will be collected during the fiscal year commencing July 1, 2023.

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 other than taxation and which may be appropriated to the payment of the Certificates are available in the Revenue Fund. The College does not currently anticipate levying the Standby Tax to pay debt service on the Certificates.

Additional certificates (the "Parity Certificates") may be issued on a parity and equality of rank with the Certificates with respect to the lien and claim of such Parity Certificates to the Net Revenues, for the following purposes and under the following conditions, but not otherwise:

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

(b) For the purpose of the Projects or additional projects, so long as Net Revenues are sufficient to secure the Certificates and the Parity Certificates. Parity Certificates must be payable as to principal and as to interest on the same month and date as the Certificates.

THE COMPANIES

Dignity Apparel, LLC

Certificate Amount: $115,000 *Number of New Jobs: 30*

Dignity Apparel is a cut/sew garment manufacturing company exclusively union made with 100% American made materials. The goal is to supply 80% of Image Pointe inventory needs and expand from there to sell to vendors outside of Iowa. The new jobs will be added at the Waterloo, Iowa location.

VGM Group, Inc.

Certificate Amount: $295,000 *Number of New Jobs: 31*

For more than 35 years, VGM Group has been a leader in the post-acute healthcare industry, providing an array of services, from product distribution to patient care coordination. VGM Group includes more than 10 companies helping businesses improve and scale operations. The new jobs will be added at the Waterloo, Iowa location.

THE COLLEGE

The College's main campus is located in Waterloo, Iowa and was founded in 1966. The College is located in part of the Counties of Benton, Black Hawk, Bremer, Buchanan, Butler, Chickasaw, Fayette, Floyd, Grundy and Tama (the "Counties"). See "**APPENDIX E**" for a map of the Iowa Community Colleges. The College has a 320-acre campus located near the southeast edge of Waterloo. The main campus is home for the career and transfer programs.

On September 12, 1991, the State Board of Education approved the plan of the Board of Directors of the College to expand the curriculum of the school to include arts and sciences courses, and thereby officially classified the school as an area community college. The College began offering the expanded curriculum on January 1, 1992.

The College is accredited by the Higher Learning Commission and National Alliance of Concurrent Enrollment Partnership. As a public post-high school community college, the College has been approved jointly by the Iowa Department of Education and Iowa State Board of Regents. Individual accredited programs are recognized as follows: Auto Tech Training, Dental Assisting and Dental Hygiene, Emergency Medical Services, Medical Laboratory Technology, Natural Resource Management, Occupational Therapy Assistant, Physical Therapist Assistant Program, Respiratory Therapy, and Medical Assistant. Practical Nursing and Associate Degree Nursing programs are approved by the Iowa Board of Nursing.

The College offers a well-planned, diversified program of adult education and extends its services and facilities to business and industry by offering trade courses, in-service training, and special workshops anywhere in the area. These courses upgrade employees in their current positions as well as educate employees for new roles and opportunities in business and industry. To complement career and vocational-technical classes, the Business and Community Education offers adult courses and programs that emphasize general interest in the areas of home improvement, family relationships, community services, senior citizens, hobby and leisure time pursuits.

In addition to the main campus facilities, the College has locations in the Cedar Valley which include: Regional Transportation Training Center and Van G. Miller Adult Learning Center; Cedar Falls- Business and Community Education Center; and Holland - Western Outreach Center. The College offers more than forty-five different career programs varying from one month to two academic years in length. The College supports and cooperates with twenty-two public school districts in promoting and conducting adult education programs. Over 14,000 people participate annually in the Adult Education program.

On March 7, 2023, voters authorized the College to borrow up to $35 million to address the Merged Area's workforce needs. The College plans to renovate and expand an existing building to create a skilled trades and apprenticeship center; add a STEM Learning center to their facilities, including new, interactive learning technologies; expand law enforcement training programs, including replacing and relocating indoor and outdoor firing ranges.

College Organization and Services

The College is governed by a Board of Directors, of which nine members are elected from nine districts. Directors are elected to staggered four-year terms.

The College employs approximately 600 full and part-time employees including adjunct instructors. The full-time faculty of the College are represented by the Hawkeye Professional Educators' Association. A two-year contract has been negotiated which will expire on August 10, 2025.

Enrollment History

College Enrollment*(1)*

Fiscal Year	Total Credit Hours	FTE Enrollment(2)
2014	124,418	5,836
2015	114,658	5,405
2016	112,563	5,833
2017	112,436	5,346
2018	107,614	5,126
2019	100,663	4,921
2020	96,906	4,561
2021	92,594	4,310
2022	90,401	4,395
2023	87,058	4,917

Notes: (1) Source: the College and the Iowa Department of Education.
(2) Credit and Non-Credit.

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Educational Facilities

Located within the College service area are 22 public school districts. The public school districts and their certified student enrollments and population are listed below.

School District	Certified Enrollment 2023-2024*(1)*	District Population*(2)*
Aplington-Parkersburg	793.9	4,293
Cedar Falls	5,525.2	42,602
Clarksville	280.6	1,835
Denver	864.3	3,639
Dike-New Hartford	872.5	3,962
Dunkerton	359.4	2,771
East Buchanan	534.5	3,437
Gladbrook-Reinbeck	614.3	4,316
Grundy Center	670.2	3,750
Hudson	725.7	3,382
Independence	1,377.7	9,254
Janesville	428.7	2,898
Jesup	873.7	4,923
Nashua-Plainfield	593.8	4,101
North Butler	515.3	3,720
North Tama County	450.2	3,145
Sumner-Fredericksburg	777.3	4,954
Tripoli	381.3	2,850
Union	944.8	6,336
Wapsie Valley	639.9	3,982
Waterloo	10,731.7	76,661
Waverly-Shall Rock	2,183.7	14,055
Total	31,138.7	210,866

Notes: (1) Source: Iowa Department of Education.
(2) Source: National Center for Education Statistics.

SOCIOECONOMIC INFORMATION

The following statistical and demographic information has been compiled to provide potential investors an opportunity to better understand the economic condition of the underlying credit. The tables and data summarize the information from a representative sample of cities and counties within the Merged area. The information is not intended to provide a complete analysis of the area economy. The information was obtained from sources believed to be reliable and the College has no reason to doubt the validity of the information supplied.

Population Trends

The Counties in the Merged Area are listed below. These figures are for the entire respective counties, even though only a portion of each county may be within the boundaries of the Merged Area.

Population*(1)*

	2020	2010	2000	1990
Benton	25,575	26,076	25,308	22,429
Black Hawk	131,144	131,090	128,012	123,798
Bremer	24,988	24,276	23,325	22,813
Buchanan	20,565	20,958	21,093	20,844
Butler	14,334	14,867	15,305	15,731
Chickasaw	12,012	12,439	13,095	13,295
Fayette	19,509	20,880	22,008	21,843
Floyd	15,627	16,303	16,900	17,058
Grundy	12,329	12,453	12,369	12,029
Tama	17,135	17,767	18,103	17,419

Note (1) Source: U.S. Bureau of the Census.

Employment

The table below is a list of certain major employers located in the Merged Area Counties.

Major Area Employers*(1)*

Location	Name	Product/Service	Approximate Employment
Waterloo/Cedar Falls	John Deere	Manufacturing	5,800
Waterloo/Cedar Falls	United Point Health Care	Health Care	3,379
Waterloo	Tyson Fresh Meats, Inc.	Meat Packing and Processing	2,980
Waterloo/Cedar Falls	MercyOne	Health Care	2,573
Waterloo	Waterloo Community School District	Education	1,700
Cedar Falls	Target Distribution	Retail Distribution	1,700
Cedar Falls	University of Northern Iowa	Higher Education	1,650
Waterloo	VGM Group	Diversified	1,521
Waterloo/Cedar Falls	Hy-Vee	Grocery Stores	1,181
Cedar Falls	Cedar Falls Community School District	Education	1,168
Waterloo	City of Waterloo	Government	1,025
Cedar Falls	Western Home Communities	Assisted Living	962
Cedar Valley	Hawkeye Community College	Higher Education	730
Waterloo	Bertch Cabinet Manufacturing	Cabinet Manufacturing	727

Note: (1) Source: Grow Cedar Valley 2023-2024 Cedar Valley Fact Sheet.

The following table shows the annual average unemployment rates for certain Counties, the State and the United States. These figures are for the entire respective counties, even though only a portion of each county may be within the boundaries of the Merged Area.

Annual Average Unemployment Rates*(1)(2)*

Calendar Year	Black Hawk County	Bremer County	Buchanan County	State of Iowa	United States
2015	4.5%	3.5%	4.2%	3.7%	5.3%
2016	4.6%	3.5%	4.1%	3.6%	4.9%
2017	3.7%	2.8%	3.1%	3.1%	4.4%
2018	2.8%	2.1%	2.6%	2.6%	3.9%
2019	3.1%	2.2%	2.7%	2.7%	3.7%
2020(3)	6.1%	3.8%	4.5%	5.2%	8.1%
2021	4.2%	3.0%	3.4%	3.8%	5.4%
2022	3.0%	2.4%	2.9%	2.8%	3.6%
2023	3.2%	2.5%	2.9%	2.9%	3.6%
2024(4)	3.3%	2.7%	3.8%	3.3%	4.2%

Notes: (1) Source: Iowa Workforce Development.
(2) Not seasonally adjusted.
(3) The increase in unemployment rates may be attributable to the COVID-19 pandemic.
(4) Preliminary rates for the month of February 2024.

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Agriculture

Shown below are agricultural statistics of the Counties in the Merged Area and certain data comparing the Counties with statewide averages:

Average Value Per Acre*(1)*

Counties	2019	2020	2021	2022	2023
Benton	$8,336	$8,628	$10,911	$12,673	$13,106
Black Hawk	9,014	9,179	11,757	13,591	14,202
Bremer	8,376	8,559	11,251	13,069	13,617
Buchanan	8,185	8,366	10,930	12,673	13,152
Butler	7,934	8,052	10,422	12,106	12,595
Chickasaw	7,282	7,602	10,003	11,627	12,112
Fayette	7,781	8,088	10,833	12,730	13,197
Floyd	7,654	7,673	9,916	11,394	11,929
Grundy	8,997	9,247	11,724	13,649	14,231
Tama	7,842	8,113	10,194	11,791	12,406
State of Iowa	7,432	7,559	9,751	11,411	11,835

Note: (1) Source: Cooperative Extension Service - Iowa State University.

Retail Sales

The Department of Revenue of the State of Iowa provides retail sales figures based on sales tax reports for years ending June 30. The Department of Revenue figures provide recent data to confirm trends in retail sales activity in the Counties.

Retail Taxable Sales*(1)*

	Fiscal Year Ended June 30				
Counties	2018	2019	2020	2021	2022
Benton	$ 132,529,131	$ 136,547,686	$ 138,969,470	$ 157,850,705	$ 157,384,321
Black Hawk	1,891,918,313	1,920,990,312	1,951,169,438	2,225,186,079	2,398,827,193
Bremer	210,225,126	220,025,891	211,133,727	227,895,979	236,452,723
Buchanan	171,900,829	180,648,430	176,188,128	196,648,212	206,656,553
Butler	60,375,801	63,600,425	64,629,658	71,998,004	68,204,403
Chickasaw	92,157,769	93,759,262	98,101,649	108,166,283	113,380,932
Fayette	127,785,462	131,704,288	132,422,708	144,020,176	137,232,561
Floyd	119,525,658	118,176,450	127,694,458	135,162,753	189,468,024
Grundy	67,665,441	70,065,072	69,604,860	73,412,069	79,821,801
Tama	74,794,291	77,548,772	76,918,368	92,055,718	88,877,798
Total	$2,948,877,821	$3,013,066,588	$3,046,832,464	$3,432,395,978	$3,676,306,309

Note: (1) Source: the Iowa Department of Revenue.

DEBT INFORMATION

After issuance of the Certificates, the College will have outstanding $21,935,000* principal amount of general obligation debt, of which, $17,555,00 is Taxable Industrial New Jobs Training Certificates which are expected to be paid from proceeds from anticipated job credits from withholding taxes, budgeted reserves and in the case of an insufficiency of such sources, from standby property taxes.

Debt Limitation

The amount of general obligation debt a political subdivision of the State can incur is controlled by the constitutional debt limit, which is an amount equal to 5% of the actual value of taxable property within the corporate limits, taken from the last County Tax list. According to and based upon the January 1, 2022 property valuations, for taxes payable in September 2023 and March 2024, the College's debt limit, based upon said valuation, amounts to the following:

2022 100% Actual Valuation of Property	$18,710,728,618
Constitutional Debt Limit	$ 935,536,431
Outstanding Bonds Applicable to Debt Limit:	
General Obligation Debt	$ 4,380,000
Industrial New Jobs Training Certificates	17,555,000*
Total Applicable Debt	$ 21,935,000*
Remaining Debt Capacity	$ 913,601,431*

The College does not expect to issue any additional general obligation debt in calendar year 2024.

Summary of Outstanding General Obligation Bonded Debt*(1)*
(Principal Only)

General Obligation Debt:	
School Bonds, Series 2021	$ 4,380,000
Industrial New Jobs Training Certificates:	
Taxable Series 2015-1	360,000
Taxable Series 2016-1	530,000
Taxable Series 2017-1	340,000
Taxable Series 2018-1	1,570,000
Taxable Series 2019-1	2,890,000
Taxable Series 2020-1	820,000
Taxable Series 2021-1	7,570,000
Taxable Series 2022-1	1,650,000
Taxable Series 2023-1	1,415,000
The Certificates (2)	410,000
Total(2)	$21,935,000

Notes: (1) Source: the College.
(2) Subject to change.

**Subject to change.*

General Obligation Debt*(1)(2)*
(Principal Only)

Fiscal Year Ending June 30	Outstanding Industrial New Jobs Training Certificates*(2)* Series 2015-1	Series 2016-1	Series 2017-1	Series 2018-1	Series 2019-1	Series 2020-1	Series 2021-1	Series 2022-1	Series 2023-1	Total Outstanding INJT Certificates
2024	$180,000	$185,000	$ 90,000	$ 315,000	$ 495,000	$120,000	$ 960,000	$ 195,000	$ 160,000	$ 2,700,000
2025	180,000	175,000	85,000	315,000	490,000	120,000	960,000	190,000	145,000	2,660,000
2026	0	170,000	85,000	315,000	485,000	120,000	960,000	190,000	145,000	2,470,000
2027	0	0	80,000	315,000	480,000	115,000	960,000	190,000	145,000	2,285,000
2028	0	0	0	310,000	470,000	115,000	945,000	185,000	140,000	2,165,000
2029	0	0	0	0	470,000	115,000	935,000	185,000	140,000	1,845,000
2030	0	0	0	0	0	115,000	925,000	175,000	140,000	1,355,000
2031	0	0	0	0	0	0	925,000	170,000	140,000	1,235,000
2032	0	0	0	0	0	0	0	170,000	135,000	305,000
2033	0	0	0	0	0	0	0	0	125,000	125,000
Total	$360,000	$530,000	$340,000	$1,570,000	$2,890,000	$820,000	$7,570,000	$1,650,000	$1,415,000	$17,145,000

Fiscal Year Ending June 30	School Bonds Series 2021	Total Outstanding General Obligation Debt	The Certificates(2)(3)	Total General Obligation Debt(3)	Cumulative Principal Retired(3) Amount	Percent
2024	$2,500,000	$ 5,200,000	$ 0	$ 5,200,000	$ 5,200,000	23.71%
2025	1,880,000	4,540,000	40,000	4,580,000	9,780,000	44.59%
2026	0	2,470,000	45,000	2,515,000	12,295,000	56.05%
2027	0	2,285,000	45,000	2,330,000	14,625,000	66.67%
2028	0	2,165,000	45,000	2,210,000	16,835,000	76.75%
2029	0	1,845,000	40,000	1,885,000	18,720,000	85.34%
2030	0	1,355,000	40,000	1,395,000	20,115,000	91.70%
2031	0	1,235,000	40,000	1,275,000	21,390,000	97.52%
2032	0	305,000	40,000	345,000	21,735,000	99.09%
2033	0	125,000	40,000	165,000	21,900,000	99.84%
2034	0	0	45,000	35,000	21,935,000	100.00%
Total	$4,380,000	$21,525,000	$410,000	$21,935,000		

Notes: (1) Source: the College.
(2) Industrial New Jobs Training Certificates are retired by proceeds from anticipated job credits from withholding taxes, incremental property tax, budgeted reserves, and in the case of an insufficiency of such sources, from standby property taxes.
(3) Subject to change.

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Statement of Bonded Indebtedness*(1)*

College Actual Value, January 1, 2022	$18,710,728,618
College Taxable Value, January 1, 2022	$11,709,754,435

	Total Applicable G.O. Debt	Ratio to College Actual Valuation	Ratio to College Taxable Valuation	Per Capita (2020 Pop. Est. 210,866)
Direct General Obligation Bonded Debt	$ 21,935,000	0.12%	0.19%	$ 104.02
Less: Direct Debt Paid From Non Property Tax Sources(2)(3)	(17,555,000)	(0.09%)	(0.15%)	(83.25)
Net Direct GO Bonded Debt(3)	$ 4,380,000	0.03%	0.04%	$ 20.77
Overlapping Debt:				
Schools	$197,867,944	1.06%	1.69%	$ 938.36
Cities	271,289,907	1.45%	2.32%	1,286.55
Counties	41,273,594	0.22%	0.35%	195.73
Total Overlapping Debt	$510,431,445	2.73%	4.36%	$2,420.64
Total Net Direct General Obligation and Overlapping Bonded Debt(3)	$514,811,445	2.76%	4.40%	$2,441.42

College Actual Value, January 1, 2022 Per Capita	$88,732.79
College Taxable Value, January 1, 2022 Per Capita	$55,531.73

Notes: (1) Source: the College, Audited Financial Statements and Treasurer of the State of Iowa, Outstanding Obligations Report, debt as of June 30, 2022 for the Cities, School Districts and Counties.
(2) Includes Industrial New Jobs Training Certificates, which are expected to be paid by proceeds from anticipated job credits from withholding taxes.
(3) Subject to change.

PROPERTY ASSESSMENT AND TAX INFORMATION

Property Tax Assessment

In compliance with Section 441.21 of the Iowa Code, the Director 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 property 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. Such rollback percentages may be changed in future years. Certain historical rollback percentages for residential, multi-residential, agricultural and commercial valuations are as follows:

Percentages for Taxable Valuation After Rollbacks*(1)*

Fiscal Year	Residential	Multi-Residential	Ag Land & Buildings	Commercial & Industrial
2016/17	55.6259%	86.2500%	46.1068%	90.0000%
2017/18	56.9391%	82.5000%	47.4996%	90.0000%
2018/19	55.6209%	78.7500%	54.4480%	90.0000%
2019/20	56.9180%	75.0000%	56.1324%	90.0000%
2020/21	55.0743%	71.2500%	81.4832%	90.0000%
2021/22	56.4094%	67.5000%	84.0305%	90.0000%
2022/23	54.1302%	63.7500%	89.0412%	90.0000%
2023/24	54.6501%	n/a	91.6430%	90.0000%
2024/25	46.3428%	n/a	71.8370%	90.0000%

Notes: (1) Source: the Iowa Department of Revenue.
(2) In assessment year 2023 (applicable to fiscal year 2024/25 valuations), the taxable value rollback rate is 46.3428% of actual value for residential property; 71.8370% of actual value for agricultural property and 100.0000% of the actual value of utility property. The residential taxable rollback rate of 46.3428% applies to the value of each property unit of commercial, industrial and railroad property that exceeds zero dollars ($0), but does not exceed one hundred fifty thousand dollars ($150,000), with a taxable value rollback rate of 90.0000% to the value that exceeds one hundred fifty thousand dollars ($150,000).

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, 2022, are used to calculate tax liability for the tax year starting July 1, 2023 through June 30, 2024.

Property Tax Collection

Each county is required by State law to collect all tax levies within its jurisdiction and remit, before the fifteenth of each month, the amount collected through the last day of the preceding month to underlying units of government, including the College. Property tax payments are made at the office of each county treasurer in full or one-half by September 30 and March 31, pursuant to the Code of Iowa, Sections 445.36 and 445.37. Where the first half of any property tax has not been paid by October 1, such installment becomes delinquent. If the second installment is not paid, it becomes delinquent on April 1. Delinquent taxes and special assessments are subject to a penalty at the rate of one and one-half percent per month, to a maximum of eighteen percent per annum.

If taxes are not paid when due, the property may be offered at the regular tax sale on the third Tuesday of June following the delinquency date. Purchasers at the tax sale must pay an amount equal to the taxes, special assessments, interest and penalties due on the property, and funds so received are applied to the payment of taxes. A property owner may redeem from the regular tax sale, but failing redemption within two years, the tax sale purchaser is entitled to a deed which in general conveys the title free and clear of all liens except future installments of taxes.

Actual (100%) Valuations for the College*(1)(2)*

					Preliminary
Fiscal Year:	2020/21	2021/22	2022/23	2023/24	2024/25
Property Class / Levy Year:	2019	2020	2021	2022	2023
Residential	$10,824,066,517	$10,996,117,477	$11,873,194,737	$12,360,568,661	$15,050,664,804
Agricultural Land	2,288,906,403	2,285,069,615	2,306,048,404	2,305,470,721	2,888,759,790
Agricultural Buildings	103,671,040	104,949,960	123,158,010	125,705,360	176,041,310
Commercial	2,121,369,897	2,193,535,344	2,280,068,299	2,347,067,727	2,859,022,173
Industrial	429,993,237	438,183,722	468,014,623	489,258,801	551,448,479
Multi-residential(3)	284,283,015	278,039,214	287,898,947	0	0
Railroads	46,914,590	45,987,676	49,731,990	52,655,347	56,304,434
Utilities without Gas and Electric(4)	115,377,676	107,390,893	100,235,077	83,406,573	87,699,307
Gas and Electric Utility(4)	749,234,722	745,601,325	792,679,058	962,071,693	1,040,335,315
Less: Exemptions	(17,778,795)	(16,904,859)	(16,106,723)	(15,476,265)	(94,324,418)
Total	$16,946,038,302	$17,177,970,367	$18,264,922,422	$18,710,728,618	$22,615,951,194
Percent Change +(-)	(2.04%)(5)	1.37%	6.33%	2.44%	20.87%

Notes: (1) Source: Iowa Department of Management.
(2) Includes tax increment finance (TIF) valuations used in the following amounts:

January 1:	2019	2020	2021	2022	2023
TIF Valuation	$697,052,467	$806,410,530	$817,068,235	$902,094,395	$1,312,653,046

(3) Included in Residential Property Class starting with January 1, 2022 valuations.
(4) See **"PROPERTY ASSESSMENT AND TAX INFORMATION - Utility Property Tax Replacement"** herein.
(5) Based on 2018 Actual Valuation of $17,298,798,004.

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For the January 1, 2023 levy year, the College's Taxable Valuation was comprised of approximately 57% residential, 19% commercial, 18% agriculture, 4% industrial, 3% utilities, and less than 1% railroads and military exemption.

Taxable ("Rollback") Valuations for the College*(1)(2)*

Property Class	Fiscal Year: / Levy Year:	2020/21 2019	2021/22 2020	2022/23 2021	2023/24 2022	Preliminary 2024/25 2023
Residential		$ 5,961,279,187	$ 6,202,843,550	$ 6,426,984,131	$ 6,755,063,076	$ 6,974,900,182
Agricultural Land		1,865,070,507	1,920,155,357	2,053,333,216	2,112,802,582	2,075,198,293
Agricultural Buildings		84,478,045	88,189,944	109,661,343	115,200,154	126,462,812
Commercial		1,909,232,957	1,974,181,862	2,052,061,514	1,922,323,612	2,324,551,147
Industrial		386,993,913	394,365,350	421,636,460	427,071,619	479,979,425
Multi-residential(3)		202,551,765	187,676,644	183,535,700	0	0
Railroads		42,223,135	41,388,911	44,758,796	46,849,844	50,007,121
Utilities without Gas and Electric(4)		115,377,676	105,832,551	100,009,700	83,406,573	87,699,307
Gas and Electric Utility(4)		256,582,703	244,936,302	264,551,018	262,513,240	256,640,757
Less: Exemptions		(17,778,795)	(16,904,859)	(16,106,723)	(15,476,265)	(94,405,668)
Total		$10,806,011,093	$11,142,665,612	$11,640,425,155	$11,709,754,435	$12,281,033,376
Percent Change +(-)		1.97%(5)	3.12%	4.47%	0.60%	4.88%

Notes: (1) Source: Iowa Department of Management.
(2) Includes tax increment finance (TIF) valuations used in the following amounts:

January 1:	2019	2020	2021	2022	2023
TIF Valuation	$661,159,866	$803,711,469	$817,068,235	$902,094,395	$1,248,494,229

(3) Included in Residential Property Class starting with January 1, 2022 valuations.
(4) See **"PROPERTY ASSESSMENT AND TAX INFORMATION - Utility Property Tax Replacement"** herein.
(5) Based on 2018 Taxable Valuation of $10,597,632,416.

Levy Year January 1, 2023 College Valuation By County*(1)*

	Preliminary 100% Actual Value	Percent of Total	Preliminary Taxable Value	Percent of Total
Benton	$ 248,145,113	1.10%	$ 139,409,591	1.14%
Black Hawk	12,935,818,125	57.20%	6,968,666,238	56.74%
Bremer	2,882,545,353	12.75%	1,509,838,729	12.29%
Buchanan	2,117,224,040	9.36%	1,138,281,601	9.27%
Butler	1,673,872,298	7.40%	951,414,682	7.75%
Chickasaw	289,479,331	1.28%	159,626,543	1.30%
Fayette	256,033,942	1.13%	157,524,860	1.28%
Floyd	75,029,356	0.33%	44,495,361	0.36%
Grundy	1,336,277,918	5.91%	757,259,034	6.17%
Tama	801,525,718	3.54%	454,516,737	3.70%
Total	$22,615,951,194		$12,281,033,376	

Note: (1) Source: the Iowa Department of Management.

The following shows the trend in the College's tax extensions and collections.

Tax Extensions and Collections*(1)*

Levy Year	Fiscal Year	Amount Levied	Amount Collected(2)	Percent Collected
2013	2014-15	$ 8,308,869	$ 8,262,008	99.44%
2014	2015-16	8,507,807	8,469,716	99.55%
2015	2016-17	8,801,396	8,793,825	99.91%
2016	2017-18	9,382,203	9,397,442	100.16%
2017	2018-19	9,923,617	9,901,875	99.78%
2018	2019-20	11,025,522	11,386,367	103.27%
2019	2020-21	11,913,240	11,904,691	99.93%
2020	2021-22	12,363,643	12,381,518	100.14%
2021	2022-23	13,022,815	13,040,075	109.46%
2022	2023-24	13,301,808	- - In Collection - -	

Notes: (1) Source: the State of Iowa Department of Management and the College.

Principal Taxpayers*(1)*

Taxpayer Name	Business/Service	Levy Year 2022 Taxable Valuation(2)
MidAmerican Energy	Utility	$205,406,493
Target Corporation	Retail Store and Distribution Center	78,830,306
Deere and Company	Manufacturing	60,535,763
Northern Natural Gas	Utility	53,217,598
GLP Capital LP	Casino/Hotel	48,901,171
TrinityRail	Manufacturing	35,649,273
ConAgra	Food Processing	31,446,975
POET Biorefining	Corn Processing	27,911,818
Menard Inc.	Retail Store and Manufacturing	24,389,233
Tyson Fresh Meats	Pork Processing	22,447,243
Total		$588,735,873
Ten Largest Taxpayers as Percent of College's 2022 Taxable Valuation ($11,709,754,435)		5.03%

Notes: (1) Source: the Counties.
(2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked.

Property Tax Rates

All taxable real property within the Merged Area is taxed by each county at a rate not to exceed $0.2025 per $1,000 of assessed value on such property for the operation of the area community college such as the College. In addition to the tax authorized for the operation of a merged area community college, the voters in any merged area may vote the Plant Levy not to exceed $0.2025 per $1,000 of assessed value for a period not to exceed ten years for capital improvements to the merged area. Under certain conditions, the Board may by Resolution extend said tax for additional ten-year periods. The voters of the College approved, at an election held in September 2013, the Plant Levy for a $0.2025 per $1,000 of assessed valuation for ten years which will end with the 2025 fiscal year. In addition, upon voter approval, the College can institute an Equipment Levy that generates $0.06 per $1,000 of assessed valuation. Under certain conditions, the Board may by Resolution extend said tax for additional ten-year periods. The voters of the College approved, at an election held in September 2015, the Equipment Levy for a $0.06 per $1,000 of assessed valuation for ten years which will end with the 2028 fiscal year. The additional $0.06 per $1,000 levy can only be used for Instructional Equipment. The Board adopted a resolution on November 26, 2019 extending the Plant Levy for an additional ten years beginning July 1, 2025 through June 30, 2035 and extending the Equipment Levy for an additional ten years beginning July 1, 2028 through June 30, 2038.

The property tax rates for the College from levy year 2018 through levy year 2022 are shown below:

Property Tax Rates*(1)*
(Per $1,000 Actual Valuation)

Fiscal Year:	2019/20	2020/21	2021/22	2022/23	2023/24
Levy Year:	2018	2019	2020	2021	2022
College:					
Unrestricted General Fund	$0.20250	$0.20250	$0.20250	$0.20250	$0.20250
Unemployment Compensation	0.00125	0.00123	0.00123	0.00123	0.00123
Tort Liability	0.01562	0.01562	0.02659	0.02658	0.02658
Insurance	0.24588	0.33210	0.33951	0.36688	0.41473
Early Retirement	0.11028	0.06407	0.06407	0.06416	0.04735
Equipment Replacement	0.09000	0.09000	0.09000	0.09000	0.09000
Standby	0.00000	0.00000	0.00000	0.00000	0.00000
Plant Funds	0.20250	0.20250	0.20250	0.20250	0.20250
Bond and Interest Funds	0.25000	0.25000	0.25000	0.23186	0.22694
Total College	$1.11803	$1.15802	$1.17640	$1.18571	$1.21183

Note: (1) Source: Iowa Department of Management.

Tax Levy Procedures

The Certificates are general obligations of the College, payable from and secured by a continuing ad valorem tax levied against all of the taxable real property within the boundaries of the College. See **"DESCRIPTION OF THE CERTIFICATES – Security"** and **"PROPERTY ASSESSMENT AND TAX INFORMATION"** herein for more details.. As part of the budgetary process each fiscal year, the College will have an obligation to request a debt service levy to be applied against all of the taxable real property within the corporate limits of the College. A failure on the part of the College to make a timely levy request or a levy request by the College that is inaccurate or is insufficient to make full payments of the debt service of the Certificates for a particular fiscal year may cause Certificate holders to experience delay in the receipt of distributions of principal of and/or interest on the Certificates. In the event of a default in the payment of principal of or interest on the Certificates, there is no provision for acceleration of maturity of the principal of the Certificates. Consequently, the remedies of the owners of the Certificates (consisting primarily of an action in the nature of mandamus requiring the College and certain other public officials to perform the terms of the Resolution for the Certificates) may have to be enforced from year to year.

Notwithstanding the foregoing, Iowa Code section 76.2 provides 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 auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditor(s) 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."

Utility Property Tax Replacement

Property owned by entities involved primarily in the production, delivery, service and sale of electricity, natural gas and rate-regulated water utilities ("Utilities") pay a replacement tax based upon the delivery of energy by Utilities in lieu of property taxes. All replacement taxes are allocated among local taxing bodies by the State Department of Revenue 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. Utility properties paying the replacement tax are exempt from the levy of property tax by political subdivisions. In addition to the replacement tax, 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.

By statute, the replacement tax collected by the State and allocated among local taxing bodies (including the College) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. It is possible that the general obligation debt capacity of the College 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 College'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 College can issue or (ii) adversely affect the College's ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Certificates. Approximately 3% of the College's levy year 2022 taxable valuation currently is utility property.

Property Tax Legislation

Over time, the Iowa Legislature has modified the process and calculation of taxable valuations for various classifications of property. For example, in 2013 maximum annual taxable value growth due to revaluation of residential and agricultural property was reduced from 4% to 3%, rollback calculations were modified, a new multi-residential classification was created, and an appropriation made to replace some lost tax revenue due to rollbacks. In 2019, the process for hearings on total maximum property tax dollars under certain levies in the College's budget was modified and a super-majority vote required to raise taxes above a prescribed formula. In 2021, the multi-residential classification was removed, and a phase out of the appropriation for rollback initiated. In 2023, SF 181 was signed into law by the Governor on February 20, 2023, effective upon enactment. SF 181 reduced the residential rollback for the 2022 assessment year (affecting Fiscal Year 2023/24) from 56.4919% to 54.6501%. The residential rollback for Fiscal Year 2025 is 46.3428%. This will result in a reduction in taxable valuation in the residential, commercial, industrial and railroad property classes upon which the College levies property taxes. HF718 was signed into law by Governor Reynolds on May 4, 2023, with certain divisions effective upon enactment.

From time to time, legislative proposals are pending in Congress and the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described herein. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for taxes levied by the College or have an adverse impact on the future tax collections of the College. Purchasers of the Certificates should consult their tax advisors regarding any pending or proposed federal or state tax legislation. The opinions expressed by Bond Counsel are based upon existing legislation as of the date of issuance and delivery of the Certificates and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending federal or state tax legislation.

Notwithstanding any modifications to property tax revenues that may result from prior or any pending or future legislation, the Certificates are secured by an unlimited ad valorem property tax as described more fully in the **"SECURITY AND SOURCE OF PAYMENT"** herein.

FINANCIAL INFORMATION

Financial Reports

The College's financial statements are audited annually by certified public accountants. The College's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. See **APPENDIX A** for more detail.

No Consent or Updated Information Requested of the Auditor

The tables and excerpts (collectively, the "Excerpted Financial Information") contained in this "**FINANCIAL INFORMATION**" section are from the audited financial statements of the College, including the audited financial statements for the fiscal year ended June 30, 2023 (the "2023 Audit"). The 2023 Audit has been prepared by Bergan KDV, Ltd., Certified Public Accountants, Minneapolis, Minnesota, (the "Auditor"), and received by the College. The College has not requested the Auditor to update information contained in the Excerpted Financial Information and the 2023 Audit; nor has the College requested that the Auditor consent to the use of the Excerpted Financial Information and the 2023 Audit in this Official Statement. The inclusion of the Excerpted Financial Information and the 2023 Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the College since the date of the 2023 Audit. Questions or inquiries relating to financial information of the College since the date of the 2023 Audit should be directed to the College.

Summary Financial Information

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. See **APPENDIX A** for the College's 2023 Audit. The College's Current Funds – Unrestricted balance for the fiscal year ending June 30, 2024 is expected to decrease by approximately $2,000,000 due to a transfer to capital projects fund. To date, revenues and expenditures are within budgeted amounts.

Statement of Net Position*(1)(2)*

	Audited as of June 30				
	2019	2020	2021	2022	2023
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	$ 13,565,598	$ 12,826,880	$ 41,488,292	$ 31,381,025	$ 20,104,276
Certificates of Deposit	436,971	5,221,269	1,996,072	1,745,478	0
Pooled Investments	18,394,546	17,427,136	12,983,637	10,190,782	11,097,146
Receivables:					
Other Receivable	0	15,909	0	30,772	0
Due from Others, Net Allowance for Uncollectible	2,858,412	2,121,027	2,491,349	2,674,361	3,510,159
Grant Receivable	310,000	460,000	455,000	775,180	283,750
Accrued Interest	98,537	67,586	21,777	47,565	109,102
Property Taxes – Succeeding Year	11,323,827	11,913,240	12,363,643	13,022,815	13,301,808
Student Loans	15,994	14,407	14,633	14,368	13,368
Loans Receivable Net	54,985	45,916	24,164	35,710	29,076
Iowa Industrial New Jobs Training Program	3,709,233	3,267,362	5,444,191	5,357,078	5,641,463
Lease Receivable	0	0	0	14,156	14,476
Due from Other Governments	731,271	1,999,619	3,668,445	1,846,961	732,434
Prepaid Expenses	281,698	543,029	555,157	624,501	613,748
Inventories	298,969	404,801	240,259	265,133	264,585
Total Current Assets	$ 52,080,041	$ 56,328,181	$ 81,746,619	$ 68,025,885	$ 55,715,391
Noncurrent Assets:					
Certificates of Deposit	$ 1,020,667	$ 268,550	$ 520,238	$ 514,602	$ 2,292,399
Pooled Investments	14,356,909	14,407,517	16,617,422	21,220,553	22,271,199
Receivables:					
Grant Receivable	1,945,295	1,540,444	1,252,927	772,860	323,075
Lease Receivable	0	0	0	233,453	218,950
Life Insurance Cash Value	12,449	12,807	13,174	14,645	15,200
Pledges Receivable	30,195	19,561	19,561	43,126	112,370
Capital Assets not being Depreciated	0	0	0	14,373,323	21,674,077
Capital Assets Net of Accumulated Depreciation	65,742,027	63,443,144	63,315,173	59,212,573	60,840,713
Total Noncurrent Assets	$ 83,107,542	$ 79,692,023	$ 81,738,495	$ 96,385,135	$107,747,983
Total Assets	$135,187,583	$136,020,204	$163,485,114	$164,411,020	$163,463,374
DEFERRED OUTFLOWS OF RESOURCES:					
Pension Related Deferred Outflows	$ 3,208,765	$ 2,263,889	$ 2,190,521	$ 1,341,483	$ 1,338,933
OPEB Related Deferred Outflows	304,302	270,080	474,569	411,929	349,289
Total Deferred Outflows of Resources	$ 3,513,067	$ 2,533,969	$ 2,665,090	$ 1,753,412	$ 1,688,222
LIABILITIES:					
Current Liabilities:					
Accounts Payable	$ 1,001,158	$ 814,561	$ 1,478,630	$ 3,629,953	$ 3,568,896
Salaries and Benefits Payable	2,285,953	2,137,368	2,335,199	2,344,574	3,028,179
Accrued Interest Payable	41,291	34,893	76,465	62,261	136,786
Unearned Revenue	1,738,480	1,495,205	1,763,039	1,673,943	1,543,128
Compensated Absences	645,000	675,000	712,500	725,000	725,000
Early Retirement Payable	1,719,465	1,691,856	0	0	0
Assets Held in Custody for Others	478,261	610,599	41,330	8,963	132,757
Reported and Unreported Insurance Claims Payable	377,000	400,000	511,197	492,619	639,801
Insurance Reserve	477,097	1,134,804	1,506,936	1,125,589	864,070
Lease Agreements Payable	0	0	0	775,004	740,467
Subscription Liability	0	0	0	0	588,739
Bonds Payable	2,190,000	1,260,000	3,480,000	2,400,000	2,500,000
Certificates Payable	2,320,000	2,315,000	3,320,000	2,625,000	2,700,000
Total Current Liabilities	$ 13,273,705	$ 12,569,286	$ 15,225,296	$ 15,862,906	$ 17,167,823
Noncurrent Liabilities:					
Unearned Revenue	$ 383,027	$ 343,360	$ 574,334	$ 531,467	$ 474,874
Compensated Absences	297,814	321,864	327,324	343,438	271,904
Lease Agreements Payable	0	0	0	1,339,860	662,834
Subscription Liability	0	0	0	0	718,534
Early Retirement Payable	527,891	0	0	0	0
Bonds Payable	3,890,731	2,622,882	9,103,197	5,130,656	2,373,147
Certificates Payable	11,901,519	10,784,874	17,247,756	15,793,961	14,502,531
Net Pension Liability	9,996,520	8,480,929	9,748,165	188,860	5,271,894
Total OPEB Liability	769,060	769,579	1,022,147	1,034,653	969,447
Total Noncurrent Liabilities	$ 27,766,562	$ 23,323,488	$ 38,022,923	$ 24,362,895	$ 25,245,165
Total Liabilities	$ 41,040,267	$ 35,892,774	$ 53,248,219	$ 40,225,801	$ 42,412,988

(continued)

Statement of Net Position*(1)(2)*
(continued)

	Audited as of June 30				
	2019	2020	2021	2022	2023
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Property Tax Revenue	$ 11,323,827	$ 11,913,240	$ 12,363,643	$ 13,022,815	$ 13,301,808
Lease Related Deferred Inflows	0	0	0	243,450	224,960
Pension Related Deferred Inflows	774,483	2,055,092	1,114,200	7,876,034	1,291,697
OPEB Related Deferred Inflows	18,960	16,781	104,506	179,729	242,128
Total Deferred Inflows of Resources	$ 12,117,270	$ 13,985,113	$ 13,582,349	$ 21,322,028	$ 15,060,593
NET POSITION:					
Net Investment in Capital Assets	$ 60,581,559	$ 60,337,809	$ 59,109,722	$ 63,940,376	$ 74,931,069
Restricted for:					
Nonexpendable:					
Endowment	2,323,988	2,364,713	2,673,509	2,916,010	2,962,061
Expendable:					
Economic Development	2,967,335	3,206,029	4,351,626	4,378,893	4,376,112
Property Tax Levies	0	0	2,114,053	3,945,322	4,374,930
Iowa New Jobs Training	1,547,525	874,657	609,250	557,152	300,249
Scholarships and Department Programs	975,407	820,646	923,733	788,687	904,225
Loans	312,149	348,201	300,133	296,405	264,585
Debt Service	363,573	781,677	2,195,970	27,838	146,794
Cash Reserve	366,380	366,380	366,380	366,380	366,380
Other	7,591,563	7,864,319	8,908,711	9,944,451	6,605,112
Unrestricted	8,513,634	11,711,855	17,766,549	17,455,089	12,446,498
Total Net Position	$ 85,543,113	$ 88,676,286	$ 99,319,636	$104,616,603	$107,678,015

Notes: (1) Source: Audited financial statements for the College for the fiscal years ended June 30, 2019 through 2023.
(2) Includes the Hawkeye Community College Foundation.

Statement of Revenues, Expenses and Changes in Net Position*(1)(2)*

	Audited Fiscal Year Ended June 30				
	2019	2020	2021	2022	2023
REVENUES:					
Operating Revenues:					
Tuition and Fees, Net of Scholarship Allowances	$ 13,033,779	$ 10,471,250	$ 11,399,703	$ 12,571,171	$ 10,795,376
Federal Appropriations	8,877,362	10,124,778	2,472,554	1,965,954	3,805,907
Iowa Industrial New Jobs Training Program	3,547,900	2,004,427	4,286,228	2,379,093	3,091,205
Gifts and Grants	2,928,466	1,219,689	1,303,983	2,608,736	1,672,703
Auxiliary Enterprises Revenue Net of Scholarship Allowances	2,391,439	2,026,631	1,282,942	1,418,589	1,562,777
Sales and Services	0	0	0	0	1,090,688
Miscellaneous	4,093,447	3,886,305	6,266,643	5,129,598	9,683,187
Total Operating Revenues	$ 34,872,393	$ 29,733,080	$ 27,012,053	$ 26,073,141	$ 31,701,843
EXPENSES:					
Operating Expenses:					
Education and Support:					
Liberal Arts and Sciences	$ 7,400,418	$ 6,639,099	$ 6,298,984	$ 6,650,483	$ 6,800,500
Vocational Technical	10,803,655	10,184,900	10,708,718	10,868,689	11,157,558
Adult Education	5,541,611	4,771,372	5,543,713	5,801,206	6,423,276
Cooperative Services	5,151,920	3,525,925	5,576,965	3,275,880	3,921,609
General Administration	1,984,060	2,098,273	2,090,640	2,192,833	2,410,086
Student Services	4,496,262	4,321,913	4,614,705	4,612,638	4,319,824
Learning Resources	798,688	754,062	660,427	665,339	638,502
Physical Plant	5,354,770	5,581,091	6,148,661	6,898,769	9,381,804
General Institution	10,339,019	10,257,787	9,625,581	6,995,295	8,993,733
Auxiliary Enterprises	3,614,070	3,846,632	3,207,126	3,353,824	4,041,460
Scholarships and Grants	1,666,136	1,758,234	4,188,630	5,686,836	2,498,743
Loan Cancellations and Bad Debts	25,851	49,885	76,385	25,899	72,146
Personnel Services	0	0	0	26,046	33,841
Instructional and Departmental Support	282,270	338,886	242,708	353,150	383,690
Capital/Facilities Assistance	1,200	0	0	0	4,311,250
Administrative	187,821	169,754	190,032	177,627	207,080
Fundraising Expenses	134,997	110,958	97,503	95,757	142,845
Amortization Expense	0	0	0	782,003	1,386,953
Depreciation Expense	3,350,422	3,913,300	3,923,565	3,869,884	3,998,585
Total Operating Expenses	$ 61,133,170	$ 58,322,071	$ 63,194,343	$ 62,332,158	$ 71,123,485
Operating (Loss)	$(26,260,777)	$(28,588,991)	$(36,182,290)	$ (36,259,017)	$ (39,421,642)

(continued)

Statement of Revenues, Expenses and Changes in Net Position*(1)(2)*
(continued)

	Audited Fiscal Year Ended June 30				
	2019	2020	2021	2022	2023
NON-OPERATING REVENUES (EXPENSES):					
State Appropriations	$ 17,527,079	$ 19,542,722	$ 20,351,148	$ 20,738,255	$ 22,044,448
Federal Appropriations	0	0	12,061,613	10,635,240	0
Pell Grant	0	0	0	0	4,768,026
Property Taxes	9,901,875	11,386,367	11,904,691	12,381,518	13,040,075
Interest on Investments	1,621,243	913,537	2,348,783	0	3,145,553
(Loss) from Investments	0	0	0	(1,667,674)	0
Interest on Indebtedness	(477,270)	(486,367)	(471,671)	(644,948)	(536,980)
(Loss) on Sale of Capital Assets	(717,355)	(53,545)	(14,193)	(1,700)	(7,591)
Net Non-Operating Revenues	$ 27,855,572	$ 31,302,714	$ 46,180,371	$ 41,440,691	$ 42,453,531
Transfer From Custodial Fund	0	0	0	0	(961)
CONTRIBUTIONS OF CAPITAL ASSETS	64,900	68,000	76,000	20,000	30,484
Change in Net Position	$ 1,659,695	$ 2,781,723	$ 10,074,081	$ 5,201,674	$ 3,061,412
Net Position					
Beginning	83,883,418	85,894,563	89,245,555	99,319,636	104,616,603
Prior Period Adjustments	0	0	0	95,293	107,678,015
Ending	$ 85,543,113	$ 88,676,286	$ 99,319,636	$104,616,603	$107,678,015

Notes: (1) Source: Audited financial statements for the College for the fiscal years ended June 30, 2019 through 2023.
(2) Includes the Hawkeye Community College Foundation.

Balance Sheet
Current Funds - Unrestricted*(1)*

	Audited as of June 30				
	2019	2020	2021	2022	2023
ASSETS:					
Cash and Cash Equivalents	$12,522,972	$14,411,937	$15,027,587	$18,620,731	$18,856,106
Receivables:					
Due from Others	2,528,920	2,088,499	2,420,378	2,625,637	3,231,108
Accrued Interest	68,727	46,277	8,572	29,158	81,739
Property Taxes – Succeeding Year	2,023,628	2,054,332	2,093,638	2,191,730	2,188,551
Due from Other Governments	101,254	962,043	3,094,083	1,063,537	222,816
Prepaid Expenses	281,698	543,029	555,157	624,501	613,748
Inventories	298,969	404,801	240,259	265,133	264,585
Total Assets	$17,826,168	$20,510,918	$23,439,674	$25,420,427	$25,458,653
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE:					
Liabilities:					
Accounts Payable	$ 688,107	$ 697,765	$ 1,409,723	$ 3,034,681	$ 2,704,149
Salaries and Benefits Payable	2,285,363	2,137,368	2,335,199	2,344,574	3,028,179
Unearned Revenue	1,006,073	1,025,376	1,108,080	1,072,290	1,004,897
Compensated Absences	942,814	996,864	1,039,824	1,068,438	996,904
Reported and Unreported Insurance Claims Payable	377,000	400,000	511,197	492,619	639,801
Insurance Revenue	477,097	1,134,804	1,506,936	1,125,589	864,070
Total Liabilities	$ 5,756,454	$ 6,392,177	$ 7,910,959	$ 9,138,191	$ 9,238,000
Deferred Inflows of Resources:					
Succeeding Year Property Tax	2,023,628	2,054,332	2,093,638	2,191,730	2,188,551
Total Deferred Inflows of Resources	$ 2,023,628	$ 2,054,332	$ 2,093,638	$ 2,191,730	$ 2,188,551
Fund Balance:					
Unrestricted	$ 6,866,711	$ 8,746,157	$12,797,221	$13,120,590	$13,059,359
Auxiliary Enterprises	3,179,375	3,318,252	637,856	969,916	972,743
Total Fund Balance	$10,046,086	$12,064,409	$13,435,077	$14,090,506	$14,032,102
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$17,826,168	$20,510,918	$23,439,674	$25,420,427	$25,458,653

Note: (1) Source: Audited financial statements of the College for the fiscal years ended June 30, 2019 through 2023.

Schedule of Revenues, Expenditures and Changes in Fund Balance
Current Funds – Unrestricted*(1)*

	Audited Fiscal Year Ended June 30				
	2019	2020	2021	2022	2023
REVENUES:					
General:					
State Appropriations	$14,121,214	$14,453,238	$14,553,391	$15,070,295	$15,318,935
Tuition and Fees	19,188,571	18,020,870	19,334,567	20,110,608	19,244,235
Property Taxes	1,940,188	2,029,813	2,055,503	2,096,665	2,226,546
Federal Appropriations	550	1,510,110	0	55,547	12,215
Sales and Services	0	0	0	0	1,090,688
Interest on Investments	734,200	480,425	95,028	(146,289)	965,396
Miscellaneous	2,383,563	2,594,532	3,253,638	3,309,131	4,181,158
Total Revenues	$38,368,286	$39,088,988	$39,292,127	$40,495,957	$43,039,173
Auxiliary Enterprises					
Tuition and Fees	$ 1,008,429	$ 739,091	$ 64,998	$ 114,346	$ 93,088
Sales and Services	1,501,224	1,282,557	832,478	886,169	1,122,437
Miscellaneous	212,241	309,961	403,494	465,107	393,716
Total Auxiliary Enterprises	$ 2,721,894	$ 2,331,609	$ 1,300,970	$ 1,465,622	$ 1,609,241
Total Revenues	$41,090,180	$41,420,597	$40,593,097	$41,961,579	$44,648,414
EXPENDITURES:					
Educational and Support:					
Liberal Arts and Sciences	$ 7,107,389	$ 6,495,955	$ 6,241,424	$ 6,587,306	$ 6,951,179
Vocational Technical	9,263,754	8,848,014	9,546,797	9,549,205	10,110,097
Adult Education	4,560,420	3,569,737	4,118,497	4,382,157	4,781,222
Cooperative Services	0	0	306,970	286,805	493,459
General Administration	1,920,349	2,029,357	2,058,845	2,163,607	2,441,615
Student Services	4,254,313	4,004,018	4,554,375	4,564,497	4,716,526
Learning Resources	798,688	754,062	660,427	665,339	656,584
Physical Plant	3,206,206	3,097,098	3,274,212	3,405,152	3,923,752
General Institution	5,540,537	6,542,248	6,465,903	6,281,664	6,652,235
Total Education and Support	$36,651,656	$35,340,489	$37,227,450	$37,885,732	$40,726,669
Auxiliary Enterprises	$ 3,733,042	$ 4,003,195	$ 3,228,471	$ 3,473,428	$ 4,041,460
Retirement of Indebtedness	0	0	0	728,904	1,285,653
Total Expenditures and Other Deductions	$40,384,698	$39,343,684	$40,455,921	$42,088,064	$46,053,782
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 705,482	$ 2,076,913	$ 137,176	$ (126,485)	$ (1,405,368)
TRANSFERS:					
Non-mandatory Transfers	$ (202,292)	$ (256,790)	$ 694,529	$ 781,914	$ 1,346,964
Net Change in Fund Balance	$ 503,190	$ 1,820,123	$ 831,705	$ 655,429	$ (58,404)
FUND BALANCE:					
Beginning	9,542,896	10,244,286(2)	12,603,372(2)	13,435,077	14,090,506
Ending	$10,046,086	$12,064,409	$13,435,077	$14,090,506	$14,032,102

Notes: (1) Source: Audited financial statements for the College for the fiscal years ended June 30, 2019 through 2023.
(2) Restated.

REGISTRATION, TRANSFER AND EXCHANGE

See also **APPENDIX B – DESCRIBING BOOK-ENTRY-ONLY ISSUANCE** for information on registration, transfer and exchange of book-entry bonds. The Certificates will be initially issued as book-entry bonds.

The College shall cause books for the registration and for the transfer of the Certificates to be kept at the principal office maintained for the purpose by UMB Bank, n.a., West Des Moines, Iowa (the "Registrar"). The College will authorize to be prepared, and the Registrar shall keep custody of, multiple bond blanks executed by the College for use in the transfer and exchange of Certificates.

Any Certificate may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Resolution. Upon surrender for transfer or exchange of any Certificate at the principal office maintained for the purpose by the Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Registrar and duly executed by the registered owner or such owner's attorney duly authorized in writing, the College shall execute and the Registrar shall authenticate, date and deliver in the name of the registered owner, transferee or transferees (as the case may be) a new fully registered Certificate or Certificates of the same maturity and interest rate of authorized denominations, for a like aggregate principal amount.

The execution by the College of any fully registered Certificate shall constitute full and due authorization of such Certificate, and the Registrar shall thereby be authorized to authenticate, date and deliver such Certificate, provided, however, the principal amount of outstanding Certificates of each maturity authenticated by the Registrar shall not exceed the authorized principal amount of Certificates for such maturity less Certificates previously paid.

The Registrar shall not be required to transfer or exchange any Certificate following the close of business on the fifteenth day of the month next preceding an interest payment date on such certificate (known as the record date), nor to transfer or exchange any Certificate after notice calling such Certificate for redemption has been mailed, nor during a period of fifteen days next preceding mailing of a notice of redemption of any Certificates.

The person in whose name any Certificate shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Certificates shall be made only to or upon the order of the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Certificates, but the College or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates except in the case of the issuance of a Certificate or Certificates for the unredeemed portion of a certificate surrendered for redemption.

TAXABILITY OF INTEREST

General

The following discussion is a summary of certain Federal income tax consequences relating to the purchase, ownership, and disposition of the Certificates. 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 general, interest on the Certificates is includable in the gross income of the owners thereof as ordinary interest 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. Purchasers of the Certificates should consult their own tax advisors with respect to impacts of the taxability of interest.

Opinion

Bond Counsel's opinion is not a guarantee of a result, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the College described in this section. No ruling has been sought from the Service with respect to the matters addressed in the opinion of Bond Counsel and Bond Counsel's opinion is not binding on the Service. Bond Counsel assumes no obligation to update its opinion after the issue date to reflect any further action, fact or circumstance, or change in law or interpretation, or otherwise. See **"APPENDIX C"** for a draft form of legal opinion for the Certificates.

Bond Counsel has approved the language included in this **"TAXABILITY OF INTEREST"** section but has not otherwise participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness or sufficiency. Bond Counsel has not examined, nor attempted to examine or verify, any of the financial or statistical statements or data contained in this Official Statement, and will express no opinion with respect thereto.

ALL POTENTIAL PURCHASERS OF THE CERTIFICATES SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF OWNERSHIP OF THE CERTIFICATES (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE).

CONTINUING DISCLOSURE

For the purpose of complying with paragraph (b)(5) of the Rule, the College will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Certificates to provide reports of specified information and notice of the occurrence of certain events, as hereinafter described (the "Disclosure Covenants"). The information to be provided on an annual basis, and the events as to which notice is to be given, is set forth in **"APPENDIX D – Form of Continuing Disclosure Certificate"**. This covenant is being made by the College to assist the Underwriter(s) in complying with the Rule.

Breach of the Disclosure Covenants will not constitute a default or an "Event of Default" under the Certificates or Resolution, respectively. 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 College to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Certificates and their market price.

For the five (5) year period beginning March 28, 2019 through March 28, 2024, inclusive, the College believes it has complied with the Rule in all material respects; however, the College provides the following disclosure for the sole purpose of assisting Underwriters in complying with the Rule. For fiscal year ending June 30, 2019, inclusive, the College failed to annually file information of the type contained in the table entitled "Enrollment: Data & Operating Costs" contained in the Final Official Statements for various bond issues. For the fiscal year ending June 30, 2019 annually file information of the type contained in the tables entitled "debt limitation" under the correct heading "Debt Information" as there was no title "debt limitation" in the various official statements. The College filed a Notice of Failure to File on April 12, 2021 and updated the annual financial information on March 26, 2021.

Bond Counsel expresses no opinion as to whether the Disclosure Covenants comply with the requirements of Section (b)(5) of the Rule.

OPTIONAL REDEMPTION

Certificates due June 1, 2025 - 2030 inclusive, are not subject to optional redemption. Certificates due June 1, 2031 - 2034, inclusive, are subject to optional redemption in whole or in part on any date on or after June 1, 2030, at a price of par and accrued interest.

If less than all of the maturity is called for redemption, the College will notify DTC of the particular amount of such maturity to be redeemed prior to maturity. DTC will determine by lot the amount of each Participant's interest in such maturity to be redeemed and each Participant will then select by lot the beneficial ownership interests in such maturity to be redeemed.

Thirty days' written notice of redemption shall be given to the registered owner of the Certificate. Failure to give written notice to any registered owner of the Certificates or any defect therein shall not affect the validity of any proceedings for the redemption of the Certificates. All Certificates or portions thereof called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment. Written notice will be deemed completed upon transmission to the owner of record.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Certificates, or in any way contesting or affecting the validity of the Certificates or any proceedings of the College taken with respect to the issuance or sale thereof. There is no litigation now pending, or to the knowledge of the College, threatened against the College that is expected to materially impact the financial condition of the College.

LEGAL MATTERS

The Certificates are subject to approval as to certain legal matters by Ahlers & Cooney, P.C., Des Moines, Iowa, as Bond Counsel. Bond Counsel has not participated in the preparation of this Official Statement except for guidance concerning the section regarding **"TAXABILITY OF INTEREST**", and will not pass upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements, or data contained in this Official Statement, and will express no opinion with respect thereto. A legal opinion in substantially the form set forth in **APPENDIX C** to this Official Statement will be delivered at closing.

The legal opinion to be delivered concurrently with the delivery of the Certificates expresses the professional judgment of the attorneys rendering the opinion as to legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

In addition, the enforceability of the rights and remedies of owners of the Certificates may be subject to limitation as set forth in the Bond Counsel's opinion. The opinion will state, in part, that the obligation of the College with respect to the Certificates may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and to the exercise of judicial discretion in appropriate cases.

OFFICIAL STATEMENT AUTHORIZATION

This Official Statement has been authorized for distribution to prospective purchasers of the Certificates. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the College, and all expressions of opinion, whether or not so stated, are intended only as such.

This Official Statement is not to be construed as a contract or agreement amongst the College, the Underwriter, or the holders of any of the Certificates. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinions contained herein are subject to change without notice and neither the delivery of this Official Statement or the sale of the Certificates made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the College since the date hereof. The information contained in this Official Statement is not guaranteed.

UNDERWRITING

The Certificates were offered for sale by the College at a public, competitive sale on April 23, 2024. The best bid submitted at the sale was submitted by ________ (the "Underwriter"). The College awarded the contract for sale of the Certificates to the Underwriter at a price of $___________ (reflecting the par amount of $_______, plus a reoffering premium of $_______, and less an Underwriter's discount of $_______). The Underwriter has represented to the College that the Certificates have been subsequently re-offered to the public initially at the yields or prices set forth in the Final Official Statement.

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.

MUNICIPAL ADVISOR

The College has engaged Speer Financial, Inc. as municipal advisor (the "Municipal Advisor") in connection with the issuance and sale of the Certificates. The Municipal Advisor is a Registered Municipal Advisor in accordance with the rules of the MSRB. The Municipal Advisor will not participate in the underwriting of the Certificates. The financial information included in the Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Municipal Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Certificates. The Municipal Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, nor is the Municipal Advisor obligated by the College's continuing disclosure undertaking.

MISCELLANEOUS

Brief descriptions or summaries of the College, the Certificates, the Resolution and other documents, agreements and statutes are included in this Official Statement. The summaries or references herein to the Certificates, the Resolution and other documents, agreements and statutes referred to herein, and the description of the Certificates included herein, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entireties by reference to such documents, and the description herein of the Certificates is qualified in its entirety by reference to the form thereof and the information with respect thereto included in the aforesaid documents. Copies of such documents may be obtained from the College.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact, and no representation is made that any of the estimates will be realized. This Official Statement is not to be construed as a contract or agreement between the College and the purchasers or Owners of any of the Certificates.

The attached **APPENDICES A, B, C, D**, and **E** are integral parts of this Official Statement and must be read together with all of the foregoing statements.

It is anticipated that CUSIP identification numbers will be printed on the Certificates, but neither the failure to print such numbers on any Certificates nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for any Certificates.

The College has reviewed the information contained herein which relates to it and has approved all such information for use within this Official Statement. The execution and delivery of this Official Statement has been duly authorized by the College.

/s/ **DANIEL L. GILLEN**
Vice President Administration and Finance
HAWKEYE COMMUNITY COLLEGE
(Merged Area VII)
Waterloo, Iowa

APPENDIX A

HAWKEYE COMMUNITY COLLEGE, IOWA

FISCAL YEAR 2023 AUDITED FINANCIAL STATEMENTS

2022-2023

Independent Auditors' Report

Financial Statements and Supplemental Information
Schedule of Findings and Questioned Costs

For the year ended June 30, 2023

HAWKEYE COMMUNITY COLLEGE

State of Iowa – Area VII Community College

HAWKEYE COMMUNITY COLLEGE

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

June 30, 2023

HAWKEYE COMMUNITY COLLEGE
TABLE OF CONTENTS

HAWKEYE COMMUNITY COLLEGE
TABLE OF CONTENTS
(CONTINUED)

HAWKEYE COMMUNITY COLLEGE
OFFICIALS

Name	Title	Term Expires
Jay A. Nardini	Chairperson	2023
Casey McLaughlin	Vice Chairperson	2023
Barbara McGregor	Member	2023
Teresa L. Meyer	Member	2023
Louis Beck	Member	2025
Christine Hutcheson	Member	2025
Merritt Jones	Member	2025
JoDee Knox	Member	2025
Bridget Saffold	Member	2025

Community College:

Dr. Todd Holcomb	President
Daniel Gillen	Vice President, Administration and Finance
Laura Trueg	Board Treasurer
Dee Paulsen	Board Secretary

Independent Auditor's Report

To the Board of Trustees
Hawkeye Community College
Waterloo, Iowa

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities, the fiduciary activities and the discretely presented component unit of Hawkeye Community College, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Hawkeye Community College's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities, the fiduciary activities and the discretely presented component units of Hawkeye Community College as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Hawkeye Community College Foundation, which statements reflect total assets of $12,892,484, net position of $12,885,429 and total revenues of $2,719,270. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Hawkeye Community College Foundation, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of the discretely presented component unit was not audited in accordance with *Government Auditing Standards.*

We are required to be independent of Hawkeye Community College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter
As discussed in Note 16 to the financial statements, Hawkeye Community College adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 96, *Subscription -Based Information Technology Arrangements (SBITA)*. Our opinions are not modified with respect to this matter.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hawkeye Community College's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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

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

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

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

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 7 through 17, the Schedule of the College's Proportionate Share of the Net Pension Liability, the Schedule of College Contributions, Notes to Required Supplementary Information – Pension Liability and the Schedule of Changes in the College's Total OPEB Liability, Related Ratios and Notes on pages 63 through 66 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hawkeye Community College's basic financial statements. The supplementary information included on pages 69 through 88, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

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

Bergan KDV, Ltd

Minneapolis, Minnesota
February 15, 2024

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Hawkeye Community College provides this Management's Discussion and Analysis of the College's annual financial statements. This narrative overview and analysis of the financial activities of Hawkeye Community College is for the fiscal year ended June 30, 2023. We encourage readers to consider this information in conjunction with the College's financial statements, which follow.

Financial Highlights

- The College's operating revenues totaled $30,000,511, an increase of 28.1% from 2022 operating revenues of $23,428,606. Federal appropriations, auxiliary revenue, and sales and services had the largest increase, while all other operating revenues decreased.
- The College's operating expenses increased by 7.0%, or $4,268,665 from fiscal year 2022. Physical plant and general institution expenses had the largest increases.
- The College's net position increased by 6.7%, or $5,943,835 over the June 30, 2022, balance.

Using This Annual Report

The annual report consists of a series of financial statements and other information, as follows:

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

The basic financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and a Statement of Cash Flows. These provide information about the activities of the College as a whole and present an overall view of the College's finances. The remaining financial statements provide information about activities for which Hawkeye Community College acts solely as an agent or custodian for the benefit of those outside of College government (Custodial Funds).

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

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

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

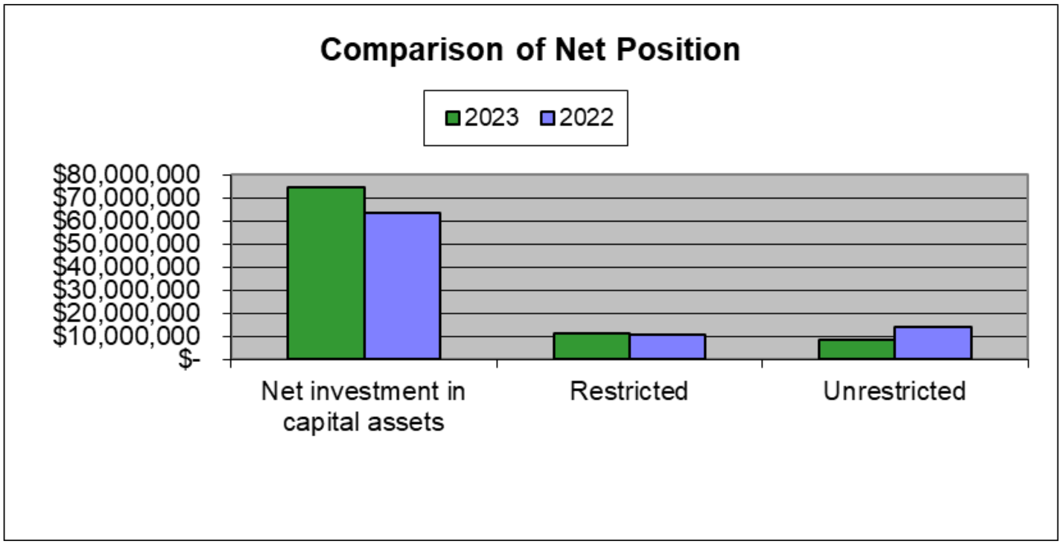
Reporting the College's Financial Activity

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.

	June 30,	
	2023	2022
Current and other assets	$ 68,487,170	$ 75,411,470
Capital assets, net of accumulated depreciation	82,083,720	73,146,137
Total assets	150,570,890	148,557,607
Deferred outflows of resources	1,688,222	1,753,412
Current liabilities	17,160,768	15,777,345
Noncurrent liabilities	25,245,165	24,362,895
Total liabilities	42,405,933	40,140,240
Deferred inflows of resources	15,060,593	21,322,028
Net position		
Net investment in capital assets	74,499,999	63,500,617
Restricted	11,458,332	11,070,039
Unrestricted	8,834,255	14,278,095
Total net position	$ 94,792,586	$ 88,848,751

Reporting the College's Financial Activity (Continued)



A portion of the College's net position (78.6%) is invested in capital assets (e.g., land, buildings and equipment), less the related debt. The debt related to the invested in capital assets is liquidated with resources other than capital assets. The restricted portion of the net position (12.1%) includes resources that are subject to external restrictions. The remaining net position (9.3%) are the unrestricted net position that can be used to meet the College's obligations as they come due.

Statement of Revenues, Expenses and Changes in Net Position - Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of the statement is to present the revenues earned by the College, both operating and non-operating, and the expenses incurred by the College, operating and non-operating, and any other revenues, expenses, gains, and losses received or spent by the College.

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

Reporting the College's Financial Activity (Continued)

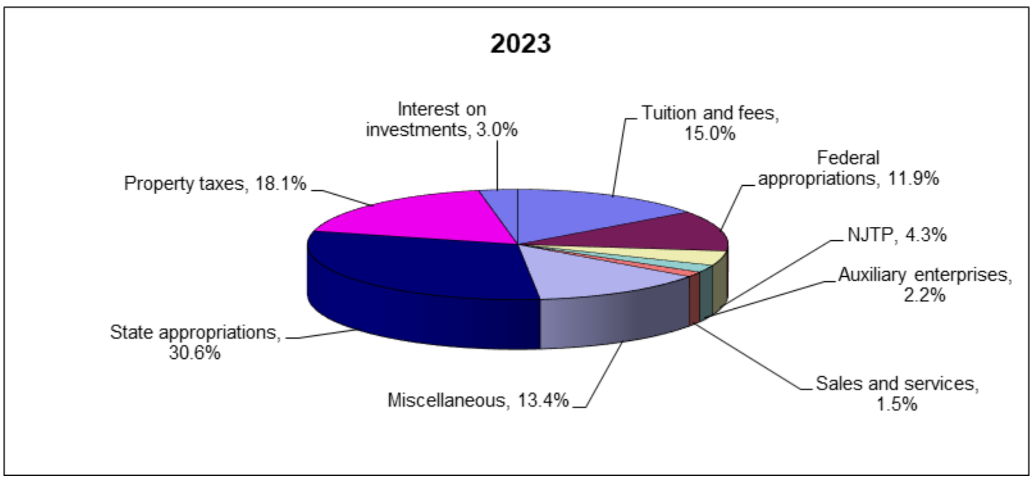
	Year Ended June 30,	
Changes in net position	2023	2022
Operating revenues:		
Tuition and fees	$ 19,244,235	$ 20,110,608
Less: scholarship allowances	(8,448,859)	(7,539,437)
Tuition and fees, net of scholarship allowances	10,795,376	12,571,171
Federal appropriations	3,805,907	1,965,954
Iowa Industrial New Jobs Training Program	3,091,205	2,379,093
Auxiliary enterprises revenue	1,562,777	1,418,589
Sales and services	1,090,688	-
Miscellaneous	9,654,558	5,093,799
Total revenues	30,000,511	23,428,606
Total operating expenses	65,521,792	61,253,127
Operating loss	(35,521,281)	(37,824,521)
Non-operating revenues (expenses) and transfers:		
State appropriations	22,044,448	20,738,255
Pell grants	4,768,026	10,635,240
Property taxes	13,040,075	12,381,518
Investment returns	2,127,615	(237,188)
Interest on indebtedness	(536,980)	(644,948)
Loss on sale of asset	(7,591)	(1,700)
Transfer (to) from custodial fund	(961)	-
Net non-operating revenues (expenses) and transfers	41,434,632	42,871,177
Contributions of capital assets	30,484	20,000
Changes in net position	5,943,835	5,066,656
Net position:		
Beginning	88,848,751	83,782,095
Ending	$ 94,792,586	$ 88,848,751

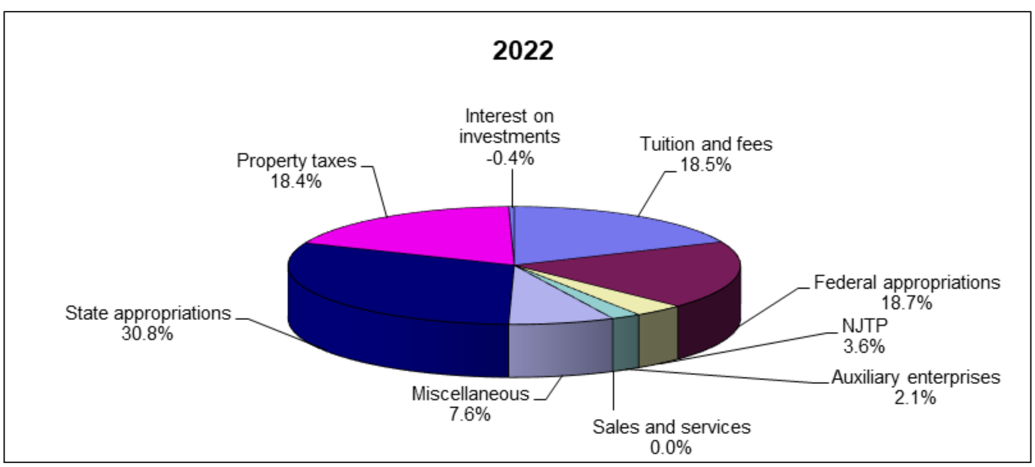
Reporting the College's Financial Activity (Continued)

The Statement of Revenues, Expenses and Changes in Net Position reflects an increase of 6.7% in net position at the end of the fiscal year due to an increase in federal appropriations and miscellaneous revenues.

Total Revenue by Source

The Statement of Revenues, Expenses and Changes in Net Position reflects positive years for both 2023 and 2022, with an increase in net position of $5,943,835 and $5,066,656, respectively.





Total Revenue by Source (Continued)

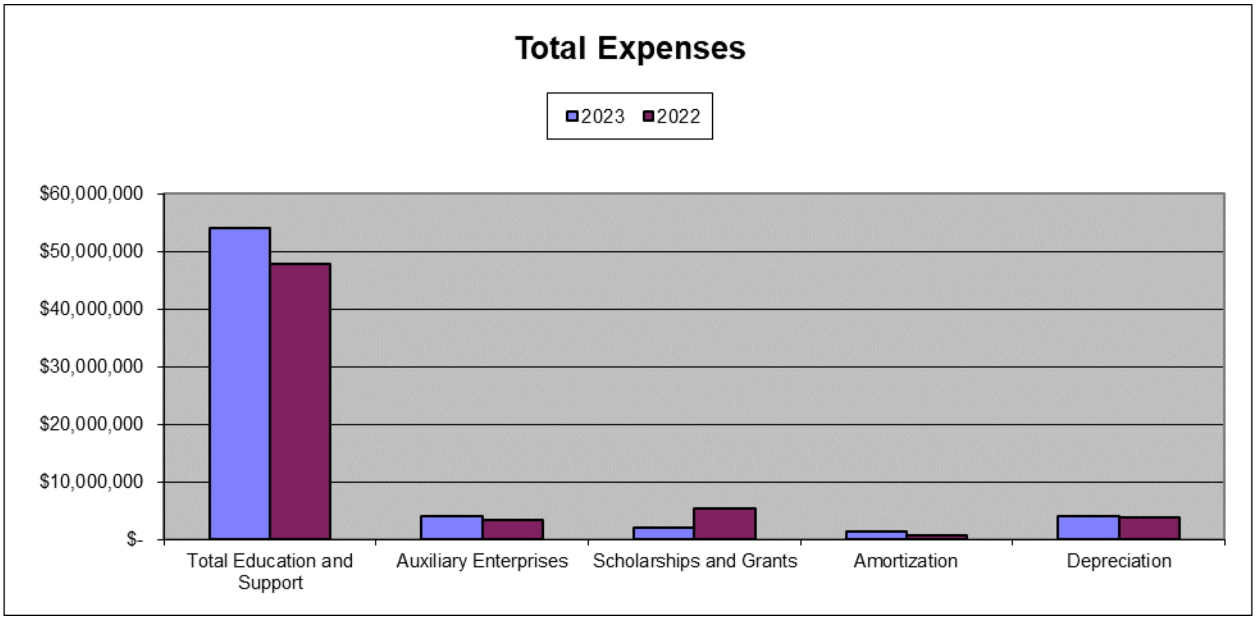
In fiscal year 2023, the major fluctuations in revenues were a result of the following changes:

- Tuition and fees decreased approximately $1,776,000.
- Federal appropriations, including Pell grants, decreased approximately $4,027,000 due to pandemic relief funding coming to an end in 2022.
- Iowa Industrial New Jobs Training Program increased by approximately $712,000.
- Miscellaneous operating income increase approximately $4,561,000 due to a one-time gift from the Foundation.
- State appropriations increased approximately $1,306,000.
- Interest on investment increased approximately $2,365,000 due to a rise in interest rates that were implemented by the Federal government during 2023.

Operating Expenses

	Year Ended June 30,	
Operating expenses	**2023**	**2022**
Education and support:		
Liberal arts and sciences	$ 6,800,500	$ 6,650,483
Vocational technical	11,157,558	10,868,689
Adult education	6,423,276	5,801,206
Cooperative services	3,921,609	3,275,880
General administration	2,410,086	2,192,833
Student services	4,319,824	4,612,638
Learning resources	638,502	665,339
Physical plant	9,381,804	6,898,769
General institution	8,993,733	6,995,295
Sub-total	54,046,892	47,961,132
Auxiliary enterprises	4,041,460	3,353,824
Scholarships and grants	2,050,421	5,288,803
Amortization expense	1,386,953	782,003
Depreciation expense	3,996,066	3,867,365
Total operating expenses	$ 65,521,792	$ 61,253,127

Operating Expenses (Continued)



In fiscal year 2023, the major fluctuations in operating expenses were a result of the following factors:

- Adult education expenses increased approximately $622,000.
- Cooperative services expenses increased approximately $646,000.
- Auxiliary enterprises expenses increased approximately $681,000.
- General administration services expenses increased approximately $1,083,000.
- General institution expenses, including depreciation and amortization expense, increased approximately $1,922,000.
- Physical plant expenses decreased approximately $2,483,000.
- Scholarships and grants expenses decreased approximately $3,238,000 due to no longer have HEERF student grants in 2023.

Statement of Cash Flows

The Statement of Cash Flows is an important tool in helping users to 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.

	Year Ended June 30,	
Cash flows	2023	2022
Cash provided by (used in):		
Operating activities	$ (31,223,695)	$ (31,780,666)
Non-capital financing activities	38,261,583	41,218,782
Capital and related financing activities	(16,743,283)	(17,973,671)
Investing activities	1,320,261	(3,008,284)
Net increase/(decrease) in cash	(8,385,134)	(11,543,839)
Cash:		
Beginning	26,824,272	38,368,111
Ending	$ 18,439,138	$ 26,824,272

Cash used for 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 Grants, local property taxes, and gifts and grants. Cash used by capital and related financing activities represents principal and interest payments on debt and the purchase of capital assets. Cash provided by (used in) investing activities includes investment income earned and purchases of or proceeds from the sale of investments.

Capital Assets

As of June 30, 2023, the College had $82,083,720 invested in capital assets, net of accumulated depreciation of $56,559,221 and accumulated amortization of $2,168,956. Depreciation expense totaled $3,996,066 and amortization expense totaled $1,386,953 for fiscal year 2023. Details of the capital assets are shown below.

	June 30,	
Capital Assets, Net, at Year-End	**2023**	**2022**
Land	$ 926,675	$ 926,675
Construction in progress	20,332,706	13,025,782
Capital assets not depreciated	21,259,381	13,952,457
Buildings	35,914,292	36,332,709
Other structures and improvements	15,817,416	16,894,266
Furniture and equipment	6,466,772	3,863,196
Right-to-use leased assets		
Land	5,810	23,250
Buildings	11,522	59,170
Machinery & equipment	1,354,990	1,989,377
Motor vehicles	10,339	31,712
Subscription assets	1,243,198	-
Capital assets, net of depreciation and amortization	60,824,339	59,193,680
Total capital assets	$ 82,083,720	$ 73,146,137

More detailed information about the College's capital assets is presented in Note 7 to the basic financial statements.

Long-Term Debt

As of June 30, 2023, the College had $24,786,252 in debt outstanding, a decrease of $3,278,229 from 2022. The table below summarized these amounts by type.

Outstanding debt	June 30,	
	2023	2022
Certificates payable and premium	$ 17,202,531	$ 18,418,961
General obligation bonds and premium, net of discount	4,873,147	7,530,656
Lease agreements payable	1,403,301	2,114,864
Subscription agreements payable	1,307,273	-
Totals	$ 24,786,252	$ 28,064,481

More detailed information about the College's outstanding debt is presented in Note 8 to the basic financial statements.

Economic factors

Hawkeye Community College continues to take steps in anticipation of enrollment decreases experienced by most of Iowa's Community Colleges due to demographic and economic fluctuations. Cost cutting measures in the past few years have helped mitigate the loss of tuition revenue due to declining enrollment. Some challenges that are facing the College are:

- Facilities at the College require constant maintenance and upkeep, but these expenditures will be funded through the Plant Fund.
- Credit hour enrollment continues to decrease. The College continues to monitor the enrollment closely and adjust the budget accordingly.
- The property tax base in our service region, per pupil, is lower than the State average. With most of our tax levies capped by statute, this causes Hawkeye to generate less funds from tax sources than most other Community Colleges and puts added pressure on other revenue sources including tuition.
- Hawkeye Community College has a tuition and fee rate per credit hour which is at the median point of the 15 Iowa Community Colleges and charges more than the state average.
- Salaries, wages, and fringe benefits comprise approximately three fourths of annual Education and Support expenses. Providing competitive packages to attract and retain the best employees with shrinking enrollment continues to be a challenge.
- Facilities at the College require constant upkeep and maintenance at increase costs. Hawkeye is in the process of renovating a building for Health and Science programs and an advanced automated robotics training center, which will increase capacity and provide state of the art facilities for those high demand careers.

Economic factors (Continued)

- The use of technology continues to expand with current equipment quickly becoming outdated. The College faces the challenge of maintaining and upgrading technology at a reasonable cost. Cyber Security threats are a constant concern and will require resources to address.

Contacting the College's Financial Management

This financial report is designed to provide our customers, taxpayers in the community college, and our creditors with a general overview of the College's finances and to demonstrate the College's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Hawkeye Community College, 1501 E. Orange Road, Waterloo, Iowa 50701.

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BASIC FINANCIAL STATEMENTS

HAWKEYE COMMUNITY COLLEGE
STATEMENT OF NET POSITION
June 30, 2023

	Primary Government	Component Unit
ASSETS		
Current assets:		
Cash and cash equivalents	$ 18,439,138	$ 1,665,138
Pooled investments	4,115,069	6,982,077
Receivables:		
Due from others, net of allowance for uncollectible accounts of $8,208,999	3,441,029	69,130
Grant receivable	-	283,750
Accrued interest	82,201	26,901
Property taxes - suceeding year	13,301,808	-
Student loans	13,368	-
Loans receivable, net	-	29,076
Iowa industrial new jobs training program	5,641,463	-
Lease receivable	14,476	-
Due from other governments	732,434	-
Prepaid expenses	613,748	-
Inventories	264,585	-
Total current assets	46,659,319	9,056,072
Noncurrent assets:		
Certificates of deposit	2,292,399	-
Pooled investments	19,316,502	2,954,697
Receivables:		
Grant receivable	-	323,075
Lease receivable	218,950	
Life insruance cash value	-	15,200
Pledges receivable	-	112,370
Capital assets, not being depreciated	21,259,381	414,696
Capital assets, net of accumulated depreciation/amortization	60,824,339	16,374
Total noncurrent assets	103,911,571	3,836,412
TOTAL ASSETS	150,570,890	12,892,484
DEFERRED OUTFLOWS OF RESOURCES		
Pension related deferred outflows	1,338,933	-
OPEB related deferred outflows	349,289	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ 1,688,222	$ -

HAWKEYE COMMUNITY COLLEGE

STATEMENT OF NET POSITION

June 30, 2023

	Primary Government	Component Unit
LIABILITIES		
Current liabilities:		
Accounts payable	$ 3,561,841	$ 7,055
Salaries and benefits payable	3,028,179	-
Accrued interest payable	136,786	-
Unearned revenue	1,543,128	-
Compensated absences	725,000	-
Assets held in custody for others	132,757	-
Reported and unreported insurance claims payable	639,801	-
Insurance reserve	864,070	-
Lease agreements payable	740,467	-
Subscription liability	588,739	-
Bonds payable	2,500,000	-
Certificates payable	2,700,000	-
Total current liabilities	17,160,768	7,055
Noncurrent liabilities:		
Unearned revenue	474,874	-
Compensated absences	271,904	-
Lease agreement payable	662,834	-
Subscription liability	718,534	-
Bonds payable	2,373,147	-
Certificates payable	14,502,531	-
Net pension liability	5,271,894	-
Total OPEB liability	969,447	-
Total noncurrent liabilities	25,245,165	-
TOTAL LIABILITIES	42,405,933	7,055
DEFERRED INFLOWS OF RESOURCES		
Unavailable property tax revenue	13,301,808	-
Lease related deferred inflows	224,960	-
Pension related deferred inflows	1,291,697	-
OPEB related deferred inflows	242,128	-
TOTAL DEFERRED INFLOWS OF RESOURCES	15,060,593	-
NET POSITION		
Net investment in capital assets	74,499,999	431,070
Restricted for:		
Nonexpendable:		
Endowment	-	2,962,061
Expendable:		
Economic development	4,376,112	-
Property tax levies	4,374,930	-
Iowa new jobs training	300,249	-
Scholarships and departmental programs	(478)	904,703
Loans	81,169	183,416
Debt service	146,794	-
Cash reserve	366,380	-
Other	1,813,176	4,791,936
Unrestricted	8,834,255	3,612,243
TOTAL NET POSITION	$ 94,792,586	$ 12,885,429

See notes to basic financial statements.

HAWKEYE COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
Year Ended June 30, 2023

	Primary Government	Component Unit
OPERATING REVENUES		
Tuition and fees, net of scholarship allowances of $8,448,859	$ 10,795,376	$ -
Federal appropriations	3,805,907	-
Iowa Industrial New Jobs Training Program	3,091,205	-
Gifts and grants	-	1,672,703
Auxiliary enterprises revenue, net of scholarship allowances of $46,464	1,562,777	-
Sales and services	1,090,688	-
Miscellaneous	9,654,558	28,629
Total operating revenues	30,000,511	1,701,332
OPERATING EXPENSES		
Education and support:		
Liberal arts and sciences	6,800,500	-
Vocational technical	11,157,558	-
Adult education	6,423,276	-
Cooperative services	3,921,609	-
General administration	2,410,086	-
Student services	4,319,824	-
Learning resources	638,502	-
Physical plant	9,381,804	-
General institution	8,993,733	-
Auxiliary enterprises	4,041,460	-
Scholarships and grants	2,050,421	448,322
Loan cancellations and bad debt	-	72,146
Personnel Services	-	33,841
Insructional & departmental support	-	383,690
Capital projects/facilities	-	4,311,250
Administrative	-	207,080
Funraising expense	-	142,845
Amortization expense	1,386,953	-
Depreciation expense	3,996,066	2,519
Total operating expenses	65,521,792	5,601,693
Operating (loss)	(35,521,281)	(3,900,361)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	22,044,448	-
Pell grant	4,768,026	-
Property taxes	13,040,075	-
Interest on investments	2,127,615	1,017,938
Interest on indebtedness	(536,980)	-
(Loss) on sale of capital asset	(7,591)	-
Net non-operating revenues	41,435,593	1,017,938
Transfer from custodial fund	(961)	-
CONRIBUTION OF CAPITAL ASSETS	30,484	-
Change in net position	5,943,835	(2,882,423)
NET POSITION		
Beginning	88,848,751	15,767,852
Ending	$ 94,792,586	$ 12,885,429

See notes to basic financial statements.

HAWKEYE COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
Year Ended June 30, 2023

	Primary Government
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	$ 19,337,323
Grants and contracts	4,920,434
Iowa Industrial New Jobs Training Program	2,806,820
Payments to employees for salaries and benefits	(35,682,420)
Payments to suppliers for goods and services	(29,788,823)
Payments to NJTP recipients	(2,071,492)
Collection of loans to students	1,000
Scholarships	(2,050,421)
Auxiliary enterprise	1,562,777
Other receipts	9,741,107
Miscellaneous Custodial Fund receipts	1,316,924
Miscellaneous Custodial Fund disbursements	(1,194,137)
Net cash used in operating activities	(31,223,695)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State appropriations	22,044,448
Federal appropriations	4,768,026
Property taxes	13,040,075
Proceeds from certificates payable	1,415,000
Payments on certificates payable	(2,625,000)
Interest on certificates payable	(380,966)
Net cash provided by non-capital financing activities	38,261,583
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(12,454,415)
Proceeds from sale of assets	35,525
Principal paid on bonds, lease and sibscription payable	(3,713,593)
Interest paid on notes and bonds payable	(610,800)
Net cash used in capital and related financing activities	(16,743,283)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	548,563
Purchase of investments	(1,307,415)
Interest on investments	2,079,113
Net cash provided by investing activities	1,320,261
Net decrease in cash and cash equivalents	(8,385,134)
CASH AND CASH EQUIVALENTS	
Beginning	26,824,272
Ending	$ 18,439,138
NONCASH, CAPITAL AND RELATED FINANCING ACTIVITIES	
Donated capital assets	$ 30,484
Assets acquired under right-to-use leases	$ 77,711
Assets acquired under right-to-use subscription liabilities	$ 221,230

HAWKEYE COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
Year Ended June 30, 2023

RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	$ (35,521,281)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Amortization	1,386,953
Depreciation	3,996,066
(Increased) Decrease in Operating Assets and Deferred Outflows:	
Due from others	(1,375,802)
Notes receivable	1,000
Due from other governments	1,114,527
Lease receivable	14,183
Inventories	548
Prepaid expenses	10,753
Deferred Outflows	65,190
Increased (Decrease) in Operating Liabilities and Deferred Inflows:	
Accounts payable	17,449
Salaries and benefits payable	683,605
Compensated absences	(71,534)
Unearned revenue	(187,408)
Reported and unreported insurance claims payable	147,182
Insurance reserve	(261,519)
Total OPEB liability	(65,206)
Total pension liability	5,083,034
Deferred inflows	(6,261,435)
Total adjustments	4,297,586
Net cash used in operating activities	$ (31,223,695)

See notes to basic financial statements.

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HAWKEYE COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hawkeye Community College (College) is a publicly supported school established and operated by Merged Area VII under the provisions of Chapter 260C of the Code of Iowa. Hawkeye Community College may offer programs of adult and continuing education, lifelong learning, community education, and up to two years of liberal arts, pre-professional or occupational instruction partially fulfilling the requirements for a baccalaureate degree but confers no more than an associate degree. Hawkeye Community College may also offer up to two years of vocational or technical education, training or retraining to persons who are preparing to enter the labor market. Hawkeye Community College maintains six sites throughout Waterloo, Cedar Falls, and the surrounding areas, and has its administrative offices in Waterloo. Hawkeye Community College is governed by a Board of Trustees whose members are elected from each trustee College within Merged Area VII.

The College's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

A. Financial Reporting Entity

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

Discrete Component Units

Hawkeye Community College Foundation is a non-profit corporation, whose purpose is to support the Community College through donations to provide scholarships to students, and for the enhancement and extension of facilities, equipment and services. The Foundation is governed by a Board of Trustees, two of which are appointed by the Board of Trustees of the Community College. The Foundation operates on a June 30 fiscal year end. The financial statements of Hawkeye Community College Foundation, Inc. can be obtained from: Business Services, Hawkeye Community College, 1501 E. Orange Road, Waterloo, IA 50701.

The Foundation is a non-profit organization which has adopted the Financial Accounting Standards Board (FASB) reporting requirements for not-for-profit organizations and the FASB requirements for contributions. As such, certain revenue recognition criteria and presentation features are different from FASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting for these differences. The Foundation reports net assets, which is equivalent to net position reported by the College.

B. Basis of Presentation

GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires resources to be classified for accounting and reporting purposes into the following net position categories/components:

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

Restricted Net Position

Nonexpendable - Net position subject to externally imposed stipulations that they be maintained permanently by the College. As of June 30, 2023, the College had none.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

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

C. Measurement Focus and Basis of Accounting

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

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

Cash and cash equivalents and pooled investments – Investments are stated at fair value.

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

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

Inventories – Inventories are valued at lower of cost (first-in, first-out method) or market, except for the livestock and grain from the farm operations, which is valued at market value. Inventories consist of supplies and material held for consumption, livestock and merchandise held for resale. The cost is recorded as an expenditures at the time individual inventory items are consumed or sold.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property taxes receivable - Property taxes receivable is recognized on the levy or lien date, which is the date that the tax asking is certified by the Board of Directors to the appropriate County Auditors. Current year delinquent property tax receivable represents unpaid taxes from the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Directors to be collected in the next fiscal year for purposes set out in the budget for the next fiscal year. By statue, the Board of Directors is required to certify its budget to the County Auditor by March 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied.

Receivable for Iowa Industrial New Jobs Training Program (NJTP) - This receivable represents the total 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 NJTP project expenditures incurred through June 30, 2023, plus interest incurred on NJTP certificates, less reimbursements received to date.

Capital assets - Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the College), are reported at historical cost (except for the right-to-use leased assets, the measurement of which is discussed under "Leases" below) if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do no add to the value of the assets or materially extend asset lives are not capitalized.

Capital assets are defined by the College as assets with initial, individual costs in excess of $5,000 and estimated useful lives in excess of one year.

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

	Years
Buildings and other structures and improvements	25 - 50
Furniture and equipment	3 - 10

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Leases - College as Lessee: Hawkeye Community College is the lessee for a noncancellable lease of equipment, postage and copy machine, motor vehicles, land and buildings. The College has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements.

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

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

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

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

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

On the Statement of Net Position, lease assets are reported with the noncurrent assets, capital assets and lease liabilities are reported with the current and noncurrent liabilities.

College as Lessor: Hawkeye Community College is a lessor for a noncancellable lease of space for a cell tower. The College recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

Subscription-Based Information Technology Arrangements (SBITA) – Hawkeye Community College has entered into a contract that conveys control of the right to use information technology software. The College has recognized an IT subscription liability and an intangible right-to-use IT subscription asset in the government-wide financial statements. The College recognized IT subscription liabilities with an initial, individual value of $50,000, or more.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

On the Statement of Net Position, lease assets are reported with the noncurrent assets, capital assets and lease liabilities are reported with the current and noncurrent liabilities.

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

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

Unearned revenue – When assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for unearned revenue. Unearned revenue consist of tuition deposits, tuition and fees for a potions of summer classes, fees and registration for fall, unearned revenue on 260E projects and unearned revenue on federal and state funds.

Compensated absences - College employees accumulate a limited amount of earned but unused vacation for subsequent use. Earned but unused vacation is paid to the employee upon termination, death, or retirement. Amounts representing the cost of compensated absences are recorded as liabilities. These liabilities have been computed based on rates of pay in effect as of June 30, 2023.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. 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.

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

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

Auxiliary enterprises revenues and expenses - Auxiliary enterprises revenues and expenses primarily represent revenues generated and expenses associated with career education, adult education, farm operations, food service, Redtail Café, and athletics.

Summer session - The College operates summer sessions during May, June, and July. Revenues and expenses for the summer sessions are recorded in the appropriate fiscal year. Tuition and fees are allocated based on the load study distributions supplied by the College Registrar.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

E. Scholarship Allowances and Student Aid

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

NOTE 2 – CASH, CASH EQUIVALENTS, AND POOLED INVESTMENTS

A. Primary Institution

The College's deposits in banks at June 30, 2023, 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 Community College is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Trustees; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district. The College’s investment policy additionally limits investments in commercial paper to obligations that mature within 270 days and that is rated within the two highest classifications, as established by at least one of the standard rating services, with no more than five percent at the time of purchase placed in the second highest classification. At the time of purchase not more than ten percent of the investment portfolio can be in these investments and no more than five percent of the investment portfolio can be invested in the securities of a single issuer.

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.

NOTE 2 – CASH, CASH EQUIVALENTS, AND POOLED INVESTMENTS (CONTINUED)

A. Primary Institution (Continued)

At June 30, 2023, the College had the following investments:

Current pooled investments	$ 4,115,069
Noncurrent pooled investments	19,316,502
	$ 23,431,571

Investment Type	Fair Value/ Amortized Cost Level 1	Investment Maturities (in years) Less than 1	1 to 5
U.S. Government Securities	$ 19,316,502	$ -	$ 19,316,502
ISJIT – Diversified Portfolio	4,115,069	4,115,069	-
	$ 23,431,571	$ 4,115,069	$ 19,316,502

The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The recurring fair value measurement for the Money Market Mutual Fund, U.S. Government Securities and U.S. Agency securities were determined using quoted market prices (Level 1 inputs).

At June 30, 2023, the College has investments of $4,115,069 in a diversified portfolio in Iowa Schools Joint Investment Trust (ISJIT). The investments are valued at an amortized cost. There were no limitations or restrictions on withdrawals for the ISJIT investments. The investments were rated AAAm by Standard & Poor's Financial Services.

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

NOTE 2 – CASH, CASH EQUIVALENTS, AND POOLED INVESTMENTS (CONTINUED)

A. Primary Institution (Continued)

Concentration of credit risk - The College's investment policy seeks to provide safety of the principal, maintain the necessary liquidity to match expected liabilities, and obtain a reasonable rate of return. The policy allows for investments of up to 100% in interest bearing savings, money market and checking accounts, certificates of deposits, repurchase agreements, money market mutual funds, bonds, notes, certificates of indebtedness, treasury bills or other securities issued by the United States of America, its agencies and allowable instrumentalities; up to 10% in prime bankers' acceptances; and up to 10% in commercial paper. The policy does not allow the College to invest in futures, options or reverse purchase agreements.

B. Component Units

Investments are managed by the Foundation and external managers, in accordance with Board policy, and stated at fair value and categorized according to the generally accepted accounting principles described above. Fair value of the investments has been determined as of June 30. Values have not been adjusted for market fluctuations subsequent to June 30. Accounting principles generally accepted in the United States of America require adjustment of year end values only when the value has been permanently impaired. Management does not feel market fluctuations after year end have caused permanent impairment to its investment portfolio. The investments were rated A, AA, AAA, A3, BBB, BAA3 by Moody Ratings and Standard & Poor's Financial Services. A summary of the investments held at June 30, 2023 are as follows:

	Fair Value Level 1
Common Stocks	$ 4,325,412
Corporate Bonds	281,132
U.S. Government Agency Bonds	1,284,973
Mutual Funds – Equity	1,053,274
Mutual Funds – Foreign	1,435,327
Mutual Fund	1,506,803
Certificate of Deposit	49,853
	$ 9,936,774
Reported under current assets	$ 6,982,077
Reported under noncurrent assets	2,954,697
	$ 9,936,774

NOTE 3 – ENDOWMENT FUNDS (Component Unit)

The Foundation's endowment consists of approximately 44 individual funds established for a variety of purposes. The endowment includes only donor-restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on existence of donor-imposed restrictions.

Absent explicit donor stipulations to the contrary, the Board of Directors of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Foundation retains in perpetuity and classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity is subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Investment Return Objectives, Risk Parameters and Strategies. The foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintain the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk.

Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities. The Foundation expects its endowment assets, over time, to produce an average rate of return of approximately 4% to 5% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to prevent exposing the fund to unacceptable levels of risk.

NOTE 3 – ENDOWMENT FUNDS (Component Unit - CONTINUED)

Spending Policy. The Foundation has a policy of allocating the investment income earned less investment fees each quarter. Earnings and losses are allocated to each participating fund based on the end of the quarter balance as long as the fund maintains a balance of $1,000. No allocation is made if it would bring the balance in the account below zero. Scholarship disbursements are calculated each semester by Foundation staff and approved by the Executive Director in accordance with the Foundation’s finance policy. Certain endowment funds established by the board and other endowments as agreed to by the donors follow the spending policy established by the Foundation. As determined and approved by the Foundation Board of Directors, the policy appropriates for distribution each year 3% - 5% of the twenty-quarter average market value of the endowments as of March 31 each year. This is consistent with the objectives of the policy to preserve purchasing power of these funds and provide a predictable and steady stream of support.

Funds with Deficiencies. From time to time, certain donor-restricted endowment funds may have fair values that are less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. During the year, the Foundation did not have any underwater endowments.

Endowment net position composition by type of fund as of June 30, 2023 is as follows:

	Unrestricted	Restricted Expendable: Other	Restricted Nonexpendable: Endowment	Total Endowment Net Position
Donor-restricted endowment funds	$ -	$ 1,223,941	$ 2,962,061	$ 4,186,002
Total Funds	$ -	$ 1,223,941	$ 2,962,061	$ 4,186,002

NOTE 3 – ENDOWMENT FUNDS (Component Unit - CONTINUED)

Changes in endowment net assets as of June 30, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Position
Beginning endowment net position	$ -	$ 3,929,090	$ 3,929,090
Investment return, net of fees	-	319,355	319,355
Transfer of funds in	-	15,240	15,240
Contributions	-	36,440	36,440
In-Kind contributions	-	21,845	21,845
Memorials	-	718	718
Pledges	-	1,960	1,960
Increase value-life insurance	-	207	207
Appropriation of endowment assets for expenditures	138,852	(138,852)	-
Expenditures	(138,852)	-	(138,852)
Ending endowment net assets	$ -	$ 4,186,003	$ 4,186,003

NOTE 4 – LOAN RECEIVABLE (Component Unit)

The Foundation, a component unit to the College, makes loans to students of the College to be used primarily for the cost of tuition and books. These loans generally become payable upon the student's completion of or withdrawal from higher education programs. John Deere and Tyson loans become forgivable upon the completion of the program and two or three years of employment with the respective companies.

Loans receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible or forgivable amounts through a charge to expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to loans receivable. Interest rates and terms vary by program. The following is a summary of loans receivable:

Loan receivable	$ 132,546
Less: Allowance for uncollectible loans	(11,090)
Less: Allowance for forgivable loans	(92,380)
Net loans receivable	$ 29,076

NOTE 5 – LEASE RECEIVABLE

On September 1, 2020, the College entered into a 15-year lease agreement with Verizon Wireless for the lease of cell tower space. Based on this agreement, the Community College will receive monthly payments of $1,630 from July 2021 through August 2025, $1,793 from September 2025 through August 2030 and $1,972 from September 2030 through August 2035. This lease has an implicit interest rate of 2.24%.

The College is reporting Lease Receivable of $233,426 at June 30, 2023. For fiscal year 2023, the College reported lease revenue of $18,490 and interest revenue of $5,375 related to lease payments received.

A summary of the remaining lease receivable principal and interest payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 14,476	$ 5,081	$ 19,557
2025	14,804	4,754	19,558
2026	16,783	4,405	21,188
2027	17,495	4,019	21,514
2028	17,891	3,623	21,514
Thereafter	151,977	12,933	164,910
	$ 233,426	$ 34,815	$ 268,241

On April 1, 2021, the College, as a lessor, entered into a 5- year agreement with Barnes & Nobles Booksellers, LLC , the lessee, to operate and provide services to the bookstore of the College. Rent is paid annually and is 10% of all gross revenues for the year. The total amount of deferred inflows of resources, including lease revenue, interest revenue, and other lease related inflows, recognized during the fiscal year was $166,753.

NOTE 6 – INVENTORIES

The College inventories at June 30, 2023 are as follows:

Type	Amount
Farm operations	$ 81,657
Sustainable construction house	182,928
Total	$ 264,585

NOTE 7 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023, is as follows:

	Balance June 30, 2022, As Restated	Additions	Deletions	Balance June 30, 2023
Capital assets not being depreciated:				
Land	$ 926,675	$ -	$ -	$ 926,675
Construction in progress	13,025,782	8,634,388	1,327,464	20,332,706
Total capital assets not being depreciated, net	13,952,457	8,634,388	1,327,464	21,259,381
Capital assets being depreciated:				
Buildings	62,450,693	1,156,611	-	63,607,304
Other structures and improvements	30,480,319	133,067	97,330	30,516,056
Furniture and equipment	17,339,286	3,857,813	562,758	20,634,341
Total capital assets being depreciated	110,270,298	5,147,491	660,088	114,757,701
Less accumulated depreciation for:				
Buildings	26,117,984	1,575,028	-	27,693,012
Other structures and improvements	13,586,053	1,209,916	97,330	14,698,639
Furniture and equipment	13,476,090	1,211,122	519,642	14,167,570
Total accumulated depreciation	53,180,127	3,996,066	616,972	56,559,221
Total capital assets being depreciated, net	57,090,171	1,151,425	43,116	58,198,480
Right-to-use leased assets				
Land	40,604	-	-	40,604
Buildings	117,127	-	-	117,127
Machinery & equipment	2,675,134	77,711	-	2,752,845
Motor vehicles	52,647	-	-	52,647
Subscription assets	1,610,362	221,230	-	1,831,592
Total right-to-use leased assets being amortized	4,495,874	298,941	-	4,794,815
Less accumulated amortization for:				
Land	17,354	17,440	-	34,794
Buildings	57,957	47,648	-	105,605
Machinery & equipment	685,757	712,098	-	1,397,855
Motor vehicles	20,935	21,373	-	42,308
Subscription assets	-	588,394	-	588,394
Total accumulated amortization	782,003	1,386,953	-	2,168,956
Total capital assets being amortized, net	3,713,87	(1,088,012)		2,625,85
Total capital assets, net	$ 74,756,499	$ 8,697,801	$ 1,370,580	$ 82,083,720

NOTE 7 – CAPITAL ASSETS (CONTINUED)

On June 30, 2023, the Community College had future construction commitments of $1,958,261. Construction in Progress projects as of June 30, 2023 include renovations to Grundy Hall and TechWorks renovations for ARC/SACA, Northwest Campus Detention Basin, Buchanan Hall HVAC Renovation, Campus Core Landscape, Blackhawk Cyclorama Room, and camera and video surveillance system replacement.

Reconciliation of Net Investment in Capital Assets:

Land	$ 926,675
Construction in progress	20,332,706
Buildings	63,607,304
Other structures and improvements	30,516,055
Furniture and equipment	20,634,341
Right-to-use leased assets	4,794,815
Accumulated depreciation/amortization	(58,728,177)
Capital assets (net of accumulated depreciation & amortization)	82,083,720
Less: bonds payable	(4,873,147)
Less: lease agreements payable	(1,403,301)
Less: subscriptions payable	(1,307,273)
Net investment in capital assets	$ 74,499,999

Capital assets for the College's Foundation, a component unit, for the year ended June 30, 2023 is as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets not being depreciated:				
Land	$ 420,866	$ -	$ 6,170	$ 414,696
Total capital assets not being depreciated, net	420,866	-	6,170	414,696
Capital assets being depreciated:				
Land improvements	37,785	-	-	37,785
Total capital assets being depreciated	37,785	-	-	37,785
Less accumulated depreciation for:				
Land improvements	18,892	2,519	-	21,411
Total accumulated depreciation	18,892	2,519	-	21,411
Total capital assets being depreciated, net	18,893	(2,519)	-	16,374
Total capital assets, net	$ 439,759	$ (2,519)	$ 6,170	$ 431,070

NOTE 8 – NONCURRENT LIABILITIES

A summary of changes in noncurrent liabilities for the year ended June 30, 2023, is as follows:

	Balance June 30, 2022, As Restated	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Compensated absences	$ 1,068,438	$ 1,003,670	$ 1,075,204	$ 996,904	$ 725,000
Unearned revenue	2,205,410	1,705,597	1,893,005	2,018,002	1,543,128
Lease agreement payable	2,114,864	77,711	789,274	1,403,301	740,467
Subscription agreement payable	1,610,362	221,230	524,319	1,307,273	588,739
Certificates payable	18,355,000	1,415,000	2,625,000	17,145,000	2,700,000
General obligation School bonds	6,780,000	-	2,400,000	4,380,000	2,500,000
Net pension liability	188,860	5,083,034	-	5,271,894	-
Net OPEB liability	1,034,653	-	65,206	969,447	-
Total	$ 33,357,587	$ 9,506,242	$ 9,372,008	$ 33,491,821	$ 8,797,334

General obligation school bonds listed on the Statement of Net Position include Unamortized Premium of $501,887 and Unamortized Discount of $8,740. Certificates payable listed on the Statement of Net Position include Unamortized Premium of $57,531.

A. Certificates Payable

In accordance with agreements dated between June 1, 1996 and June 30, 2023, the College has issued certificates totaling $17,145,000 with interest rates ranging from 0.40% to 5.35% per annum and bond premiums totaling $57,531 at June 30, 2023. The debt was incurred to fund the development and training costs related to implementing Chapter 260E of the Code of Iowa, Iowa Industrial New Jobs Training Program (NJTP). NJTP's purpose is to provide tax-aided training for employees of industries that are new to or are expanding their operations within the State of Iowa. Interest is payable semiannually, while principal payments are due annually. The certificates are to be retired by proceeds from anticipated job credits from withholding tax, incremental property tax, budgeted reserves and, in the case of default, from standby property tax. During the year ended June 30, 2023, principal and interest payments totaled $2,625,000 and $380,966, respectively.

NOTE 8 – NONCURRENT LIABILITIES (CONTINUED)

A. Certificates Payable (Continued)

The certificates will mature as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 2,700,000	$ 387,114	$ 3,087,114
2025	2,660,000	329,348	2,989,348
2026	2,470,000	271,738	2,741,738
2027	2,285,000	218,227	2,503,227
2028	2,165,000	167,225	2,332,225
Thereafter	4,865,000	257,565	5,132,565
Total	$ 17,145,000	$ 1,631,216	$ 18,786,216

B. Bonds Payable

The College has General obligation bonds, Series 2021 with a June 30, 2023, outstanding balance of $4,380,000 with a interest rate of 5.00% and a bond premium totaling $501,887 and a bond discount totaling 8,740. Interest is due semiannually and principal is due in varying amounts through 2025. The bond proceeds were used to pay the costs to construct, remodel, erect and equip buildings thereon, and construct, lease, or acquire and improve and equip new or existing facilities within Merged Area VII. During the year ended June 30, 2023, principal and interest paid were $2,400,000 and $329,000, respectively.

Future maturities and interest of the bonds payable as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 2,500,000	$ 219,000	$ 2,719,000
2025	1,880,000	94,000	1,974,000
Total	$ 4,380,000	$ 313 000	$ 4,693,000

NOTE 8 – NONCURRENT LIABILITIES (CONTINUED)

C. Lease Agreements Payable

The College, as a lessee, has entered into lease agreements involving computers, postage and copy machine, motor vehicles, land and buildings. The total costs of the College lease assets are recorded as $2,963,223, less accumulated amortization of $1,580,562.

On July 1, 2020, the College entered into a lease agreement with Grundy Center CSD for land to place communication tower. At July 1,2021, the college recorded a lease liability of $11,784. The agreement requires annual payments of $3,000 for five years, with an implicit interest rate of 1.22% and final payment due June 30, 2025

On January 1, 2021, the College entered into a lease agreement with M2 Lease Funds, LLC for computer and audio visual equipment. At July 1, 2021, the college recorded a lease liability of $69,308. The agreement requires monthly payments of $1,679 for four years, with an implicit interest rate of 1.00% and final payment due December 31, 2024.

On March 23, 2021, the College entered into a lease agreement with Pitney Bowes for a postage machine. At July 1, 2021, the college recorded a lease liability of $39,228. The agreement requires quarterly payments of $2,021 for five years, with an implicit interest rate of 1.22% and final payment due April 29, 2026.

On July 1, 2021, the College entered into a lease agreement with M2 Lease Funds, LLC for computer and audio visual equipment. At July 1, 2021, the college recorded a lease liability of $1,398,549. The agreement requires monthly payments of $30,006 for four years, with an implicit interest rate of 1.51% and final payment due June 30, 2025.

On July 7, 2021, the College entered into a lease agreement with Community Honda for three vehicles. At July 7,2021, the college recorded a lease liability of $32,328. The agreement requires monthly payments of $915 for three years, with an implicit interest rate of 1.33% and final payment due June 7, 2024.

On July 22, 2021, the College entered into a lease agreement with M2 Lease Funds, LLC for computer and audio visual equipment. At July 22,2021, the college recorded a lease liability of $627,042. The agreement requires monthly payments of $17,688 for three years, with an implicit interest rate of 1.00% and final payment due June 22, 2024.

On August 1, 2021, the College entered into a lease agreement with Cadillac XBC and Maple Lanes for a bowling facility. At August 1,2021, the college recorded a lease liability of $23,683. The agreement requires annual payments of $8,000 for three years, with an implicit interest rate of 1.33% and final payment due July 31, 2024.

NOTE 8 – NONCURRENT LIABILITIES (CONTINUED)

C. Lease Agreements Payable (Continued)

On August 15, 2021, the College entered into a lease agreement with Marco for copiers and printers. At August 15, 2021, the college recorded a lease liability of $541,007. The agreement requires monthly payments of $9,385 for five years, with an implicit interest rate of 1.64% and final payment due July 15, 2026.

On October 1, 2021, the College entered into a lease agreement with D & D Midwest Investments, LLC for training space for carpentry and apprenticeship programs. At October 1, 2021, the College recorded a lease liability of $23,758. The agreement requires monthly payments of $1,000 for two years, with an implicit interest rate of 1.06% and final payment due September 30, 2023.

On October 1, 2022, the College entered into a lease agreement with SynDaver for extended service for covered equipment. The College recorded a lease liability of $77,711. The agreement requires annual payments of $15,723 for five years, with an implicit rate of 1.06% and final payment due October 31, 2026.

Future principal and interest payments as of June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 740,467	$ 15,505	$ 755,972
2025	502,989	6,576	509,565
2026	134,906	1,519	136,425
2027	24,939	169	25,108
Total	$ 1,403,301	$ 23,769	$ 1,427,070

D. Subscription Agreement Payable

The College, as a lessee, has entered into subscription license and information technology agreements. The total costs of the City's subscription assets are recorded as $1,831,592, less accumulated amortization of $588,394.

On July 1, 2019 the College entered into a subscription license and services information technology agreement with Ellucian for financial and educational software. At July 1, 2022, the College recorded a subscription agreement payable of $278,794. The agreement requires annual payments of $139,474 and $146,448 for two years, with an implicit interest rate of 5.00% and final payment due June 30, 2024.

NOTE 8 – NONCURRENT LIABILITIES (CONTINUED)

D. Subscription Agreements Payable (Continued)

On December 22, 2020 the College entered into a subscription license and services information technology agreement with Ellucian for CRM Recruit. At July 1, 2022, the College recorded a subscription agreement payable of $185,949. The agreement requires annual payments of $65,100 for five years, with an implicit interest rate of 5.00% and final payment due June 30, 2025.

On September 21, 2021 the College entered into a subscription license and services information technology agreement with Ellucian for CRM Advise. At July 1, 2022, the College recorded a subscription agreement payable of $336,088. The agreement requires annual payments of $74,087 for five years, with an implicit interest rate of 5.00% and final payment due September 30, 2026.

On September 28, 2021 the College entered into a subscription license and services information technology agreement with Ellucian for talent management cloud software. At July 1, 2022, the College recorded a subscription agreement payable of $423,756. The agreement requires annual payments ranging from $88,233 to $99,307 for five years, with an implicit interest rate of 5.00% and final payment due September 30, 2026.

On October 30, 2020 the College entered into a subscription license and services information technology agreement with Panopto for licensing and software. At July 1, 2022, the College recorded a subscription agreement payable of $61,221. The agreement requires annual payments of $31,374 for three years, with an implicit interest rate of 5.00% and final payment due December 5, 2023.

On April 29, 2020, the College entered into a subscription license and services information technology agreement with CampusLogic for scholarship universe subscription and access rights. At July 1, 2022, the College recorded a subscription agreement payable of $91,066. The agreement requires annual payments ranging from $26,790 to $33,822 for five years, with an implicit interest rate of 5.00% and final payment due April 1, 2025.

On August 6, 2019, the College entered into a subscription license and services information technology agreement with Instracture, Inc. for cloud subscriptions. At July 1, 2022, the College recorded a subscription agreement payable of $233,488. The agreement requires annual payments ranging from $72,160 to $85,359 for five years, with an implicit interest rate of 5.00% and final payment due January 31, 2025.

On April 15, 2023, the College entered into a subscription license and services information technology agreement with Entrinsik, Inc. for financial and educational software. The agreement requires annual payments of $25,975 for three years, with an implicit interest rate of 5.00% and final payment due April 15, 2025

NOTE 8 – NONCURRENT LIABILITIES (CONTINUED)

D. Subscription Agreements Payable (Continued)

On April 30, 2023, the College entered into a subscription license and services information technology agreement with Augusoft for annual subscription fees. The agreement requires annual payments ranging from $31,496 and $25,242 for two years, with an implicit interest rate of 5.00% and final payment due April 30, 2024.

On January 18, 2023, the College entered into a subscription license and services information technology agreement with Insight for storage subscriptions. The agreement requires monthly payments of $1,748 three years, with an implicit interest rate of 5.00% and final payment due January 29, 2026.

Future principal and interest payments as of June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 588,739	$ 63,410	$ 652,149
2025	362,657	36,274	398,931
2026	190,923	17,793	208,716
2027	164,954	8,440	173,394
Total	$ 1,307,273	$ 125,917	$ 1,433,190

NOTE 9 – IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)

A. Plan Description

IPERS membership is mandatory for employees of Hawkeye Community 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.

NOTE 9 – IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS) (CONTINED)

B. Pension Benefits

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

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

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

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

C. 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.

NOTE 9 – IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS) (CONTINUED)

D. Contributions

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

In fiscal year 2023, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the College contributed 9.44% of covered payroll for a total rate of 15.73%.

The College's contributions to IPERS for the year ended June 30, 2023, were $1,108,033.

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

At June 30, 2023, the College reported a liability of $5,271,894 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, the College's proportion was 0.139536%, which was an increase of 0.084830% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the College recognized pension expense of $(391,296). At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 9 – IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS) (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 226,427	$ 72,213
Changes in assumptions	4,473	126
Net collective difference between projected and actual earnings on IPERS' investments	-	564,340
Changes in proportion and difference between College contributions and the College's proportionate share of contributions	-	655,018
College contributions subsequent to the measurement date	1,108,033	-
Total	$ 1,338,933	$ 1,291,697

$1,108,033 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2024	$ (799,459)
2025	(587,827)
2026	(792,349)
2027	1,114,899
2028	3,939
Total	$(1,060,797)

There were no non-employer contributing entities to IPERS.

NOTE 9 – IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS) (CONTINUED)

F. Actuarial Assumptions

The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

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

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2022 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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

The target allocation and best estimates of 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
Domestic equity	22.00%	3.57%
International equity	17.50%	4.79%
Global smart beta equity	6.00%	4.16%
Core plus fixed income	20.00%	1.66%
Public credit	4.00%	3.77%
Cash	1.00%	0.77%
Private equity	13.00%	7.57%
Private real assets	8.50%	3.55%
Private credit	8.00%	3.63%
Total	100.00%	

NOTE 9 – IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS) (CONTINUED)

G. Discount Rate

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

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

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate 1.00% lower (6.00%) or 1.00% higher (8.00%) than the current rate.

	1.00% Decrease (6.00%)	Discount Rate (7.00%)	1.00% Increase (8.00%)
College's proportionate share of the net pension liability	$ 9,822,170	$ 5,271,894	$ 1,261,848

I. IPERS Fiduciary Net Position

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

J. Payables to IPERS'

At June 30, 2023, the College reported payables to IPERS of $44,916 for legally required employer contributions and $29,928 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

NOTE 10 – TEACHERS INSURANCE AND ANNUITY ASSOCIATION (TIAA)

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

NOTE 10 – TEACHERS INSURANCE AND ANNUITY ASSOCIATION (TIAA) (CONTINUED)

Benefit terms, including contribution requirements, for TIAA are established and specified by the plan with TIAA and in accordance with the Code of Iowa. For each employee in the pension plan, the College is required to contribute 9.44% of annual salary, including overtime pay, to an individual employee account. Each employee is required to contribute 6.29%. Contributions made by both the College and employees vest immediately. For the year ended June 30, 2023, employee contributions totaled $762,285 and the College recognized pension expense of $1,144,019.

At June 30, 2023, the College reported payables to TIAA of $47,237 for legally required employer contributions and $31,475 for legally required employee contributions which had been withheld from employee wages but not yet remitted to TIAA.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The College operates a single-employer health benefit plan that provides medical and prescription drug benefits to all active and retired employees and their spouses. The medical and prescription drug coverage is provided through a self-insured plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

B. OPEB Benefits

Individuals who are employed by the College and are eligible to participate in the group health benefit plan are eligible to continue healthcare benefits upon retirement. The College pays 100 percent of the single premium for retirees. Covered spouses and surviving spouses must pay the difference between the family and single premium, which results in an implicit subsidy and an OPEB liability.

Retired participants must be age 55 with 10 years of service at retirement. At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	17
Active employees	297
Total	314

C. Total OPEB Liability

The College's total OPEB liability of $969,447 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

D. Actuarial Assumptions

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

Inflation	3.00% per annum
Salary increases	3.00% per annum
Discount rate	3.54% compounded annually
Healthcare cost trend rates	5.00% per annum
Retirees' share of benefit-related costs	Portion not covered by the College

E. Discount Rate

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

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

Changes in Total Liability

Total OPEB liability beginning of year	$ 1,034,653
Changes for the year:	
Service cost	70,777
Interest	34,415
Changes of benefit terms	-
Differences between expected and actual experience	(12,503)
Changes in assumptions	(83,600)
Benefit payments	(74,295)
Net Changes	(65,206)
Total OPEB liability end of year	$ 969,447

Changes in assumptions reflect a change in the discount rate changed from 2.21% in fiscal year 2022 to 3.54% in fiscal year 2023.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

F. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1.00% lower (2.54%) or 1.00% higher (4.54%) than the current discount rate:

	1.00% Decrease (2.54%)	Discount Rate (3.54%)	1.00% Increase (4.54%)
Total OPEB Liability	$ 1,031,782	$ 969,447	$ 911,897

G. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1.00% lower (4.00%) or 1.00% higher (6.00%) than the current healthcare cost trend rate:

	1.00% Decrease (4.00%)	Healthcare Cost Trend Rate (5.00%)	1.00% Increase (6.00%)
Total OPEB Liability	$ 889,804	$ 969,447	$ 1,060,479

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

For the year ended June 30, 2023, the College recognized OPEB expense of $(7,404). At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 73,526	$ 167,517
Changes in assumptions	275,763	74,611
Total	$ 349,289	$ 242,128

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Year Ending June 30,	Amount
2024	$ 28,936
2025	28,936
2026	28,936
2027	28,936
2028	25,891
Thereafter	(34,474)
Total	$ 107,161

NOTE 12 – RISK MANAGEMENT

The Community College has secured insurance purchased from commercial insurance carriers to provide coverage and protection in the following categories: general liability, automobile liability, group excess liability, linebacker, pollution liability, professional services, property and inland marine, workers compensation and employers' liability, and crime insurance. There have been no reductions in insurance coverage from prior years. Settled claims resulting from the risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 13 – JOBS TRAINING PROGRAMS

Hawkeye Community College administers the Iowa Industrial New Jobs Training Program (NJTP) in Merged Area VII in accordance with Chapter 260E of the Code of Iowa. NJTP's purpose is to provide tax-aided training or retraining for employees of industries which are new to or are expanding their operations within the State of Iowa. Certificates are sold by the Community College to fund approved projects and are to be retired by proceeds from anticipated jobs credits from withholding taxes, incremental property taxes, budgeted reserves and in the case of default, from standby property tax. Since inception, the College has administered 310 projects, with 53 currently receiving project funding or in the repayment stage.

Hawkeye Community College also administers the Iowa Small Business New Jobs Training Program (SBNJTP) in Merged Area VII in accordance with Chapter 260F of the Code of Iowa. SBNJTP's purpose is to provide tax-aided training or retraining for employees of small businesses which are new to or are expanding their operations within the State of Iowa. Approved small businesses receive loans from the Iowa Employment Training Fund, a State administered fund. The Community College received funding for 15 projects during fiscal year 2023.

NOTE 14 – TAX ABATEMENTS

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

A. College Tax Abatements

260E Projects - The College provides tax abatements for industrial new jobs training projects with the tax increment financing as provided for in section 403.19 of the Code of Iowa and/or state income tax withholding as provided for in section 260E.5 of the Code of Iowa. Community Colleges enter into training agreements with eligible businesses to establish single or multiple projects to provide training to employees in new jobs. A final agreement executed between the Community College and a business is a binding contract. To fund training, the College borrows money from investors in the form of bond certificates. These certificates are repaid by capturing a portion of the state withholding dollars generated by the new jobs' payroll and diverting these dollars into special funds controlled by the College. These payments are equal to 1.5 percent of the gross wages paid to employees in the new jobs. An additional payment equivalent to 1.5 percent of the gross wages paid on new jobs is authorized by 15A.7 of the Code of Iowa. In essence, this program enables a business to divert the equivalent of 3 percent of the new jobs gross payroll. No other commitments were made by the College as part of these agreements.

For the year ended June 30, 2023, the College had no abatements of property tax and $3,191,573 of state income tax withholding under the projects.

260G Projects - The College also provides tax abatements for training programs with tax increment financing as provided for in section 403.19 of the Code of Iowa and/or state income tax withholding as provided for in section 260G.4A of the Code of Iowa. For this type of program, a Community College will enter into an agreement with a business to establish or expand a training program for occupations most needed by Iowa business. A business must be engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products, construction, conducting research and development or providing services in interstate or intrastate commerce. Retail, health and professional services are excluded. At a minimum, a business must match 25 percent of the program costs and an agreement shall not exceed a period of 5 years. The remaining program costs are diverted to the College through state withholding dollars. These dollars are paid into a special fund of the College to pay, in part, the program costs. No other commitments were made by the College as part of these agreements.

For the year ended June 30, 2023, the College had no abatements of property tax and $262,037 of state income tax withholding under the projects.

NOTE 14 – TAX ABATEMENTS (CONTINUED)

B. Tax Abatements of Other Entities

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

Property tax revenues of the College were reduced by the following amounts for the year ended June 30, 2023 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Waterloo	Urban renewal and economic development projects	$ 130,294
City of Evansdale	Urban renewal and economic development projects	-
City of Cedar Falls	Urban renewal and economic development projects	40,965
City of La Porte City	Urban renewal and economic development projects	-
City of Jesup	Urban renewal and economic development projects	505
City of Janesville	Urban renewal and economic development projects	1,562
City of Hudson	Urban renewal and economic development projects	11,899
City of Dunkerton	Urban renewal and economic development projects	-
City of Gilbertville	Urban renewal and economic development projects	-
City of Waverly	Urban renewal and economic development projects	94
City of Denver	Urban renewal and economic development projects	8,493
City of Sumner	Urban renewal and economic development projects	4,728
City of Readlyn	Urban renewal and economic development projects	-
City of Fairbank	Urban renewal and economic development projects	458
City of Independence	Urban renewal and economic development projects	17,286
City of Aplington	Urban renewal and economic development projects	-
City of Parkersberg	Urban renewal and economic development projects	15,042
City of Allison	Urban renewal and economic development projects	-
City of Shell Rock	Urban renewal and economic development projects	-
City of New Hartford	Urban renewal and economic development projects	-
City of Nashua	Urban renewal and economic development projects	-
City of Reinbeck	Urban renewal and economic development projects	-
City of Grundy Center	Urban renewal and economic development projects	9,022
City of Dysart	Urban renewal and economic development projects	1,098
City of Elk Run Heights	Urban renewal and economic development projects	-
Bremer County	Urban renewal and economic development projects	4,663
Butler County	Urban renewal and economic development projects	33,866
Grundy County	Urban renewal and economic development projects	8,434
		$ 288,409

NOTE 15 – SELF-FUNDED HEALTH INSURANCE PROGRAM

During fiscal year 2018, the Community College implemented a self-funded health insurance program. Hawkeye Community College pays the actual claims and has a stop-loss arrangement whereby the total losses cannot exceed the contractual maximum liability with the insurer, which is $3,936,174.

The Community College's monthly contributions to the program fund current operations and provide capital for future claims. Monthly operating contributions are those amounts necessary to fund, on a cash basis, the program's general and administrative expenses, and claims. The College uses reinsurance to reduce its exposure for losses that carries a specific stop loss of $75,000 per covered individual 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 Reported and Unreported Insurance Claims Payable and Insurance Reserve for the year ended June 30, 2023 is as follows:

Medical reserve fund balance, beginning of year	$ 1,618,208
Claims recognized	4,151,003
Claim payments	(4,265,340)
Medical reserve fund balance, end of year	$ 1,503,871
Reported and unreported insurance claims payable	$ 639,801
Insurance reserve	864,070
Insurance claims reserve	$ 1,503,871

NOTE 16 – IMPLEMENTATION OF NEW ACCOUNTING STANDARDS

Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs) was implemented during fiscal year 2023. The new requirements require the reporting of certain right-to-use subscription-based IT arrangements and liabilities which were previously not reported. The result of these changes had no effect on the beginning net position.

	Capital Assets	Long-term liabilities IT Subscription Agreements
Balances June 30, 2022, as previously reported	$ 73,146,137	$ 31,747,225
Change to implement GASB No. 96	1,610,362	1,610,362
Balances July 1, 2022, as restated	$ 74,756,769	$ 33,357,587

NOTE 17 – SUBSEQUENT EVENTS

The College has evaluated subsequent events through February 15, 2024, the date which the financial statements were available for issue.

REQUIRED SUPPLEMENTARY INFORMATION

HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Iowa Public Employees' Retirement System
For the Last NineYears*

Required Supplementary Information

	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.139536%	0.054706%	0.138769%	0.146459%	0.157967%	0.162650%	0.155994%	0.152160%	0.130092%
District's proportionate share of the net pension liability	$ 5,271,894	$ 188,860	$ 9,748,165	$ 8,480,929	$ 9,996,520	$ 10,834,554	$ 9,817,186	$ 7,517,459	$ 5,159,327
District's covered payroll	$ 11,235,572	$ 10,865,614	$ 10,992,716	$ 11,146,069	$ 11,872,441	$ 12,109,485	$ 11,062,838	$ 10,051,937	$ 8,502,676
District's proportionate share of the net pension liability as a percentage of its covered payroll	46.92%	1.74%	88.68%	76.09%	84.20%	89.47%	88.74%	74.79%	60.68%
IPERS' net position as a percentage of the total pension liability	91.41%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

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

See accompanying independent auditor's report.

HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF COLLEGE CONTRIBUTIONS

Iowa Public Employees' Retirement System
For the Last Ten Years

Required Supplementary Information

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	$ 1,108,033	$ 1,060,638	$ 1,025,714	$ 1,037,713	$ 1,052,189	$ 1,060,209	$ 1,081,377	$ 987,894	$ 897,638	$ 759,289
Contributions in relation to the statutorily required contribution	(1,108,033)	(1,060,638)	(1,025,714)	(1,037,713)	(1,052,189)	(1,060,209)	(1,081,377)	(987,894)	(897,638)	(759,289)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 11,737,638	$ 11,235,572	$ 10,865,614	$ 10,992,722	$ 11,146,070	$ 11,872,441	$ 12,109,485	$ 11,062,643	$ 10,051,937	$ 8,502,676
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%	8.93%

See notes to required supplementary information – pension liability.

Changes of Benefit Terms:

There are no significant changes in benefit terms.

Changes of Assumptions:

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

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

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

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

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

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

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

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

HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF CHANGES IN THE COLLEGE'S TOTAL OPEB
LIABILITY, RELATED RATIOS AND NOTES

Required Supplementary Information

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	$ 70,777	$ 87,662	$ 85,109	$ 47,038	$ 45,668	$ 33,117
Interest	34,415	23,438	23,407	30,101	29,850	15,186
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(12,503)	(98,594)	(100,607)	-	148,551	(23,318)
Changes in assumptions	(83,600)	-	267,129	-	176,703	14,638
Employee contributions	-	-	-	-	-	-
Benefit payments	(74,295)	-	(22,470)	(76,620)	(49,353)	(20,179)
Net change in total OPEB liabiity	(65,206)	12,506	252,568	519	351,419	19,444
Total OPEB liability - beginning of year	1,034,653	1,022,147	769,579	769,060	417,641	398,197
Total OPEB liability - end of year	$ 969,447	$ 1,034,653	$ 1,022,147	$ 769,579	$ 769,060	$ 417,641
Covered-employee payroll	$ 18,654,991	$ 17,291,802	$ 16,788,157	$ 18,940,261	$ 18,388,603	$ 18,497,014
Total OPEB liability as a percentage of covered-employee payroll	5.20%	5.98%	6.09%	4.06%	4.18%	2.26%

Notes to Schedule:

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

Changes in assumptions reflect a change in the discount rate each period. The following are the discount rates used in each period.

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

Note: GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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SUPPLEMENTARY INFORMATION

HAWKEYE COMMUNITY COLLEGE
BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES -
BUDGET TO ACTUAL
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Between Actual and Final Budget
Unrestricted	$ 42,702,615	$ 42,702,615	$ 42,012,322	$ (690,293)
Restricted	14,352,988	15,052,988	8,104,432	(6,948,556)
Early retirement	-	-	6,693	6,693
Unemployment	45,000	45,000	1,025,802	980,802
Tort liability	292,417	292,417	308,036	15,619
Insurance	3,836,087	3,836,087	3,886,564	50,477
Equipment replacement	2,500,000	2,500,000	418,921	(2,081,079)
Total restricted	21,026,492	21,726,492	13,750,448	(7,976,044)
Plant	9,226,959	14,226,959	13,898,990	(327,969)
Bond and interest	2,739,000	2,739,000	2,472,091	(266,909)
Total	$ 75,695,066	$ 81,395,066	$ 72,133,851	$ (9,261,215)

See notes to budgetary comparison schedule of expenditures – budgetary reporting.

HAWKEYE COMMUNITY COLLEGE
NOTE TO BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES
BUDGETARY REPORTING
Year Ended June 30, 2023

While the College reports financial position, results of operation and changes in net position on the basis of generally accepted accounting principles (GAAP), the Board of Trustees annually prepare a budget designating the proposed expenditures for operations of the College on a budgetary basis that is accrual basis with the exception of capital outlay and debt service payments. Following required public notice and hearing, and in accordance with Chapter 260C of the Code of Iowa, the Board of Trustees certifies the approved budget to the appropriate county auditors and then submits the budget to the State Board of Education for approval. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Formal and legal budgetary control is based on total operating expenditures.

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

The major differences between the budget basis and GAAP are as follows:

	Funds
Total actual expenditures, budgetary basis	$ 72,133,851
Items not required to be budgeted:	
Auxiliary Enterprise	4,041,460
Scholarships and Grant Accounts	10,545,744
Workforce Innovation & Opportunity Act	56,949
Investment in Plant	660,088
Combining adjustments	(21,371,729)
GAAP Basis	$ 66,066,363

For the year ended June 30, 2023, the College's total operating expenditures did not exceed the amount budgeted.

Expenses from the Statement of Revenues, Expenses, and Changes in Net Position:

Total operating expenses	$ 65,521,792
Loss on sale of capital assets	7,591
Interest on indebtedness	536,980
	$ 66,066,363

HAWKEYE COMMUNITY COLLEGE
COMBINING BALANCE SHEET - ALL FUNDS
June 30, 2023

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Current Funds	
	Unrestricted	Restricted
ASSETS		
Cash and cash equivalents	$ 18,856,106	$ 23,184,901
Receivables:		
Due from others	3,231,108	209,921
Accrued interest	81,739	-
Property taxes - succeeding year	2,188,551	6,267,254
Student loans	-	13,368
Iowa industrial new jobs training program	-	5,641,463
Lease receivable	-	-
Due from other governments	222,816	461,954
Prepaid expenses	613,748	-
Inventories	264,585	-
Capital assets, not being depreciated	-	-
Capital assets, net of accumulated depreciation/amortization	-	-
Total assets	25,458,653	35,778,861
DEFERRED OUTFLOWS OF RESOURCES		
Pension related deferred outflows	-	-
OPEB related deferred outflows	-	-
Total deferred outflows of resources	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 25,458,653	$ 35,778,861

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	Unrestricted	Restricted
LIABILITIES		
Accounts payable	$ 2,704,149	$ -
Salaries and benefits payable	3,028,179	-
Accrued interest payable	-	32,260
Unearned revenue	1,004,897	965,278
Compensated absences	996,904	-
Assets held in custody for others	-	-
Reported and unreported insurance claims payable	639,801	-
Insurance reserve	864,070	-
Lease agreements payable	-	-
Subscription liability	-	-
Certificates payable, net of premium	-	17,202,531
Bonds, net of premium and discount	-	-
Net pension liability	-	-
Total OPEB liability	-	-
Total liabilities	9,238,000	18,200,069
DEFERRED INFLOWS OF RESOURCES		
Succeeding year property tax	2,188,551	6,267,254
Lease related deferred inflows		
Pension related deferred inflows	-	-
OPEB related deferred inflows	-	-
Total deferred inflows of resources	2,188,551	6,267,254
FUND BALANCES		
Net investment in capital assets	-	-
Restricted for:		
Expendable:		
Economic development	-	4,376,112
Property tax levies	-	4,374,930
Iowa new jobs training	-	300,249
Scholarships	-	(478)
Loans	-	81,169
Debt Service	-	-
Cash reserve	-	366,380
Other	-	1,813,176
Unrestricted	13,059,359	-
Auxiliary enterprises	972,743	-
Total fund balances	14,032,102	11,311,538
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 25,458,653	$ 35,778,861

Plant Funds					
Unexpended	Retirement of Indebtedness	Investment in Plant	Custodial Funds	Adjustments	Total
$ 1,756,179	$ 167,501	$ -	$ 198,421	$ -	$ 44,163,108
-	-	-	-	-	3,441,029
462	-	-	-	-	82,201
2,188,551	2,657,452	-	-	-	13,301,808
-	-	-	-	-	13,368
-	-	-	-	-	5,641,463
233,426	-	-	-	-	233,426
47,664	-	-	-	-	732,434
-	-	-	-	-	613,748
-	-	-	-	-	264,585
-	-	21,259,381	-	-	21,259,381
-	-	119,552,516	-	(58,728,177)	60,824,339
4,226,282	2,824,953	140,811,897	198,421	(58,728,177)	150,570,890
-	-	-	-	1,338,933	1,338,933
-	-	-	-	349,289	349,289
-	-	-	-	1,688,222	1,688,222
$ 4,226,282	$ 2,824,953	$ 140,811,897	$ 198,421	$ (57,039,955)	$ 152,259,112
$ 839,855	$ -	$ -	$ 17,837	$ -	$ 3,561,841
-	-	-	-	-	3,028,179
83,819	20,707	-	-	-	136,786
-	-		47,827		2,018,002
-	-	-	-	-	996,904
-	-	-	132,757	-	132,757
-	-	-	-	-	639,801
-	-	-	-	-	864,070
-	-	1,403,301	-	-	1,403,301
-	-	1,307,273	-	-	1,307,273
-	-	-	-	-	17,202,531
-	-	4,873,147	-	-	4,873,147
-	-	-	-	5,271,894	5,271,894
-	-	-	-	969,447	969,447
923,674	20,707	7,583,721	198,421	6,241,341	42,405,933
2,188,551	2,657,452	-	-	-	13,301,808
224,960	-			-	224,960
-	-	-	-	1,291,697	1,291,697
-	-	-	-	242,128	242,128
2,413,511	2,657,452	-	-	1,533,825	15,060,593
-	-	133,228,176	-	(58,728,177)	74,499,999
-	-	-	-	-	4,376,112
-	-	-	-	-	4,374,930
-	-	-	-	-	300,249
-	-	-	-	-	(478)
-	-	-	-	-	81,169
-	146,794	-	-	-	146,794
-	-	-	-	-	366,380
-	-	-	-	-	1,813,176
889,097	-	-	-	(6,086,944)	7,861,512
-	-	-	-	-	972,743
889,097	146,794	133,228,176	-	(64,815,121)	94,792,586
$ 4,226,282	$ 2,824,953	$ 140,811,897	$ 198,421	$ (57,039,955)	$ 152,259,112

HAWKEYE COMMUNITY COLLEGE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL FUNDS

Year Ended June 30, 2023

	Current Funds	
	Unrestricted	Restricted
REVENUES		
General:		
State appropriations	$ 15,318,935	$ 6,248,691
Tuition and fees	19,244,235	-
Property taxes	2,226,546	6,036,356
Federal appropriations	12,215	8,561,718
Sales and services	1,090,688	-
Interest on investments	965,396	4,268
Iowa Industrial New Jobs Training Program	-	3,091,205
Increase in plant investment due to plant expenditures (including $1,469,613 in current fund expenditures)	-	-
Increase in plant investments due to payment of lease/subscription assets	-	-
Increase in plant investment due to retirement of debt	-	-
Miscellaneous	4,181,158	2,039,409
	43,039,173	25,981,647
Auxiliary enterprises:		
Tuition and fees	93,088	-
Sales and services	1,122,437	-
Miscellaneous	393,716	-
	1,609,241	-
Total revenues	44,648,414	25,981,647
EXPENDITURES		
Education and support:		
Liberal arts and sciences	6,951,179	393,437
Vocational technical	10,110,097	2,219,376
Adult education	4,781,222	1,856,418
Cooperative services	493,459	3,508,725
General administration	2,441,615	47,886
Student services	4,716,526	58,207
Learning resources	656,584	-
Physical plant	3,923,752	4,194,600
General institution	6,652,235	1,147,078
Total education and support	40,726,669	13,425,727
Auxiliary enterprises	4,041,460	-
Scholarships and grants	-	10,545,744
Plant asset acquisitions	-	-
Right-to-use asset acquisitions	-	-
Retirement of indebtedness	1,285,653	-
Disposal of plant assets	-	-
Interest on indebtedness	-	381,670
Amortization expense	-	-
Depreciation expense	-	-
Loss on sale of capital assets	-	-
Total expenditures	46,053,782	24,353,141
Excess (deficiency) of revenues over (under) expenditures	(1,405,368)	1,628,506
TRANSFERS		
Non-mandatory transfers	1,346,964	(1,359,169)
Net change in fund balances	(58,404)	269,337
FUND BALANCES		
Beginning	14,090,506	11,042,201
Ending	$ 14,032,102	$ 11,311,538

Plant Funds				
Unexpended	Retirement of Indebtedness	Investment in Plant	Adjustments	Total
$ 435,815	$ 41,007	$ -	$ -	$ 22,044,448
-	-	-	(8,448,859)	10,795,376
2,227,133	2,550,040	-	-	13,040,075
-	-	-	-	8,573,933
-	-	-	-	1,090,688
1,157,951	-	-	-	2,127,615
-	-	-	-	3,091,205
-	-	12,454,415	(12,454,415)	-
-	-	1,313,593	(1,313,593)	-
-	-	2,400,000	(2,400,000)	-
3,242,491	-	257,509	(35,525)	9,685,042
7,063,390	2,591,047	16,425,517	(24,652,392)	70,448,382
-	-	-	(46,464)	46,624
-	-	-	-	1,122,437
-	-	-	-	393,716
-	-	-	(46,464)	1,562,777
7,063,390	2,591,047	16,425,517	(24,698,856)	72,011,159
-	-	-	(544,116)	6,800,500
-	-	-	(1,171,915)	11,157,558
-	-	-	(214,364)	6,423,276
-	-	-	(80,575)	3,921,609
-	-	-	(79,415)	2,410,086
-	-	-	(454,909)	4,319,824
-	-	-	(18,082)	638,502
1,372,022	-	-	(108,570)	9,381,804
1,430,406	600	-	(236,586)	8,993,733
2,802,428	600	-	(2,908,532)	54,046,892
-	-	-	-	4,041,460
-	-	-	(8,495,323)	2,050,421
10,984,803	-	-	(10,984,803)	-
-	-	-	-	-
27,940	2,400,000	-	(3,713,593)	-
-	-	660,088	(660,088)	-
83,819	71,491	-	-	536,980
-	-	-	1,386,953	1,386,953
-	-	-	3,996,066	3,996,066
-	-	-	7,591	7,591
13,898,990	2,472,091	660,088	(21,371,729)	66,066,363
(6,835,600)	118,956	15,765,429	(3,327,127)	5,944,796
11,244	-	-	-	(961)
(6,824,356)	118,956	15,765,429	(3,327,127)	5,943,835
7,713,453	27,838	117,462,747	(61,487,994)	88,848,751
$ 889,097	$ 146,794	$ 133,228,176	$ (64,815,121)	$ 94,792,586

HAWKEYE COMMUNITY COLLEGE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - UNRESTRICTED FUND
EDUCATION AND SUPPORT
Year Ended June 30, 2023

	Education			
	Liberal Arts and Sciences	Vocational Technical	Adult Education	Cooperative Services
REVENUES				
State appropriations	$ 12,335	$ 39,955	$ 56,069	$ -
Tuition and fees	10,114,479	5,200,602	3,468,536	66,539
Property taxes	-	-	-	-
Federal appropriations	-	-	-	-
Sales and services	69,945	943,391	71,333	-
Interest on investments	-	-	-	-
Miscellaneous	3,000	19,606	217,623	76,398
Total revenues	10,199,759	6,203,554	3,813,561	142,937
EXPENDITURES				
Salaries and benefits	6,480,240	8,617,455	3,404,119	289,628
Services	56,141	492,123	859,291	48,942
Materials and supplies	76,528	785,359	392,759	31,365
Travel	44,928	54,771	30,392	239
Expended for plant assets	-	20,883	59,550	25,484
Retirement of indebtedness	15,723	-	11,900	-
Miscellaneous	293,342	139,506	35,111	97,801
Total expenditures	6,966,902	10,110,097	4,793,122	493,459
Excess (deficiency) of revenues over (under) expenditures	3,232,857	(3,906,543)	(979,561)	(350,522)
TRANSFERS				
Non-mandatory transfers, net	(17,088)	(38,966)	(1,805)	195,913
Net change in fund balances	$ 3,215,769	$ (3,945,509)	$ (981,366)	$ (154,609)
FUND BALANCES				
Beginning				
Ending				

See notes to supplementary information.

Support					
General Admini-stration	Student Services	Learning Resources	Physical Plant	General Institution	Education and Support Total
$ 35,815	$ -	$ 99	$ -	$ 15,174,662	$ 15,318,935
-	394,079	-	-	-	19,244,235
2,226,546	-	-	-	-	2,226,546
12,215	-	-	-	-	12,215
-	5,694	-	-	325	1,090,688
965,396	-	-	-	-	965,396
183,176	10,101	626	1,519	3,669,109	4,181,158
3,423,148	409,874	725	1,519	18,844,096	43,039,173
1,777,130	3,984,464	405,240	562,733	4,309,658	29,830,667
395,941	570,503	8,336	3,054,414	546,412	6,032,103
54,853	125,810	239,052	221,391	1,333,980	3,261,097
76,020	16,034	3,956	424	65,515	292,279
-	19,300	-	84,790	14,009	224,016
5,809	7,175	-	-	1,100,023	1,140,630
137,671	415	-	-	382,661	1,086,507
2,447,424	4,723,701	656,584	3,923,752	7,752,258	41,867,299
975,724	(4,313,827)	(655,859)	(3,922,233)	11,091,838	1,171,874
(8,820)	(130,502)	15,588	10,000	(1,257,425)	(1,233,105)
$ 966,904	$ (4,444,329)	$ (640,271)	$ (3,912,233)	$ 9,834,413	$ (61,231)
					13,120,590
					$ 13,059,359

See notes to supplementary information.

HAWKEYE COMMUNITY COLLEGE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
UNRESTRICTED FUND
AUXILIARY ENTERPRISES
Year Ended June 30, 2023

	Career Education	Adult Education	Farm Operations	Food Service
REVENUES				
Tuition and fees	$ -	$ -	$ -	$ -
Sales and services	426,760	1,245	308,835	13,715
Miscellaneous	258,501	-	7,308	-
Total revenues	685,261	1,245	316,143	13,715
EXPENDITURES				
Salaries and benefits	77,177	-	-	13,092
Services	12,735	1,613	57,340	70
Materials and supplies	310,241	129	129,549	1,380
Cost of goods sold	444,797	-	-	-
Travel	635	359	-	-
Expended for plant assets	7,683	-	15,589	-
Retirement of indebtedness	-	-	-	-
Miscellaneous	-	-	-	-
Total expenditures	853,268	2,101	202,478	14,542
Excess (deficiency) of revenues over (under) expenditures	(168,007)	(856)	113,665	(827)
TRANSFERS				
Non-mandatory transfers, net	64,793	-	-	12,982
FUND BALANCES				
Beginning	(351,907)	41,553	288	405,365
Ending	$ (455,121)	$ 40,697	$ 113,953	$ 417,520

Redtail Café	Athletics	Other	Total
$ -	$ 26,422	$ 66,666	$ 93,088
180,921	27,921	163,040	1,122,437
-	1,300	126,607	393,716
180,921	55,643	356,313	1,609,241
125,301	1,001,543	81,771	1,298,884
15,810	261,073	293,280	641,921
33,791	202,452	39,905	717,447
144,897	-	-	589,694
-	164,110	17,615	182,719
-	220,035	11,500	254,807
-	35,972	109,051	145,023
-	355,988	-	355,988
319,799	2,241,173	553,122	4,186,483
(138,878)	(2,185,530)	(196,809)	(2,577,242)
139,277	2,049,611	313,406	2,580,069
-	17,692	856,925	969,916
$ 399	$ (118,227)	$ 973,522	$ 972,743

HAWKEYE COMMUNITY COLLEGE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - RESTRICTED FUND
Year Ended June 30, 2023

	Scholarships and Grants	Early Retirement	Equipment Replacement	Insurance	Unemployment Compensation
REVENUES					
State appropriations	$ 3,727,297	$ 11,348	$ -	$ 69,588	$ 218
Property taxes	-	705,644	989,837	4,327,347	13,528
Federal appropriations and grants	4,911,164	-	-	-	-
Interest on investments	163	-	-	-	-
Iowa Industrial New Jobs Training Program	-	-	-	-	-
Miscellaneous	1,055,958	-	-	9,053	-
Total revenues	9,694,582	716,992	989,837	4,405,988	13,746
EXPENDITURES					
Salaries and benefits	-	416,796	-	-	6,693
Services	-	2,125	280,206	4,194,600	-
Materials and supplies	-	-	142,995	-	-
Travel	-	-	-	-	-
Expended for plant assets	-	-	602,601	-	-
Interest on indebtedness	-	-	-	-	-
Federal Pell Grant Program	4,768,026	-	-	-	-
Federal Supplemental Educational Opportunity Grant (SEOG)	144,118	-	-	-	-
Private scholarships	5,050,191	-	-	-	-
Miscellaneous	20,500	-	-	-	-
Total expenditures	9,982,835	418,921	1,025,802	4,194,600	6,693
Excess (deficiency) of revenues over (under) expenditures	(288,253)	298,071	(35,965)	211,388	7,053
TRANSFERS					
Non-mandatory transfers, net	278,088	-	(43,944)	(6,995)	-
FUND BALANCES					
Beginning	9,687	(627,261)	2,630,551	1,792,959	149,073
Ending	$ (478)	$ (329,190)	$ 2,550,642	$ 1,997,352	$ 156,126

Cash Reserve	Workforce Innovation & Opportunity Act	Iowa Industrial New Jobs Training Program	Contracted Training	Economic Development	Miscellaneous	Total
$ -	$ 56,949	$ -	$ 333,808	$ 860,920	$ 1,188,563	$ 6,248,691
-	-	-	-	-	-	6,036,356
-	-	-	-	-	3,650,554	8,561,718
-	-	-	-	-	4,105	4,268
-	-	2,829,168	-	52,115	209,922	3,091,205
-	-	-	-	385,788	588,610	2,039,409
-	56,949	2,829,168	333,808	1,298,823	5,641,754	25,981,647
-	40,127	-	-	608,204	2,654,200	3,726,020
-	229	2,071,492	307,565	7,461	668,723	7,532,401
-	-	116,597	-	3,928	414,935	678,455
-	175	11,408	-	17,300	75,234	104,117
-	-	-	-	-	388,189	990,790
-	-	381,670	-	-	-	381,670
-	-	-	-	-	-	4,768,026
-	-	-	-	-	-	144,118
-	-	-	-	-	583,409	5,633,600
-	16,418	275,925	-	-	81,101	393,944
-	56,949	2,857,092	307,565	636,893	4,865,791	24,353,141
-	-	(27,924)	26,243	661,930	775,963	1,628,506
-	-	(228,979)	-	(664,711)	(692,628)	(1,359,169)
366,380	27,679	557,152	332,791	4,378,893	1,424,297	11,042,201
$ 366,380	$ 27,679	$ 300,249	$ 359,034	$ 4,376,112	$ 1,507,632	$ 11,311,538

HAWKEYE COMMUNITY COLLEGE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
CUSTODIAL FUNDS
Year Ended June 30, 2023

DEDUCTIONS	
Tuition and fees	$ 1,092,176
Sales and services	224,748
Total additions	1,316,924
Deductions	
Materials and supplies	1,194,091
Total deductions	1,194,091
Change in net position	122,833
TRANSFERS	
Non-mandatory transfers, net	961
Net position beginning of year	8,963
Net position end of year	$ 132,757

See note to supplementary information

HAWKEYE COMMUNITY COLLEGE
NOTE TO SUPPLEMENTARY INFORMATION
Year Ended June 30, 2023

Statements presented in the supplementary information are reported using the current financial resources measurement focus and the accrual basis of accounting, except for depreciation. The schedule of revenues, expenditures and changes in fund balances is the statement of financial activities related to the current reporting period. It does not purport to present the results of operations or net income or loss for the period as would a statement of income or a statement of revenues and expenses. In order to ensure observance of limitations and restrictions placed on the use of resources available to the College, the accounts of the College are maintained in accordance with the principles of "fund accounting". This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in the financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions are accounted for and reported by fund group. Within each fund group, fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated for specific purposes by action of the governing board. Externally restricted funds may only be utilized in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which the governing board retains full control to use in achieving any of its institutional purposes.

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

The College utilizes the following fund groups:

Current Funds

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

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

The Auxiliary Enterprises subgroup accounts for activities which are intended to provide non-instructional services for sales to students, staff, and/or institutional departments, which are supplemental to the educational and general objectives of the College. In addition, they account for activities that 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 Fund - The Restricted Fund is used to account for resources that are available for the operation and support of the educational program but which are restricted as to their use by donors or outside agencies.

Current Funds (Continued)

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

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

Plant Funds

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

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

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

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

Custodial Fund

The Custodial Fund is used to account for assets held by the College in a custodial capacity or as an agent for others.

HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF CREDIT AND CONTACT HOUR ENROLLMENT
Year Ended June 30, 2023

	Credit Hours			Contact Hours		
Category	Eligible for Aid	Not Eligible for Aid	Total	Eligible for Aid	Not Eligible for Aid	Total
Arts and sciences	53,715	-	53,715	915,072	-	915,072
Vocational Education	33,343	-	33,343	758,288	-	758,288
Adult/continuing education	-	-	-	755,630	30,428	786,058
Total	87,058	-	87,058	2,428,990	30,428	2,459,418

HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF TAXES AND INTERGOVERNMENTAL REVENUES
FOR THE LAST TEN YEARS

	Years Ended June 30,									
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Local (property tax)	$ 13,040,075	$ 12,381,518	$ 11,904,691	$ 11,386,367	$ 9,901,875	$ 9,397,442	$ 8,793,825	$ 8,469,716	$ 8,262,008	$ 8,410,452
State	22,044,448	20,738,255	20,351,148	19,542,722	17,527,079	17,185,170	17,186,759	17,149,114	17,099,053	16,097,835
Federal	8,573,933	12,601,194	14,534,167	10,124,778	8,877,362	13,258,898	15,592,867	15,917,845	13,559,712	12,217,312
	$ 43,658,456	$ 45,720,967	$ 46,790,006	$ 41,053,867	$ 36,306,316	$ 39,841,510	$ 41,573,451	$ 41,536,675	$ 38,920,773	$ 36,725,599

HAWKEYE COMMUNITY COLLEGE
CURRENT FUND REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
FOR THE LAST TEN YEARS

	Years Ended June 30,				
	2023	2022	2021	2020	2019
Revenues:					
State appropriations	$ 21,567,626	$ 20,246,067	$ 19,859,210	$ 18,825,636	$ 17,036,133
Tuition and fees	19,244,235	20,110,608	19,334,567	18,020,870	19,188,571
Property tax	8,262,902	7,495,159	7,145,201	6,690,329	5,408,736
Federal appropriations	8,573,933	12,601,194	14,534,167	10,124,778	8,877,362
Sales and services	1,090,688	-	-	-	-
Interest on investments	969,664	(145,670)	95,346	480,425	734,200
Iowa Industrial New Jobs Training Program	3,091,205	2,379,093	4,286,228	2,004,427	3,547,900
Auxiliary enterprises	1,609,241	1,465,622	1,300,970	2,331,609	2,721,894
Miscellaneous	6,220,567	5,117,512	6,302,058	3,920,497	4,206,567
Total	$ 70,630,061	$ 69,269,585	$ 72,857,747	$ 62,398,571	$ 61,721,363
Expeditures:					
Liberal arts and sciences	$ 7,344,616	$ 6,736,820	$ 6,304,883	$ 6,677,440	$ 7,457,241
Vocational technical	12,329,473	11,339,238	11,033,536	10,554,855	11,187,617
Adult education	6,637,640	5,964,979	6,003,240	4,779,392	5,744,411
Cooperative services	4,002,184	3,283,380	5,712,535	3,525,925	5,151,920
Administration	2,489,501	2,192,833	2,090,640	2,098,273	1,984,060
Student services	4,774,733	4,627,723	4,628,165	4,327,507	4,496,262
Learning resources	656,584	665,339	660,427	754,062	798,688
Physical plant	8,118,352	6,682,261	6,221,765	5,665,961	5,420,332
General institution	7,799,313	7,057,247	7,829,388	8,610,009	8,104,842
Auxiliary enterprises	4,041,460	3,473,428	3,228,471	4,003,195	3,733,042
Scholarships and grants	10,545,744	12,875,273	11,781,051	9,176,024	7,726,459
Retirement of indebtedness	1,285,653	728,904	-	-	-
Interest on indebtedness	381,670	385,049	394,166	376,866	320,486
Total	$ 70,406,923	$ 66,012,474	$ 65,888,267	$ 60,549,509	$ 62,125,360

Years Ended June 30,				
2018	2017	2016	2015	2014
$ 16,689,049	$ 16,685,742	$ 16,646,151	$ 16,647,722	$ 15,697,835
19,083,956	19,314,724	18,461,054	17,732,024	19,168,702
4,934,422	4,517,218	4,395,144	5,365,833	4,277,771
13,258,898	15,592,867	15,917,845	13,559,712	12,217,312
-	-	-	-	-
207,272	112,502	240,897	275,357	173,207
3,934,818	1,314,290	2,658,380	3,813,684	1,194,342
2,582,581	2,714,776	2,546,785	2,480,309	2,186,038
4,054,574	2,926,344	3,057,614	2,872,136	1,958,797
$ 64,745,570	$ 63,178,463	$ 63,923,870	$ 62,746,777	$ 56,874,004
$ 7,569,480	$ 7,467,620	$ 7,622,796	$ 7,370,096	$ 6,690,837
15,461,859	17,220,635	17,498,651	16,309,298	9,850,670
5,068,211	5,208,916	5,224,566	4,694,368	4,761,973
6,114,339	4,779,167	5,275,000	5,345,385	3,899,676
1,507,921	1,733,911	2,319,533	1,953,527	2,265,799
4,507,193	4,317,192	3,947,029	3,939,035	3,399,493
790,386	892,397	1,077,673	1,143,181	878,858
5,005,134	4,582,244	4,406,740	4,118,217	4,297,787
7,692,085	6,217,623	6,780,574	6,209,544	6,583,374
3,713,520	3,314,589	2,754,205	2,799,975	2,792,120
8,585,804	9,037,209	8,882,216	9,669,299	9,939,104
-	-	-	-	-
286,011	332,466	419,827	468,355	625,214
$ 66,301,943	$ 65,103,969	$ 66,208,810	$ 64,020,280	$ 55,984,905

HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	New Loans
Direct Programs:				
U.S. Department of Education:				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	143,918	-
Federal Work-Study Program	84.033	N/A	118,200	-
Federal Pell Grant Program	84.063	N/A	4,768,026	-
Federal Direct Student Loans	84.268	N/A	-	7,122,764
Total Student Financial Assistance Cluster			5,030,144	7,122,764
Education Stabilization Fund:				
COVID-19 - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	84.425E	N/A	370,917	-
COVID-19 - HEERF Institutional Portion	84.425F	N/A	6,897	-
COVID-19 - HEERF Strengthening Institutions Program (SIP)	84.425M	N/A	1,093,189	-
Total Education Stabilization Fund			1,471,003	-
Child Care Access Means Parents in School (C-Campis)	84.335	N/A	123,169	-
Total U.S. Department of Education			6,624,316	7,122,764
U.S. Department of Transportation:				
Commercial Motor Vehicle Operator Safety Training Grants	20.235	N/A	162,342	-
Total U.S. Department of Transportation			162,342	-
Corporation for National and Community Services				
Foster Gransparent/Senior Companion Cluster				
Senior Companion Program	94.016	N/A	376,474	-
AmeriCorps State and National	94.006	N/A	262,423	-
Total Corporation for National and Community Services			638,897	-
Total Direct Programs			7,425,555	7,122,764
Indirect Programs:				
U.S. Department of Agriculture:				
Passed through Iowa Department of Education:				
Child and Adult Care Food Program	10.558	N/A	56,573	-
Total U.S. Department of Agriculture			56,573	-
National Science Foundation:				
Passed through Iowa State University:				
STEM Eductation	47.076	N/A	50,433	-
Total National Science Foundation			50,433	-
U.S. Department of Education:				
Passed through Iowa Department of Education:				
Adult Education - Basic Grants to States	84.002	N/A	351,796	-
Career and Technical Education -- Basic Grants to States	84.048	N/A	337,155	-
COVID-19 - Governor's Emergency Education Relief (GEER) Fund	84.425C	N/A	12,174	-
Total U.S. Department of Education			701,125	-
U.S. Department of Health and Human Services:				
Passed through the Iowa Department of Education:				
Head Start Cluster:				
Head Start - Child Care	93.600		236,640	-
Head Start - Preschool	93.600	N/A	117,808	-
Total U.S. Department of Health and Human Services			354,448	-
Total Indirect Programs			1,162,579	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 8,588,134	$ 7,122,764

See notes to SEFA.

HAWKEYE COMMUNITY COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the College under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in financial position or cash flows of the College.

NOTE 2 – STUDENT FINANCIAL ASSISTANCE

The College is responsible only for the performance of certain administrative duties with respect to the Federal Direct Student Loan Program, and accordingly, these loans are not included in its financial statements. It is not practical to determine the balance of the loans outstanding to students and former students of the College under this program as of June 30, 2023.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 4 – INDIRECT COST RATE

The College has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

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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*

Independent Auditor's Report

To the Board of Trustees
Hawkeye Community College

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities, and the discretely presented component unit of Hawkeye Community College as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Hawkeye Community College's basic financial statements, and have issued our report thereon dated February 15, 2024. Our report includes a reference to other auditors who audited the financial statements of Hawkeye Community College Foundation, as described in our report on Hawkeye Community College's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Hawkeye Community College Foundation were not audited in accordance with *Government Auditing Standards.*

Report on Internal Control over Financial Reporting

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

Report on Internal Control over Financial Reporting (Continued)
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.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether Hawkeye 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the College's operations for the year ended June 30, 2023, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the College. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

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

Bergan KDV, Ltd

Minneapolis, Minnesota
February 15, 2024

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Trustees
Hawkeye Community College

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hawkeye Community College's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Hawkeye Community College's major federal programs for the year ended June 30, 2023. Hawkeye Community College's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Hawkeye Community College complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Report on Internal Control Over Compliance (Continued)
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Bergan KDV, Ltd

Minneapolis, Minnesota
February 15, 2024

HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

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

(a) An unmodified opinion was issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.

(b) No material weaknesses or significant deficiencies in internal control over financial reporting was disclosed by the audit of the financial statements.

(c) The audit did not disclose any non-compliance which is material to the financial statements.

(d) No material weaknesses or significant deficiencies in internal control over the major programs was disclosed by the audit of the financial statements.

(e) An unmodified opinion was issued on compliance with requirements applicable to each major program.

(f) The audit disclosed no audit findings which were required to be reported in accordance with the Uniform Guidance, Section 200.516.

(g) Major programs were as follows:

- Student Financial Aid Cluster
- Assistance Listing Number 84.425E – COVID 19 Higher Education Emergency Relief Fund (HEERF) – Student Aid Portion
- Assistance Listing Number 84.425F – COVID 19 Higher Education Emergency Relief Fund (HEERF) – Institutional Portion
- Assistance Listing Number 84.425M – COVID 19 Higher Education Emergency Relief Fund (HEERF) – Strengthening Institutions Program (SIP)

(h) The dollar threshold used to distinguish between Type A and Type B programs was $750,000.

(i) Hawkeye Community College qualified as a low-risk auditee.

HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

Part II - Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

INSTANCES OF NONCOMPLIANCE:

No matters were reported.

HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

Part III - Findings and Questioned Costs for Federal Awards:

INSTANCES OF NONCOMPLIANCE:

No matters were reported.

INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

HAWKEYE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

Part IV - Other Findings Related to Required Statutory Reporting:

2023-001 Certified budget - Expenditures for the year ended June 30, 2023, did not exceed the amount budgeted.

2023-002 Questionable expenditures - No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979, were noted.

2023-003 Travel expense - No expenditures of College money for travel expenses of spouses of College officials or employees were noted. No travel advances to College officials or employees were noted.

2023-004 Business transactions – Business transactions between the College and the College officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Katrina Nagle, Adjunct Professor Spouse of Owner of Nagle Signs	Sign work on campus	$14,157
Dresden Wulf Spouse planted fertilizer for farmland	Planted and fertilized farmland	$10,069

2023-005 Restricted donor activity - No transactions were noted between the College, College officials, College employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

2023-006 Bond coverage - Surety bond coverage of College officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

2023-007 Board minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.

2023-008 Publication - The College published a statement showing all receipts and disbursements of all funds, including the names of all persons, firms, or corporations to which disbursements were made, as required by Section 260C.14(12) of the Code of Iowa.

2023-009 Deposits and investments - No instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the College's investment policy were noted.

2023-010 Credit/Contact Hours - Eligible credit and contact hours reported to the Iowa Department of Education by the College for the year ended June 30, 2023, were supported by detailed records maintained by the College.

HAWKEYE COMMUNITY COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2023

Financial Statement Audit:

MATERIAL WEAKNESS:

2022-001 Finding – During the audit, a material amount of accounts payable and deposits for assets and immaterial amounts of accounts receivable, deferred revenue, and leases were not properly recorded in the College's financial statements.

Recommendation – The College should continue to implement procedures to ensure the identified areas above are properly identified, classified, and included in the College's financial statements.

Current Status – Although the amounts identified in the FY22 audit were not repeated during the FY23 audit, the College still continues to look at is processes in order to ensure all amounts and adjustments are properly recorded.

APPENDIX B

DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Certificates (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 each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

1. 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 the 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 issues, corporate and municipal debt issues, and money market instruments (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 Participants 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 an S&P Global Ratings 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.

2. 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 into the transaction. Transfers of ownership interests 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 interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

3. 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 DTC 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.

4. 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 take certain steps to augment the transmission to them of 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 has 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 notices be provided directly to them.

5. 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 Participant in such issue to be redeemed.

6. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the College 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

7. 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 the College or the Paying 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, the Paying Agent, or the College, 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 the College or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

8. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any 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 any 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 any Tender/Remarketing Agent's DTC account.

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

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

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the College believes to be reliable, but the College takes no responsibility for the accuracy thereof.

APPENDIX C

DRAFT FORM OF BOND COUNSEL OPINION

Ahlers & Cooney, P.C.
Attorneys at Law
100 Court Avenue, Suite 600
Des Moines, Iowa 50309-2231
Phone: 515-243-7611
Fax: 515-243-2149
www.ahlerslaw.com

DRAFT

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 Hawkeye Community College (Merged Area VII), in the Counties of Benton, Black Hawk, Bremer, Buchanan, Butler, Chickasaw, Fayette, Floyd, Grundy and Tama, State of Iowa (the "Issuer"), relating to the issuance of its $_______ principal amount of Taxable Industrial New Jobs Training Certificates (2024-1 Multiple Project), Series 2024-1, dated June 3, 2024 (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 2024-1 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.

3. The interest on the Certificates is not excluded from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended. THE HOLDERS OF THE CERTIFICATES SHOULD TREAT THE INTEREST THEREON AS SUBJECT TO FEDERAL INCOME TAXATION. We express no other opinion regarding any other federal or state 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 D

DRAFT CONTINUING DISCLOSURE CERTIFICATE

DRAFT

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Hawkeye Community College (the "Issuer"), in connection with the issuance of $________ Taxable Industrial New Jobs Training Certificates, Series 2024-1 (the "Certificates") dated June 3, 2024. The Certificates are being issued pursuant to a Resolution of the Issuer approved on April 23, 2024 (the "Resolution"). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate; Interpretation. 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). This Disclosure Certificate shall be governed by, construed and interpreted in accordance with the Rule, and, to the extent not in conflict with the Rule, the laws of the State. Nothing herein shall be interpreted to require more than required by the Rule.

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.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with S.E.C. Rule 15c2-12.

"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 _______________, 2024.

"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 adopted by the Securities and Exchange Commission (S.E.C.) under the Securities Exchange Act of 1934, and any guidance and procedures thereunder published by the S.E.C., 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 the 15th day of April each year, commencing with information for the 2023/2024 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 "Debt Information"; "Property Assessment and Tax Information" but only for the following tables: "Percentages for Taxable Valuation After Rollbacks", "Actual (100%) Valuations for the College", "Taxable (Rollback) Valuations for the College", and "Tax Extensions and Collection"; and "Financial Information".

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;

xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

xv. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

xvi. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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 with respect to each Series of Certificates shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Certificates of that Series 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.

Section 13. Rescission Rights. The Issuer hereby reserves the right to rescind this Disclosure Certificate without the consent of the Holders in the event the Rule is repealed by the S.E.C. or is ruled invalid by a federal court and the time to appeal from such decision has expired. In the event of a partial repeal or invalidation of the Rule, the Issuer hereby reserves the right to rescind those provisions of this Disclosure Certificate that were required by those parts of the Rule that are so repealed or invalidated.

Date: 23rd day of April, 2024.

HAWKEYE COMMUNITY COLLEGE

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:	Hawkeye Community College.
Name of Certificate Issue:	$_______ Taxable Industrial New Jobs Training Certificates, Series 2024-1
Dated Date of Issue:	June 3, 2024

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___.

HAWKEYE COMMUNITY COLLEGE

By: ______________________________________
Its: ______________________________________

02321824\10567-298

OFFICIAL BID FORM

Hawkeye Community College	April 23, 2024
1501 E. Orange Road, P.O. Box 8015	*Speer Financial, Inc.*
Waterloo, IA 50704	*Facsimile: (319) 291-8628*

Members of the Board of Directors:

For the $410,000* Taxable Industrial New Jobs Training Certificates, Series 2024-1 (the "Certificates"), of Hawkeye Community College (Merged Area VII), Iowa (the "College"), as described in the annexed Official Terms of Offering, which is expressly made a part of this bid, we will pay you $_________________ (no less than $406,720). The Certificates are to bear interest at the following respective rates (each a multiple of 1/8 or 1/100 of 1%) for the Certificates of each designated maturity.

AMOUNTS* AND MATURITIES – JUNE 1

$40,000	2025	________%	$45,000	2028	________%	$40,000	2032	________%
45,000	2026	________%	40,000	2029	________%	40,000	2033	________%
45,000	2027	________%	40,000	2030	________%	35,000	2034	________%
			40,000	2031	________%			

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

Maturities: ___________ ***Term Maturity*** ______ ***Maturities:***__________ ***Term Maturity*** ______

Maturities: ___________ ***Term Maturity*** ______ ***Maturities:***__________ ***Term Maturity*** ______

**Subject to principal adjustment in accordance with the Official Terms of Offering.*

The Certificates are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Ahlers & Cooney, P.C., Des Moines, Iowa. The College will pay for the legal opinion. **The Purchaser agrees to** pay the fee charged by the CUSIP Service Bureau and will accept the Certificates with the CUSIP numbers as entered on the Certificates.

No good faith deposit is required.

Account Manager Information

Underwriter/Bank ____

Address ____

Authorized Rep ____

City _____________ State/Zip ________________________________

Direct Phone (_____)____

FAX Number (_____)____

E-Mail Address ____

Bidders Option Insurance

We have purchased insurance from:

Name of Insurer
(Please fill in)

____

Premium: _____________

Maturities: (Check One)

[__] _____________**Years**

[__] All

The foregoing bid was accepted and the Certificates sold by Resolution of the College on April 23, 2024.

ATTEST: HAWKEYE COMMUNITY COLLEGE, IOWA

_________________________________ _________________________________

Board Secretary *Board President*

--------------NOT PART OF THE BID--------------
(Calculation of true interest cost)

Gross Interest	$
Less Premium/Plus Discount	$
True Interest Cost	$
True Interest Rate	%
TOTAL BOND YEARS	_____
AVERAGE LIFE	_____ Years

OFFICIAL TERMS OF OFFERING

$410,000*
HAWKEYE COMMUNITY COLLEGE, IOWA
(MERGED AREA VII)

Taxable Industrial New Jobs Training Certificates, Series 2024-1

Hawkeye Community College (Merged Area VII), Iowa, (the "College" or "Meged Area"), will receive electronic bids on the SpeerAuction ("SpeerAuction") website address "www.SpeerAuction.com" for its $410,000* Taxable Industrial New Jobs Training Certificates, Series 2024-1 (the "Certificates"), on an all or none basis between 10:00 A.M. and 10:30 A.M., C.D.T., Tuesday, April 23, 2024. To bid electronically, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the College's sale (as described below). The College will also receive sealed bids for the Certificates, on an all or none basis, at the Board Room, 1501 E. Orange Road, P.O. Box 8015, Waterloo, Iowa, before 10:30 A.M., C.D.T., Tuesday, April 23, 2024. The College will also receive facsimile bids at (319) 291-8628 for the Certificates, on an all or none basis, before 10:30 A.M., C.D.T., Tuesday, April 23, 2024. Upon receipt, facsimile bids will be sealed and treated as sealed bids, and along with all other sealed bids will be publicly opened and, together with any electronic bids, read.

Award will be made or all bids rejected at a meeting of the College on that date. The College reserves the right to reject all bids, to reject any bid proposal not conforming to this Official Terms of Offering, and to waive any irregularity or informality with respect to any bid. Additionally, the College reserves the right to modify or amend this Official Terms of Offering; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Certificates and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News.*

The Certificates will constitute valid and legally binding obligations of the College and the Certificates are payable from the Net Revenues as more fully described herein under "**DESCRIPTION OF THE CERTIFICATES - Security**". In the event such Net Revenues are insufficient, the Certificates are payable from a special standby tax levied upon all taxable real property within the Merged Area without limitation as to rate or amount, all except as limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to the enforcement of creditors' rights generally and except that enforcement by equitable and similar remedies, such as mandamus, is subject to the exercise of judicial discretion. Additional security for the Certificates is provided by a Debt Service Reserve Fund (the "Reserve Fund") to be applied, until depleted, to pay interest and principal payments due on the Certificates.

**ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER DETERMINATION OF BEST BID. The aggregate principal amount of the Certificates, and each scheduled maturity thereof, are subject to increase or reduction by the College or its designee after the determination of the Winning Bidder. The College may increase or decrease each maturity in increments of $5,000, but the total amount to be issued will not exceed $410,000. Interest rates specified by the Winning Bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the College.*

The dollar amount of the purchase price proposed by the Winning Bidder will be changed if the aggregate principal amount of the Certificates is adjusted as described above. Any change in the principal amount of any maturity of the Certificates will be made while maintaining, as closely as possible, the Winning Bidder's net compensation, calculated as a percentage of bond principal. The Winning Bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive, and shall be binding upon the Winning Bidder.

Certificate Details

The Certificates will be in fully registered form in the denominations of $5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, to which principal and interest payments on the Certificates will be paid. Individual purchases will be in book-entry form only. Interest on each Certificate shall be paid by check or draft of the Registrar to the person in whose name such Certificate is registered at the close of business on the fifteenth day of the month next preceding an interest payment date on such bond. The principal of the Certificates shall be payable in lawful money of the United States of America at the principal office maintained for the purpose by the Registrar in West Des Moines, Iowa. Semiannual interest is due June 1 and December 1 of each year, commencing December 1, 2024 and is payable by UMB Bank, n.a., West Des Moines, Iowa (the "Registrar"). The Certificates are dated the date of delivery (expected to be on or about June 3, 2024).

AMOUNTS* AND MATURITIES – JUNE 1

$40,000	2025	$45,000	2028	$40,000	2032
45,000	2026	40,000	2029	40,000	2033
45,000	2027	40,000	2030	35,000	2034
		40,000	2031		

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

The Certificates due June 1, 2025 - 2030, inclusive, are non-callable. The Certificates due June 1, 2031 - 2034, inclusive, are callable in whole or in part and on any date on or after June 1, 2030, at a price of par and accrued interest. If less than all the Certificates are called, they shall be redeemed in any order of maturity as determined by the College and within any maturity by lot.

Method of Bidding Electronically

Notwithstanding the fact that the College permits receiving bids electronically using SpeerAuction, all bidders must have a signed, but uncompleted, Official Bid Form delivered to Speer Financial, Inc., Suite 608, 531 Commercial Street, Waterloo, Iowa, (319) 291-8628 facsimile, prior to the close of bidding to which a printout of the electronic bid will be attached and delivered to the College.

If bidding electronically, all-or-none bids must be submitted via the internet address www.SpeerAuction.com. The use of SpeerAuction shall be at the bidder's risk and expense and the College shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bids.

To bid via the SpeerAuction webpage, bidders must first visit the SpeerAuction webpage where, if they have not previously registered with either SpeerAuction, Grant Street Group (the "Auction Administrator") or any other website administered by the Auction Administrator, they may register and then request admission to bid on the Certificates. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid electronically.

The "Rules" of the SpeerAuction bidding process may be viewed on the SpeerAuction webpage and are incorporated herein by reference. Bidders must comply with the Rules of SpeerAuction in addition to the requirements of the College's Official Terms of Offering. In the event the Rules of SpeerAuction and this Official Terms of Offering conflict, this Official Terms of Offering shall be controlling.

All electronic bids must be submitted on the SpeerAuction webpage. Electronic bidders may change and submit bids as many times as they choose during the sale period but may not delete a submitted bid. The last bid submitted by an electronic bidder before the deadline for receipt of bids will be compared to all other final bids to determine the winning bidder. During the bidding, no bidder will see any other bidder's bid nor the status of their bid relative to other bids (e.g., whether their bid is a leading bid). The electronic bidder bears all risk of transmission failure. Any questions regarding bidding on the SpeerAuction website should be directed to Grant Street Group at (412) 391-5555 x 370.

Each bidder shall be solely responsible for making necessary arrangements to access SpeerAuction for purposes of submitting its internet bid in a timely manner and in compliance with the requirements of the Terms of Offering. The College is permitting bidders to use the services of the SpeerAuction solely as a communication mechanism to conduct the internet bidding and the SpeerAuction is not an agent of the College. Provisions of the Terms of Offering and Official Bid Form shall control in the event of conflict with information provided by the Internet Bid System.

Electronic Facsimile Bidding: Bids may be submitted via facsimile at (319) 291-8628. Electronic facsimile bids will be sealed and treated as sealed bids. Neither the College nor its agents will assume liability for the inability of the bidder to reach the above named fax numbers prior to the time of sale specified above. Transmissions received after the deadline will be rejected. Bidders electing to submit bids via facsimile transmission bear full and complete responsibility for the transmission of such bid. Neither the College nor its agents will assume responsibility for the inability of the bidder to reach the above specified fax number prior to the time of sale. Time of receipt shall be the time recorded by the person receiving the facsimile and shall be conclusive.

Bidding Parameters and Award of the Certificates

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The rates bid shall be in non-descending order. The differential between the highest rate bid and the lowest rate bid shall not exceed six percent (6%). All bids must be for all of the Certificates and must be for not less than $406,720.

Award of the Certificates: The Certificates will be awarded on the basis of true interest cost, determined in the following manner. True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Certificates from the payment dates thereof to the dated date and to the bid price. For the purpose of calculating true interest cost, the Certificates shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage or if all such bids are not submitted electronically, the winning bid shall be determined by lot.

The Certificates will be awarded to the bidder complying with the terms of this Official Terms of Offering whose bid produces the lowest true interest cost rate to the College as determined by the College's Registered Municipal Advisor, which determination shall be conclusive and binding on all bidders; provided, that the College reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Electronic bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

The premium or discount, if any, is subject to pro rata adjustment if the maturity amounts of the Certificates are changed, maintaining, as close as possible, the same dollar amount of profit per $1,000 bond as bid.

The true interest cost of each electronic bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the College's Municipal Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The College or its Municipal Advisor will notify the bidder to whom the Certificates will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-36. The winning bidder will be required to pay the standard MSRB charge for Certificates purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association ("SIFMA") will be required to pay SIFMA's standard charge per Certificate.

No Good Faith Deposit and Other Matters

No good faith deposit is required to bid on the Certificates.

The College covenants and agrees to enter into a written agreement, certificate or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the College for the benefit of the beneficial owners of the Certificates on or before the date of delivery of the Certificates as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter.

The Underwriter's obligation to purchase the Certificates shall be conditioned upon the College delivering the Undertaking on or before the date of delivery of the Certificates.

The Certificates will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about June 3, 2024. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the College except failure of performance by the purchaser, the College may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Certificates will cease.

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 College, shall constitute a "Final Official Statement" of the College with respect to the Certificates, as that term is defined in the Rule. By awarding the Certificates to any underwriter or underwriting syndicate, the College 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, up to 50 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The College 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 College 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.

By submission of its bid, the senior managing underwriter of the successful purchaser agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Certificates. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The College will, at its expense, deliver the Certificates to the purchaser in New York, New York (or arrange for "FAST" delivery) through the facilities of DTC and will pay for the bond attorney's opinion. At the time of closing, the College will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Certificates: (1) the legal opinion of Ahlers & Cooney, P.C., Des Moines, Iowa, that the Certificates are lawful and enforceable obligations of the College in accordance with their terms; and (2) a no litigation certificate by the College.

Purchaser consents to the receipt of electronic transcripts and acknowledges the College's intended use of electronically executed documents. Iowa Code Chapter 554D establishes electronic signatures have the full weight and legal authority as manual signatures.

The College has authorized the printing and distribution of an Official Statement containing pertinent information relative to the College and the Certificates. Copies of such Official Statement or additional information may be obtained from Dan Gillen, Vice President of Administration and Finance, Hawkeye Community College, 1501 E. Orange Road, P.O. Box 8015, Waterloo, Iowa, 50704 or an electronic copy of this Official Statement is available from the www.speerfinancial.com website under "Official Statement Sales/Competitive Calendar" or from the Registered Municipal Advisor to the College, Speer Financial, Inc., 531 Commercial Street, Suite 608, Waterloo, Iowa 50701 (telephone (319) 291-2077), and 230 West Monroe Street, Suite 2630, Chicago, Illinois 60606 (telephone (312) 346-3700).

/s/ **DANIEL L. GILLEN**
Vice President Administration and Finance
HAWKEYE COMMUNITY COLLEGE
(Merged Area VII)
Waterloo, Iowa

EXHIBIT E

IOWA COMMUNITY COLLEGE MAP