New Issue

Date of Sale: Monday, December 9, 2019 *(Alternate Bid Methods)*
Between 10:00 and 10:30 A.M., C.D.T. *(Closed Speer Auction)*
Before 10:30 A.M., C.D.T. *(Sealed Bids)*

Investment Rating:
Moody's Investors Service …
(Rating Requested)

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.*

$2,175,000*
INDIAN HILLS COMMUNITY COLLEGE, IOWA
(Merged Area XV)
Taxable Industrial New Jobs Training Certificates, Series 2019-1

Dated Date of Delivery **Book-Entry** **Due Serially June 1, 2020 - 2029**

The $2,175,000* Taxable Industrial New Jobs Training Certificates, Series 2019-1 (the "Certificates") are being issued by the Indian Hills Community College, (Merged Area XV), Iowa (the "College"). Interest is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2020. 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)
$145,000	2020	____%	____%	_____	$225,000	2025	____%	____%	_____
235,000	2021	____%	____%	_____	225,000	2026	____%	____%	_____
225,000	2022	____%	____%	_____	225,000	2027	____%	____%	_____
225,000	2023	____%	____%	_____	225,000	2028	____%	____%	_____
225,000	2024	____%	____%	_____	220,000	2029	____%	____%	_____

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, 2020 - 2025, inclusive, are not subject to optional redemption. Certificates due June 1, 2026 - 2029, inclusive, are callable in whole or in part on any date on or after June 1, 2025, 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 $217,500*, and (iii) pay certain Certificate issuance costs and administrative expenses. See **"DESCRIPTION OF THE CERTIFICATES - Projects"** and **"DESCRIPTION OF THE CERTIFICATES – Use 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 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 November 25, 2019, 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 Mr. Michael Lee, Chief Financial Officer, Indian Hills Community College, 525 Grandview Avenue, Ottumwa, Iowa, 52501, or from the Registered Municipal Advisors to the College.

Speer Financial, Inc.
INDEPENDENT MUNICIPAL ADVISORS • ESTABLISHED 1954
ONE NORTH LASALLE STREET, SUITE 4100 • CHICAGO, ILLINOIS 60602
Telephone: (312) 346-3700; Facsimile: (312) 346-8833
531 COMMERCIAL STREET, SUITE 608 • WATERLOO, IOWA 50701
Telephone: (319) 291-2077; Facsimile: (319) 291-8628
www.speerfinancial.com

**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.

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.

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OFFICIAL BID FORM
OFFICIAL TERMS OF OFFERING

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:	Indian Hills Community College, (Merged Area XV), Iowa.
Issue:	$2,175,000* Taxable Industrial New Jobs Training Certificates, Series 2019-1.
Dated Date:	Date of delivery (expected to be on or about December 30, 2019).
Interest Due:	Each June 1 and December 1, commencing June 1, 2020.
Principal Due:	Serially each June 1, commencing June 1, 2020 through 2029, as detailed on the cover page of this Official Statement.
Optional Redemption:	Certificates maturing on or after June 1, 2026, are callable at the option of the College on any date on or after June 1, 2025, 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, 2019 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 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.
Investment Rating:	An investment rating for the Certificates has been requested from Moody's Investors Service, New York, New York. See **"INVESTMENT RATING**" herein.
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 $217,500*, and (iii) pay certain Certificate issuance costs and administrative expenses. See **"DESCRIPTION OF THE CERTIFICATES - Projects"** and **"DESCRIPTION OF THE CERTIFICATES – Use 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.
Certificate Registrar/Paying Agent:	UMB Bank, n.a., West Des Moines, Iowa.
Delivery:	The Certificates are expected to be delivered on or about December 30, 2019.
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.*

INDIAN HILLS COMMUNITY COLLEGE
(Merged Area XV)

Board of Trustees

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CERTIFICATE HOLDERS' RISKS

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 Certificate or note issue are suspended or terminated. Additionally, prices of Certificate 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.

Ratings Loss

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

Various factors, including additional regulation of rating agencies could materially alter the methodology, rating levels, and types of ratings available, for example, and these changes, if ever, could materially affect the market value of the Certificates.

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 "estimate," "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**.

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. The Annual Report is to be filed by the College no later than two hundred seventy (270) days after the close of each fiscal year, commencing with the fiscal year ending June 30, 2019, with the Municipal Securities Rulemaking Board, at its internet repository named "Electronic Municipal Market Access" ("EMMA"). The notices of events, if any, are also to be filed with EMMA. 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 SEC Rule 15c2-12(b)(5) (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. The College has implemented significant security and operational control measures. There can be no assurances that these measures 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 liability claims or regulatory penalties, any security breach could have a material adverse impact on the College's operations and financial condition. The College has a $1,000,000 Cyber-Liability Policy that includes significant pre-and post-breach assistance and service. The College cannot predict whether insurance coverage will be sufficient in the event of a cyberattack. However, the Certificates are secured by an unlimited ad valorem property tax as described 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 of the owners of the Certificates 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 on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Certificates will be similarly qualified.

Federal Tax Legislation

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals pending in Congress that could, if enacted, alter or amend one or more of the federal tax matters described herein in certain respects or would adversely affect the market value of 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.

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 property valuation within 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 property within 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.

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 December 30, 2019) 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 June 1, 2020 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 Certificate 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); 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 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, 2020 - 2025, inclusive, are not subject to optional redemption prior to maturity. The Certificates due June 1, 2026 - 2029, inclusive, are subject to optional redemption prior to maturity in whole or in part on any date on or after June 1, 2025 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 Use 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	$2,175,000.00
Total	$2,175,000.00
USES:	
New Jobs Training Project	$1,445,287.50
College Administration Expense	424,125.00
Underwriter's Discount	17,400.00
Legal and Issuance Costs	48,937.50
State Administration Expense	21,750.00
Reserve Fund	217,500.00
Total	$2,175,000.00

Summary of the Resolution and Parity Certificates

The Board of Directors of the College is expected to adopt the Resolution on December 9, 2019. 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 property in the Merged Area:

Estimated Amount	Fiscal Year (July 1 to June 30) of Collection*(1)*
$168,954	2019/20
289,065	2020/21
273,895	2021/22
268,720	2022/23
263,320	2023/24
257,470	2024/25
251,395	2025/26
245,095	2026/27
238,570	2027/28
226,820	2028/29

Note: (1) For example, a levy made and certified against the taxable valuations of January 1, 2018, will be collected during the fiscal year commencing July 1, 2020.

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

Camp 365

Certificate Amount: $295,000 *Number of New Jobs: 25*

Camp365 features patented and patent-pending and other proprietary technology to manufacture compact, ultra lightweight campers. The jobs will be located in Albia, Iowa.

East Penn Manufacturing

Certificate Amount: $965,000 *Number of New Jobs: 92*

East Penn Manufacturing is a lead battery manufacturing company, headquartered in Lyon Station, Pennsylvania. East Penn's operations include facilities in both Corydon and Oelwein, Iowa. The jobs will be located in Corydon, Iowa.

HyVee Distribution Center

Certificate Amount: $820,000 *Number of New Jobs: 105*

Hy-Vee, Inc. is an employee-owned corporation operating 240 retail grocery stores in eight Midwestern states. Hy-Vee is headquartered in West Des Moines, Iowa. The new jobs will be added in Chariton, Iowa.

RELCO Locomotives, Inc.

Certificate Amount: $95,000 *Number of New Jobs: 12*

RELCO Locomotives, Inc. is in the locomotive leasing, rebuilding, and repairing industry. For over 50 years RELCO has provided locomotive solutions to railroads, transit agencies, OEMs, industrial companies, and government agencies throughout North America. RELCO has assembled a team of internal and external professionals to provide both engineering and operational expertise. The new jobs will be in Albia, Iowa.

THE COLLEGE

Indian Hills Community College (IHCC) is a dynamic two-year educational institution with campuses in Ottumwa, Centerville and at the North Workforce Campus (northwest of Ottumwa). The College has four county service centers and offers career academy programs at area high schools within the ten county area. The College offers over 70 certificate, diploma, and degree programs in arts and sciences and career and technical education programs. The Continuing Education and Workforce Solutions department at IHCC offers extensive continuing education course offerings along with business and industry training programs.

The origins of the College date back to January 3, 1966, when the State Board of Public Instruction officially approved the formation of the Iowa Merged Area XV School Corporation. The College district includes the school districts in Appanoose, Davis, Jefferson, Keokuk, Lucas, Mahaska, Monroe, Van Buren, Wapello, and Wayne counties. See **APPENDIX E** for a map of the Iowa Community Colleges. Merged Area XV began operation as a vocational district on July 1, 1966, and was called the Iowa Technical Institute. The State Board of Public Instruction authorized a change in classification for the institution from a vocational district to a community college on November 16, 1966.

In 1968, the College's Board of Trustees assumed responsibility for the management and operation of Centerville Junior College, which was founded in 1930 to provide liberal arts and pre-professional training for students in the Centerville area. Indian Hills Community College was adopted as the official name of Merged Area XV in 1970. The boards of Indian Hills and Ottumwa Heights College, a private college operated by the Sisters of Humility of Mary, merged operations on July 1, 1979. The merger resulted in the purchase of the Ottumwa Heights facility by the IHCC Board of Trustees in July of 1981.

The Ottumwa Campus serves as the College's main campus and houses the majority of college enrollment in a wide variety of transfer and degree programs. This location also houses the primary administrative offices of the college, provides housing capacity in excess of 500 students, and includes athletic programs for basketball, cross country, golf, soccer, softball, and volleyball. The campus is located in the northeast portion of the City of Ottumwa, and visitors often comment on the beauty of the campus with its distinct architecture and natural surroundings.

The IHCC Centerville Campus is located on the northwest part of the City of Centerville, Iowa. Students at this campus may take Arts & Sciences courses, as well as enroll in several Advanced Technology programs, including Business Specialist programs, Construction Technology, Agricultural programs offered in Animal Science, Precision Farming Systems, and Landscape and Turfgrass Technology. The Health Sciences: Practical Nursing program is also available.

The IHCC North Workforce Campus is located just northwest of the City of Ottumwa, near the Ottumwa Regional Airport off of Highway 63. The North Campus hosts a number of programs, including: Aviation Pilot Training, Aviation Maintenance Technology, Avionics certification, Diesel Technology, Welding Technology and Commercial Driver Training.

The College has grown to meet the changing needs of the residents in the ten county area the College serves. The College staff members, administration, and board of trustees are committed to providing high quality educational opportunities through quality programs and facilities.

College Organization and Services

The College is governed by a nine-member Board of Directors. The board members are elected from the nine districts in the ten county service area. The College is regulated by the Iowa State Department of Education.

The College employs approximately 850 full and part-time employees including adjunct instructors and student workers.

Enrollment History

College Enrollment*(1)*

Fiscal Year	Total Credit Hours	FTEE Enrollment
2010	135,617	6,113
2011	139,839	6,225
2012	126,174	5,660
2013	121,030	5,438
2014	94,010	4,287
2015	107,842	4,881
2016	122,846	5,447
2017	98,673	4,409
2018	89,550	3,932
2019	85,813	3,929(2)

Notes: (1) Source: the College and the Iowa Department of Education.
(2) Preliminary.

Educational Facilities

Located within the College service area are 20 public school districts. The public school districts and their total student enrollments and population are listed below.

School District	Certified Enrollment October 2018(1)	2010 Census District Population(2)
Albia	1,163	7,304
Cardinal	571	3,896
Centerville	1,375	9,212
Chariton	1,276	7,354
Davis County	1,154	8,512
Eddyville-Blakesburg-Fremont	891	4,245
Fairfield	1,622	15,529
Harmony	356	2,580
Keota	333	2,040
Moravia	351	2,089
Moulton-Udell	219	1,466
North Mahaska	450	2,945
Oskaloosa	2,329	16,046
Ottumwa	4,655	29,183
Pekin	598	3,728
Seymour	274	2,273
Sigourney	555	3,596
Tri-County	286	1,183
Van Buren	643	5,370
Wayne	572	3,522
Total	19,673	132,073

Notes: (1) Source: Iowa Department of Education.
(2) Source: National Center for Education Statistics as of the 2010 Census.

SOCIOECONOMIC INFORMATION

Population Trends

The Counties in the Merged Area XV are listed below and the Merged Area XV has an estimated 2010 population of 132,073. 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 XV.

Population*(1)*

	2010	2000	1990	1980
Appanoose	12,887	13,721	13,743	15,511
Davis	8,753	8,541	8,312	9,104
Jefferson	16,843	16,181	16,310	16,316
Keokuk	10,511	11,400	11,624	12,921
Lucas	8,898	9,422	9,070	10,313
Mahaska	22,381	22,335	21,532	22,867
Monroe	7,970	8,016	8,114	9,209
Van Buren	7,570	7,809	7,676	8,626
Wapello	35,625	36,051	35,696	40,241
Wayne	6,403	6,730	7,067	8,199

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 XV Counties.

Major Area Employers*(1)*

Location	Name	Product/Service	Approximate Employment
Wapello	JB USA Pork	Pork Processing	2,400
Wapello	John Deere, Ottumwa Works	Farm Equipment	950
Varies	Indian Hills Community College	Higher Education	850
Wapello	Ottumwa Regional Health Center	Healthcare	825
Wapello	Ottumwa Community School District	Education	700
Wapello	Cargill, Inc.	Wet Corn Milling	500
Van Buren	Hill Phoenix	Refrigeration and Heating Equipment	420
Mahaska	Clow Valve Co.	Industrial Valves	350
Wapello	Winger Mechanical Company	Sheet Metal Fabrication	325
Wapello	Great Prairie AEA Number 15	Education Administration	285
Wayne	East Penn Manufacturing Co	Batteries Storage	275
Appanoose	Bemis Co., Inc	Plastic Bags	250
Jefferson	TrafFix Devices, Inc.	Traffic Control Equipment	250
Wapello	Winbco Tank Co.	Metal Field Tanks	250
Wapello	City of Ottumwa	Municipal Government	250

Note: (1) Source: Area Chamber of Commerce, selected telephone surveys and the 2019 Iowa Manufacturers database.

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 XV.

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

County:	2013	2014	2015	2016	2017	2018	2019(3)
Appanoose	6.4%	5.7%	4.9%	4.7%	3.8%	3.3%	3.2%
Davis	5.5%	5.1%	4.5%	4.2%	3.3%	2.7%	3.2%
Jefferson	5.0%	4.4%	3.9%	3.7%	3.1%	2.4%	2.4%
Keokuk	5.1%	4.4%	4.3%	4.3%	3.6%	2.9%	2.8%
Lucas	4.7%	3.9%	3.6%	3.2%	2.8%	2.0%	1.9%
Mahaska	4.8%	4.4%	4.0%	3.7%	3.3%	2.5%	2.3%
Monroe	5.7%	5.0%	4.5%	4.6%	3.8%	2.9%	3.0%
Van Buren	5.5%	4.5%	4.1%	3.6%	3.1%	2.7%	2.4%
Wapello	6.3%	5.5%	5.2%	5.8%	4.6%	3.4%	4.0%
Wayne	5.2%	5.0%	4.0%	3.8%	3.1%	2.7%	2.4%
State of Iowa	4.7%	4.2%	3.8%	3.6%	3.1%	2.5%	2.5%

Notes: (1) Source: Iowa Workforce Development and U.S. Bureau of Labor Statistics.
(2) Not seasonally adjusted.
(3) Preliminary rates for the month of September 2019.

Income Statistics

There are 20 school districts within the boundaries of the Merged Area XV. The following is the average adjusted gross income (AGI) per state income tax returns filed by residents of each of the school districts for the year ending December 31, 2017.

Adjusted Gross Income (AGI) By School District in 2017*(1)*

School District	Adjusted Gross Income	Number of Returns	Average AGI Per Return
Albia	$137,627,148	3,951	$34,833
Cardinal	64,449,379	1,946	33,119
Centerville	143,965,441	4,743	30,353
Chariton	155,185,109	4,658	33,316
Davis County	152,141,839	4,352	34,959
Eddyville-Blakesburg-Fremont	89,740,677	2,561	35,041
Fairfield	326,943,627	8,020	40,766
Harmony	34,972,790	1,102	31,736
Keota	45,845,996	1,161	39,488
Moravia	37,196,554	1,090	34,125
Moulton-Udell	18,517,359	696	26,605
North Mahaska	66,992,713	1,633	41,024
Oskaloosa	354,065,605	8,877	39,886
Ottumwa	546,210,712	15,392	35,487
Pekin	71,954,383	1,962	36,674
Seymour	28,595,062	970	29,479
Sigourney	64,762,011	1,943	33,331
Tri-County	30,711,480	1,033	29,730
Van Buren	94,582,353	2,790	33,900
Wayne	78,602,472	2,215	35,486

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

Agriculture

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

Average Value Per Acre*(1)*

County	2014	2015	2016	2017	2018
Appanoose	$3,758	$3,682	$3,609	$3,647	$3,656
Davis	5,073	4,858	4,693	4,752	4,723
Jefferson	5,944	5,611	5,367	5,442	5,378
Keokuk	7,176	6,682	6,335	6,431	6,320
Lucas	3,917	3,837	3,761	3,801	3,810
Mahaska	7,325	6,912	6,610	6,703	6,622
Monroe	5,205	4,980	4,807	4,868	4,836
Van Buren	5,391	5,170	4,999	5,061	5,033
Wapello	5,978	5,633	5,384	5,459	5,391
Wayne	3,816	3,738	3,664	3,702	3,711
State of Iowa	7,943	7,633	7,183	7,326	7,264

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)*

	Year Ended June 30				
County	2014	2015	2016	2017	2018
Appanoose	$ 101,041,109	$ 107,751,779	$ 109,839,124	$ 111,934,039	$ 125,195,101
Davis	59,090,004	62,615,475	67,520,823	72,938,168	78,055,992
Jefferson	150,375,841	158,367,917	155,056,546	159,348,477	155,536,593
Keokuk	39,569,383	42,343,666	43,541,108	44,272,925	43,075,496
Lucas	47,139,721	50,555,008	52,503,169	52,745,515	54,112,177
Mahaska	181,398,422	186,231,197	191,183,835	193,133,870	188,526,571
Monroe	40,254,307	48,893,671	42,777,315	44,343,031	40,751,447
Van Buren	32,427,278	34,421,023	36,528,205	37,151,135	38,613,233
Wapello	394,799,612	407,783,363	400,524,079	386,571,950	361,857,969
Wayne	28,040,964	28,033,696	29,268,254	31,008,409	32,204,264
Total	$1,074,136,641	$1,126,996,795	$1,128,742,458	$1,133,447,519	$1,117,928,843

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

DEFAULT RECORD

The College has no record of default and has met its debt repayment obligations promptly.

DEBT INFORMATION

After issuance of the Certificates, the College will have $7,175,000* in 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.

The College has a general obligation legal debt limit equal to 5% of Actual Valuation. For the January 1, 2018 Actual Valuation of $10,735,313,496 (including tax increment valuation and excluding military exemption valuation) applied to fiscal year 2019/20 the total limit is $536,765,675. Including the Certificates, the estimated principal amount of bonded and non-bonded debt applicable to this limit is $7,175,000*, resulting in a net legal debt margin of $529,590,675*.

The College does not expect to issue any additional general obligation debt in fiscal year 2020.

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

Series 2014-1	$ 665,000
Series 2016-1	615,000
Series 2017-1	895,000
Series 2018-1	1,205,000
Series 2018-2	1,620,000
The Certificates(2)	2,175,000
Total(2)	$7,175,000

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

**Subject to change.*

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

Fiscal Year Ending June 30	Series 2014-1	Series 2016-1	Series 2017-1	Series 2018-1	Series 2018-2	Total Outstanding GO Debt	The Certificates(2)	Total General Obligation Debt(2)	Cumulative Retirement(2) Amount	Cumulative Retirement(2) Percent
2020	$135,000	$ 90,000	$120,000	$ 155,000	$ 190,000	$ 690,000	$ 145,000	$ 835,000	$ 835,000	11.64%
2021	135,000	90,000	120,000	150,000	190,000	685,000	235,000	920,000	1,755,000	24.46%
2022	135,000	90,000	115,000	150,000	195,000	685,000	225,000	910,000	2,665,000	37.14%
2023	130,000	90,000	115,000	150,000	185,000	670,000	225,000	895,000	3,560,000	49.62%
2024	130,000	90,000	115,000	150,000	185,000	670,000	225,000	895,000	4,455,000	62.09%
2025	0	90,000	110,000	150,000	175,000	525,000	225,000	750,000	5,205,000	72.54%
2026	0	75,000	100,000	150,000	170,000	495,000	225,000	720,000	5,925,000	82.58%
2027	0	0	100,000	150,000	165,000	415,000	225,000	640,000	6,565,000	91.50%
2028	0	0	0	0	165,000	165,000	225,000	390,000	6,955,000	96.93%
2029	0	0	0	0	0	0	220,000	220,000	7,175,000	100.00%
Total	$665,000	$615,000	$895,000	$1,205,000	$1,620,000	$5,000,000	$2,175,000	$7,175,000		

Notes: (1) Source: the College. For term Certificates, mandatory redemption amounts are shown.
(2) Subject to change.

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Statement of Bonded Indebtedness*(1)(2)*

College Actual Value, January 1, 2018 ..... $10,735,313,496
College Taxable Value, January 1, 2018 ..... $ 6,295,601,012

	Total Applicable G.O. Debt	Ratio to College Actual Valuation	Ratio to College Taxable Valuation	Per Capita (2010 Pop. Est. 132,073)
Direct General Obligation Bonded Debt(3)(4)	$ 7,175,000	0.07%	0.11%	$ 54.33
Less: Direct Debt Paid From Non Property Tax Sources (3)(4)	(7,175,000)	(0.07%)	(0.11%)	(54.33)
Net Direct GO Bonded Debt(3)	$ 0	0.00%	0.00%	$ 0.00
Overlapping Debt:				
Schools	$ 28,859,066	0.27%	0.46%	$218.51
Cities	59,625,036	0.56%	0.95%	451.46
Counties	30,437,282	0.28%	0.48%	230.46
Total Overlapping Debt	$118,921,384	1.11%	1.89%	$900.43
Total Net Direct General Obligation and Overlapping Bonded Debt(3)	$118,921,384	1.11%	1.89%	$900.43

College Actual Value, January 1, 2018 Per Capita $81,283.18
College Taxable Value, January 1, 2018 Per Capita $47,667.59

Notes: (1) Source: the College, Audited Financial Statements and EMMA for the Cities, School Districts and Counties.
(2) As of the date if issuance for direct debt and October 22, 2019 for overlapping debt.
(3) Subject to change.
(4) Includes all Industrial New Jobs Training Certificates of the College which are expected to be paid by proceeds from anticipated job credits from withholding taxes, budgeted reserves, and in the case of an insufficiency of such sources, from standby property taxes.

PROPERTY ASSESSMENT AND TAX INFORMATION

Property Tax Assessment

In compliance with Section 441.21 of the Code of Iowa, as amended, the State Director of Revenue annually directs all county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The final values, called Actual Valuation, are then adjusted by the County Auditor. Taxable Valuation subject to tax levy is then determined by the application of State determined rollback percentages, principally to residential 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 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(2)	Ag Land & Buildings	Commercial
2010/11	46.9094%	N/A	66.2715%	100.0000%
2011/12	48.5299%	N/A	69.0152%	100.0000%
2012/13	50.7518%	N/A	57.5411%	100.0000%
2013/14	52.8166%	N/A	59.9334%	100.0000%
2014/15	54.4002%	N/A	43.3997%	95.0000%
2015/16	55.7335%	N/A	44.7021%	90.0000%
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%

Notes: (1) Source: the Iowa Department of Revenue.
(2) New category beginning with fiscal year 2017.

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following tax year. For example, the assessments finalized on January 1, 2018, are used to calculate tax liability for the tax year starting July 1, 2019 through June 30, 2020.

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)*

Property Class	Fiscal Year: / Levy Year January 1:	2015/16 2014	2016/17 2015	2017/18 2016	2018/19 2017	2019/20 2018
Residential		$4,231,355,314	$4,343,543,521	$ 4,442,215,858	$ 4,641,359,076	$ 4,691,715,679
Agricultural Land		3,167,935,856	3,153,231,205	3,154,161,204	3,115,754,736	3,113,622,949
Agricultural Buildings		215,749,744	184,836,491	194,219,098	154,500,362	167,289,252
Commercial		783,049,605	733,774,606	747,569,668	707,316,669	721,793,163
Industrial		295,655,162	298,982,172	309,361,749	318,849,692	330,759,863
Multi-Residential(3)		0	135,129,406	145,811,281	140,069,369	151,501,724
Railroad		133,293,158	156,025,564	180,337,419	174,381,781	195,699,054
Utilities without Gas and Electric(4)		161,300,352	147,750,205	148,924,523	169,457,297	342,298,727
Gas and Electric Utilities(4)		601,874,547	672,914,561	745,603,890	842,068,582	1,032,045,511
Other		281,987	180,183	180,553	495,181	112,376
Less: Military Exemption		(13,958,471)	(13,285,308)	(12,683,593)	(12,091,079)	(11,524,802)
Total		$9,576,537,254	$9,813,082,606	$10,055,701,650	$10,252,161,666	$10,735,313,496
Percent Change +(-)		1.30%(5)	2.47%	2.47%	1.95%	4.71%

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

January 1:	2014	2015	2016	2017	2018
TIF Valuation	$62,262,799	$73,390,565	$60,582,863	$58,020,216	$64,827,524

(3) New Class as of January 1, 2015, previously reported as Commercial Property.
(4) See **"PROPERTY TAX INFORMATION - Utility Property Tax Replacement"** herein.
(5) Based on 2013 Actual Valuation of $9,453,706,406.

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For the January 1, 2018 levy year, the College's Taxable Valuation was comprised of approximately 42% residential, 29% agriculture, 10% commercial, 9% utilities, 5% industrial, 2% multi-residential, 2% railroad and less than 1% military exemption.

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

Fiscal Year:	2015/16	2016/17	2017/18	2018/19	2019/20
Property Class Levy Year January 1:	2014	2015	2016	2017	2018
Residential	$2,358,281,872	$2,416,134,931	$2,529,357,917	$2,581,565,336	$2,671,344,574
Agricultural Land	1,416,133,534	1,453,853,803	1,498,211,837	1,696,466,115	1,747,751,329
Agricultural Buildings	96,444,677	85,222,109	92,251,910	84,122,320	93,903,456
Commercial	704,744,930	660,396,628	672,813,016	636,585,073	649,613,916
Industrial	266,089,656	269,083,967	278,425,585	286,964,730	297,683,882
Multi-residential(3)	0	116,549,211	120,294,462	110,304,709	112,423,352
Railroad	119,963,842	140,423,014	162,303,683	156,943,615	176,129,150
Utilities without Gas and Electric(4)	161,300,352	147,751,015	148,924,523	169,457,297	342,298,727
Gas and Electric Utilities(4)	222,430,830	223,039,714	216,533,461	218,120,383	215,865,052
Other	281,987	180,183	180,553	495,181	112,376
Less: Military Exemption	(13,939,951)	(13,285,308)	(12,683,593)	(12,091,079)	(11,524,802)
Total	$5,331,731,729	$5,499,349,267	$5,706,613,354	$5,928,933,680	$6,295,601,012
Percent Change +(-)	1.36%(5)	3.14%	3.77%	3.90%	6.18%

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

January 1:	2014	2015	2016	2017	2018
TIF Valuation	$57,390,948	$57,805,541	$60,204,976	$57,698,932	$64,515,501

(3) New Class as of January 1, 2015, previously reported as Commercial Property.
(4) See **"PROPERTY TAX INFORMATION - Utility Property Tax Replacement"** herein.
(5) Based on 2013 Taxable Valuation of $5,260,105,972.

Levy Year January 1, 2018 College Valuation By County*(1)*

	100% Actual Value	Percent of Total	Taxable Value	Percent of Total
Appanoose	$ 825,885,553	7.69%	$ 444,892,277	7.07%
Davis	652,285,868	6.08%	379,624,817	6.03%
Decatur	13,222,384	0.12%	7,585,766	0.12%
Henry	18,520,251	0.17%	10,735,889	0.17%
Iowa	8,258,089	0.08%	4,593,417	0.07%
Jefferson	1,512,547,686	14.09%	911,650,524	14.48%
Keokuk	1,036,589,873	9.66%	590,004,266	9.37%
Lee	48,968,489	0.46%	29,313,866	0.47%
Lucas	609,701,075	5.68%	341,953,259	5.43%
Mahaska	1,721,186,643	16.03%	1,052,852,413	16.72%
Marion	235,575	0.00%	93,724	0.00%
Monroe	736,018,533	6.86%	483,175,240	7.68%
Poweshiek	39,391,232	0.37%	23,050,334	0.37%
Van Buren	673,989,869	6.28%	396,349,538	6.30%
Wapello	2,186,893,343	20.37%	1,238,060,073	19.66%
Washington	121,865,577	1.14%	70,849,853	1.13%
Wayne	529,753,456	4.93%	310,815,756	4.94%
Total	$10,735,313,496	100.00%	$6,295,601,012	100.00%

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
2009	2010-11	$4,310,331	$4,292,781	99.59%
2010	2011-12	4,311,879	4,307,405	99.90%
2011	2012-13	3,963,194	3,981,490	100.46%
2012	2013-14	4,138,822	4,143,844	100.12%
2013	2014-15	4,947,528	4,944,550	99.94%
2014	2015-16	4,975,813	4,979,238	100.07%
2015	2016-17	5,134,533	5,137,967	100.07%
2016	2017-18	5,417,561	5,423,508	100.11%
2017	2018-19	5,632,862	5,646,929	100.25%
2018	2019-20	6,189,961	- -In Collection - -	

Notes: (1) Source: the State of Iowa Department of Management and the College. Includes amounts for Utility Replacement.
(2) Includes delinquent taxes.

Principal Taxpayers*(1)*

Taxpayer Name	Business/Service	Levy Year 2018 Taxable Valuation(2)
Dakota Access LLC	Pipeline	$152,125,873
Mid-American Energy	Utility	131,880,546
Interstate Power & Light Company	Utility	127,354,863
Cargill Incorporate	Industrial	79,986,095
Burlington Northern Railroad	Railroad	67,124,960
ANR Pipeline	Pipeline	55,577,739
Ajinomoto Heartland Inc.	Industrial	54,543,885
RCHP-Ottumwa Inc.	Healthcare	31,217,724
Walmart	Retail Business	28,478,712
Union Pacific Railroad Company	Railroad	26,873,295
Total		$755,163,692
Ten Largest Taxpayers as Percent of College's 2018 Taxable Valuation ($6,295,601,012)		12.00%

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 property within the Merged Area XV 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 vocational school or 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 a tax 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. The board of directors of a merged area may also certify a levy not to exceed $0.03 per $1,000 of assessed value for equipment replacement and they are authorized to levy to pay certain insurance expenses of the merged area. In addition, upon voter approval, the College can institute a property tax that generates $0.06 per $1,000 of assessed valuation. The voters of the College approved, at a special election held in December 2012, the Instructional Equipment Levy for a $0.06 per $1,000 of assessed valuation for 10 years. The Board of Trustees passed a resolution for the continuation of the Instructional Equipment Levy which will expire on June 30, 2034. The additional $0.06 per $1,000 levy can only be used for instructional equipment.

The property tax rates for the College from levy year 2014 through levy year 2018 are shown below:

Property Tax Rates: Levy Years 2014 - 2018*(1)(2)*
(Per $1,000 Actual Valuation)

Fiscal Year:	2015/16	2016/17	2017/18	2018/19	2019/20
Levy Year:	2014	2015	2016	2017	2018
College:					
Unrestricted General Fund	$0.20250	$0.20250	$0.20250	$0.20250	$0.20250
Unemployment Compensation	0.04218	0.00474	0.00606	0.00987	0.01396
Tort Liability	0.06231	0.08077	0.08270	0.08256	0.08181
Insurance	0.18998	0.26828	0.27988	0.29451	0.32483
Early Retirement	0.14723	0.09461	0.07994	0.07746	0.07780
Equipment Replacement	0.09000	0.09000	0.09000	0.09000	0.09000
Standby	0.01179	0.00000	0.00000	0.00000	0.00000
Plant Fund	0.20250	0.20250	0.20250	0.20250	0.20250
Bond & Interest Fund	0.00000	0.00000	0.00000	0.00000	0.00000
Total College	$0.94849	$0.94340	$0.94358	$0.95940	$0.99340

Notes: (1) Source: Iowa Department of Management.
(2) Does not include tax rate for agriculture.

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 property valuation within the College. 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 property within 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 Certificates, "the governing authority of these political subdivisions before issuing Certificates 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 Certificates 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 Certificates in full."

Utility Property Tax Replacement

Property owned by entities involved primarily in the production, delivery, service and sale of electricity and natural gas ("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 9% of the College's levy year 2018 taxable valuation currently is utility property.

Tax Increment Financing

The Code of Iowa currently authorizes the use of two types of tax increment financing by local taxing districts in the State of Iowa. The first type allows local governments to establish TIF districts to be established for the purposes of financing designated urban renewal projects which contribute to the urban redevelopment and economic development of the immediate area. The taxable valuation for this type of TIF district in the College for levy year 2018 was $64,515,501.

The second type of tax increment financing was authorized by state legislative action in the mid-1980's. The area community colleges can establish TIF districts by contract with specific local businesses and industries to provide jobs training programming for new employees of existing expanding businesses or employees of new businesses. The revenues from these job training TIF districts then retires the debt incurred from the issuance of jobs training certificates which finance the cost of jobs training programming over a maximum of ten years. Upon payment of all jobs training certificates, the district dissolves and the incremental value from the new or expanded business reverts to the general tax base. There is no current valuation for this second type of TIF district.

Legislation

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.

During the 2013 legislative session, the Iowa General Assembly enacted Senate File 295 (the "2013 Act"), which the Governor signed into law on June 12, 2013. Among other things, the Act (i) reduced the maximum annual taxable value growth percent, due to revaluation of existing residential and agricultural property to 3%, (ii) assigned a "rollback" (the percentage of a property's value that is subject to tax) to commercial, industrial and railroad property of 90%, (iii) created a new property tax classification for multi-residential properties (apartments, nursing homes, assisted living facilities and certain other rental property) and assigned a declining rollback percentage to such properties for each year until the residential rollback percentage is reached in the 2022 assessment year, after which the rollback percentage for such properties will be equal to the residential rollback percentage each assessment year, and (iv) exempted a specified portion of the assessed value of telecommunication properties.

The Act includes a standing appropriation to replace some of the tax revenues lost by local governments, including tax increment districts, resulting from the new rollback for commercial and industrial property. Beginning in fiscal year 2018 the standing appropriation cannot exceed the actual 2017 appropriation amount. The appropriation does not replace losses to local governments resulting from the Act's provisions that reduce the annual revaluation growth limit for residential and agricultural properties to 3%, the gradual transition for multi-residential properties from the residential rollback percentage (currently 53% of market value), or the reduction in the percentage of telecommunications property that is subject to taxation.

Given the wide scope of the statutory changes, and the State's discretion in establishing the annual replacement amount that is appropriated each year commencing in fiscal 2018, the impact of the 2013 Act on the College's future property tax collections is uncertain and the College has not attempted to quantify the financial impact of the 2013 Act's provisions on the College's future operations.

Notwithstanding any decrease in property tax revenues that may result from the 2013 Act or the 2019 Act, Iowa Code section 76.2 provides that when an Iowa political subdivision issues bonds, "[t]he governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full."

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

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. 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. 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, 2018 (the "2018 Audit"). The 2018 Audit has been prepared by the Office of Auditor State of Iowa, Des Moines, Iowa, (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 2018 Audit; nor has the College requested that the Auditor consent to the use of the Excerpted Financial Information and the 2018 Audit in this Official Statement. The inclusion of the Excerpted Financial Information and the 2018 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 2018 Audit. Questions or inquiries relating to financial information of the College since the date of the 2018 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 2018 Audit. The College's expects its Current Funds – Unrestricted balance for the fiscal year ending June 30, 2019 to increase by approximately $107,000. The College has approved a balance budget for fiscal year 2020, to date, revenues and expenditures are generally within budgeted amounts.

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

	Audited as of June 30				
	2014	2015	2016	2017	2018
ASSETS:					
Current Assets:					
Cash, Cash Equivalents and Pooled Investments:					
Cash, Cash Equivalents and Pooled Investments	$ 34,359,243	$ 37,592,867	$ 37,819,349	$ 41,444,784	$ 45,572,197
Restricted Cash, Cash Equivalents, and Pooled Investments	8,697,923	3,936,374	4,103,382	4,130,198	4,634,896
Receivables:					
Accounts (Net)	3,065,539	2,596,867	2,563,039	2,551,943	2,089,001
Succeeding Year Property Tax	4,452,776	4,478,233	4,621,080	4,875,805	5,069,577
Due From Other Governments	1,334,445	1,703,035	1,165,349	1,180,116	1,346,316
Prepaid Expenses	74,843	94,134	204,240	184,039	422,116
Inventories	1,007,487	989,537	1,035,713	908,921	826,550
Total Current Assets	$ 52,992,256	$ 51,391,047	$ 51,512,152	$ 55,275,806	$ 59,960,653
Noncurrent Assets:					
Cash and Cash Equivalents	$ 3,202,435	$ 4,930,207	$ 5,421,953	$ 6,386,173	$ 6,275,580
Receivable for Iowa Industrial New Jobs Training Program	1,732,766	1,561,882	783,722	958,647	1,032,109
Capital Assets (Net)	47,195,098	45,915,969	45,300,880	45,946,615	44,926,361
Total Noncurrent Assets	$ 52,130,299	$ 52,408,058	$ 51,506,555	$ 53,291,435	$ 52,234,050
Total Assets	$105,122,555	$103,799,105	$103,018,707	$108,567,241	$112,194,703
DEFERRED OUTFLOWS OF RESOURCES:					
Pension Related Deferred Outflows	$ 0	$ 1,672,129	$ 1,711,817	$ 3,641,834	$ 3,874,251
OPEB Related Deferred Outflows	0	0	0	0	4,064
Total Deferred Outflows of Resources	$ 0	$ 1,672,129	$ 1,711,817	$ 3,641,834	$ 3,878,315
LIABILITIES:					
Current Liabilities:					
Accounts Payable	$ 1,234,380	$ 1,000,328	$ 916,210	$ 1,368,244	$ 1,557,642
Salaries and Benefits Payable	1,274,339	1,310,059	1,265,378	1,277,704	1,198,814
Advances From Others	1,990,907	2,385,536	2,359,797	1,704,192	1,659,377
Early Retirement Payable	802,991	247,990	243,690	270,935	288,465
Compensated Absences Payable	648,440	862,722	967,858	988,387	972,540
Deposits Held in Custody For Others	288,132	361,071	339,906	407,084	418,924
Certificates Payable	2,475,000	985,000	345,000	580,000	680,000
Total Current Liabilities	$ 8,714,189	$ 7,152,706	$ 6,437,839	$ 6,596,546	$ 6,775,762
Noncurrent Liabilities:					
Early Retirement Payable	$ 622,833	$ 706,630	$ 559,361	$ 722,007	$ 694,501
Certificates Payable	2,821,249	1,823,883	1,465,424	2,820,639	3,365,055
Net Pension Liability	0	8,107,120	9,876,501	12,691,748	13,316,885
Total OPEB Liability	117,837	135,012	152,182	166,919	162,738
Total Noncurrent Liabilities	$ 3,561,919	$ 10,772,645	$ 12,053,468	$ 16,401,313	$ 17,539,179
Total Liabilities	$ 12,276,108	$ 17,925,351	$ 18,491,307	$ 22,997,859	$ 24,314,941
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Property Tax Revenue	$ 4,452,776	$ 4,478,233	$ 4,621,080	$ 4,875,805	$ 5,069,577
Pension Related Deferred Inflows	0	3,549,163	1,241,779	448,142	503,633
Total Deferred Inflows of Resources	$ 4,452,776	$ 8,027,396	$ 5,862,859	$ 5,323,947	$ 5,573,210
NET POSITION:					
Net Investment in Capital Assets	$ 47,195,098	$ 45,915,969	$ 45,300,880	$ 45,946,615	$ 44,926,361
Restricted					
Nonexpendable	1,639,503	3,936,374	4,103,382	4,310,198	4,634,896
Expendable	10,408,000	8,074,994	7,834,060	8,614,085	9,809,071
Unrestricted	29,151,070	21,591,150	23,138,036	25,016,371	26,814,539
Total Net Position	$ 88,393,671	$ 79,518,487	$ 80,376,358	$ 83,887,269	$ 86,184,867

Notes: (1) Source: Audited financial statements of the College for the fiscal years ended June 30, 2014 through 2018.
(2) Includes the Indian Hills Community College Foundation and the Indian Hills Community College Development Corporation.

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

	Audited Fiscal Year Ended June 30				
	2014	2015	2016	2017	2018
OPERATING REVENUES:					
Tuition and Fees (Net)	$ 13,439,465	$ 14,847,834	$ 16,466,845	$ 15,072,941	$ 13,448,932
Federal Appropriations	4,679,819	4,583,388	5,519,829	5,391,530	4,667,218
Sales and Services	713,868	751,363	827,162	1,017,135	982,805
Iowa Industrial New Jobs Training Program	1,916,716	596,542	157,690	1,206,763	822,127
Auxiliary Enterprises (Net)	5,489,871	5,442,480	5,694,885	5,481,688	5,014,102
Contributions	478,072	1,060,474	923,099	1,951,187	1,166,892
Rental Income and Facility Management	527,061	549,351	652,836	648,206	582,681
Miscellaneous	1,166,961	1,045,770	1,554,693	3,204,917	3,246,977
Total Operating Revenues	$ 28,411,833	$ 28,877,202	$ 31,797,039	$ 33,974,367	$ 29,931,734
OPERATING EXPENSES:					
Education and Support:					
Liberal Arts and Sciences	$ 5,806,252	$ 5,445,744	$ 5,619,428	$ 5,493,256	$ 5,826,072
Vocational Technical	13,460,312	14,207,774	15,902,472	12,747,292	12,228,387
Adult Education	2,095,870	3,162,574	3,596,015	3,826,755	3,486,569
Cooperative Services	1,208,644	791,043	398,691	1,243,927	1,051,955
Administration	2,173,048	1,907,672	1,722,882	2,021,557	1,834,131
Student Services	4,911,700	4,638,718	4,502,396	4,597,995	4,245,721
Learning Resources	607,590	626,728	656,316	624,829	494,844
Physical Plant	5,051,507	5,619,488	5,420,651	4,962,267	5,620,913
General Institution	4,868,091	5,615,577	5,892,520	9,139,072	8,914,120
Auxiliary Enterprises	6,879,771	6,885,696	7,026,214	6,671,164	6,336,064
Scholarships and Grants	3,970,759	3,692,484	3,196,266	2,594,808	2,272,627
Workforce Investment Act	2,130,210	2,260,702	2,493,210	2,571,972	1,671,877
Plant Operations	1,083,277	961,589	1,680,941	1,250,891	1,429,191
General and Administrative	189,674	156,689	345,273	413,049	413,685
Programs	440,362	431,002	474,010	459,344	435,404
Depreciation/Amortization	2,958,539	2,947,923	2,485,524	2,755,682	2,795,949
Total Operating Expenses	$ 57,835,606	$ 59,351,403	$ 61,412,809	$ 61,373,860	$ 59,057,509
Operating Income (Loss)	$(29,423,773)	$(30,474,201)	$(29,615,770)	$(27,399,493)	$(29,125,775)
NON-OPERATING REVENUES (EXPENSES):					
State Appropriations	$ 18,099,666	$ 18,600,408	$ 18,971,694	$ 18,195,085	$ 18,264,076
Pell Grants	7,823,914	7,682,493	6,716,993	5,559,330	5,498,491
Property Tax	4,143,844	4,944,550	4,979,238	5,137,967	5,423,508
Investment Income	3,125,704	1,081,239	(117,676)	2,041,231	2,094,482
Donated Capital Assets	90,000	73,768	12,000	30,000	41,500
Gain on Disposal of Capital Assets	(577)	(30,181)		3,476	174,045
Interest on Indebtedness	(273,381)	(72,413)	(58,427)	(56,685)	(93,801)
Net Non-Operating Revenues (Expenses)	$ 33,014,439	$ 32,309,468	$ 30,473,641	$ 30,910,404	$ 31,402,301
Change in Net Position	$ 3,590,666	$ 1,835,267	$ 857,871	$ 3,510,911	$ 2,276,526
Net Position Beginning of Year	84,803,005	77,683,220(3)	79,518,487	80,376,358	83,908,341(3)
Net Position End of Year	$ 88,393,671	$ 79,518,487	$ 80,376,358	$ 83,887,269	$ 86,184,867

Notes: (1) Source: Audited financial statements for the College for the fiscal years ended June 30, 2014 through 2018.
(2) Includes the Indian Hills Community College Foundation and the Indian Hills Community College Development Corporation.
(3) Restated.

Balance Sheet*(1)*

Current Funds - Unrestricted

	Audited as of June 30				
	2014	2015	2016	2017	2018
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:					
Cash, Cash Equivalents and Pooled Investments	$ 7,830,252	$ 8,736,281	$ 9,647,117	$10,191,391	$11,474,484
Receivables					
Accounts (Net)	2,948,062	2,570,481	2,524,206	2,380,872	1,899,163
Succeeding Year Property Tax	950,656	961,249	991,722	1,029,058	1,070,033
Due from Other Funds	2,105,396	2,627,002	4,979,528	560,468	304,553
Due from Other Governments	52,555	70,443	10,712	31,255	8,721
Prepaid Expenses	71,764	91,599	202,191	140,557	259,754
Inventories	1,007,487	989,537	1,035,713	908,921	826,550
Total Assets	$14,966,172	$16,046,592	$19,391,189	$15,242,522	$15,843,258
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	$ 1,167,725	$ 911,902	$ 839,931	$ 880,704	$ 992,903
Salaries and Benefits Payable	1,182,854	1,233,003	1,259,123	1,273,642	1,195,767
Due to Other Funds	2,398,538	2,710,935	5,743,158	2,017,642	2,424,383
Advances from Others	1,790,576	2,159,123	2,134,898	1,581,958	1,588,773
Compensated Absences	613,282	827,657	920,955	943,032	969,593
Total Liabilities	$ 7,152,975	$ 7,842,620	$10,898,065	$ 6,696,978	$ 7,171,419
Deferred Inflows of Resources:					
Succeeding Year Property Tax	$ 950,656	$ 961,249	$ 991,722	$ 1,029,058	$ 1,070,033
Fund Balances:					
Unrestricted	$ 4,989,075	$ 5,041,781	$ 5,058,274	$ 5,069,535	$ 5,078,830
Auxiliary Enterprises	1,873,466	2,200,942	2,443,128	2,446,951	2,522,976
Total Fund Balance	$ 6,862,541	$ 7,242,723	$ 7,501,402	$ 7,516,486	$ 7,601,806
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$14,966,172	$16,046,592	$19,391,189	$15,242,522	$15,843,258

Note: (1) Source: Audited financial statements of the College for the fiscal years ended June 30, 2014 through 2018.

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Schedule of Revenues, Expenditures and Changes in Fund Balances *(1)*

Current Funds - Unrestricted

	Audited Fiscal Year Ended June 30				
	2014	2015	2016	2017	2018
REVENUES:					
General:					
State Appropriations	$14,351,360	$14,805,630	$14,798,127	$14,639,966	$14,689,941
Tuition and Fees	17,579,936	19,395,523	20,784,275	18,728,253	17,194,736
Property Tax	1,055,170	1,057,623	1,068,911	1,101,822	1,143,814
Federal Appropriations	0	0	0	0	253
Sales and Services	300,735	296,860	381,850	491,767	485,872
Interest on Investments	37,805	51,790	61,359	91,783	184,268
Miscellaneous	1,453,124	1,633,098	1,939,440	1,954,521	2,268,969
Total General Revenues	$34,778,130	$37,240,524	$39,033,962	$37,008,112	$35,967,853
Auxiliary Enterprises:					
Tuition and Fees	$ 418,100	$ 367,900	$ 459,555	$ 531,500	$ 551,500
Federal Appropriations	22,960	16,000	15,201	14,070	10,047
Sales and Services	7,017,397	6,870,890	6,935,818	6,594,242	5,899,947
Interest on Investments	77	17	1,908	5,404	24,355
Miscellaneous	110,857	376,855	422,846	374,915	411,167
Total Auxiliary Enterprises	$ 7,569,391	$ 7,631,662	$ 7,835,328	$ 7,520,131	$ 6,897,016
Total Revenues	$42,347,521	$44,872,186	$46,869,290	$44,528,243	$42,864,869
EXPENDITURES:					
Education and Support:					
Liberal Arts and Sciences	$ 5,551,432	$ 5,287,016	$ 5,467,793	$ 5,590,120	$ 5,521,665
Vocational Technical	12,280,620	13,254,667	14,402,000	12,920,350	12,330,859
Adult Education	1,329,400	1,450,288	1,260,103	1,216,856	1,151,102
Cooperative Services	97,201	104,776	158,520	52,259	8,035
Administration	1,771,654	1,617,352	1,616,019	1,629,458	1,537,905
Student Services	4,554,598	4,325,586	4,455,047	4,865,540	4,499,414
Learning Resources	609,387	639,303	666,013	607,288	530,364
Physical Plant	3,977,998	4,492,612	4,001,951	3,876,302	3,968,667
General Institution	4,743,545	5,163,218	5,732,323	5,131,089	5,456,701
Total Education and Support	$34,915,835	$36,334,818	$37,759,769	$35,889,262	$35,004,712
Auxiliary Enterprises	7,634,273	7,201,078	7,509,776	7,211,589	6,731,330
Total Expenditures	$42,550,108	$43,535,896	$45,269,545	$43,100,851	$41,736,042
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (202,587)	$ 1,336,290	$ 1,599,745	$ 1,427,392	$ 1,128,827
Mandatory Transfers	0	0	0	0	(20,000)
Non-Mandatory Transfers	1,396,939	(956,108)	(1,341,066)	(1,412,308)	(1,023,507)
Total Transfers	$ 1,396,939	$ (956,108)	$ (1,341,066)	$ (1,412,308)	$ (1,043,507)
Net	$ 1,194,352	$ 380,182	$ 258,679	$ 15,084	$ 85,320
Fund Balance Beginning of Year	5,668,189	6,862,541	7,242,723	7,501,402	7,516,486
Fund Balance End of Year	$ 6,862,541	$ 7,242,723	$ 7,501,402	$ 7,516,486	$ 7,601,806

Note: (1)Source: Audited financial statements for the College for the fiscal years ended June 30, 2014 through 2018.

EMPLOYEE RETIREMENT AND OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS

Pensions

The College participates in two public pension systems, Iowa Public Employee's Retirement System (IPERS) and Teachers Insurance and Annuity Association – College Retirement Equities Fund ("TIAA"). Summary descriptions of each Plan follows, for more detail as to each available plans see **APPENDIX A – Notes 7 and 8.**

In fiscal year 2018, pursuant to the IPERS' required rate, the College's Regular employees contributed 5.95% of pay and the College contributed 8.93% for a total rate of 14.88%. The College's contributions to IPERS for the year ended June 30, 2018 were $1,288,980. 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, 2018, the College reported a liability of $13,316,885 for its proportionate share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2017 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 College's proportion of the net pension liability was based on the College's share of contributions to the pension plan relative to the contributions of all IPERS participating employers.

In fiscal year 2018, pursuant to the TIAA required rate, the College is required to contribute 8.93% of annual salary, including overtime pay, to an individual employee account. Each employee is required to contribute 5.95%. Contributions made by both the College and employees vest immediately. For the year ended June 30, 2018, employee contribution totaled $484,042 and the College recognized pension expense of $758,449.

Other Post-Employment Benefits (OPEB)

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

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

Total OPEB Liability Beginning of Year, as Restated	$145,847
Changes for the year:	
Service Cost	12,492
Interest	5,507
Changes in Assumptions	4,578
Benefit Payments	(5,686)
Net Changes	16,891
Total OPEB Liability End of Year	$162,738

See **APPENDIX A – Note (7), (8), and (9**) herein for further discussion of the College's employee retirement benefit obligations.

Defined Contribution Pension Plan – Teachers Insurance and Annuity Association – (TIAA)

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

Defined Benefit Pension Plan – Iowa Public Employee's Retirement System

The College also contributes to the Iowa Public Employees' Retirement System ("IPERS"). The College's employees are provided with pensions through a cost-sharing multiple employer defined pension plan administered by IPERS. IPERS benefits are established under Iowa Code, Chapter 97B and the administrative rules thereunder. The College's employee who completed seven years of covered service or has reached the age of 65 while in IPERS covered employment becomes vested. If the College's employee retires before normal retirement age, the employee's monthly retirement benefit will be permanently reduced by an early retirement reduction. IPERS provides pension benefits as well as disability benefits to College employees and benefits to the employees' beneficiaries upon the death of the eligible employee. Additionally, copies of IPERS annual financial report may be obtained from www.ipers.org. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Although the actuarial contribution rates are calculated each year, the contribution rates were set by state law through June 30, 2012 and did not necessarily coincide with the actuarially calculated contribution rate. As a result, from June 30, 2002 through June 30, 2013, the rate allowed by statute was less than the actuarially required rate. Effective July 1, 2012, as a result of a 2010 law change, IPERS contribution rates for the College and its employees are established by IPERS following the annual actuarial valuation (which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization method.) State statute, however, limits the amount rates can increase or decrease each year to one (1) percentage point. Therefore, any difference between the actuarial contribution rates and the contributions paid is due entirely to statutorily set contributions that may differ from the actual contribution rates. As a result, while the contribution rate in the fiscal year ended June 30, 2017 equaled the actuarially required rate, there is no guarantee, due to this statutory limitation on rate increases, that the contribution rate will meet or exceed the actuarially required rate in the futures.

The following table sets forth the contributions made by the College and employees to IPERS for the period indicated.

Fiscal Year	% of Payroll Paid by the College	% of Payroll Paid by Employee
2015	8.93%	5.95%
2016	8.93%	5.95%
2017	8.93%	5.95%
2018	8.93%	5.95%
2019	9.44%	6.29%

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

The following table sets forth certain information about the funding status of IPERS that has been extracted from the comprehensive annual financial reports of IPERS for fiscal years ended June 30, 2014 through, and including, 2018 (collectively, the "IPERS CAFRs (2014-2018)"), and the actuarial valuation reports provided to IPERS by Cavanaugh MacDonald Consulting, LLC (collectively, the "IPERS Actuarial Reports (2014-2018)"). Additional information regarding IPERS and its latest actuarial valuations can be obtained by contacting IPERS administrative staff.

Valuation Date	Actuarial Value of Assets [a]	Market Value of Assets [b]	Actuarial Accrued Liability [c]	Unfunded Actuarial Accrued Liability (Actuarial Value) [c]-[a]	Funded Ratio (Actuarial Value) [a]/[c]	Unfunded Actuarial Accrued Liability (Market Value) [c]-[b]	Funded Ratio (Market Value) [b]/[c]	Covered Payroll [d]	UAAL as a Percentage of Covered (Actuarial Value) {[b-a]/[c]}
2014	$26,460,428,085	$28,038,549,893	$32,004,456,088	$5,544,028,003	82.68%	$3,965,906,195	87.61%	$7,099,277,280	78.09%
2015	27,915,379,103	28,429,834,829	33,370,318,731	5,454,939,628	83.65%	4,940,483,902	85.19%	7,326,348,141	74.46%
2016	29,033,696,587	28,326,433,656	34,619,749,147	5,586,052,560	83.86%	6,293,315,491	81.82%	7,556,515,720	73.92%
2017	30,472,423,914	30,779,116,326	37,440,382,029	6,967,958,115	81.39%	6,661,265,703	82.21%	7,863,160,443	88.62%
2018	31,827,755,864	32,314,588,595	38,642,833,653	6,815,077,789	82.36%	6,328,245,058	83.62%	7,983,219,527	85.37%

Source: IPERS Reports.

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

Fiscal Year Ended June 30	Investment Return %
2014	15.88%
2015	3.96%
2016	2.15%
2017	11.70%
2018	7.97%

Source: IPERS Reports

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

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

REGISTRATION, TRANSFER AND EXCHANGE

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

The College shall cause books (the "Certificate Register") for the registration and for the transfer of the Certificates to be kept at the principal office maintained for the purpose by the Certificate Registrar in West Des Moines, Iowa. The College will authorize to be prepared, and the Certificate Registrar shall keep custody of, multiple Certificate 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 Certificate Resolution. Upon surrender for transfer or exchange of any Certificate at the principal office maintained for the purpose by the Certificate Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Certificate Registrar and duly executed by the registered owner or such owner's attorney duly authorized in writing, the College shall execute and the Certificate 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 Certificate 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 Certificate Registrar shall not exceed the authorized principal amount of Certificates for such maturity less Certificates previously paid.

The Certificate 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 Certificate 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.

Enforcement

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 resolutions authorizing issuance of the Certificates (the "Certificates Resolutions".)

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Certificates Resolutions. The remedies available to the owners of the Certificates upon an event of default under the Certificates Resolutions, 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 Certificates Resolutions 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 Certificates Resolutions, including principal of and interest on the Certificates.

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.

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 Rule 15c2-12 of the Securities Exchange Commission, as amended and interpreted from time to time (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.

Pursuant to the Rule, in the last five years, the College believes it has complied in all material respects with regard to its prior Disclosure Covenants.

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule.

OPTIONAL REDEMPTION

Certificates due June 1, 2020 - 2025 inclusive, are not subject to optional redemption. Certificates due June 1, 2026 - 2029, inclusive, are callable in whole or in part on any date on or after June 1, 2025, at a price of par and accrued interest. If selection by lot within a maturity is required, the Registrar shall designate the Certificates to be redeemed by random selection of the names of the registered owners of the entire annual maturity until the total amount of Certificates to be called has been reached.

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 sections regarding **"TAX MATTERS**", 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.

INVESTMENT RATING

The College has supplied certain information and material concerning the Certificates and the College to the rating service shown on the cover page, including certain information and materials which may not have been included in this Official Statement, as part of its application for an investment rating on the Certificates. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Certificates. An explanation of the significance of the investment rating may be obtained from the rating agency: Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone 212-553-1658.

UNDERWRITING

The Certificates were offered for sale by the College at a public, competitive sale on December 9, 2019. 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.

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.

CERTIFICATION

I have examined this Official Statement dated November 25, 2019, for the $2,175,000* Taxable Industrial New Jobs Training Certificates, Series 2019-1, believe it to be true and correct and will provide to the purchaser of the Certificates at the time of delivery a certificate confirming to the purchaser that to the best of our knowledge, information and belief, information in the Official Statement was at the time of acceptance of the bid for the Certificates and, including any addenda thereto, was at the time of delivery of the Certificates true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

/s/ **MICHAEL LEE**
Chief Financial Officer
INDIAN HILLS COMMUNITY COLLEGE
(Merged Area XV)
Ottumwa, Iowa

**Subject to change.*

APPENDIX A

INDIAN HILLS COMMUNITY COLLEGE, IOWA
(MERGED AREA XV)

FISCAL YEAR 2018 AUDITED FINANCIAL STATEMENTS

INDIAN HILLS COMMUNITY COLLEGE

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

JUNE 30, 2018

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Indian Hills Community College

Officials

Name	Title	Term Expires
Board of Trustees		
John Pothoven	President	2019
Tom Keck	Vice President	2021
Nellie Coltrain	Member	2019
Judith A. Cox	Member	(Resigned Oct 2017)
Lori Schaefer-Weaton (Appointed Oct 2017)	Member	(Resigned Aug 2018)
Katie Nichols (Appointed Sep 2018)	Member	2019
George E. Manning	Member	(Resigned Aug 2018)
Amy Webber (Appointed Sep 2018)	Member	2019
Alan M. Wilson	Member	2019
Beth Danowsky	Member	2021
Richard Gaumer	Member	2021
Jerry Kirkpatrick	Member	2021
Community College		
Dr. Marlene Sprouse	President	
Bill Meck	Chief Financial Officer and Board Treasurer	
Anne Leathers	College Accountant	
Kala Mulder	Controller/Grants Accountant	

Indian Hills Community College

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Mary Mosiman, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Independent Auditor's Report

To the Board of Trustees of
Indian Hills Community College:

Report on the Financial Statements

We have audited the accompanying financial statements of Indian Hills Community College, Ottumwa, Iowa, and its aggregate discretely presented component units as of and for the year ended June 30, 2018, and the related Notes to Financial Statements, which collectively comprise the College's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the component units of the Community College discussed in note 1, which represent 100% of the assets and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to those units, is based solely on the reports of the other auditors. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the component units were not audited in accordance with Government Auditing Standards.

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

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

Opinion

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of Indian Hills Community College and its aggregate discretely presented component units as of June 30, 2018, and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of a Matter

As discussed in Note 17 to the financial statements, Indian Hills Community College adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Schedule of the College's Proportionate Share of the Net Pension Liability, the Schedule of College Contributions and the Schedule of Changes in the College's Total OPEB Liability, Related Ratios and Notes on pages 9 through 14 and 47 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Indian Hills Community College's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2017 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 11, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), 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 Indian Hills Community College's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 27, 2018 on our consideration of Indian Hills Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Indian Hills Community College's internal control over financial reporting and compliance.

Mary Mosiman

MARY MOSIMAN, CPA
Auditor of State

November 27, 2018

Indian Hills Community College

MANAGEMENT'S DISCUSSION AND ANALYSIS

Indian Hills Community College provides this Management's Discussion and Analysis of its annual financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2018. We encourage readers to consider this information in conjunction with the College's financial statements, which follow.

2018 FINANCIAL HIGHLIGHTS

- As a result of fiscal year 2018 operations, total net position of the College increased approximately $707,000, or 1.3%, over the restated June 30, 2017 balance, primarily due to reduced operating expenditures.
- The College issued $1,400,000 of certificates during the year ended June 30, 2018 for Iowa Industrial New Jobs Training Program projects.

USING THIS ANNUAL REPORT

The intent of this discussion and analysis is to serve as an introduction to Indian Hills Community College's basic financial statements and provide an analytical overview of the College's financial activities. The annual report consists of a series of financial statements, as follows: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows. These statements provide information about the activities of the College as a whole and present an overall view of the College's finances. The Notes to Financial Statements provide a narrative of accounting policies and further explanation essential to understanding the data provided in the financial statements. Required Supplementary Information presents the College's proportionate share of the net pension liability and related contributions, as well as presenting the Changes in the College's Total OPEB Liability, Related Ratios and Notes. Supplementary Information includes schedules which provide a comparison of the College's budget for the year, detailed information about the individual funds and the Schedule of Expenditures of Federal Awards, which provides details of various federal programs benefiting the College.

REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES

The Statement of Net Position

The Statement of Net Position presents financial information on all of the College's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. The Statement of Net Position is a point-in-time financial statement. The purpose of this statement is to present a fiscal snapshot of the College to the readers of the financial statements. The Statement of Net Position includes year-end information concerning current and non-current assets, deferred outflows of resources, current and non-current 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. The statement presents the available assets which can be used to satisfy liabilities owed to outside vendors and creditors.

The College implemented Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, during fiscal year 2018. The beginning net position was restated by $21,072 to retroactively report the decrease in the OPEB liability as of July 1, 2017. OPEB expense for fiscal year 2017 and deferred outflows of resources at June 30, 2017 were not restated because the information needed to restate those amounts was not available. The Statement of Net Position and the Changes in Net Position as of June 30, 2017, presented below for comparison purposes, was not restated.

Net Position

	June 30,	
	2018	2017 (Not Restated)
Current and other assets	$ 36,738,563	33,651,828
Capital assets, net of accumulated depreciation/amortization	44,926,361	45,946,615
Total assets	81,664,924	79,598,443
Deferred outflows of resources	3,878,315	3,641,834
Current liabilities	6,761,909	6,573,651
Noncurrent liabilities	17,539,179	16,401,313
Total liabilities	24,301,088	22,974,964
Deferred inflows of resources	5,573,210	5,323,947
Net position:		
Net investment in capital assets	44,926,361	45,946,615
Restricted	3,262,285	2,201,239
Unrestricted	7,480,295	6,793,512
Total net position	$ 55,668,941	54,941,366

The largest portion of the College's net position (81%) is in the category 'Net investment in capital assets' (land, buildings and equipment). The restricted portion of the net position represents resources subject to external restrictions. The restricted net position increased approximately $1,061,000 over the prior year, primarily due to funds held for the self-funded health insurance program. The remaining net position is unrestricted and may be used to meet the College's operating obligations as they become due.

Statement of Revenues, Expenses and Changes in Net Position

Total net position presented in the Statement of Net Position is 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 College's revenues earned and expenses incurred, classified by operating and non-operating, and any other revenues, expenses, gains and losses incurred during the fiscal year just ended.

Generally, a public, state supported college, such as Indian Hills Community College, will report an operating loss as the financial reporting model classifies state appropriations, Pell grants and property tax as non-operating revenues. Operating revenues are received for providing goods and services to the students, customers and constituencies of the College. Operating expenses are those expenses paid to acquire and produce the goods and services provided in return for the operating revenues and to perform 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/amortization, which allocates the cost of an asset over its expected useful life.

Changes in Net Position

	Year ended June 30,	
	2018	2017 (Not Restated)
Operating revenues:		
Tuition and fees	$ 13,448,932	15,072,941
Federal appropriations	4,667,218	5,391,530
Sales and services	982,805	1,017,135
Iowa Industrial New Jobs Training Program	822,127	1,206,763
Auxiliary	5,014,102	5,481,688
Miscellaneous	3,172,487	3,117,024
Total operating revenues	28,107,671	31,287,081
Total operating expenses	58,208,420	60,501,467
Operating loss	(30,100,749)	(29,214,386)
Non-operating revenues (expenses):		
State appropriations	18,264,076	18,195,085
Pell grants	5,498,491	5,559,330
Property tax	5,423,508	5,137,967
Gifts from IHCC Foundation	1,198,926	1,249,854
Interest income on investments	300,507	145,326
Donated capital assets	41,500	30,000
Gain on sale of capital assets	174,045	3,476
Interest expense	(93,801)	(56,685)
Net non-operating revenues	30,807,252	30,264,353
Change in net position	706,503	1,049,967
Net position beginning of year, as restated	54,962,438	53,891,399
Net position end of year	$ 55,668,941	54,941,366

Net position of the College increased $706,503 as a result of operations during fiscal year 2018.

In fiscal year 2018, operating revenues totaled approximately $28.1 million and net non-operating revenues totaled approximately $30.8 million. Observations regarding the changes in operating and non-operating revenues follow:

- Tuition and fees revenue, as reported herein net of scholarship allowances, decreased due to a decline in enrollment and a reduction of participation and fees collected for the Coast Flight Training partnership.
- Federal appropriation revenue decreased due to reductions in funding for the various Workforce Investment Act programs.
- Auxiliary revenue decreased due to a decline in enrollment, impacting bookstore, food service, and housing operations.

Operating Expenses

	Year ended June 30,	
	2018	2017
Education and support:		
Liberal arts and sciences	$ 5,826,072	5,493,256
Vocational technical	12,228,387	12,747,292
Adult education	3,486,569	3,826,755
Cooperative services	1,051,955	1,243,927
Administration	1,834,131	2,021,557
Student services	4,245,721	4,597,995
Learning resources	494,844	624,829
Physical plant	5,620,913	4,962,267
General institution	8,914,120	9,139,072
Auxiliary enterprises	6,336,064	6,671,164
Scholarships and grants	2,272,627	2,594,808
Workforce Investment Act	1,671,877	2,571,972
Plant operations	1,429,191	1,250,891
Depreciation/amortization	2,795,949	2,755,682
Total	$ 58,208,420	60,501,467

The following factors address changes in fiscal year 2018 operating expenses:

- Vocational technical expenses decreased primarily due to a reduction of participation and fees paid for the Coast Flight Training partnership.
- Workforce Investment Act expenses decreased as a result of reduced funding for the programs.
- In general, total operating expenditures also decreased due to a decline in enrollment.

Statement of Cash Flows

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

Cash Flows

	Year ended June 30,	
	2018	2017
Cash provided (used) by:		
Operating activities	$ (26,425,355)	(26,099,702)
Non-capital financing activities	30,718,896	31,564,367
Capital and related financing activities	(1,560,150)	(3,367,941)
Investing activities	227,477	111,203
Net change in cash and cash equivalents	2,960,868	2,207,927
Cash and cash equivalents beginning of year	22,995,776	20,787,849
Cash and cash equivalents end of year	$ 25,956,644	22,995,776

Cash used by operating activities includes payments for salaries and benefits, goods and services, scholarships and auxiliary enterprise payments. Cash provided by operating activities includes revenues from tuition and fees, grants, contracts and auxiliary enterprise receipts. Cash provided by non-capital financing activities includes state appropriations, Pell grants, property tax and the receipt and disbursement of federal direct loan program proceeds. Cash used by capital and related financing activities represents the principal and interest payments on debt and the proceeds from sales of capital assets offset by the purchase of capital assets. Cash provided by investing activities includes investment income received.

CAPITAL ASSETS

At June 30, 2018, the College had approximately $44.9 million invested in capital assets, net of accumulated depreciation/amortization of approximately $43.3 million. Fiscal year 2018 depreciation/amortization charges totaled $2,795,949. A summary of capital assets, net of accumulated depreciation/amortization, is shown below.

Capital Assets, Net at Year-End

	June 30,	
	2018	2017
Land	$ 458,397	458,397
Construction in progress	703,912	1,395,724
Capital assets not being depreciated/amortized	1,162,309	1,854,121
Buildings	38,183,593	38,393,677
Improvements other than buildings	3,516,797	3,757,959
Intangibles	5,013	15,499
Equipment and vehicles	2,058,649	1,925,359
Total	$ 44,926,361	45,946,615

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

DEBT

Outstanding debt at June 30, 2018 was $4,045,055, which consists of certificates issued for Iowa Industrial New Jobs Training Program projects. During the year ended June 30, 2018, the College issued $1,400,000 of certificates payable.

Detailed information is presented in Note 5 to the financial statements.

Outstanding Debt

	June 30,	
	2018	2017
Certificates payable	$ 4,045,055	3,400,639

ECONOMIC FACTORS

Indian Hills Community College managed its financial position carefully during the current fiscal year. The economic position of the College is closely tied to the State of Iowa, with the State's overall economy and educational funding remaining a priority of College officials. Like many state assisted colleges, Indian Hills Community College faces the following potential financial challenges:

- To identify, secure, and allocate the financial resources necessary to best support College, student and regional needs.
- To maintain current levels of services and operations, tuition revenue from rate increases must continue to help offset any shortfall in state funding and enrollment levels.
- Higher tuition is followed by an increased need for student financial aid, scholarship support and student loans.
- To continue to offer current, relevant educational programs and student services to attract and retain the diverse population the College serves.
- To provide a quality learning environment focused on student success.
- Aging College facilities and infrastructure require continual maintenance and renovation to meet the current and future needs.
- To implement technology and equipment solutions that best meet student, staff and regional needs.

The College continues monitoring expenses, implementing process improvements, pursuing new revenue sources and managing budget allocations to best fulfill the mission of the College with student learning as the central unifying purpose.

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our customers, taxpayers in the community college district and our creditors with a general overview of the College's finances and to demonstrate the College's accountability for the resources it is provided. If you have questions about this report or need additional financial information, please contact Indian Hills Community College, 525 Grandview Avenue, Building #1, Ottumwa, Iowa 52501.

Basic Financial Statements

Indian Hills Community College

Statement of Net Position

June 30, 2018

	Primary Government	Component Units
Assets		
Current assets:		
Cash, cash equivalents and pooled investments:		
Cash, cash equivalents and pooled investments	$ 19,681,064	25,891,133
Restricted cash, cash equivalents and pooled investments	-	4,634,896
Receivables:		
Accounts, net of allowance for doubtful accounts of $181,566	2,089,001	-
Succeeding year property tax	5,069,577	-
Due from other governments	1,346,316	-
Prepaid expenses	418,366	3,750
Inventories	826,550	-
Total current assets	29,430,874	30,529,779
Noncurrent assets:		
Cash and cash equivalents	6,275,580	-
Receivable for Iowa Industrial New Jobs Training Program	1,032,109	-
Capital assets, net of accumulated depreciation/amortization	44,926,361	-
Total noncurrent assets	52,234,050	-
Total assets	81,664,924	30,529,779
Deferred Outflows of Resources		
Pension related deferred outflows	3,874,251	-
OPEB related deferred outflows	4,064	-
Total deferred outflows of resources	3,878,315	-

Indian Hills Community College

Statement of Net Position

June 30, 2018

	Primary Government	Component Units
Liabilities		
Current liabilities:		
Accounts payable	1,545,089	12,553
Salaries and benefits payable	1,198,814	-
Advances from others	1,658,077	1,300
Early retirement payable	288,465	-
Compensated absences payable	972,540	-
Deposits held in custody for others	418,924	-
Certificates payable	680,000	-
Total current liabilities	6,761,909	13,853
Noncurrent liabilities:		
Early retirement payable	694,501	-
Certificates payable	3,365,055	-
Net pension liability	13,316,885	-
Total OPEB liability	162,738	-
Total noncurrent liabilities	17,539,179	-
Total liabilities	24,301,088	13,853
Deferred Inflows of Resources		
Unavailable property tax revenue	5,069,577	-
Pension related deferred inflows	503,633	-
Total deferred inflows of resources	5,573,210	-
Net position		
Net investment in capital assets	44,926,361	-
Restricted:		
Nonexpendable:		
Other	-	4,634,896
Expendable:		
Scholarships and fellowships	23,352	-
Cash reserve	288,745	-
Other	2,950,188	6,546,786
Unrestricted	7,480,295	19,334,244
Total net position	$ 55,668,941	30,515,926

See notes to financial statements.

Indian Hills Community College

Statement of Revenues, Expenses and
Changes in Net Position

Year ended June 30, 2018

	Primary Government	Component Units
Operating revenues:		
Tuition and fees, net of scholarship allowances of $3,745,804	$ 13,448,932	-
Federal appropriations	4,667,218	-
Sales and services	982,805	-
Iowa Industrial New Jobs Training Program	822,127	-
Auxiliary enterprises, net of scholarship allowances of $951,618	5,014,102	-
Contributions	-	1,166,892
Rental income and facility management	-	582,681
Miscellaneous	3,172,487	74,490
Total operating revenues	28,107,671	1,824,063
Operating expenses:		
Education and support:		
Liberal arts and sciences	5,826,072	-
Vocational technical	12,228,387	-
Adult education	3,486,569	-
Cooperative services	1,051,955	-
Administration	1,834,131	-
Student services	4,245,721	-
Learning resources	494,844	-
Physical plant	5,620,913	-
General institution	8,914,120	-
Auxiliary enterprises	6,336,064	-
Scholarships and grants	2,272,627	-
Workforce Investment Act	1,671,877	-
Plant operations	1,429,191	-
General and administrative	-	413,685
Programs	-	435,404
Depreciation/amortization	2,795,949	-
Total operating expenses	58,208,420	849,089
Operating income (loss)	(30,100,749)	974,974

Indian Hills Community College

Statement of Revenues, Expenses and
Changes in Net Position

Year ended June 30, 2018

	Primary Government	Component Units
Non-operating revenues (expenses):		
State appropriations	18,264,076	-
Pell grants	5,498,491	-
Property tax	5,423,508	-
Gifts from Indian Hills Community College Foundation for student scholarships	1,198,926	-
Investment income	300,507	1,793,975
Gifts to Indian Hills Community College for student scholarships	-	(1,198,926)
Donated capital assets	41,500	-
Gain on disposal of capital assets	174,045	-
Interest on indebtedness	(93,801)	-
Net non-operating revenues (expenses)	30,807,252	595,049
Change in net position	706,503	1,570,023
Net position beginning of year, as restated	54,962,438	28,945,903
Net position end of year	$ 55,668,941	30,515,926

See notes to financial statements.

Indian Hills Community College

Statement of Cash Flows

Year ended June 30, 2018

	Primary Government
Cash flows from operating activities:	
Tuition and fees	$ 13,926,117
Federal appropriations	4,711,035
Iowa Industrial New Jobs Training Program	748,665
Payments to employees for salaries and benefits	(32,400,986)
Payments to suppliers for goods and services	(19,695,984)
Payments to New Jobs Training Program recipients	(464,821)
Scholarships	(2,272,627)
Payments to subrecipients	(173,240)
Auxiliary enterprise receipts	5,073,764
Other receipts	4,122,722
Net cash used by operating activities	(26,425,355)
Cash flows from non-capital financing activities:	
State appropriations	18,022,672
Pell grants	5,498,491
Property tax	5,423,508
Gifts	1,198,926
Federal direct lending receipts	8,201,334
Federal direct lending disbursements	(8,201,334)
Proceeds from issuance of debt	1,400,000
Principal paid on debt	(755,584)
Interest paid on debt	(93,801)
Agency receipts	1,284,468
Agency disbursements	(1,259,784)
Net cash provided by non-capital financing activities	30,718,896
Cash flows from capital and related financing activities:	
Proceeds from sale of capital assets	256,410
Acquisition of capital assets	(1,816,560)
Net cash used by capital and related financing activities	(1,560,150)
Cash flows from investing activities:	
Interest on investments	227,477
Net increase in cash and cash equivalents	2,960,868
Cash and cash equivalents beginning of year	22,995,776
Cash and cash equivalents end of year	$ 25,956,644

Indian Hills Community College

Statement of Cash Flows

Year ended June 30, 2018

	Primary Government
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	$ (30,100,749)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation/amortization	2,795,949
Provision for doubtful accounts	(17,796)
Decrease in accounts receivable	548,258
Increase in NJTP receivable	(73,462)
Decrease in due from other governments	43,817
Increase in prepaid expenses	(234,327)
Decrease in inventories	82,371
Increase in accounts payable	198,105
Decrease in salaries and benefits payable	(76,551)
Decrease in advances from others	(26,185)
Decrease in compensated absences payable	(15,847)
Increase in net pension liability	625,137
Increase in deferred inflows of resources	55,491
Increase in deferred outflows of resources	(236,481)
Increase in total OPEB liability	16,891
Decrease in early retirement payable	(9,976)
Total adjustments	3,675,394
Net cash used by operating activities	$ (26,425,355)

Noncash capital and related financing activities:

The College received donated capital assets with an acquisition value of $41,500. The trade-in value of equipment deleted was $37,640.

See notes to financial statements.

Indian Hills Community College

Statement of Net Assets
Component Units

June 30, 2018

	Indian Hills Community College Development Corp., Inc.	Indian Hills Communtiy College Foundation, Inc.	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 516,369	221,323	737,692
Investments	-	25,153,441	25,153,441
Restricted cash and investments	-	4,634,896	4,634,896
Prepaid expenses	-	3,750	3,750
Total current assets	516,369	30,013,410	30,529,779
Noncurrent assets:			
Capital assets, net of accumulated depreciation of $15,434	-	-	-
Total assets	516,369	30,013,410	30,529,779
Liabilities			
Current liabilities:			
Accounts payable	11,747	806	12,553
Deferred revenue	-	1,300	1,300
Total liabilities	11,747	2,106	13,853
Net assets			
Restricted:			
Nonexpendable:			
Other	-	4,634,896	4,634,896
Expendable:			
Other	-	6,546,786	6,546,786
Unrestricted	504,622	18,829,622	19,334,244
Total net assets	$ 504,622	30,011,304	30,515,926

See notes to financial statements.

Indian Hills Community College

Statement of Revenues, Expenses and
Changes in Net Assets
Component Units

Year ended June 30, 2018

	Indian Hills Community College Development Corp., Inc.	Indian Hills Community College Foundation, Inc.	Total
Operating revenues:			
Contributions	$ -	1,166,892	1,166,892
Rental income and facility management	582,681	-	582,681
Miscellaneous	11,200	63,290	74,490
Total operating revenues	593,881	1,230,182	1,824,063
Operating expenses:			
General and administrative	162,407	251,278	413,685
Programs	435,404	-	435,404
Total operating expenses	597,811	251,278	849,089
Operating income	(3,930)	978,904	974,974
Non-operating revenues (expenses):			
Investment income, net of $89,099 of investment expenses	5,748	1,788,227	1,793,975
Gifts to Indian Hills Community College	-	(1,198,926)	(1,198,926)
Net non-operating revenues (expenses)	5,748	589,301	595,049
Change in net assets	1,818	1,568,205	1,570,023
Net assets beginning of year	502,804	28,443,099	28,945,903
Net assets end of year	$ 504,622	30,011,304	30,515,926

See notes to financial statements.

(1) Summary of Significant Accounting Policies

Indian Hills Community College is a publicly supported school established and operated by Merged Area XV under the provisions of Chapter 260C of the Code of Iowa. Indian Hills Community College offers programs of adult and continuing education, lifelong learning, community education and up to two years of liberal arts, pre-professional or occupational instruction partially fulfilling the requirements for a baccalaureate degree but confers no more than an associate degree. Indian Hills Community College also offers up to two years of career and technical education, training or retraining to persons who are preparing to enter the labor market. Indian Hills Community College maintains campuses in Ottumwa and Centerville, Iowa, and at the Ottumwa Industrial Airport and has its administrative offices in Ottumwa. Indian Hills Community College is governed by a Board of Trustees whose members are elected from each director district within Merged Area XV.

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

A. Reporting Entity

For financial reporting purposes, Indian Hills 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 Indian Hills 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 their operational or financial relationships 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.

Discrete Component Units

Indian Hills Community College Development Corporation, Inc. is a legally separate not-for-profit corporation established to operate the dormitories for the College and assist in promoting the College. The Development Corporation is governed by a Board of Directors who are appointed by the College. Although the College does not control the timing or amount of receipts from the Development Corporation, the majority of the resources held by the Development Corporation are used for the benefit of the College and its students. The address of the Development Corporation is 525 Grandview Avenue, Ottumwa, Iowa 52501.

Indian Hills Community College Foundation, Inc. is a legally separate not-for-profit organization established to solicit and receive gifts and grants and make contributions to or for the benefit of Indian Hills Community College. The Foundation is governed by a Board of Directors who are appointed by the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of the resources held are used for the benefit of the College and its students. The address of the Foundation is 525 Grandview Avenue, Ottumwa, Iowa 52501.

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

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 improvements of those assets.

Restricted Net Position:

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

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

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

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

C. Measurement Focus and Basis of Accounting

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

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

Cash, Cash Equivalents and Pooled Investments – Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust and The Education Liquidity Fund which are valued at amortized cost and non-negotiable certificates of deposit which are stated at amortized cost.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date 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. The cost is recorded as an expense at the time individual inventory items are consumed.

Property Tax Receivable – Property tax receivable is recognized on the levy or lien date, which is the date the tax asking is certified by the Board of Trustees to the appropriate County Auditors. Delinquent property tax receivable represents unpaid taxes from the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Trustees to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Trustees is required to certify its budget to the County Auditor by June 1 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is reported as a deferred inflow of resources 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 represents the amount to be remitted to the College for training projects entered into between the College and employers under the provisions of Chapter 260E of the Code of Iowa. The receivable amount is based on expenditures incurred through June 30, 2018 on NJTP projects, including interest incurred on NJTP certificates, less revenues received to date.

Capital Assets – Capital assets, which include property, equipment and vehicles and intangibles acquired after July 1, 1980, are reported in the applicable governmental or business type activities columns in the government–wide Statement of Net Positions. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Asset Class	Amount
Land, buildings, and improvements	$ 25,000
Intangible assets	10,000
Equipment and vehicles	5,000

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

Asset Class	Estimated Useful Lives (In Years)
Buildings and improvements	15 - 50
Intangible assets	5
Equipment and vehicles	3 - 5

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

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

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

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

Compensated Absences – College employees accumulate a limited amount of earned but unused leave for subsequent use or for payment upon termination, death or retirement. Amounts representing the cost of compensated absences are recorded as liabilities. These liabilities have been computed based on rates of pay in effect at June 30, 2018.

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 related to OPEB and OPEB expense, information has been determined based on the Indian Hills Community College's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Deferred Inflows of Resources – Deferred inflows of resources 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 which will not be recognized as revenue until the year for which it is levied, unrecognized items not yet charged to pension expense and the unamortized portion of the net difference between projected and actual earnings on pension plan assets.

Auxiliary Enterprise Revenues – Auxiliary enterprise revenues primarily represent revenues generated by the bookstore, food service, housing, printing, central stores 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 number of calendar days in a session.

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

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

E. Scholarship Allowances and Student Aid

Financial aid to students is reported in the financial statements under the alternative method, as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid (loans, funds provided to students as awarded by third parties and Federal Direct Lending) is accounted for

as third party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a total College basis by allocating the cash payments to students, excluding payments for services, on the ratio of all aid to the aid not considered to be third party aid.

(2) Cash, Cash Equivalents and Pooled Investments

The College's deposits in banks at June 30, 2018 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

At June 30, 2018, the College had investments of $815,827 in a diversified portfolio in the Iowa Schools Joint Investment Trust (ISJIT). The investments are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. There were no limitations or restrictions on withdrawals for the ISJIT investments. The investments in ISJIT were rated AAAm by Standard & Poor's Financial Services.

At June 30, 2018, the College had investments of $4,001,563 in a diversified portfolio in The Education Liquidity Fund (TELF). The investments are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. There were no limitations or restrictions on withdrawals for the TELF investments.

The College had no other investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

Component Units

The Indian Hills Community College Foundation (Foundation) categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Foundation has the following recurring fair value measurement as of June 30, 2018:

Investments	Fair Value	Level 1	Level 2
Cash and cash equivalents	$ 1,039,052	1,039,052	-
Certificates of deposit	199,652	-	199,652
Mutual funds	638,675	638,675	-
Corporate and government bonds	11,488,502	-	11,488,502
Corporate stocks	16,422,456	16,422,456	-
Total	$ 29,788,337	18,100,183	11,688,154

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.

At June 30, 2018, the Indian Hills Community College Development Corporation (Development Corporation) had investments of $511,185 in a diversified portfolio in TELF. The investments are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. There were no limitations or restrictions on withdrawals for the TELF investments.

Interest rate risk – The Foundation's Board has determined that the Foundation can tolerate some interim fluctuation in the funds' market value and rates of return in order to achieve long-term growth objectives. Given this, the Foundation has determined that its risk tolerance is conservative.

(3) Inventories

The College's inventories at June 30, 2018 are as follows:

Type		Amount
Textbooks and supplies	$	665,807
Merchandise held for resale		160,743
Total	$	826,550

(4) Capital Assets

Capital assets activity for the year ended June 30, 2018 is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Capital assets not being depreciated/amortized:				
Land	$ 458,397	-	-	458,397
Construction in progress	1,395,724	703,912	1,395,724	703,912
Total capital assets not being depreciated/amortized	1,854,121	703,912	1,395,724	1,162,309
Capital assets being depreciated/amortized:				
Buildings	69,432,556	1,748,639	570,902	70,610,293
Improvements other than buildings	6,127,353	-	-	6,127,353
Intangibles	469,239	-	15,300	453,939
Equipment and vehicles	9,586,400	838,873	534,630	9,890,643
Total capital assets being depreciated/amortized	85,615,548	2,587,512	1,120,832	87,082,228
Less accumulated depreciation/amortization for:				
Buildings	31,038,879	1,890,215	502,394	32,426,700
Improvements other than buildings	2,369,394	241,162	-	2,610,556
Intangibles	453,740	10,486	15,300	448,926
Equipment and vehicles	7,661,041	654,086	483,133	7,831,994
Total accumulated depreciation/amortization	41,523,054	2,795,949	1,000,827	43,318,176
Total capital assets being depreciated/amortized, net	44,092,494	(208,437)	120,005	43,764,052
Capital assets, net	$ 45,946,615	495,475	1,515,729	44,926,361

(5) Changes in Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2018 is as follows:

	Certificates Payable (1)	Net Pension Liability	Total OPEB Liability	Early Retirement	Total
Balance beginning of year, as restated	$ 3,400,639	12,691,748	145,847	992,942	17,231,176
Additions	1,400,000	625,137	16,891	261,730	2,303,758
Reductions	755,584	-	-	271,706	1,027,290
Balance end of year	$ 4,045,055	13,316,885	162,738	982,966	18,507,644
Due within one year	$ 680,000	-	-	288,465	968,465

(1) The unamortized premium and discount on the certificates were $929 and $15,874, respectively, at June 30, 2018.

Certificates Payable

In accordance with agreements dated between July 12, 2010 and February 6, 2018, the College issued certificates totaling $9,855,000 with interest rates ranging from 1.25% to 4.78% per annum. The debt was incurred to fund the development and training costs related to implementing Chapter 260E of the Code of Iowa, Iowa Industrial New Jobs Training Program (NJTP). NJTP's purpose is to provide tax-aided training for employees of industries which are new to or are expanding their operations within the State of Iowa. Interest is payable semiannually, while principal payments are due annually. The certificates are to be retired by proceeds from anticipated job credits from withholding tax, incremental property tax, budgeted reserves and, in the case of default, from standby property tax.

The certificates mature as follows:

Year ending June 30,	Principal	Interest	Total
2019	$ 680,000	98,870	778,870
2020	500,000	85,557	585,557
2021	495,000	75,363	570,363
2022	490,000	64,166	554,166
2023	485,000	52,425	537,425
2023-2025	1,410,000	90,702	1,500,702
Total	4,060,000	467,083	4,527,083
Unamortized premium	929		
Unamortized discount	(15,874)		
Certificates payable	$ 4,045,055		

(6) Operating Leases

The College has leased 156 printers and 3 copiers. These leases have been classified as operating leases and, accordingly, all rents are expensed as incurred. The leases expire between 2019 and 2020 and require various minimum monthly payments.

The following is a schedule by year of future minimum rental payments required under operating leases which have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2018:

Year ending June 30,		Printers	Copiers	Total
2019	$	40,185	33,880	74,065
2020		-	14,945	14,945
Total	$	40,185	48,825	89,010

Rents for the operating leases for the year ended June 30, 2018 totaled $120,150.

(7) Iowa Public Employees' Retirement System (IPERS)

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

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

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

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

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

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

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

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

In fiscal year 2018, pursuant to the required rate, Regular members contributed 5.95% of payroll and the College contributed 8.93% of covered payroll, for a total rate of 14.88%.

The College's contributions to IPERS for the year ended June 30, 2018 totaled $1,288,980.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2018, the College reported a liability of $13,316,885 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 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, 2017, the College's proportion was 0.199915%, which was a decrease of 0.001755% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the College recognized pension expense of $1,737,191. At June 30, 2018, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 122,262	115,381
Changes of assumptions	2,313,861	-
Net difference between projected and actual earnings on IPERS' investments	-	139,090
Changes in proportion and differences between College contributions and proportionate share of contributions	149,148	249,162
College's contributions subsequent to the measurement date	1,288,980	-
Total	$ 3,874,251	503,633

$1,288,980 reported as deferred outflows of resources related to pensions resulting from the College's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. 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,	Total
2019	$ 226,974
2020	1,006,727
2021	629,693
2022	66,015
2023	152,229
Total	$ 2,081,638

There are no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study dated March 14, 2017.

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

The long-term expected rate of return on 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	24.0%	6.25%
International equity	16.0	6.71
Core plus fixed income	27.0	2.25
Public credit	3.5	3.46
Public real assets	7.0	3.27
Cash	1.0	(0.31)
Private equity	11.0	11.15
Private real assets	7.5	4.18
Private credit	3.0	4.25
Total	100.0%	

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

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.00%) or 1% point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
College's proportionate share of the net pension liability	$ 21,940,884	13,316,885	6,071,069

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

Payables to IPERS – At June 30, 2018, the College reported payables to IPERS of $54,808 for legally required employer contributions and $36,518 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

(8) Teachers Insurance and Annuity Association (TIAA)

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

Benefit terms, including contribution requirements, for TIAA are established and specified by the contract with TIAA, and in accordance with the Code of Iowa. For each employee in the pension plan, the College is required to contribute 8.93% of annual salary, including overtime pay, to an individual employee account. Each employee is required to contribute 5.95%. Contributions made by both the College and employees vest immediately. For the year ended June 30, 2018, employee contributions totaled $484,042 and the College recognized pension expense of $758,449.

At June 30, 2018, the College reported payables to the TIAA of $26,727 for legally required College contributions and $17,808 for legally required employee contributions which had been withheld from employee wages but not yet remitted to TIAA.

(9) Other Postemployment Benefits (OPEB)

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	-
Active employees	391
Total	391

Total OPEB Liability – The College's total OPEB liability of $162,738 was measured as of June 30, 2018, and was determined by an actuarial valuation as of January 1, 2017.

Actuarial Assumptions – The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2018)	3.00% per annum.
Rates of salary increase (effective June 30, 2018)	3.00% per annum
Discount rate (effective January 1, 2018)	3.44% per annum,
Healthcare cost trend rate (effective June 30, 2018)	5.00% for fiscal year 2018

Discount Rate – The discount rate used to measure the total OPEB liability was 3.44% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP-2014 annuitant distinct mortality table adjusted to 2016 with MP 2016 generational projection of future mortality improvement. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year, as restated	$ 145,847
Changes for the year:	
Service cost	12,492
Interest	5,507
Differences between expected and actual experiences	-
Changes in assumptions	4,578
Benefit payments	(5,686)
Net changes	16,891
Total OPEB liability end of year	$ 162,738

Changes of assumptions reflect a change in the discount rate from 4.00% in fiscal year 2017 to 3.44% in fiscal year 2018.

Sensitivity of the College's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.44%) or 1% higher (4.44%) than the current discount rate.

	1% Decrease (2.44%)	Discount Rate (3.44%)	1% Increase (4.44%)
Total OPEB liability	$ 174,645	162,738	151,822

Sensitivity of the College's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be it were calculated using healthcare cost trend rates that are 1% lower (4.00%) or 1% higher (6.00%) than the current healthcare cost trend rates.

	1% Decrease (4.00%)	Healthcare Cost Trend Rate (5.00%)	1% Increase (6.00%)
Total OPEB liability	$ 147,946	162,738	179,743

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2018, the College recognized OPEB expense of $18,513. At June 30, 2018, the College reported deferred outflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources
Changes in assumptions	$ 4,064

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

Year ending June 30,	Amount
2019	$ 514
2020	514
2021	514
2022	514
2023	514
Thereafter	1,494
	$ 4,064

(10) Insurance Management Program for Area Community Colleges (IMPACC)

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

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

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

The Program uses reinsurance to reduce its exposure to large losses. The Program has a self-insured retention of $100,000 per occurrence for wrongful acts, employee benefits liability and educators' legal liability, $250,000 per occurrence for workers compensation and employer's liability and $200,000 per occurrence for most other claims. First layer excess insurance is $800,000 per occurrence for property, general and automobile liability, $900,000 per occurrence for wrongful acts, employee benefits liability and educators' legal liability and $250,000 per occurrence for workers compensation. The Program's annual aggregate retention (loss fund) is $925,000 with stop gap loss protection provided above the loss fund. There is additional excess insurance for workers' compensation to statutory limits and for liability claims to $10,000,000 per occurrence. Property is insured with excess coverage over the self-insured retention and underlying layer up to $250,000,000 per occurrence. Flood and earthquake exposures are covered in the property program each having $16,000,000 limits. Also covered is employee fidelity up to $2,000,000 having a deductible of $10,000 per member, boiler and machinery coverage up to $100,000,000 with a deductible of $10,000 per member loss, foreign travel coverage with limits of $1,000,000, as well as cyber liability including identify theft protection up to $1,000,000 annual aggregate per member with a deductible of $50,000 per member loss.

The Program's intergovernmental contract with its members provides that in the event any claim or series of claims exceeds the amount of aggregate excess insurance, then payment of such claims shall be the obligation of the respective individual member. The College does not report a liability for losses in excess of reinsurance unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2018, no liability has been recorded in the College's financial statements. As of June 30, 2018, settled claims have not exceeded the Program's coverage in any of the past three fiscal years.

Members agree to continue membership in the Program for a period of not less than three full years. After such period, a member who has given sufficient notice, in compliance with the By-laws, may withdraw from the Program. Upon withdrawal, payments for all claims and claims expenses for the years of membership continue until all claims for those years are settled.

The College also carries commercial insurance purchased from other insurers for coverage associated with catastrophic, accidental death and dismemberment, and aviation. The College assumes liability for any deductibles and claims in excess of coverage limits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(11) Self-Funded Health Insurance Plan

The College established a program for the self-funding of the College's health insurance benefit plan, which is accounted for in the Restricted Fund. The plan is funded by both employee and College contributions and is administered through a service agreement with Wellmark. The agreement is subject to automatic renewal provisions. The College assumes liability for claims up to the individual stop loss limitation of $35,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

The College's monthly contributions to the program and employee deductions fund current operations and provide capital for future claims. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Wellmark. The College's contribution for the year ended June 30, 2018 was $4,300,019.

Amounts payable at June 30, 2018 total $415,613, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior-year and current-year claims and to establish a reserve for catastrophic losses. That reserve was $1,836,948 at June 30, 2018. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past year. A reconciliation of changes in the aggregate liabilities for claims for the current year is as follows:

Unpaid claims beginning of year	$ 464,045
Incurred claims (including claims incurred but not reported at June 30, 2018)	3,249,592
Payments on claims during the fiscal year	(3,298,024)
Unpaid claims end of year	$ 415,613

(12) New Jobs Training Programs

The College administers the Iowa Industrial New Jobs Training Program (NJTP) in Area XV in accordance with Chapter 260E of the Code of Iowa. NJTP's purpose is to provide tax-aided training or retraining for employees of industries which are new to or are expanding their operations within the State of Iowa. Certificates are sold by the College to fund approved projects and are to be retired by proceeds from anticipated jobs credits from withholding taxes, incremental property tax, budgeted reserves and in the case of default, from standby property tax. Since inception, the College has administered 94 projects with 10 currently receiving project funding. Of the remaining 84 projects, 76 projects have been completed, of which 71 have been fully repaid and 5 are in the repayment process. Eight projects have defaulted, one of which was repaid by the guarantor bank, six were repaid by standby property tax and one by the other companies as part of a multiple issuance.

The College also administers the Iowa Jobs Training Program in Area XV in accordance with Chapter 260F of the Code of Iowa. The current program's purpose is to provide tax-aided training or retraining for employers of businesses whose training costs cannot be economically funded under Chapter 260F. Approved businesses received forgivable loans from the Workforce Development Fund, a State administered fund. Since inception of this program, the College administered 453 projects. Of these 453 projects, 6 defaulted, 10 withdrew and 25 are active projects.

(13) Termination Benefits

On December 10, 2012, January 12, 2015, December 14, 2015, December 12, 2016 and December 11, 2017 the Board of Trustees adopted voluntary early retirement programs. The program enrollment periods ran from December 11, 2012 until February 4, 2013, January 14, 2015 until March 12, 2015, December 14, 2015 until February 1, 2016, December 12, 2016 until February 1, 2017, and December 22, 2017 until February 1, 2018 respectively. Full-time staff who had reached the age of 55 and had been employed by the College continually for the previous 10 years were eligible.

For the December 10, 2012, January 12, 2015, December 14, 2015 December 12, 2016 and December 11, 2017 plans, retirement began at the end of the retiree's employment year or another date agreed upon by the College President and approved by the Board of Trustees. Employees who accepted early retirement under the December 10, 2012 plans received a cash payment equal to 5% of the employee's annualized salary for each full year of employment, up to 100%.

The cash payment for the December 10, 2012 plan was based on the availability of funds allocated for the plan by the Board of Trustees. Retirees under the December 10, 2012 plan received 55% of the calculated cash payment. The 2012 plan required the employee to receive the incentive retirement benefits in two equal installments. Current health coverage determined employee eligibility to receive single coverage health insurance paid by the College until the age of Medicare eligibility or 12 monthly cash payments of a specified amount.

Retirees under the January 12, 2015, December 14, 2015, December 12, 2016 and December 11, 2017 plan received the option to continue with the College's health insurance plan or waive their right to the College's health insurance plan. For retirees who continue with the College's health insurance plan, the College will pay $713, $721, $721 and $716 per month in insurance premiums until the retiree is eligible for Medicare for the January 12, 2015, December 14, 2015, December 12, 2016 and December 11, 2017 plans, respectively. Retirees who waived the College's health insurance will receive monthly cash payments of $500 for a maximum of 36 months following the retirement date under the January 12, 2015 and December 14, 2015 plans. Retirees who waived the College's health insurance will receive monthly cash payments of $650 until the retiree is eligible for Medicare under the December 12, 2016 and December 11, 2017 plans.

The liability at June 30, 2018 for those employees who elected early retirement under the December 10, 2012, January 12, 2015, December 14, 2015, December 12, 2016 and December 11, 2017 plans was $142,054, $143,726, $34,578, $400,878 and $261,730 respectively. Early retirement is funded on a pay-as-you-go basis through property tax levies. During the year ended June 30, 2018, $271,706 was paid for early retirement benefits.

(14) Tax Abatements

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

College Tax Abatements

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

For the year ended June 30, 2018, the College had no abatements of property tax and $516,941 of state income tax withholding under the projects.

Tax Abatements of Other Entities

Property tax revenues of the College were reduced by the following amounts for the year ended June 30, 2018 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Bloomfield	Urban renewal and economic development projects	$ 549
City of Fairfield	Urban renewal and economic development projects	2,514
City of Oskaloosa	Urban renewal and economic development projects	9,110
City of Ottumwa	Urban renewal and economic development projects	2,800
City of Sigourney	Urban renewal and economic development projects	2,815
Lee County	Urban renewal and economic development projects	187
Lucas County	Urban renewal and economic development projects	4,823
Monroe County	Urban renewal and economic development projects	21,107

(15) Construction Commitment

The College has entered into a contract totaling $5,027,415 for a building project. As of June 30, 2018, costs of $384,030 on the project has been have been incurred. The balance of $4,643,385 remaining on the contract at June 30, 2018 will be paid as work on the project progresses.

(16) Subsequent Event

On September 12, 2018, the College issued certificates totaling $1,835,000 for Iowa Industrial New Jobs Training Program (NJTP) projects. The debt was incurred as allowed by Chapter 260E of the Code of Iowa and will mature beginning June 1, 2019.

(17) Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB), was implemented during fiscal year 2018. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with OPEB benefits, including additional note disclosure and required supplementary information. In addition, GASB Statement No. 75 requires a state or local government employer to use the entry age normal actuarial cost method, and requires deferred outflows of resources and deferred inflows of resources which arise from other types of events related to OPEB to be recognized. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources are not reported. Beginning net position was restated to retroactively report the change in valuation of the beginning total OPEB liability, as follows:

	Net Position
Net position June 30, 2017, as previously reported	$ 54,941,366
Net OPEB obligation measured under previous standards	166,919
Total OPEB liability at June 30, 2017	(145,847)
Net position July 1, 2017, as restated	$ 54,962,438

Indian Hills Community College

Required Supplementary Information

Indian Hills Community College

Indian Hills Community College

Schedule of the College's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System
For the Last Four Years*
(In Thousands)

Required Supplementary Information

	2018	2017	2016	2015
College's proportion of the net pension liability	0.199915%	0.201670%	0.199910%	0.204420%
College's proportionate share of the net pension liability	$ 13,317	12,692	9,877	8,107
College's covered payroll	$ 14,936	14,453	13,731	13,405
College's proportionate share of the net pension liability as a percentage of its covered payroll	89.16%	87.82%	71.93%	60.48%
IPERS' net position as a percentage of the total pension liability	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.

Indian Hills Community College

Schedule of College Contributions

Iowa Public Employees' Retirement System
For the Last Ten Years
(In Thousands)

Required Supplementary Information

	2018	2017	2016	2015
Statutorily required contribution	$ 1,289	1,334	1,291	1,226
Contributions in relation to the statutorily required contribution	(1,289)	(1,334)	(1,291)	(1,226)
Contribution deficiency (excess)	$ -	-	-	-
College's covered payroll	$ 14,447	14,936	14,453	13,731
Contributions as a percentage of covered payroll	8.93%	8.93%	8.93%	8.93%

* Amounts reported do not agree with calculated amounts due to rounding required contributions and covered payroll to nearest thousandth.

See accompanying independent auditor's report.

2014	2013	2012	2011	2010	2009
1,195	1,178	1,058	877	857	804
(1,195)	(1,178)	(1,058)	(877)	(857)	(804)
-	-	-	-	-	-
13,405	13,590	13,105	12,618	12,893	12,665
8.91%	8.67%	8.07%	6.95%	6.65%	6.35%

Changes of benefit terms:

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

Changes of assumptions:

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.

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

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

Indian Hills Community College

Schedule of Changes in College's
Total OPEB Liability, Related Ratios and Notes

For the Current Year
Required Supplementary Information

	2018
Service cost	$ 12,492
Interest cost	5,507
Changes in assumptions	4,578
Benefit payments	(5,686)
Net change in total OPEB liability	16,891
Total OPEB liability beginning of year, as restated	145,847
Total OPEB liability end of year	$ 162,738
Covered-employee payroll	$ 21,926,534
Total OPEB liability as a percentage of covered-employee payroll	0.74%

See accompanying Independent Auditor's Report.

Notes to Schedule of Changes in the College's Total OPEB Liability and Related Ratios

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

Year ended June 30, 2018 3.44%
Year ended June 30, 2017 4.00%

Indian Hills Community College

Supplementary Information

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

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

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

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

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

Quasi-Endowment Funds – The Quasi-Endowment Funds are used to account for resources, the principal of which is to be maintained to conform with restrictions by the Board of Trustees. Generally, only the income from these funds may be used.

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

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

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

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

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

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

Indian Hills Community College

Budgetary Comparison Schedule of Expenditures –
Budget to Actual

Year ended June 30, 2018

Funds/Levy	Original/ Final Budget	Actual	Variance between Budget and Actual
Unrestricted	$ 39,190,000	35,004,712	4,185,288
Restricted	11,265,000	9,070,975	2,194,025
Unemployment Compensation	46,000	30,207	15,793
Insurance	1,550,000	1,904,401	(354,401)
Tort Liability	470,000	475,903	(5,903)
Early Retirement	460,000	260,894	199,106
Equipment Replacement	517,927	517,401	526
Total Restricted	14,308,927	12,259,781	2,049,146
Plant	8,250,000	2,796,398	5,453,602
Total	$ 61,748,927	50,060,891	11,688,036

Note to Budgetary Reporting:

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

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

For the year ended June 30, 2018, the College's expenditures did not exceed the total amount budgeted.

See accompanying independent auditor's report.

Indian Hills Community College

Balance Sheet
All Funds

June 30, 2018

	Current Funds		Quasi-Endowment Funds
	Unrestricted	Restricted	
Assets and Deferred Outflows of Resources			
Cash, cash equivalents and pooled investments	$ 11,474,484	4,206,759	4,649,759
Receivables:			
Accounts, net of allowance of $181,566	1,899,163	5,872	7,487
Succeeding year property tax	1,070,033	2,929,511	-
Iowa Industrial New Jobs Training Program	-	1,032,109	-
Due from other funds	304,553	1,641,645	-
Due from other governments	8,721	1,227,554	-
Prepaid expenses	259,754	32,553	-
Inventories	826,550	-	-
Capital assets:			
Land	-	-	-
Buildings	-	-	-
Improvements other than buildings	-	-	-
Intangibles	-	-	-
Equipment and vehicles	-	-	-
Accumulated depreciation/amortization	-	-	-
Total assets	15,843,258	11,076,003	4,657,246
Deferred Outflows of Resources:			
Pension related deferred outflows	-	-	-
OPEB related deferred outflows	-	-	-
Total deferred outflows	-	-	-
Total assets and deferred outflows of resources	$ 15,843,258	11,076,003	4,657,246

Plant Funds				
Unexpended	Investment in Plant	Agency Funds	Adjustments	Total
5,412,681	-	212,961	-	25,956,644
161,819	-	14,660	-	2,089,001
1,070,033	-	-	-	5,069,577
-	-	-	-	1,032,109
697,682	-	85,056	(2,728,936)	-
-	-	110,041	-	1,346,316
126,059	-	-	-	418,366
-	-	-	-	826,550
-	458,397	-	-	458,397
-	71,314,205	-	-	71,314,205
-	6,127,353	-	-	6,127,353
-	453,939	-	-	453,939
-	9,890,643	-	-	9,890,643
-	-	-	(43,318,176)	(43,318,176)
7,468,274	88,244,537	422,718	(46,047,112)	81,664,924
-	-	-	3,874,251	3,874,251
-	-	-	4,064	4,064
-	-	-	3,878,315	3,878,315
7,468,274	88,244,537	422,718	(42,168,797)	85,543,239

(continued on next page)

Indian Hills Community College

Balance Sheet
All Funds
(continued)

June 30, 2018

	Current Funds		Quasi-Endowment Funds
	Unrestricted	Restricted	
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	$ 992,903	529,739	-
Salaries and benefits payable	1,195,767	2,392	-
Due to other funds	2,424,383	304,553	-
Advances from others	1,588,773	-	-
Early retirement payable	-	982,966	-
Compensated absences	969,593	2,947	-
Deposits held in custody for others	-	-	-
Certificates payable	-	4,045,055	-
Net pension liability	-	-	-
Total OPEB liability	-	-	-
Total liabilities	7,171,419	5,867,652	-
Deferred inflows of resources:			
Succeeding year property tax	1,070,033	2,929,511	-
Pension related deferred inflows	-	-	-
Total deferred inflows of resources	1,070,033	2,929,511	-
Fund balances:			
Net investment in capital assets	-	-	-
Restricted:			
Expendable:			
Scholarships and fellowships	-	23,352	-
Cash reserve	-	288,745	-
Other	-	2,950,188	-
Unrestricted	5,078,830	(983,445)	4,657,246
Auxiliary enterprises	2,522,976	-	-
Total fund balances	7,601,806	2,278,840	4,657,246
Total liabilities, deferred inflows of resources and fund balances	$ 15,843,258	11,076,003	4,657,246

See accompanying independent auditor's report.

Plant Funds				
Unexpended	Investment in Plant	Agency Funds	Adjustments	Total
20,812	-	1,635	-	1,545,089
-	-	655	-	1,198,814
-	-	-	(2,728,936)	-
67,800	-	1,504	-	1,658,077
-	-	-	-	982,966
-	-	-	-	972,540
-	-	418,924	-	418,924
-	-	-	-	4,045,055
-	-	-	13,316,885	13,316,885
-	-	-	162,738	162,738
88,612	-	422,718	10,750,687	24,301,088
1,070,033	-	-	-	5,069,577
-	-	-	503,633	503,633
1,070,033	-	-	503,633	5,573,210
-	88,244,537	-	(43,318,176)	44,926,361
-	-	-	-	23,352
-	-	-	-	288,745
-	-	-	-	2,950,188
6,309,629	-	-	(10,104,941)	4,957,319
-	-	-	-	2,522,976
6,309,629	88,244,537	-	(53,423,117)	55,668,941
7,468,274	88,244,537	422,718	(42,168,797)	85,543,239

Indian Hills Community College

Schedule of Revenues, Expenditures and
Changes in Fund Balances
All Funds

Year ended June 30, 2018

	Current Funds		Quasi-Endowment
	Unrestricted	Restricted	Funds
Revenues:			
General:			
State appropriations	$ 14,689,941	3,153,774	-
Tuition and fees	17,194,736	-	-
Property tax	1,143,814	3,130,605	-
Federal appropriations	253	10,165,456	-
Sales and services	485,872	44,019	-
Interest on investments	184,268	41,215	7,006
Iowa Industrial New Jobs Training Program	-	822,127	-
Increase in plant investment due to donated plant assets	-	-	-
Increase in plant investment due to plant expenditures (including $449,353 of current fund expenditures)	-	-	-
Gifts from the Indian Hills Community College Foundation	-	-	-
Proceeds from sale of capital assets	-	-	-
Miscellaneous	2,268,969	4,883,459	-
	35,967,853	22,240,655	7,006
Auxiliary enterprises:			
Tuition and fees	551,500	-	-
Federal appropriations	10,047	-	-
Sales and services	5,899,947	-	-
Interest on investments	24,355	-	-
Miscellaneous	411,167	-	-
	6,897,016	-	-
Total revenues	42,864,869	22,240,655	7,006
Expenditures:			
Education and support:			
Liberal arts and sciences	5,521,665	701,570	-
Vocational technical	12,330,859	944,722	-
Adult education	1,151,102	2,564,831	-
Cooperative services	8,035	1,325,559	-
Administration	1,537,905	517,401	-
Student services	4,499,414	190,901	-
Learning resources	530,364	-	-
Physical plant	3,968,667	1,904,401	-
General institution	5,456,701	4,016,595	-
Total education and support	35,004,712	12,165,980	-

Plant Funds			
Unexpended	Investment in Plant	Adjustments	Total
420,361	-	-	18,264,076
-	-	(3,745,804)	13,448,932
1,149,089	-	-	5,423,508
-	-	-	10,165,709
452,914	-	-	982,805
68,018	-	-	300,507
-	-	-	822,127
-	41,500	-	41,500
-	1,854,200	(1,854,200)	-
-	-	1,198,926	1,198,926
256,410	-	(256,410)	-
162,620	-	(4,142,561)	3,172,487
2,509,412	1,895,700	(8,800,049)	53,820,577
-	-	-	551,500
-	-	-	10,047
-	-	(1,882,914)	4,017,033
-	-	-	24,355
-	-	-	411,167
-	-	(1,882,914)	5,014,102
2,509,412	1,895,700	(10,682,963)	58,834,679
-	-	(397,163)	5,826,072
-	-	(1,047,194)	12,228,387
-	-	(229,364)	3,486,569
-	-	(281,639)	1,051,955
-	-	(221,175)	1,834,131
-	-	(444,594)	4,245,721
-	-	(35,520)	494,844
-	-	(252,155)	5,620,913
-	-	(559,176)	8,914,120
-	-	(3,467,980)	43,702,712

(continued on next page)

Indian Hills Community College

Schedule of Revenues, Expenditures and
Changes in Fund Balances
All Funds
(continued)

Year ended June 30, 2018

	Current Funds		Quasi-Endowment
	Unrestricted	Restricted	Funds
Expenditures (continued):			
Auxiliary enterprises	6,731,330	-	-
Scholarships and grants	-	6,970,049	-
Workforce Investment Act	-	1,671,877	-
Plant operations	-	-	-
Plant asset acquisitions	-	-	-
Disposal of plant assets	-	-	-
Interest on indebtedness	-	93,801	-
Depreciation/amortization	-	-	-
Gain on disposal of capital assets	-	-	-
Total expenditures	41,736,042	20,901,707	-
Excess (deficiency) of revenues over (under) expenditures	1,128,827	1,338,948	7,006
Transfers:			
Mandatory transfers	(20,000)	-	-
Non-mandatory transfers	(1,023,507)	(253,818)	-
Total transfers	(1,043,507)	(253,818)	-
Net	85,320	1,085,130	7,006
Fund balances beginning of year, as restated	7,516,486	1,193,710	4,650,240
Fund balances end of year	$ 7,601,806	2,278,840	4,657,246

See accompanying independent auditor's report.

Plant Funds			
Unexpended	Investment in Plant	Adjustments	Total
-	-	(395,266)	6,336,064
-	-	(4,697,422)	2,272,627
-	-	-	1,671,877
1,429,191	-	-	1,429,191
1,367,207	-	(1,367,207)	-
-	1,120,832	(1,120,832)	-
-	-	-	93,801
-	-	2,795,949	2,795,949
-	-	(174,045)	(174,045)
2,796,398	1,120,832	(8,426,803)	58,128,176
(286,986)	774,868	(2,256,160)	706,503
20,000	-	-	-
1,277,325	-	-	-
1,297,325	-	-	-
1,010,339	774,868	(2,256,160)	706,503
5,299,290	87,469,669	(51,166,957)	54,962,438
6,309,629	88,244,537	(53,423,117)	55,668,941

Indian Hills Community College

Schedule of Revenues, Expenditures and Changes in Fund Balances
Unrestricted Fund
Education and Support

Year ended June 30, 2018

	Education			
	Liberal Arts and Sciences	Vocational Technical	Adult Education	Cooperative Services
Revenues:				
State appropriations	$ 4,256,020	9,648,831	725,674	-
Tuition and fees	4,297,948	12,164,103	657,655	-
Property tax	-	-	-	-
Federal appropriations	-	-	-	-
Sales and services	366	39,641	160,288	-
Interest on investments	-	-	-	-
Miscellaneous	13,948	124,449	10,994	-
Total revenues	8,568,282	21,977,024	1,554,611	-
Expenditures:				
Salaries and benefits	5,263,423	9,991,738	913,589	-
Services	18,769	1,403,747	111,969	4,424
Materials and supplies	50,456	567,952	98,051	1,112
Travel	92,209	88,370	19,484	2,124
Loan cancellations and bad debts	96,627	219,044	-	-
Administrative and collections	-	-	-	-
Miscellaneous	181	60,008	8,009	375
Total expenditures	5,521,665	12,330,859	1,151,102	8,035
Excess (deficiency) of revenues over (under) expenditures	3,046,617	9,646,165	403,509	(8,035)
Transfers:				
Non-mandatory transfers	1,274	-	-	-
Net	$ 3,047,891	9,646,165	403,509	(8,035)
Fund balances beginning of year				
Fund balances end of year				

See accompanying independent auditor's report.

Support					Education and Support Total
General Administration	Student Services	Learning Resources	Physical Plant	General Institution	
20,355	-	-	14,680	24,381	14,689,941
-	73,970	-	-	1,060	17,194,736
1,143,814	-	-	-	-	1,143,814
253	-	-	-	-	253
100	241,524	104	602	43,247	485,872
184,268	-	-	-	-	184,268
652,275	1,519	29	1,439,716	26,039	2,268,969
2,001,065	317,013	133	1,454,998	94,727	35,967,853
1,118,669	3,699,343	367,820	2,094,309	3,047,063	26,495,954
325,484	601,605	21,477	1,595,609	1,560,501	5,643,585
29,482	62,822	140,560	276,188	502,446	1,729,069
31,969	92,309	507	1,949	92,933	421,854
-	2,655	-	-	-	318,326
29,303	-	-	-	-	29,303
2,998	40,680	-	612	253,758	366,621
1,537,905	4,499,414	530,364	3,968,667	5,456,701	35,004,712
463,160	(4,182,401)	(530,231)	(2,513,669)	(5,361,974)	963,141
(940,000)	(7,560)	-	-	(7,560)	(953,846)
(476,840)	(4,189,961)	(530,231)	(2,513,669)	(5,369,534)	9,295
					5,069,535
					$ 5,078,830

Indian Hills Community College

Indian Hills Community College

Schedule of Revenues, Expenditures and Changes in Fund Balances
Unrestricted Fund
Auxiliary Enterprises

Year ended June 30, 2018

	Institutional Services	Education Program	Miscellaneous	Total
Revenues:				
Tuition and fees	$ -	521,500	30,000	551,500
Federal appropriations	-	10,047	-	10,047
Sales and services	2,801,554	2,372,692	725,701	5,899,947
Interest on investments	-	-	24,355	24,355
Miscellaneous	182,531	104,995	123,641	411,167
Total revenues	2,984,085	3,009,234	903,697	6,897,016
Expenditures:				
Salaries and benefits	459,638	933,003	218,767	1,611,408
Services	250,401	317,318	573,445	1,141,164
Materials and supplies	111,771	351,532	179,565	642,868
Travel	607	281,506	1,011	283,124
Loan cancellations and bad debts	100,379	44,325	26,348	171,052
Plant asset acquisitions	35,000	14,949	24,069	74,018
Miscellaneous	3,038	36,399	5,734	45,171
Cost of goods sold	1,778,619	983,906	-	2,762,525
Total expenditures	2,739,453	2,962,938	1,028,939	6,731,330
Excess (deficiency) of revenues over (under) expenditures	244,632	46,296	(125,242)	165,686
Transfers:				
Mandatory transfers	(20,000)	-	-	(20,000)
Non-mandatory transfers	(263,890)	20	194,209	(69,661)
Total transfers	(283,890)	20	194,209	(89,661)
Net	(39,258)	46,316	68,967	76,025
Fund balances beginning of year	1,787,699	227,576	431,676	2,446,951
Fund balances end of year	$ 1,748,441	273,892	500,643	2,522,976

See accompanying independent auditor's report.

Indian Hills Community College

Schedule of Revenue, Expenditures and Changes in Fund Balances
Restricted Fund

Year ended June 30, 2018

	Scholarships and Grants	Equipment Replacement	Tort Liability	Insurance	Early Retirement
Revenues:					
State appropriations	$ 767,716	9,047	8,185	29,981	8,050
Property tax	-	508,354	460,004	1,683,204	454,918
Federal appropriations	5,622,116	-	-	-	-
Sales and services	-	-	-	-	-
Interest on investments	-	-	-	-	-
Iowa Industrial New Jobs Training Program	-	-	-	-	-
Miscellaneous	491,783	-	-	-	-
Total revenues	6,881,615	517,401	468,189	1,713,185	462,968
Expenditures:					
Salaries and benefits	-	-	75,325	-	260,894
Services	-	-	400,578	1,904,401	-
Materials and supplies	-	366,879	-	-	-
Travel	-	-	-	-	-
Interest on indebtedness	-	-	-	-	-
Awards to subrecipients	-	-	-	-	-
Plant asset acquisitions	-	150,522	-	-	-
Miscellaneous	-	-	-	-	-
Federal Pell grant program	5,498,491	-	-	-	-
Federal Supplemental Educational Opportunity grant	123,625	-	-	-	-
Iowa College Student Aid Commission	767,716	-	-	-	-
Private scholarships	580,217	-	-	-	-
Total expenditures	6,970,049	517,401	475,903	1,904,401	260,894
Excess (deficiency) of revenues over (under) expenditures	(88,434)	-	(7,714)	(191,216)	202,074
Transfers:					
Non-mandatory transfers	84,782	-	-	-	-
Net	(3,652)	-	(7,714)	(191,216)	202,074
Fund balances beginning of year	27,004	-	54,912	(341,118)	(653,185)
Fund balances end of year	$ 23,352	-	47,198	(532,334)	(451,111)

See accompanying independent auditor's report.

Unemployment Compensation	State Grants	Federal Grants	Workforce Investment Act	Iowa Industrial New Jobs Training Program	Retraining Program (HF 260F)	Self - Funded Health Insurance Program	Miscellaneous	Total
427	2,164,235	-	-	-	166,133	-	-	3,153,774
24,125	-	-	-	-	-	-	-	3,130,605
-	-	2,829,055	1,714,285	-	-	-	-	10,165,456
-	-	23,200	-	-	-	-	20,819	44,019
-	-	-	-	41,215	-	-	-	41,215
-	-	-	-	822,127	-	-	-	822,127
-	159	185	-	-	-	4,300,019	91,313	4,883,459
24,552	2,164,394	2,852,440	1,714,285	863,342	166,133	4,300,019	112,132	22,240,655
30,207	1,072,248	1,776,541	1,231,126	91,905	-	33,252	80,789	4,652,287
-	475,077	321,560	244,060	464,821	134,022	3,211,780	19,300	7,175,599
-	147,801	103,819	8,729	-	-	4,560	15,376	647,164
-	27,696	141,659	14,722	-	-	-	1,828	185,905
-	-	-	-	93,801	-	-	-	93,801
-	-	-	173,240	-	-	-	-	173,240
-	124,813	100,000	-	-	-	-	-	375,335
-	188,006	393,972	-	-	-	-	46,349	628,327
-	-	-	-	-	-	-	-	5,498,491
-	-	-	-	-	-	-	-	123,625
-	-	-	-	-	-	-	-	767,716
-	-	-	-	-	-	-	-	580,217
30,207	2,035,641	2,837,551	1,671,877	650,527	134,022	3,249,592	163,642	20,901,707
(5,655)	128,753	14,889	42,408	212,815	32,111	1,050,427	(51,510)	1,338,948
-	(230,148)	(14,710)	-	(92,467)	-	-	(1,275)	(253,818)
(5,655)	(101,395)	179	42,408	120,348	32,111	1,050,427	(52,785)	1,085,130
58,888	188,725	-	(13,226)	518,473	218,096	786,521	348,620	1,193,710
53,233	87,330	179	29,182	638,821	250,207	1,836,948	295,835	2,278,840

Indian Hills Community College

Schedule of Changes in Deposits Held in Custody for Others
Agency Funds

Year ended June 30, 2018

	Student Organizations	Federal Direct Student Loan Program	Miscellaneous	Total
Balances beginning of year	$ 136,852	-	270,232	407,084
Additions:				
State appropriations	-	-	24,176	24,176
Federal appropriations	-	8,201,334	-	8,201,334
Tuition and fees	70,000	-	1,704	71,704
Sales and services	68,882	-	202,308	271,190
Miscellaneous	14,820		889,030	903,850
Total additions	153,702	8,201,334	1,117,218	9,472,254
Deductions:				
Salaries and benefits	1,301	-	167,639	168,940
Services	58,622	-	773,334	831,956
Materials and supplies	29,748	-	5,133	34,881
Travel	37,874	-	133	38,007
Miscellaneous	24,487	-	158,411	182,898
Direct student loans	-	8,201,334	-	8,201,334
Cost of goods sold	2,398	-	-	2,398
Total deductions	154,430	8,201,334	1,104,650	9,460,414
Balances end of year	$ 136,124	-	282,800	418,924

See accompanying independent auditor's report.

Indian Hills Community College

Schedule of Credit and Contact Hours

Year ended June 30, 2018

Category	Credit Hours			Contact Hours		
	Eligible for Aid	Not Eligible for Aid	Total	Eligible for Aid	Not Eligible for Aid	Total
Arts and Sciences	39,432	-	39,432	-	-	-
Vocational Education	50,118	-	50,118	-	-	-
Adult Education/ Continuing Education	-	-	-	144,976	5,344	150,320
Total	89,550	-	89,550			

See accompanying independent auditor's report.

Indian Hills Community College

Schedule of Taxes and Intergovernmental Revenues

For the Last Ten Years

	Years ended			
	2018	2017	2016	2015
Local (property tax)	$ 5,423,508	5,137,967	4,979,238	4,944,550
State	18,264,076	18,195,085	18,971,694	18,600,408
Federal	10,175,756	10,964,930	12,252,023	12,281,881
Total	$ 33,863,340	34,297,982	36,202,955	35,826,839

See accompanying independent auditor's report.

June 30,					
2014	2013	2012	2011	2010	2009
4,143,844	3,981,490	4,307,405	4,292,781	4,033,815	3,573,445
18,099,666	15,521,696	16,156,190	13,491,892	12,267,335	15,615,288
12,526,693	13,784,293	15,944,207	18,106,236	19,768,049	10,665,497
34,770,203	33,287,479	36,407,802	35,890,909	36,069,199	29,854,230

Indian Hills Community College

Schedule of Current Fund Revenues by Source
and Expenditures by Function

For the Last Ten Years

	Years ended			
	2018	2017	2016	2015
Revenues:				
State appropriations	$ 17,843,715	17,774,403	18,030,920	17,979,069
Tuition and fees	17,194,736	18,728,253	20,784,275	19,395,523
Property tax	4,274,419	4,032,218	3,910,307	3,883,262
Federal appropriations	10,165,709	10,950,860	12,236,822	12,181,578
Sales and services	529,891	556,838	383,741	297,256
Interest on investments	225,483	100,374	63,334	51,920
Iowa Industrial New Jobs Training Program	822,127	1,206,763	157,690	596,542
Auxiliary enterprises	6,897,016	7,520,131	7,835,328	7,631,662
Miscellaneous	7,152,428	7,214,997	2,771,633	2,192,017
Total	$ 65,105,524	68,084,837	66,174,050	64,208,829
Expenditures:				
Liberal arts and sciences	$ 6,223,235	5,864,965	5,744,156	5,600,909
Vocational technical	13,275,581	13,852,317	16,443,417	14,905,151
Adult education	3,715,933	4,387,844	3,838,136	3,262,739
Cooperative services	1,333,594	1,566,597	457,993	832,692
Administration	2,055,306	2,128,346	2,100,764	2,092,312
Student services	4,690,315	5,080,346	4,605,789	4,745,026
Learning resources	530,364	671,888	666,013	639,303
Physical plant	5,873,068	5,231,076	5,504,060	5,705,919
General institution	9,473,296	9,805,014	6,310,500	6,007,787
Auxiliary enterprises	6,731,330	7,211,589	7,509,776	7,201,078
Scholarships and grants	6,970,049	7,309,917	8,646,281	9,507,591
Workforce Investment Act	1,671,877	2,571,972	2,493,210	2,260,702
Interest on indebtedness	93,801	56,685	58,427	72,413
Total	$ 62,637,749	65,738,556	64,378,522	62,833,622

See accompanying independent auditor's report.

June 30,					
2014	2013	2012	2011	2010	2009
17,363,247	15,111,760	14,551,548	12,633,837	12,228,203	15,442,692
17,579,936	18,196,872	17,868,770	18,767,263	17,044,910	14,064,149
3,085,749	2,957,789	3,330,915	3,352,711	3,131,607	2,707,554
12,031,460	13,751,605	15,711,640	18,044,436	19,742,867	10,632,557
300,735	238,768	171,215	305,266	250,654	226,627
37,972	59,773	80,746	97,588	107,931	282,958
1,916,716	1,342,184	1,451,917	1,606,070	1,835,403	3,067,908
7,569,391	8,422,448	8,141,095	8,840,122	8,343,338	9,306,142
1,842,141	1,448,965	1,238,987	1,602,279	1,475,699	2,667,175
61,727,347	61,530,164	62,546,833	65,249,572	64,160,612	58,397,762
5,850,290	6,201,782	6,128,369	5,776,120	5,254,600	5,227,040
13,786,667	13,532,045	13,450,906	12,662,111	11,967,322	10,914,226
2,123,833	2,165,784	2,527,489	2,411,689	2,314,128	2,673,018
1,222,017	675,129	1,063,639	1,054,744	1,281,494	2,248,721
2,240,614	2,144,312	2,275,963	2,022,809	2,125,380	2,122,678
4,984,211	5,069,400	4,185,342	3,962,638	3,844,065	3,493,592
609,387	613,975	602,093	611,580	717,093	832,129
5,067,087	4,691,539	4,793,837	4,758,517	4,054,447	4,275,086
5,260,498	6,974,687	4,616,827	4,555,092	7,023,970	4,745,672
7,634,273	9,280,259	7,745,980	7,673,920	7,152,283	8,879,662
9,215,765	11,089,617	11,621,322	13,871,194	12,701,869	8,105,241
2,130,210	1,899,227	1,671,189	1,455,604	2,339,810	2,095,278
228,566	315,247	394,435	499,401	551,318	619,816
60,353,418	64,653,003	61,077,391	61,315,419	61,327,779	56,232,159

Indian Hills Community College

Schedule of Expenditures of Federal Awards

Year ended June 30, 2018

Grantor/Program	CFDA Number	Pass-through Entity Identifying Number	Program Expenditures	New Loans and New Loan Guarantees
Direct:				
U.S. Department of Agriculture:				
Rural Business Development Grant	10.351		$ 12,921	-
U.S. Department of Justice:				
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525		71,114	-
National Science Foundation:				
Education and Human Resources ($196,736 provided to subrecipients)	47.076		789,079	-
U.S. Department of Education:				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants	84.007		123,625	-
Federal Work-Study Program	84.033		114,921	-
Federal Pell Grant Program	84.063		5,498,491	-
Federal Direct Student Loans	84.268		-	8,201,334
Total Student Financial Assistance Cluster			5,737,037	8,201,334
TRIO Cluster:				
TRIO_Student Support Services	84.042		327,020	-
TRIO_Talent Search	84.044		239,182	
TRIO_Upward Bound	84.047		159,955	-
TRIO_Educational Opportunity Centers	84.066		246,299	-
Total TRIO Cluster			972,456	-
Total Direct			7,582,607	8,201,334
Indirect:				
U.S. Department of Agriculture:				
Iowa Department of Education:				
Child and Adult Care Food Program	10.558		10,047	-
U.S. Department of Labor:				
Hawkeye Community College:				
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282		75,860	-
U.S. Department of Labor:				
Iowa Department of Workforce Development:				
National Emergency Grants:				
WIOA National Dislocated Worker Grants/WIA National Emergency Grants	17.277	16-W-FR-JD-0-14	569	-
WIOA National Dislocated Worker Grants/WIA National Emergency Grants	17.277	17-W-15-WI-OA	2,512	-
			3,081	-

Indian Hills Community College

Schedule of Expenditures of Federal Awards

Year ended June 30, 2018

Grantor/Program	CFDA Number	Pass-through Entity Identifying Number	Program Expenditures	New Loans and New Loan Guarantees
Indirect (continued):				
WIOA Cluster:				
WIOA Adult Program	17.258	16-W-PF-ID-0-29	424	-
WIOA Adult Program	17.258	17-W-15-WI-OA	260,228	-
			260,652	-
WIOA Youth Activities	17.259	17-W-15-WI-OA	347,046	
WIOA Dislocated Worker Formula Grants	17.278	17-W-15-WI-OA	289,133	-
Total WIOA Cluster			896,831	-
U.S. Small Business Administration:				
Iowa State University:				
Small Business Development Centers	59.037		81,425	-
U.S. Department of Education:				
Iowa Department of Education:				
Adult Education - Basic Grants to States	84.002		138,328	-
Career and Technical Education - Basic Grants to States	84.048		467,288	-
Iowa Department of Education - Division of Rehabilitation Services:				
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126		105,916	
U.S. Department of Health and Human Services:				
Iowa Department of Workforce Development:				
TANF Cluster:				
Temporary Assistance for Needy Families	93.558	16-W-PF-SM-0-14	11,815	-
Temporary Assistance for Needy Families	93.558	17-CE-PF-PH-03	802,558	-
Total of TANF Cluster			814,373	
Total Indirect			2,593,149	-
Total			$ 10,175,756	8,201,334

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Indian Hills Community College under programs of the federal government for the year ended June 30, 2018. 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 Indian Hills Community College, it is not intended to and does not present the financial position, changes in financial position or cash flows of Indian Hills Community College.

Summary of Significant Accounting Policies – Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate – Indian Hills Community College has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

See accompanying independent auditor's report.

Indian Hills Community College

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Mary Mosiman, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

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

To the Board of Trustees of Indian Hills Community College:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Indian Hills Community College, Ottumwa, Iowa, and the aggregate discretely presented component units as of and for the year ended June 30, 2018, and the related Notes to Financial Statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 27, 2018. Our report includes a reference to other auditors who audited the financial statements of the Indian Hills Community College Development Corp., Inc. and the Indian Hills Community College Foundation, Inc., as described in our report on Indian Hills Community College's financial statements. The financial statements of the Indian Hills Community College Development Corp, Inc. and the Indian Hills Community College Foundation, Inc. were not audited in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Indian Hills Community College's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Indian Hills Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of Indian Hills 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 a material misstatement of Indian Hills Community College's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the College's operations for the year ended June 30, 2018 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.

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

Mary Mosiman

MARY MOSIMAN, CPA
Auditor of State

November 27, 2018

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Mary Mosiman, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Independent Auditor's Report on Compliance For Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Trustees of Indian Hills Community College:

Report on Compliance for Each Major Federal Program

We have audited Indian Hills Community College's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018. Indian Hills Community College's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Indian Hills Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

The management of Indian Hills Community College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Indian Hills Community College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the audit procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Indian Hills Community College's internal control over compliance.

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

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

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

MARY MOSIMAN, CPA
Auditor of State

November 27, 2018

Indian Hills Community College

Schedule of Findings and Questioned Costs

Year ended June 30, 2018

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 in internal control over financial reporting were noted.

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

(d) No material weaknesses in internal control over the major programs were noted.

(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:

- TANF Cluster
- TRIO Cluster
- Student Financial Assistance Cluster

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

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

Indian Hills Community College

Schedule of Findings and Questioned Costs

Year ended June 30, 2018

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

No material weaknesses in internal control over financial reporting were noted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No material weaknesses in internal control over financial reporting were noted.

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-18 Certified Budget – Expenditures for the year ended June 30, 2018 did not exceed the amount budgeted.

IV-B-18 Questionable Disbursements – No expenditures we believe did not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

IV-C-18 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.

IV-D-18 Business Transactions and Competitive Bidding Requirements – Business transactions between the College and College officials as detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Tom Keck, Trustee, President of Winger Services	Maintenance and repair, per bid	$ 102,833

In accordance Chapter 279.7A of the Code of Iowa, the above transactions with Winger Services do not appear to represent conflicts of interest since they were entered into through competitive bid.

IV-E-18 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.

IV-F-18 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

IV-G-18 Publication – The College published a statement showing the receipt and disbursement of all funds, including the names of all persons, firms or corporations to which disbursements were made, as required by Section 260C.14(12) of the Code of Iowa.

IV-H-18 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the College's investment policy were noted.

IV-I-18 Credit and Contact Hours – Eligible credit and contact hours reported to the Iowa Department of Education by the College for the year ended June 30, 2018 were supported by detailed records maintained by the College.

Staff

This audit was performed by:

Michelle B. Meyer, CPA, Manager
Selina V. Johnson, CPA, Senior Auditor II
Cole L. Hocker, CPA, Senior Auditor
Preston R. Grygiel, Staff Auditor
Sarah K. Nissen, Staff Auditor
Erin K. Howland, Assistant Auditor
Matthew A. Miller, Assistant Auditor
Andy J. Salwolke, Assistant Auditor
Ethan M. Snedigar, Assistant Auditor

Andrew E. Nielsen, CPA
Deputy Auditor of State

APPENDIX B

DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

1. The Depository Trust Company ("DTC"), New York, New York, 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.

2. 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 a 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.

3. 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.

4. 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 effect 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.

5. 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.

6. 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.

7. 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).

8. 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.

9. 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.

10. 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.

11. 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.

12. 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 OPINION OF BOND COUNSEL

AHLERS COONEY
ATTORNEYS

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 Supervisors and acts of administrative officers of Black Hawk County, State of Iowa (the "Issuer"), relating to the issuance of General Obligation Bonds, Series 2019, by said County, dated December 17, 2019, in the denomination of $5,000 or multiples thereof, in the aggregate amount of $_____ (the "Bonds").

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 Bonds (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 Bonds.

2. The Bonds are valid and binding general obligations of the Issuer.

3. 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 Bonds. Taxes have been levied by the Resolution for the payment of the Bonds and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.

4. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

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

The rights of the owners of the Bonds and the enforceability of the Bonds 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,

01649449-1\16740-064

APPENDIX D

DRAFT CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Indian Hills Community College, State of Iowa (the "Issuer"), in connection with the issuance of $_____ Taxable Industrial New Jobs Training Certificates, Series 2019-1 (the "Certificates") dated December 30, 2019. The Certificates are being issued pursuant to a Resolution of the Issuer approved on December 9, 2019 (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 _____, 2019.

"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 two hundred seventy (270) days after the end of the Issuer's fiscal year (presently June 30th), commencing with information for the 2018/2019 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 "The College: Enrollment History"; "Debt Information: General Obligation Debt"; and "Property Assessment and Tax Information: Property Tax Assessment, Property Tax Collection and Property Tax Rates."

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. Additional Filing. The Issuer's audited financial statements for fiscal year ending June 30, 2019 were not available for inclusion in the Final Official Statement. The Issuer agrees to file these audited financial statements in the same manner as the Annual Financial Information when they become available.

Section 7. 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 8. 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 9. 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 10. 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 11. 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 12. 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 13. 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 14. 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: 9th day of December, 2019.

INDIAN HILLS COMMUNITY COLLEGE, STATE OF IOWA

By: _____
President of the Board of Directors

ATTEST:

By: _____
Secretary of the Board of Directors

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE ANNUAL FINANCIAL INFORMATION

Name of Issuer:	Indian Hills Community College, Iowa.
Name of Certificate Issue:	$2,175,000 Taxable Industrial New Jobs Training Certificates, Series 2019-1
Dated Date of Issue:	December 30, 2019

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___.

INDIAN HILLS COMMUNITY COLLEGE, STATE OF IOWA

By: _____
Its: _____

01649478-2\10609-140

OFFICIAL BID FORM

Indian Hills Community College
525 Grandview Avenue
Ottumwa, Iowa 52501

December 9, 2019
Speer Financial, Inc.
Facsimile: (319) 291-8628

Members of the Board of Trustees:

For the $2,175,000* Taxable Industrial New Jobs Training Certificates, Series 2019-1 (the "Certificates"), of the Indian Hills Community College, (Merged Area XV), 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 $2,157,600). 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

$145,000	2020	_____%	$225,000	2023	_____%	$225,000	2027	_____%
235,000	2021	_____%	225,000	2024	_____%	225,000	2028	_____%
225,000	2022	_____%	225,000	2025	_____%	220,000	2029	_____%
			225,000	2026	_____%			

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.

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 apply for CUSIP** numbers and pay the fee charged by the CUSIP Service Bureau and will accept the Certificates with the CUSIP numbers as entered on the Certificates.

As evidence of our good faith, if we are the winning bidder, we will wire transfer the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time to the College's good faith bank and under the terms provided in the Official Terms of Offering for the Certificates. Alternatively, we have wire transferred or enclosed herewith a check payable to the College in the amount of the Deposit under the terms provided in the Official Terms of Offering for the Certificates.

Attached hereto is a list of members of our account on whose behalf this bid is made.

Form of Deposit (Check One)

Prior to Bid Opening:
Certified/Cashier's Check [ ]
Wire Transfer [ ]

Within TWO Hours of Bid Opening:
Wire Transfer [ ]

Amount: $43,500

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 December 9, 2019, and receipt is hereby acknowledged of the good faith Deposit which is being held in accordance with the terms of the annexed Official Terms of Offering.

ATTEST:

INDIAN HILLS COMMUNITY COLLEGE, IOWA
(MERGED AREA XV)

_____
Board Secretary

_____
President, Board of Trustees

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

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

OFFICIAL TERMS OF OFFERING

$2,175,000*
INDIAN HILLS COMMUNITY COLLEGE, IOWA
(Merged Area XV)

Taxable Industrial New Jobs Training Certificates, Series 2019-1

The Indian Hills Community College, (Merged Area XV), Iowa, (the "College"), will receive electronic bids on the SpeerAuction ("SpeerAuction") website address "www.SpeerAuction.com" for its $2,175,000* Taxable Industrial New Jobs Training Certificates, Series 2019-1 (the "Certificates"), on an all or none basis between 10:00 A.M. and 10:30 A.M., C.S.T., Monday, December 9, 2019. 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 Secretary's office, 525 Grandview Avenue, Ottumwa, Iowa, before 10:30 A.M., C.S.T., Monday, December 9, 2019. 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.S.T., Monday, December 9, 2019. 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 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.

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 Certificate 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 Certificate. 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 Certificate Registrar in West Des Moines, Iowa. Semiannual interest is due June 1 and December 1 of each year, commencing June 1, 2020 and is payable by UMB Bank, n.a., West Des Moines, Iowa (the "Certificate Registrar"). The Certificates are dated the date of delivery (expected to be on or about December 30, 2019).

**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 $2,175,000. 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 Certificate 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.

AMOUNTS* AND MATURITIES – JUNE 1

$145,000 2020	$225,000 2023	$225,000 2027
235,000 2021	225,000 2024	225,000 2028
225,000 2022	225,000 2025	220,000 2029
	225,000 2026	

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.

The Certificates due June 1, 2020 - 2025, inclusive, are non-callable. The Certificates due June 1, 2026 - 2029, inclusive, are callable in whole or in part and on any date on or after June 1, 2025, 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 $2,157,600.

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 Certificate 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.

Good Faith Deposit and Other Matters

The winning bidder is required to a wire transfer from a solvent bank or trust company to the College's good faith bank the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time as evidence of the good faith of the bidder. Alternatively, a bidder may submit its Deposit upon or prior to the submission of its bid in the form of a certified or cashier's check on, or a wire transfer from, a solvent bank or trust company for **TWO PERCENT OF PAR** payable to the Treasurer of the College. The College reserves the right to award the Certificates to a winning bidder whose wire transfer is initiated but not received within such two hour time period provided that such winning bidder's federal wire reference number has been received. In the event the Deposit is not received as provided above, the College may award the Certificates to the bidder submitting the next best bid provided such bidder agrees to such award.

If a wire transfer is used for the Deposit, it must be sent according to the following wire instructions:

Amalgamated Bank of Chicago
Corporate Trust
30 North LaSalle Street
38th Floor
Chicago, IL 60602
ABA # 071003405
Credit To: 3281 Speer Bidding Escrow
RE: Indian Hills Community College, (Merged Area XV), Iowa bid for
$2,175,000* Taxable Industrial New Jobs Training Certificates, Series 2019-1

If the wire shall arrive in such account prior to the date and time of the sale of the Certificates. Contemporaneously with such wire transfer, the prospective purchaser shall send an email to biddingescrow@aboc.com with the following information: (1) indication that a wire transfer has been made, (2) the amount of the wire transfer, (3) the issue to which it applies, and (4) the return wire instructions if such prospective purchaser is not awarded the Certificates. The College and any prospective purchaser who chooses to wire the Deposit hereby agree irrevocably that Speer Financial, Inc. ("Speer") shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: (i) if the bid is not accepted, Speer shall, at its expense, promptly return the Deposit amount to the unsuccessful prospective purchaser; (ii) if the bid is accepted, the Deposit shall be forwarded to the College, (iii) Speer shall bear all costs of maintaining the escrow account and returning the funds to the prospective purchaser; (iv) Speer shall not be an insurer of the Deposit amount and shall have no liability except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and (v) income earned on the Deposit, if any, shall be retained by Speer.

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 December 30, 2019. 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.

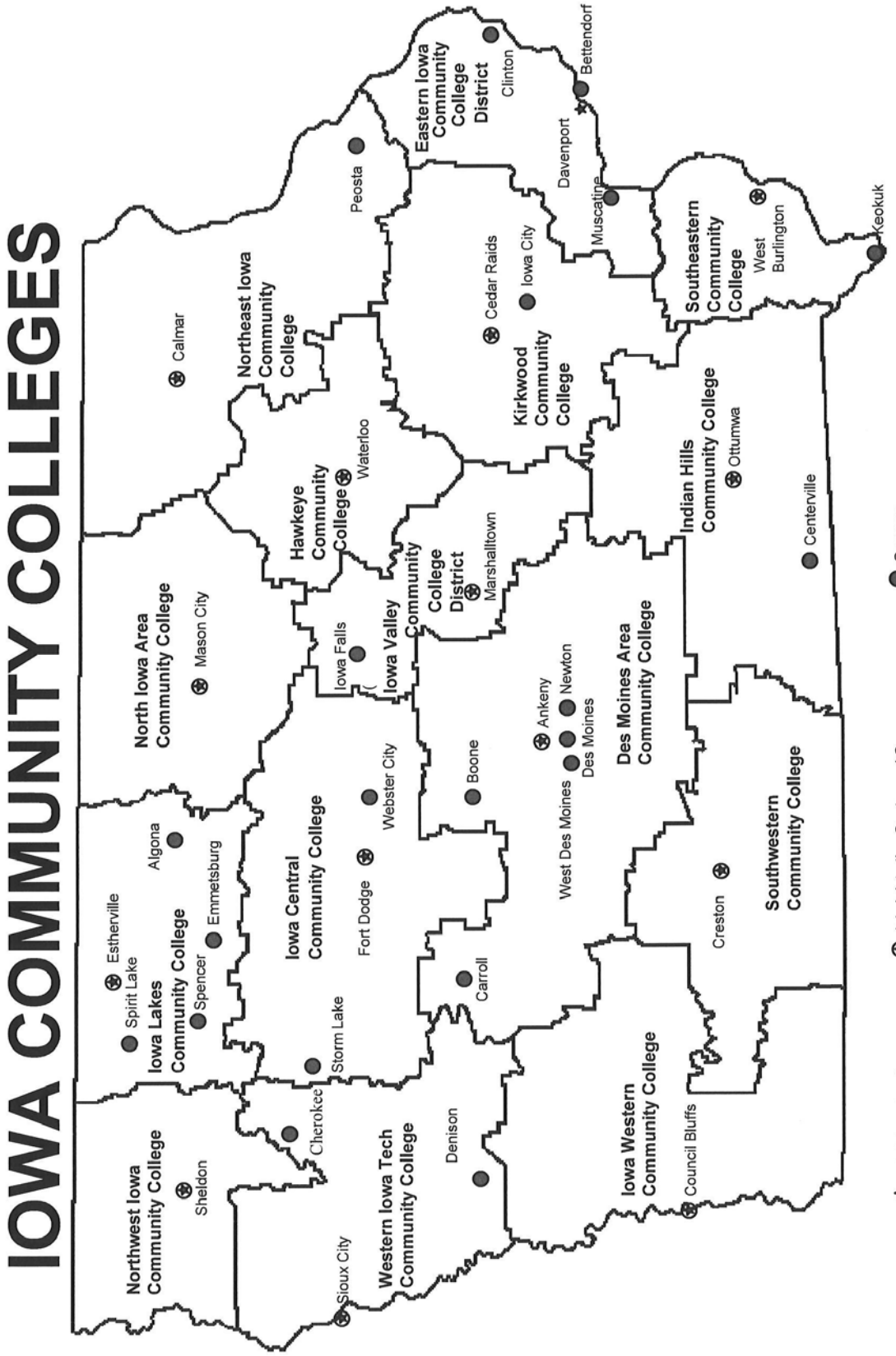
The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Certificates, and any other information required by law or deemed appropriate by the College, shall constitute a "Final Official Statement" of the College 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 Certificate 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.

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 Mr. Michael Lee, Chief Financial Officer, Indian Hills Community College, 525 Grandview Avenue, Ottumwa, Iowa 52501 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 One North LaSalle Street, Suite 4100, Chicago, Illinois 60602 (telephone (312) 346-3700).

/s/ **MICHAEL LEE**
Chief Financial Officer
INDIAN HILLS COMMUNITY COLLEGE
(Merged Area XV)
Ottumwa, Iowa

APPENDIX E

IOWA COMMUNITY COLLEGES